StrongPoint

Q2 and 1st half 2022

Financial report and status

Jacob Tveraabak
CEO of StrongPoint

CEO's perspective

Serving the resilient grocery retail market is a grateful mission in today's turbulent times. In times of uncertainty, few things are as certain as the need for people to purchase their groceries cost effectively and efficiently. That is good news for StrongPoint. In the second quarter of 2022 StrongPoint grew its topline with a strong 28% vs. same quarter last year. Also, in this quarter, the growth would have been even stronger had it not been for the component shortages that continue to affect and postpone deliveries of confirmed customer orders. With the completion of our acquisition of Air Link Group, operating in the UK & Ireland, StrongPoint is set for an even stronger, more profitable growth – both in-store and in e-commerce. StrongPoint's 'double' opportunity' – capitalizing on the opportunity from the increased demand for e-groceries and in-store efficiency – is only increasing. I remain, along with my management team, committed and confident in achieving our 2.5 BNOK 2025 ambitions.

We achieved our strongest second quarter ever in terms of revenue this year. Delivering a turnover of 321 MNOK in Q2 is a great achievement given the continued component shortage affecting multiple industries, realizing a strong 28% growth vs. the same quarter last year. The absence of component shortages could have generated an additional 15 MNOK revenue in the quarter. However, the revenue is being pushed out in time to later quarters. The second quarter is positively impacted by in-store efficiency solutions, with continued large-scale rollouts of Electronic Shelf Labels (ESLs) from Pricer and Cash Management solutions. In addition, one month of revenue from Air Link Group was added to our total Group figures.

Our EBITDA in the second quarter was 10 MNOK (3.1%), down from 12 MNOK (4.8%) same quarter last year. The EBITDA-level is to a large extent explained by our continued investment in e-commerce. Had StrongPoint only focused on its in-store solutions, our bottom line would have been in the order of magnitude 10-11% EBITDA. This illustrates the size of the conscious and deliberate level of investments we are channeling into improving our world-class e-commerce business and it also shows the healthy returns we are achieving in the more mature in-store solutions space.

Whereas the overall grocery e-commerce market has seen a post-Covid dip, the growth is still far higher than had been previously anticipated. Historically grocery e-commerce has been a laggard in e-commerce penetration, but the last two years has proven that it here to stay and will continue to grow. In the second quarter, we achieved 32 MNOK e-commerce sales, or 10% of total revenue. Also, in the quarter we announced several e-commerce contracts, including our first AutoStore contract. The opportunities for StrongPoint to deliver a complete solution for e-commerce fulfilment to its customers, including an automation solution with AutoStore, is of great importance.

At the end of the quarter, we completed the closing of the Air Link Group transaction. The acquisition provides StrongPoint with a unique platform in the UK and Ireland to introduce and deploy its proprietary and selected 3rd party solutions to these two key markets. The inclusion of Air Link Group into the StrongPoint family brings the total number of employees to 513 and we now operate in 8 countries with full sales, service and support organizations. Air Link Group is now operating under the brand ALS StrongPoint to ensure customer recognition of the operations under StrongPoint ownership, and will eventually also become fully part of the StrongPoint family also by name and logo. Steve Smith, one of the Directors from Air Link Group, has been appointed MD and SVP UK & Ireland and is now part of my Executive Management Team.

The turnaround in our Spanish business continues. In this quarter, our Spanish business unit achieved a healthy 13% growth. The underlying performance of the Spanish operations is a lot more healthy than the sheer figures indicate. Additional growth is being held back as a consequence of lack of components. The turnaround is set to continue for the rest of the year, achieving a run rate break-even coming out of 2022.

In today's market, with more uncertainties than normal, I am pleased that StrongPoint operates in the retail technology market with a focus on the resilient grocery retail market. We are demonstrating very solid growth, we have very healthy margins in the mature in-store solutions business we invest deliberately in the next growth trajectory with e-commerce, and not least – we are creating real world impact for retailers and end-consumers with our solutions every single day. I continue to be optimistic about achieving our 2025 strategic ambitions.

Stay safe, strong and passionate!

Highlights 2nd quarter

Strong revenue growth despite continued global component shortages.

Financial figures

- Revenue growth of 28% to 321 MNOK (252), strongest second quarter ever despite continued impact from global component shortages which is particularly affecting Cash Management solutions.
- EBITDA at 10 MNOK (12), reflecting the continued substantial investments in e-commerce solutions.
- Cash flow from operational activities was -37 MNOK in the quarter, affected by increased inventory following high activity, component shortages and inclusion of Air Link Group.

Continued customer success in priority areas

- First AutoStore automated warehouse agreement signed with Norwegian company ColliCare Logistics.
- Existing grocery e-commerce customer Interspar Austria scaled their click and collect offer with an order of additional grocery lockers.
- Italian grocery retailer Coop Alleanza chose StrongPoint's grocery lockers to develop and grow their click and collect e-commerce offer.

Further progress on 2025 strategic ambitions

- Closed the acquisition of UK & Ireland-based Air Link Group Ltd.
- Healthy margins on mature in-store solutions and continue to invest to expand world-class scalable e-commerce business.

Key figures (MNOK)

	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Year 2021
Revenue	320.8	251.5	621.5	500.8	981.3
EBITDA	9.8	12.0	21.3	25.6	53.6
EBITDA margin	3.1%	4.8%	3.4%	5.1%	5.5%
Operating profit (EBIT)	1.4	5.9	6.1	13.3	27.5
Ordinary profit before tax (EBT)	7.3	6.9	10.8	15.5	25.9
Cash flow from operational activities	-37.3	16.3	-25.5	42.1	225.5
Cash flow from operational activities ex discontinued operations	-37.3	14.4	-25.5	38.0	55.7
Disposable funds	131.2	123.6	131.2	123.6	274.2
Earnings per share from continued operations (NOK)	0.12	0.11	0.19	0.30	0.51
Earnings per share from continued operations, adjusted	0.18	0.15	0.29	0.38	0.67
Earnings per share included discontinued operations (NOK)	0.12	0.14	0.19	0.37	4.32

StrongPoint Group

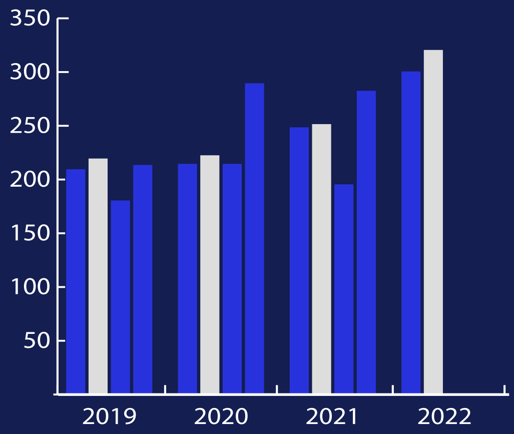
StrongPoint is a retail technology company that provides solutions to make shops smarter, shopping experiences better and online grocery shopping more efficient.

Revenue	Q2		YTD		Year
MNOK	**2022**	**2021**	**2022**	**2021**	**2021**
Nordics	192.5	179.4	407.1	351.9	695.5
Rest of Europe incl. R&D	128.3	75.1	214.5	155.1	293.1
ASA/Elim	-	-3.0	-	-6.2	-7.2
Total	320.8	251.5	621.5	500.8	981.3

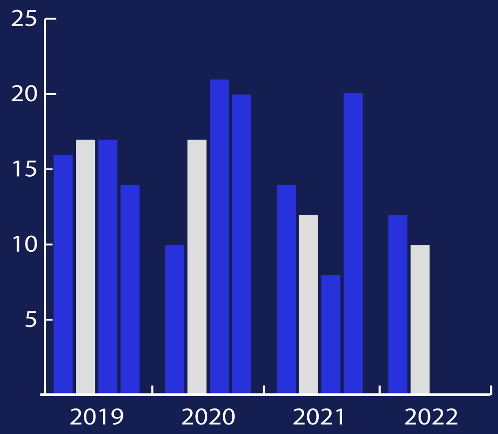
EBITDA	Q2		YTD		Year
MNOK	**2022**	**2021**	**2022**	**2021**	**2021**
Nordics	20.1	22.1	37.7	40.2	77.0
Rest of Europe incl. R&D	2.2	-0.9	7.2	4.8	14.6
ASA/Elim	-12.5	-9.1	-23.6	-19.3	-38.0
Total	9.8	12.0	21.3	25.6	53.6
Number of employees	513	390	513	390	400

StrongPoint Group

Operating revenue per quarter (MNOK)



EBITDA per quarter (MNOK)



Strong revenue growth despite continued global component shortages

The total revenue increased by 27.6% compared with same quarter last year, and delivered the best quarter ever for the continued operations (Retail Technology). The figures include one month of 30 MNOK revenue from Air Link Group Ltd. The Nordics grew by 7.3%, mainly from increased revenue in In-store Productivity, while Rest of Europe achieved a 70.7% growth in revenue compared to same quarter last year.

The revenue for first half grew by 24.1% all markets combined, representing a good progress towards the 2025 ambition as planned.

The EBITDA declined with 2.2 MNOK, and the EBITDA margin declined to 3.1% (4.8%). EBITDA declined predominantly because of lower gross margin in in-store solutions sales and larger e-commerce investments. Although the EBITDA was improved due to the ALS acquisition and the absence of write-downs in Spain last year, these factors were not enough to withstand a slight EBITDA decline. The e-commerce segment is still being heavily invested in. Despite various development in different business units in the quarter-by-quarter comparison, the mature in-store-related business (ex e-commerce) continues to provide a stable and healthy profitability level.

Grocery e-commerce continues to grow, and StrongPoint continues to invest in that area to capture demand today and in the future. Although grocery e-commerce has seen a dip in some markets, overall growth is up higher than pre-pandemic forecasts and the mega-trend of e-grocery growth is expected to continue over the quarters. Additional acquisition cost has been accrued in the quarter.

The number of employees increased by 123 compared to Q2 last year, 87 of which come from Air Link Group.

Continued customer success in priority areas

After a competitive tender process, StrongPoint entered into an agreement with ColliCare Logistics to deliver an AutoStore solution to automate their warehouse in Vestby outside Oslo. The project will be managed by StrongPoint with support from its strategic partner Hörmann Logistik. This is the first AutoStore contract for StrongPoint, and will be installed during Q1 2023.

StrongPoint received an order for 10 temperature-controlled grocery lockers from the Italian grocery retailer Coop Alleanza. This is the first purchase of grocery lockers from Coop Alleanza and was sold via our Italian partner. The lockers will be installed in 2022.

Interspar Austria has been a long-standing StrongPoint customer and has been using StrongPoint grocery lockers for several years. This year StrongPoint became a preferred supplier for Interspar Austria and SPAR International for grocery e-commerce technologies and in-store cash management solutions. In Q2 InterSpar Austria scaled their Click & Collect operation by 10 new grocery lockers, with one mobile locker. The lockers will be installed during 2022 and 2023.

Further progress on 2025 strategic ambitions

The acquisition of Air Link Group Ltd with subsidiaries in UK and Ireland, was closed on June 1st. The operating unit will be included in the financial figures from June 2022 and onwards. The purchase price of 9.44 MGBP was paid with 80% cash and 20% shares in StrongPoint. A total of 1million shares were delivered by 50% shares held in treasury and 50% new issued shared. The acquisition will give StrongPoint instant and significant presence in the respective countries. See more information on the financial aspect of the transaction in the note 5.

Overall StrongPoint is on track to deliver on its long-term ambitions. The in-store solutions enjoy healthy margins whilst StrongPoint continues to invest and expand the world-class and scalable e-commerce business.

Although some markets have seen a dip in demand for grocery e-commerce the post-Covid penetration is far higher than predicted pre-pandemic. Counter-intuitively the recent economic trends of increased inflation, wage costs and food-prices increase StrongPoint's value proposition and 'double opportunity'. StrongPoint's solutions are designed to increase efficiency savings of in-store and online operations which is what grocery retailers around the world are focused on.

2025 Strategic ambition

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

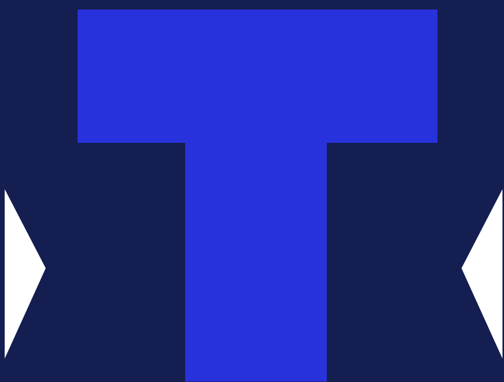
StrongPoint's world class retail technology solutions for increasing in-store efficiency and e-commerce technology for online order picking and last mile solutions have a double opportunity to meet two key global trends affecting grocery retailers. Firstly, the pressure on brick and mortar retailers'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

Across StrongPoint's solutions, we are expecting healthy growth towards 2025. However, E-commerce Logistics is expected to deliver the majority of the growth going forward to reach NOK 2.5 billion in 2025. With the more mature In-Store Solutions yielding EBITDA-returns in the order of magnitude 10-11% today, the overall margin improvement to reach 13-15% is principally due to sound margins in the E-commerce Logistics area where significant scale effects are achievable.

Our T-shaped strategy to create a BNOK 2.5 Retail Technology company

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



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

- Norway
- Sweden
- Baltics
- Spain
- UK & Ireland

StrongPoint's financial ambitions

BNOK 2.5 in 2025

EBITDA 13-15%

New market dynamics further increases StrongPoint's double opportunity

Overall e-commerce growth higher than pre-Covid estimations. Some markets have seen a dip following the Covid-peak but penetration is overall far higher overall than most pre-Covid estimates. Recent economic trends of inflation, wage costs and food-price only increase StrongPoint's 'double opportunity' by increasing need for grocery retailers to drive efficiency savings in their in-store and online operations.

> *The industry is now on the edge of the next transformation in e-commerce: grocery executives expect e-commerce penetration to more than double for their own organizations in the next three to five years.*
>
> Source: McKinsey & Company, The next horizon for grocery e-commerce: Beyond the pandemic bump, April 2022
> www.mckinsey.com/industries/retail/our-insights/the-next-horizon-for-grocery-ecommerce-beyond-the-pandemic-bump

The StrongPoint double opportunity

StrongPoint Solutions

In-store

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

Payment Solutions
CashGuard Cash Management *

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

Retail Management
POS Systems
Commerce Management System

Shop Fitting

Online

Grocery Picking
Order Picking solution *
AutoStore Micro-Fulfillment centers

Last mile
Click & Collect Lockers *
Drive-thru *
Pick-up in-store *
Home delivery with route optimization

* Proprietary technologies

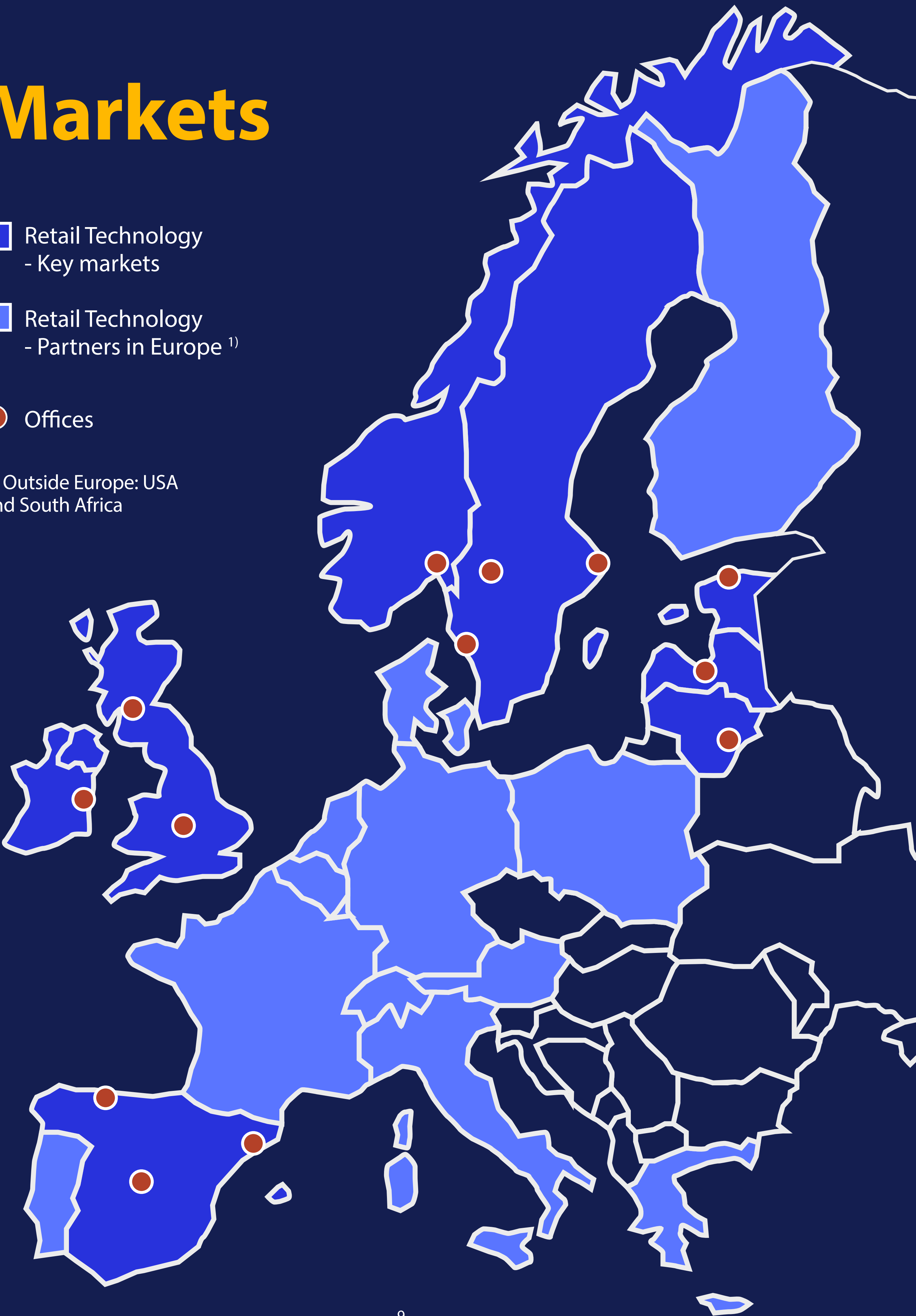
Markets

Retail Technology
- Key markets

Retail Technology
- Partners in Europe [1)]

Offices

1) Outside Europe: USA
and South Africa



Nordics

The business segment Nordics currently consist of the operating business units in Norway and Sweden. The revenue includes deliveries to other parts of the Nordics like Denmark and Iceland.

	Q2		YTD		Year
MNOK	2022	2021	2022	2021	2021
- Norway	103.5	96.3	231.3	174.6	361.6
- Sweden	89.0	83.2	175.7	177.3	333.9
Total Revenue	192.5	179.4	407.1	351.9	695.5
EBITDA	20.1	22.1	37.7	40.2	77.0
- In %	10.4 %	12.3 %	9.3 %	11.4 %	11.1 %
EBT	19.1	20.2	34.0	35.5	66.0
- In %	9.9 %	11.2 %	8.4 %	10.1 %	9.5 %

The revenue in the Nordics increased by 7.2% compared to the same quarter last year. For the first half, the business segment grew by 15.7%. The main contributors to the high sales activities are Pricer electronic shelf labels (ESL) and Cash Management. The EBITDA declined by 2 MNOK to 20.1 MNOK in the quarter. The decline in both Q2 and year to date reflects the high inflation impacting cost and product mix changes.

Norway

	Q2		YTD		Year
MNOK	2022	2021	2022	2021	2021
Product Sales	73.9	68.3	171.4	120.0	247.5
Service	29.6	27.9	60.0	54.6	114.1
Revenue	103.5	96.3	231.3	174.6	361.6

The revenue in Norway increased by 7.4% compared to the same quarter last year. Installation of Pricer ESL to large retail chains and CashGuard rollout to NorgesGruppen were the main contributors to the growth. Approximately 80% of the announced ESL contracts for NorgesGruppen and COOP have now been installed. The global constraints on components affected the sale of Cash Management solutions in Q2 by approx. 5.5 MNOK. The business expects additional delay in the installation of CashGuards as the shortage of component situation continues. Year to date, the growth is 32.5% driven by increased product sales.

Sweden

	Q2		YTD		Year
MNOK	2022	2021	2022	2021	2021
Product Sales	55.0	47.4	108.4	106.1	195.1
Service	34.0	35.8	67.3	71.2	138.9
Revenue	89.0	83.2	175.7	177.3	333.9

The revenue in Sweden increased by 7.0% compared to the same period last year. Sales and installation of Pricer ESL grew by almost 70% in the quarter. The e-commerce sale declined by 67% in the quarter compared to last year, driven by very high installations of Click & Collect lockers in Q2 last year. Sweden has the highest installation base of StrongPoint Click & Collect lockers and more than 50% of e-commerce orders are picked up at store. Year to date the revenue declined by 1%.

Rest of Europe incl. R&D

The business segment Rest of Europe consists of the operating business units in the Baltics and Spain, in addition to partner sales in the rest of Europe and rest of world. The ongoing R&D activities for own products have been allocated to this area.

	Q2		YTD		Year
MNOK	2022	2021	2022	2021	2021
- Baltic	47.9	32.5	92.2	90.1	190.1
- Spain	18.0	15.9	40.7	30.8	67.5
- UK & Ireland	30.3	-	30.3	-	-
- Rest of Europe	32.1	26.7	51.3	34.2	35.4
Total Revenue	128.3	75.1	214.5	155.1	293.1
EBITDA	2.2	-0.9	7.2	4.8	14.6
- In %	1.7 %	-1.2 %	3.4 %	3.1 %	5.0 %
EBT	-4.8	-5.0	-3.2	-3.1	-1.9
- In %	-3.7 %	-6.7 %	-1.5 %	-2.0 %	-0.7 %

The business segment Rest of Europe increased the revenue by 70.7% compared to same quarter last year. The growth was 30.5% excluding the new UK operation from Air Link Group. First half '22 shows a growth of 38.3%, 18.8% excluding Air Link Group. All segments delivered growth compared to last year.

The EBITDA ended on 2.2 MNOK, up from negative 0.9 MNOK last year. Spain had an extraordinary write-down of 14 MNOK in Q2 2021. Inflation has hit in various markets but the main explanation was higher investments in e-commerce R&D and sales and marketing which affects the EBITDA negatively. EBITDA for first half increased by 2.4 MNOK.

Baltics

	Q2		YTD		Year
MNOK	2022	2021	2022	2021	2021
Product Sales	25.5	16.2	46.0	59.5	109.5
Service	22.4	16.3	46.2	30.6	80.7
Revenue	47.9	32.5	92.2	90.1	190.1

Our business in the Baltics increased by 47.5% in the quarter compared to the same quarter last year. The service revenue grew by 38.0% as there have been several software developments projects this quarter especially within POS and ERP software. The business delivered an SCO and integration project to Heineman, POS & Loyalty program for Rimi and POS hardware change for a new fiscal project in Lithuania. This quarter the Self-Checkout revenue increased, with installations both to IKI and Rimi in Lithuania. Year to date our Baltic business grew by 2.4%.

Spain

	Q2		YTD		Year
MNOK	2022	2021	2022	2021	2021
Product Sales	14.7	12.8	32.9	23.9	53.7
Service	3.4	3.1	7.8	7.0	13.8
Revenue	18.0	15.9	40.7	30.8	67.5

The Spanish revenue grew by 13.1% compared with the same quarter last year. The revenue stems mainly from cash management but also the e-commerce business showed increased volume during the quarter. The revenue was negatively affected by the shortage of components (combo cards). More than 20% of the cash management installations done in Q2 2022 were rental contracts securing recurring revenue going forward.

There are recruitment, sales and marketing activities ongoing to futher improve StrongPoint's market position in Iberia. The investments are part of the turnaround process in the business unit and is maintained despite the delayed cash management deliveries due to component shortages.

The q-commerce picking agreement with Glovo continues at Carrefour Spain and multiple other grocery retailers. However, following the acquisition of Glovo by Delivery Hero, there are some uncertainties regarding the future onboarding of new grocery retailers. What is clear, though, is that StrongPoint will continue to deliver and scale its picking solution to existing Glovo customers such as Carrefour and other grocery retailers already part of the pilot projects. Year to date the Spanish operation grew by 32.0%.

UK & Ireland

	Q2	YTD
MNOK	2022	2022
Product Sales	-	-
Service	30.3	30.3
Revenue	30.3	30.3

The revenue stems in full from the newly acquired company Air Link Group Ltd, for the month of June. The UK & Ireland markets are new to StrongPoint, and increased sales resources have been recruited to sell StrongPoint solutions – especially for e-commerce and checkout efficiency solutions.

Partners

	Q2		YTD		Year
MNOK	2022	2021	2022	2021	2021
Product Sales	31.7	30.2	50.4	37.7	32.5
Service	0.4	-3.5	0.9	-3.5	3.0
Revenue	32.1	26.7	51.3	34.2	35.4

Bullion IT ordered 250 CashGuard units in September last year to be delivered during first half of 2022, but due to the ongoing shortage of components there is still a relatively large backlog to Bullion IT to be delivered in later quarters. Despite this, the growth in Q2 was 20%, and year to date partners in total grew by 50%. The StrongPoint Supply chain organization pre-produces as many machines as possible and searches the market for components to reduce the delay to an absolute minimum.

Other partners in Ireland, France and Polen contributed to the growth with sale of cash management and self-checkout solutions.

Product segments

In-store Productivity

	Q2		YTD		Year
MNOK	2022	2021	2022	2021	2021
Product Sales	83.2	73.9	189.0	141.7	283.9
Service	21.9	19.6	44.3	38.5	82.0
Revenue	105.1	93.4	233.4	180.3	365.9

In-Store Productivity segment had an increased revenue of 12.5% compared to last year. A substantial part of the growth in Q2 2022 came from the installation of Pricer Electronic Shelf Labels in the Nordics. The announced large orders in Norway have reached an installation rate of approx. 80%, up 10 % since Q1. This implies that a large part of the revenue came from sales to the individual stores outside the large announced orders. Year to date this segment grew by 29.5%.

Payment Solutions

	Q2		YTD		Year
MNOK	2022	2021	2022	2021	2021
Product Sales	39.3	25.4	90.4	46.5	102.3
Service	30.6	30.2	60.8	59.1	122.2
Revenue	69.9	55.6	151.3	105.6	224.5

Despite the ongoing challenges in the global supply of combo cards, the Payment Solutions segment grew by 25.8% in the period. StrongPoint used the financial capacity to pre-produce the Cash Management systems as far as possible to reduce time to delivery when the suppliers manage to purchase the components with limited availability. The Norwegian installations more than doubled compared to the same period last year while the partner revenue increased by approx. 60%. The Spanish operations came in on the same level as last year on cash management. The component situation affected the revenue by around 15 MNOK on orders not yet delivered. The quarter-to-quarter delay will maintain as long as the component situation exists in the market. Year to date the segment grew by 43.3%.

Check Out Efficiency

	Q2		YTD		Year
MNOK	2022	2021	2022	2021	2021
Product Sales	35.8	31.8	59.9	77.0	116.1
Service	9.2	8.4	18.1	15.6	34.2
Revenue	45.0	40.1	78.0	92.6	150.3

Check Out Efficiency increased by 12.1% compared to the same quarter last year, with installation of Self-Checkouts for Rimi and IKI as the main contributors for the growth. The increased service revenue reflects that the number of active units have increased. Year to date the product segment declined by 15.7% as last year was affected by a larger installation project for IKI.

Shop Fitting

	Q2	YTD
MNOK	2022	2022
Product Sales	-	-
Service	30.3	30.3
Revenue	30.3	30.3

The Shop Fitting product segment stems from the newly acquired company Air Link Group Ltd. Data to split the revenue within different StrongPoint Product Segments is currently not available, and hence the revenue has been reported as a separate segment. The "Shop within shop" concession to maximize the sales floor space and externally utilization of the store outdoor space (Click & Collect) has been contributors to the revenue in the period, in addition to re-modifying the store layout.

Other retail technology

	Q2		YTD		Year
MNOK	2022	2021	2022	2021	2021
Product Sales	17.9	16.9	37.2	33.0	63.7
Service	20.5	12.2	39.7	24.9	68.9
Revenue	38.4	29.0	76.9	57.9	132.6

Other retail technology, mainly software projects in the Baltics, increased by 32.4% in the period. The revenue consists of both software, services, and hardware deliveries, both from recurring operation and development projects, for the large grocery retailers in the Baltics.

E-commerce logistics

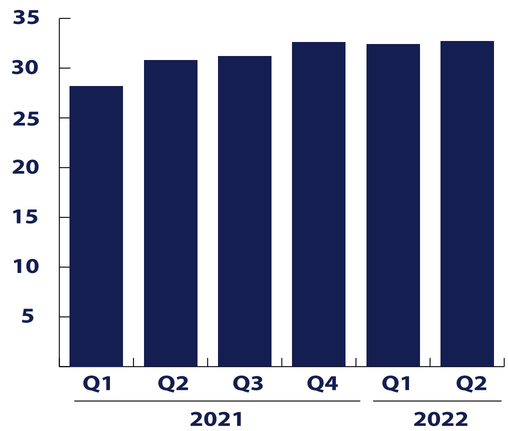
	Q2		YTD		Year
MNOK	2022	2021	2022	2021	2021
Product Sales	21.0	22.3	29.9	42.8	64.9
Service	11.2	11.1	21.8	21.7	43.2
Revenue	32.2	33.4	51.7	64.5	108.1

The e-commerce logistics segment declined by 3.6% compared to the same quarter last year. The lack of growth reflects the general market's cooldown of the last years' e-commerce development. Rolling 12 months recuring revenue was slightly up vs. same quarter last year. Break-through agreements in the quarter, not reflected in sales figures yet, include StrongPoint's first AutoStore win. StrongPoint will be automating one of ColliCare's warehouses with AutoStore technology as well as our own, proprietary e-commerce logistics solutions. Furthermore, both Coop Alleanza (in Italy) and Interspar Austria signed agreements to further bolster their e-commerce customer offering by purchasing StrongPoint's Click & Collect grocery lockers.
Over the quarters, StrongPoint expects the e-commerce business segment to increase significantly in both absolute terms and as a share of overall StrongPoint business.

Technology and R&D update

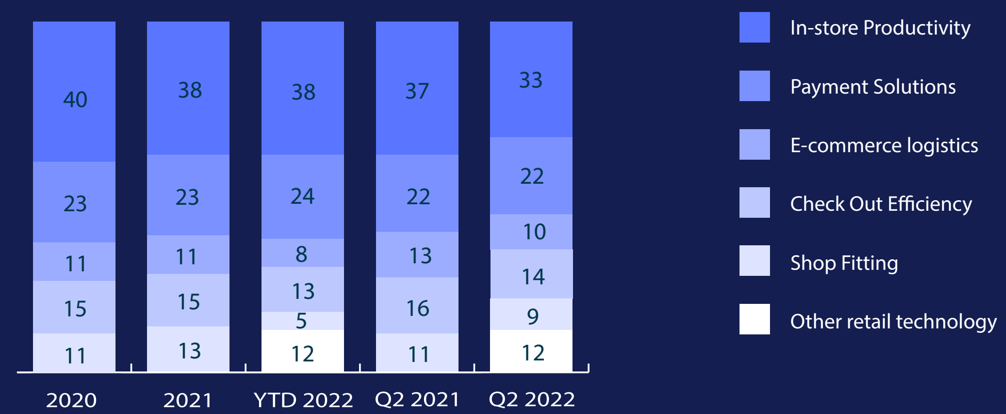
The development of the G3 platform continues according to plan. Customers on G1 and G2 versions are expected to be transferred to G3 platform within end of 2023.

Rolling 12 months recuring revenue (MNOK)



StrongPoint Group

Relative share of revenue per segment (%)



Update on ALS Acquisiton

StrongPoint finalized its acquisition of Air Link Group Ltd on 1 June. Air Link Group Ltd has close relationships with many retailers and individual store managers through their work in service and installation. The company had planned to start to up-sell technologies and solutions, not the installation and servicing but part of the StrongPoint family, it can now turbo-charge its sales efforts by providing a complete one-stop-shop for technologies, solutions, installation, service and support in the UK and Ireland. For StrongPoint it ensures a presence in two key expansion markets which was outlined as a key priority in its 2025 strategy.

> *As part of our 2025 strategy, acquisition was outlined as a core step in achieving our financial ambitions. With the purchase of Air Link we are achieving instant and significant presence in the countries at the top of our list for geographical expansion. Air Link has built an impressive reputation in the market and will enable us to build on their relations with grocery retailers in the UK and Ireland with our word-class grocery technology solutions.*
>
> Jacob Tveraabak, CEO of StrongPoint

What is Air Link Group?

Air Link is a retail solutions company that works mainly in the UK and Ireland and is focused on serving the grocery retail industry. The company was founded in 1997 and was – until the acquisition – a family-owned business. Although it is legally called Air Link Group it is more commonly known under the brand name of 'ALS' and will now be temporarily known as ALS StrongPoint.

Steve Smith
MD and SVP UK & Ireland

What does Air Link Group do?

Air Link Group provides construction and installation services as well as grocery lockers, self-checkouts, vending systems and queue management solutions to grocery retailers. We have a strong reputation in our key markets and are proud to count some of the UK's largest and best-known grocery retailers including Tesco, Sainsbury's and Asda as customers.

Cash flow and equity

Cash flow from operational activities in the second quarter was -37.3 MNOK (16.3). The main contribution to the increased working capital was higher receivables reflecting sales to large retail chains, and increased inventory to limit time to market for Click & Collect lockers and Cash Management. The negative cash flow develompment is seasonally varied exept the inclution of 4.2 MNOK in working capital from the acquisition of Air Link Group.

Disposable funds were 131.2 MNOK (123.6) per June 30, 2022, of which 100 MNOK was available credit facility. The net interest-bearing debt increased by 166.0 MNOK compared to last quarter and ended at 24.6 MNOK, as a consequense of the acquisition of ALS and payment of dividend.

The Group's holding of own shares at the end of the second quarter amounted to 124,896, which represents 0.3 per cent of the outstanding shares.

The Group has shareholder programs for the Board of Directors, the Group executive management and the employees. 70,268 shares have been assigned so far in 2022 (166,157 in the year 2021).

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

Accounting year	General meeting		Dividend per share
2021	28.04.2022		0.80
2020	28.04.2021		0.70
2019	22.10.2020		0.60
2018	26.04.2019		0.55
2017	24.04.2018		0.50
2016	20.04.2017		0.50
2016	05.01.2017	Extraordinary	1.00
2015	28.04.2016		0.45
2014	30.04.2015		0.35
2013	25.04.2014		0.30
2012	26.04.2013		0.25
2011	08.05.2012		0.25

Statement from the Board

The Board and group CEO have today considered and approved StrongPoint's financial statements for the second quarter and first half 2022, including comparative consolidated figures for the second quarter and first half 2021. This report has been prepared in accordance with IAS 34 on interim financial reporting as determined by the European Union, and with supplementary requirements pursuant to the Norwegian Securities Trading Act. The Board and CEO hereby declare, to the best of their knowledge, that the financial statements for the second quarter and first half 2022 have been prepared in accordance with prevailing accounting principles and that the information in the financial statements gives a true and fair view of the assets, liabilities, financial position and profit of the group taken as a whole at 30 June 2022 and 30 June 2021. To the best of their knowledge, the report gives a true and fair overview of important events during the accounting period and the impact of these events on the financial statements.

The Board of Directors of StrongPoint ASA

Rælingen 12 July 2022

Morthen Johannessen Chairman	**Ingeborg Molden Hegstad** Director	**Cathrine Laksfoss** Director
Klaus de Vibe Director	**Peter Wirén** Director	**Jacob Tveraabak** CEO

Consolidated income statement

KNOK	Q2 2022	Q2 2021	Chg. %	YTD 2022	YTD 2021	Chg. %	Year 2021
Revenue	320 849	251 539	27.6 %	621 528	500 794	24.1 %	981 339
Cost of goods sold	196 231	149 392	31.4 %	380 918	294 367	29.4 %	560 104
Payroll	75 255	65 027	15.7 %	143 383	130 756	9.7 %	255 147
Share based compensation	667	1 776	-62.5 %	2 105	3 082	-31.7 %	6 178
Other operating expenses	38 884	23 341	66.6 %	73 803	46 980	57.1 %	106 285
Total operating expenses	311 036	239 536	29.8 %	600 211	475 185	26.3 %	927 714
EBITDA	9 813	12 003	-18.2 %	21 318	25 609	-16.8 %	53 625
Depreciation tangible assets	5 818	4 276	36.1 %	10 818	8 517	27.0 %	18 718
Depreciation intangible assets	2 608	1 872	39.3 %	4 359	3 778	15.4 %	7 403
EBIT	1 387	5 856	-76.3 %	6 141	13 314	-53.9 %	27 504
Interest expenses	266	403	-34.0 %	346	916	-62.2 %	1 596
Other financial expenses/currency differences	-6 122	-1 388	-341.0 %	-4 888	-2 941	-66.2 %	184
Profit from AC. Service companies	62	45	35.7 %	135	123	9.7 %	175
EBT	7 305	6 887	6.1 %	10 818	15 462	-30.0 %	25 899
Taxes	2 031	1 991	2.0 %	2 374	2 273	4.4 %	3 542
Profit from continued operations	5 274	4 895	7.7 %	8 445	13 189	-36.0 %	22 357
Profit after tax from discontinued operations	-	1 517		-	3 305		168 418
Profit/loss after tax	5 274	6 413	-17.8 %	8 445	16 494	-48.8 %	190 775
Earnings per share							
Number of shares outstanding	44 888 352	44 376 040		44 888 352	44 376 040		44 376 040
Av. number of shares - own shares	44 080 320	44 270 702		43 902 844	44 288 810		44 190 919
Av. number of shares diluted- own shares	47 080 320	46 495 702		46 902 844	46 513 810		46 265 919
EPS from continued operations	0.12	0.11		0.19	0.30		0.51
EPS included discontinued operations	0.12	0.14		0.19	0.37		4.32
Diluted EPS from continued operations	0.11	0.11		0.18	0.28		0.48
Diluted EPS incl. discontinued operations	0.11	0.14		0.18	0.35		4.12
EBITDA per share from continued operations	0.22	0.27		0.49	0.58		1.21
EBITDA per share incl. discontinued operations	0.22	0.43		0.49	0.87		1.56
Diluted EBITDA per share from continued operations	0.21	0.26		0.45	0.55		1.16
Diluted EBITDA per share incl. discontinued operations	0.22	0.43		0.45	0.83		1.49
Total earnings							
Profit/loss after tax	5 274	6 413	-17.8 %	8 445	16 494	-48.8 %	190 775
Exchange differences on foreign operations	9 773	9 422	3.7 %	655	-13 259	104.9 %	-19 400
Total earnings	15 047	15 835	-5.0 %	9 100	3 235	181.3 %	171 375

Consolidated balance sheet

KNOK	30.06.2022	30.06.2021	31.03.2022	31.12.2021
ASSETS				
Intangible assets	92 602	35 664	27 542	30 371
Goodwill	159 565	128 444	120 347	124 641
Tangible assets	25 403	24 688	19 786	19 031
Right-of-use assets	40 030	28 196	38 216	43 241
Long term investments	5 304	4 794	4 916	4 775
Other long term receivables	1 274	15 307	856	15 622
Deferred tax	17 752	6 222	16 844	17 240
Non-current assets	341 930	243 316	228 508	254 921
Inventories	214 253	160 583	177 159	211 256
Accounts receivables	271 730	184 907	213 025	175 627
Prepaid expenses	25 026	22 948	24 472	16 646
Other receivables	9 895	18 187	6 511	13 885
Bank deposits	50 470	23 589	195 282	174 198
Current assets	571 373	410 213	616 449	591 612
Assets discontinued operations	-	96 044	-	-
TOTAL ASSETS	913 304	749 573	844 957	846 533
EQUITY AND LIABILITIES				
Share capital	27 831	27 513	27 513	27 513
Holding of own shares	-77	-52	-395	-364
Other equity	469 141	308 731	465 082	471 041
Total equity	496 895	336 192	492 200	498 190
Long term interest bearing liabilities	11 640	11 445	10 923	11 236
Long term lease liabilities	25 483	16 555	29 736	25 972
Deferred tax liabilities	26 600	10 312	8 786	8 720
Total long term liabilities	63 723	38 313	49 445	45 928
Short term interest bearing liabilities	23 354	31 980	4 630	4 768
Short term lease liabilities	14 547	12 954	8 530	16 086
Accounts payable	130 522	101 347	102 564	101 969
Taxes payable	5 933	14 854	7 069	11 717
Other short term liabilities	178 329	173 797	180 518	167 874
Total short term liabilities	352 686	334 932	303 312	302 415
Liabilities discontinued operations	-	40 136	-	-
TOTAL EQUITY AND LIABILITIES	913 304	749 573	844 957	846 533

Overview of changes in the equity

KNOK	Share capital	Treasury shares	Other paid-in equity	Translation variances	Share Option Program	Other equity	Total equity
Equity 31.12.2020	27 513	-52	351 262	66 252	440	-79 355	366 059
Purchase/sale of own shares		-313				-13 322	-13 635
Dividend 2020						-31 050	-31 050
Share Option Program					5 441		5 441
Profit this year after tax						190 775	190 775
Other comprehensive income and expenses				-19 400			-19 400
Reclassification discontinued operations				-11 028		11 028	-
Equity 31.12.2021	27 513	-364	351 262	35 824	5 881	78 076	498 190
Purchase/sale of own shares						-901	-901
Dividend 2021						-34 991	-34 991
Share Option Program					2 878		2 878
Acquisition of ALS paid in shares	318	310				22 202	22 830
Profit this year after tax						8 445	8 445
Other comprehensive income and expenses				444			444
Equity 30.06.2022	27 831	-54	351 262	36 268	8 760	72 830	496 895

Statement of cash flow

KNOK	Q2 2022	Q2 2021	YTD 2022	YTD 2021	Year 2021
Ordinary profit before tax continued operations	7 305	6 887	10 818	15 462	25 899
Ordinary profit before tax discontinued operations	-	1 906	-	4 152	169 755
Net interest	266	573	346	1 235	1 935
Tax paid	-4 726	-619	-9 115	-1 708	-17 856
Share of profit, associated companies	-62	-45	-135	-123	-175
Ordinary depreciation	8 426	9 474	15 177	19 125	33 431
Profit / loss on sale of fixed assets	-9	-50	-9	-793	-793
Change in inventories	-12 118	-30 895	17 274	-32 355	-74 046
Change in receivables	-5 281	-11 877	-46 131	2 187	34 601
Change in accounts payable	-10 764	43 112	-7 803	26 188	22 673
Change in other accrued items	-20 354	-2 138	-5 887	8 732	30 057
Cash flow from operational activities	-37 317	16 327	-25 466	42 102	225 483
Payments for fixed assets	-4 748	-5 202	-6 692	-7 669	-8 794
Investments in other companies	67	-71	-	-4 071	-3 001
Payment from sale of fixed assets	-	22	-	762	738
Net effect acquisitions	-85 284	-	-85 284	-4 200	-4 200
Net effect divestment	-	-	19 641	-	199 888
Dividends received from associated companies	-	100	-	100	100
Interest income	218	13	542	49	300
Cash flow from investment activities	-89 747	-5 137	-71 793	-15 030	185 033
Purchase/sale of own shares	285	-6 035	-901	-4 171	-13 635
Change in long-term debt	-5 717	-3 102	-9 702	-37 014	-55 598
Change in overdraft	21 469	3 467	19 080	-4 522	-208 080
Interest expenses	-484	-585	-888	-1 284	-2 235
Dividend paid	-34 991	-31 050	-34 991	-31 050	-31 050
Cash flow from financing activities	-19 438	-37 305	-27 403	-78 040	-310 598
Net change in liquid assets	-146 502	-26 115	-124 662	-50 968	99 917
Cash and cash equivalents at the start of the period	195 281	49 431	174 198	75 007	75 007
Effect of foreign exchange rate fluctuations on foreign currency deposits	1 690	271	934	-451	-727
Cash and cash equivalents at the end of the period	50 470	23 589	50 470	23 589	174 198
Cash and cash equivalents at the end of the period discontinued operations	-		-		-
Cash and cash equivalents at the end of the period continued operations	50 470	23 589	50 470	23 589	174 198

Key figures

KNOK	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	YTD 2022	YTD 2021
Income statement							
Operating revenue continued operations	320 849	300 679	284 181	196 363	251 539	621 528	500 794
EBITDA continued operations	9 813	11 505	20 062	7 953	12 003	21 318	25 609
EBITA continued operations	3 995	6 505	14 499	3 316	7 728	10 500	17 092
Operating profit EBIT continued operations	1 387	4 754	12 782	1 409	5 856	6 141	13 314
Ordinary profit before tax (EBT) continued operations	7 305	3 514	10 889	-452	6 887	10 818	15 462
Profit/loss after tax continued operations	5 274	3 171	9 513	-345	4 895	8 445	13 189
EBITDA-margin	3.1 %	3.8 %	7.1 %	4.1 %	4.8 %	3.4 %	5.1 %
EBT-margin	2.3 %	1.2 %	3.8 %	-0.2 %	2.7 %	1.7 %	3.1 %
Balance sheet							
Non-current assets	341 930	228 508	254 921	240 026	243 316	341 930	243 316
Current assets	571 373	616 449	591 612	583 570	506 258	571 373	506 258
Total assets	913 304	844 957	846 533	823 596	749 573	913 304	749 573
Total equity	496 895	492 200	498 190	503 772	336 192	496 895	336 192
Total long term liabilities	63 723	49 445	45 928	42 804	38 313	63 723	38 313
Total short term liabilities	352 686	303 312	302 415	277 020	375 068	352 686	375 068
Working capital	355 461	287 620	284 913	261 191	244 143	355 461	244 143
Equity ratio	54.4 %	58.3 %	58.9 %	61.2 %	44.9 %	54.4 %	44.9 %
Liquidity ratio	162.0 %	203.2 %	195.6 %	210.7 %	135.0 %	162.0 %	135.0 %
Net interest bearing debt	24 555	-141 462	-116 136	-136 145	49 346	24 555	49 346
Net leverage multiples	0.50	-2.75	-2.17	-2.55	0.74	0.50	0.74
Cash Flow							
Cash flow from operational activities	-37 317	11 851	6 975	180 605	16 327	-25 466	42 102
Net change in liquid assets	-146 502	21 840	-11 695	162 580	-26 115	-124 662	-50 968
Share information							
Number of shares	44 888 352	44 376 040	44 376 040	44 376 040	44 376 040	44 888 352	44 376 040
Weighted average shares outstanding	44 080 320	43 723 395	44 016 397	44 172 852	44 270 702	43 902 844	44 288 810
EBT per shares continued operations	0.17	0.08	0.25	-0.01	0.16	0.25	0.35
Earnings per share continued operations	0.12	0.07	0.22	-0.01	0.11	0.19	0.30
Earnings per share. adjusted *	0.18	0.11	0.26	0.04	0.15	0.29	0.38
Equity per share	11.27	11.26	11.32	11.40	7.59	11.32	7.59
Dividend per share	0.80				0.70	0.80	0.70
Employees							
Number of employees (end of period)	513	418	400	402	399	513	399
Average number of employees	451	409	401	401	397	420	440
IFRS 16 effects continued operations							
Reduced OPEX	4 685	4 107	4 003	3 658	3 254	8 792	6 598
Increased depreciation	4 489	3 915	3 679	3 518	3 095	8 404	6 278
Increased interest expenses	197	192	325	140	158	388	319
EBT	-	-	-	-	-	-	-
Cash flow from operational activities	4 685	4 107	4 003	3 658	3 254	8 792	6 598
Cash flow from financing activities	-4 685	-4 107	-4 003	-3 658	-3 254	-8 792	-6 598

Note 1 Confirmation of reporting framework

The condensed and consolidated quarterly financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The quarterly financial statements do not contain all the information required in an annual financial statement and should be read in connection with the Group financial statements for 2021.

Note 2 Key accounting principles

The accounting principles for the report are described in note 2 in the annual financial statements for 2021. The Group financial statements for 2021 were prepared in accordance with the IFRS principles and interpretations thereof, as defined by the EU, as well as other disclosure requirements pursuant to the Norwegian Accounting Act and the Oslo Stock Exchange regulations and rules applicable as at 31.12.2021. The quarterly report and the interim financial statements have not been revised by auditor.

Note 3 Segment information

Reporting segments

	Q2 2022			Q2 2021			YTD 2022			YTD 2021			Year 2021		
MNOK	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT
Nordics	192.5	20.1	19.1	179.4	22.1	20.2	407.1	37.7	34.0	351.9	40.2	35.5	695.5	77.0	66.0
Rest of Europe incl. R&D	128.3	2.2	-4.8	75.1	-0.9	-5.0	214.5	7.2	-3.2	155.1	4.8	-3.1	293.1	14.6	-1.9
ASA/Elim	-	-12.5	-7.0	-3.0	-9.1	-8.3	-	-23.6	-20.0	-6.2	-19.3	-16.9	-7.2	-38.0	-38.2
Total	320.8	9.8	7.3	251.5	12.0	6.9	621.5	21.3	10.8	500.8	25.6	15.5	981.3	53.6	25.9

Operating revenue by product and service

	Q2 2022		Q2 2021		YTD 2022		YTD 2021		Year 2021	
MNOK	New sales	Service *	New sales	Service *	New sales	Service *	New sales	Service *	New sales	Service *
Nordics	128.8	63.8	115.8	63.6	279.7	127.3	226.2	125.7	442.7	252.9
Rest of Europe incl. R&D	72.0	56.3	59.2	16.0	129.4	85.1	121.0	34.1	195.6	97.5
Elim / ASA	-	-	-3.0	-	-	-	-6.2	-	-7.2	-
Total	200.7	120.1	172.0	79.6	409.1	212.4	341.0	159.8	631.1	350.3

**) Service and licenses*

Note 4 Related parties

No significant transactions between the Group and related parties had taken place per 30 June 2022.

Note 5 Acquisition of ALS

June 1, 2022, StrongPoint ASA acquired 100 % of the shares in Air Link Group Ltd with subsidiaries.

UK has been identified as a very interesting market for StrongPoint solutions. The online grocery penetration is higher than in the rest of Europe, putting constantly pressure on the profit margins in the brick-and-mortar stores.

ALS has 25 years of experience handling installation, service, construction and refurbishment for large grocery retailers in UK and Ireland. In the 2025 strategy, sale of StrongPoint solutions to the area was included, but it was estimated that the installation and service were to be handled by a sub-supplier. The ALS acquisition enables StrongPoint to include this revenue as part of the 2025 ordinary business. The acquisition will enable StrongPoint to have access to the largest grocery retail customers, making it easier to access and sell the solutions with comfort that the business critical systems will be supported by on-the-ground resources.

The preliminary acquisition analysis is based on figures per 31 December 2021 and is not final. The purchase price will be adjusted for changes in net debt and working capital per 31.05.2022 and will be finalized during Q3 2022.

Allocation of excess values related to acquisition in 2022 distributed as follows:

	ALS
Assets	
Fixed assets	2 459
Other investments	389
Cash and cash equivalents	5 931
Receivables	71 083
Inventories	10 358
	90 220
Liabilities	
Accounts payable	39 139
Other short term debt	24 792
	63 931
Net identifiable assets at fair value	26 289
Branding	10 000
Customers relations	56 000
Goodwill	36 571
Deferred tax assets	-16 500
Purchase amount	112 360
Cash	89 530
Shares in StrongPoint	22 830
Purchase amount	112 360
Paid in cash	89 530
Cash received	-4 247
Net cash out	85 284

The acquired companies contributed with the following revenue and profit before tax for the period between the acquisition and 30.06.2022:

	KNOK
Revenue	30 265
Profit before tax	3 346

Proforma: If the acquisitions had been completed as at 01.01.2022, the Group's total revenue and ordinary profit before tax had been:

	KNOK
Revenue	739 913
Profit before tax	16 143

There are identified intangible assets related to customers of MNOK 56 and branding of MNOK 10. The intangible assets for customers will be written off over 7 years and 5 years for branding.

Included in the value of goodwill is employees with special skills and expected synergies with StrongPoint's existing business. These intangible assets do not meet the recognition criteria in IAS 38 and are therefore not recorded separately. Recorded goodwill is allocated to the cash-generating unit ALS. Goodwill is not amortized but subject to impairment tests annually.

Note 6 Discontinued operations

StrongPoint Labels reporting segment was announced divested in June 2021. The Swedish part of the transaction was closed July 1, and the Norwegian part was closed September 1. Following IFRS, the financial figures for the reporting segments are reported as "Profit from discontinued operations" below tax in the financial statement and removed from the comparison figures in other tables.

P&L from discontinued operations

KNOK	Q2 2021	YTD 2021	Year 2021
Operating revenue	52 984	99 821	110 144
Cost of goods sold	26 609	48 542	53 177
Payroll	15 257	29 723	31 766
Other operating expenses	4 221	8 761	9 690
Total operating expenses	46 087	87 026	94 633
EBITDA	6 897	12 795	15 512
Depreciation tangible assets	3 217	6 609	7 090
Depreciation intangible assets	109	221	221
EBIT	3 570	5 966	8 201
Interest expenses	170	319	339
Other financial expenses/currency differences	1 494	1 495	1 495
Profit on sale of discontinued operations	-		163 389
EBT	1 906	4 152	169 755
Taxes	388	847	1 337
Profit from discontinued operations	1 517	3 305	168 418

Note 7 Top 20 shareholders per 30 June 2022

No.	Name	No. of shares	%
1	STRØMSTANGEN AS	3 933 092	8.76
2	SOLE ACTIVE AS	2 221 717	4.95
3	HSBC BANK PLC	1 976 000	4.40
4	V. EIENDOM HOLDING AS	1 835 009	4.09
5	PICTET & CIE (EUROPE) S.A.	1 641 821	3.66
6	NORDNET BANK AB	1 320 201	2.94
7	ZETTERBERG, GEORG (incl. fully owned companies)	1 317 500	2.94
8	AVANZA BANK AB	1 258 726	2.80
9	RING, JAN	1 071 648	2.39
10	VERDIPAPIRFONDET DNB SMB	897 043	2.00
11	EVENSEN, TOR COLKA	840 000	1.87
12	VERDADERO AS	800 666	1.78
13	WAALER AS	780 300	1.74
14	HAUSTA INVESTOR AS	700 000	1.56
15	PERSHING LLC	610 510	1.36
16	MP PENSJON PK	561 402	1.25
17	JOHANSEN, STEIN	550 000	1.23
18	ALS KINGFISHER LIMITED [1]	506 156	1.13
19	EUROPEAN RETAIL ENGINEERING LIMITED [1]	506 156	1.13
20	MORGAN STANLEY & CO. INTERNATIONAL	441 570	0.98
	Sum 20 largest shareholders	23 769 517	52.95
	Sum 2 558 other shareholders	21 118 835	47.05
	Sum all 2 578 shareholders	44 888 352	100.00

[1] The shares to ALS Kingfisher Limited and European Retail Engineering Limited have not yet been issued to their VPS accounts.
[2] The issuance of 512,312 new shares were registered with the Norwegian Register of Business Enterprises 04 June 2022. These shares have not been registered in VPS yet, but are included here.

Note 8 Share option program

Total costs and Social Security Provisions	2020	2021	Q1 2022	Q2 2022	Total
Total IFRS cost	440	5 441	1 143	1 735	8 760
Total Social security provisions	36	737	- 296	- 477	-

Granted instruments		
Activity	Number of instruments	Weighted Average Strike Price
Outstanding OB (01.01.2022)	2 075 000	24.14
Granted	1 100 000	22.71
Exercised	- 50 000	17.31
Terminated	- 125 000	17.31
Outstanding CB (30.06.2022)	3 000 000	24.01
Vested CB	- 212 500	17.31

Method of valuation:

The fair value of share options granted is estimated at the date of grant using the Black-Scholes-Merton Option Pricing Model. The model uses the following parameters; the exercise price, the life of the option, the current price of the underlying shares, the expected volatility of the share price, the dividends expected on the shares, and the risk-free interest rate for the life of the option.

Vesting requirements:

The vesting of the options is dependent on the participant still being employed at Strongpoint at the time of the vesting.

Method of settlement:

All StrongPoint ASA options are intended to be settled in equity, but in the event that the Company is not capable of delivering Shares following an exercise of Options, the Company shall fulfil its obligations under this Agreement through a cash-out.

Vesting period

The options will vest over three years, with ¼ vesting after one year, ¼ after two years, and the remaining 2/4 after three years. The split in vesting underpins the retention ambition of the program. Any non-exercised options expire five years after grant.

Definitions

Working capital	Inventories + accounts receivables – accounts payable
Equity per share	Book value equity / number of shares
Operating revenue	Sales revenue and profit from AC, Service companies
EBITDA	Operating profit + depreciation fixed assets and intangible assets
EBITA	Operating profit + amortization of intangible assets
EBIT	Operating profit
EBITDA-margin	EBITDA / operating revenue
EBT	Profit before tax
EBT-margin	EBT / operating revenue
Equity ratio	Book value equity / total assets
Liquidity ratio	Current assets / short term debt
Earnings per share	Profit after tax / number of shares
Diluted	Number of shares minus own shares plus shares granted in share option program
Earnings per share adjusted	Profit after tax + amortization of intangible assets / number of shares
Net leverage multiple	Net Debt / 12 months rolling operating revenue
Net change in liquid assets	The total changes in cash flow from operational activities, investment activities and financing activities
Discontinued operations	Divested Labels reporting segment Q3 2021.

StrongPoint

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