

# Q1 2020

Financial report  
and status



**StrongPoint**

## CEO statement

We live in unprecedented times. The world has changed significantly since we announced our long-term ambitions and 2025 strategy in the middle of February. That seems like a long time ago. While our stated ambition and outlook remain firm, our main focus the latest weeks has been to continue to uphold the highest level of safety for our employees, customers and business partners as part of the joint pan-national efforts to protect vulnerable groups. I would like to express my gratitude to the entire StrongPoint team and to our partners for their dedication and hard work to rapidly adapt to a new reality, to mitigate the effects of this pandemic and to help others where we can contribute.



**Jacob Tveraabak**  
CEO of StrongPoint

StrongPoint plays a vital role in providing safe and efficient solutions for the grocery retailers, and our colleagues have gone the extra mile to safeguard uninterrupted supply and services for our customers in this situation. The team effort has been outstanding, but also StrongPoint has been affected by travel restrictions and social distancing measures in various markets. As an example, the normal service program for non-grocery stores in Spain is not possible to maintain in a lockdown situation.

Despite the crisis, StrongPoint delivers growth in two out of three business areas. I am proud of what we have achieved during the quarter and how we continuously strive to meet customers expectations during these difficult times. The company has ensured the necessary credit facilities to cover any short-term financial needs, and I feel confident with the liquidity situation in the company.

The currency fluctuations influenced our cost and margins in various ways. Some positive to StrongPoint, whilst others have been negative – unfortunately, for the quarter, the negative effects outweigh the positive effects by approximately MNOK 4. Dependent on how the demand for our solutions and services have developed in the various markets, we have implemented short-term measures, including executing on temporary lay-offs. The measures are implemented to reflect the recent demand development whilst maintaining the momentum for when the situation gets somewhat more “normal”.

The COVID-19 situation has also emphasized the many advantages of our solutions. As a result, we are experiencing an increased interest from major retailers for our entire e-commerce solutions offering, including our picking solution, Pick & Collect, as well as our Click & Collect locker solutions. Being visible to our current and potential new customers in these peculiar times is more important now than ever, and as a consequence we are investing additionally in digital marketing of our e-commerce solutions. As deliveries of our lockers from China commences, we expect the roll-out of such lockers to increase in the months and years to come, in addition to our picking solution.

StrongPoint will continue to be the retailers’ trusted in-store technology and e-commerce partner during and after this crisis, leveraging our position at the crossroads of multi-channel retailing: online growth and driving efficiency in brick and mortar retail.

The next months will be challenging and volatile subject to the release of governmental measures in the different markets. The strong market position, the order intake in these last weeks, and the increased interest in our e-commerce solutions provides room for optimism, I believe.

Stay safe and strong!

## Highlights 1<sup>st</sup> quarter

### Solid financial results

- Operating revenues: MNOK 280, -3 % decline vs Q1 2019. 4 % growth in Retail Technology
- EBITDA: MNOK 16.5 (27.7). Reduction driven by Cash Security and currency effects within Retail Technology
- Cash flow from operational activities: Minus MNOK 5 due to increased inventory

### Decisive and comprehensive measures undertaken

- Executive Management Team set up as COVID-19 task force to define and execute appropriate measures given the different development and possibilities in each country
- Strong hygiene and protective measures
- Temporary layoffs reflecting change in business demand, representing 13 % of full time employees as per end of April 2020
- Financial and liquidity measures established. Increased credit facilities to ensure solid liquidity capacity

### Strengthened organization

- New MD and SVP for Norway: Gisle Elvebakken, starting May 4, 2020
- New SVP People and Organizational Development: Knut Olav Nyhus Olsen, starting May 4, 2020
- New resources within Supply Management, E-commerce Norway and Key Account team in Spain

### Key figures (MNOK)

	Q1 2020	Q1 2019	Year 2019
Operating revenue	279.8	288.2	1.111.7
EBITDA	16.5	27.7	98.2
EBITDA margin	5,9 %	9,6 %	8,8 %
Operating profit (EBIT)	4.5	14.1	45.4
Ordinary profit before tax (EBT)	2.0	16.8	43.1
Cash flow from operational activities	-4.9	10.7	80.6
Disposable funds	54.0	79.1	74.2
Earnings per outstanding shares (NOK)	0.02	0.30	0.72
Earnings per share, adjusted *	0.08	0.39	1.03

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

# StrongPoint Group

StrongPoint helps retailers to stand out, sustain growth and spur productivity, leveraging the arising opportunities within e-commerce and in-store technology. The Group consists of three business areas: Retail Technology, Cash Security and Labels.

Revenue MNOK	Q1		Year
	2020	2019	2019
Retail Technology	220.4	212.6	843.5
Cash Security	21.2	35.1	123.5
Labels	44.0	43.1	163.8
Elim / ASA	-5.8	-2.6	-19.1
<b>Total</b>	<b>279.8</b>	<b>288.2</b>	<b>1 111.7</b>

EBITDA MNOK	Q1		Year
	2020	2019	2019
Retail Technology	17.6	23.3	96.3
Cash Security	0.0	5.8	13.5
Labels	6.0	6.1	21.9
Elim / ASA	-7.2	-7.5	-33.4
<b>Total</b>	<b>16.5</b>	<b>27.7</b>	<b>98.2</b>

## StrongPoint financial results

Total revenue declined by 3 % in the quarter compared to last year. This is reflecting a positive growth of 4 % in Retail Technology, and a decline of 40 % in Cash Security. Labels had a stable 2 % growth in the quarter. EBITDA declined from the best Q1 ever last year by MNOK 11.2 to MNOK 16.5. Most of the key markets delivered growth, and focused sales activities have resulted in strong pipeline of leads especially for the proprietary solutions within e-commerce and checkout efficiency. The local management teams have implemented cost initiatives within the segments most affected by lower customer demand. The figures are influenced by the large currency fluctuations, especially negative USD/NOK effect of MNOK 5 on gross profit. Translation currency effect accounted for approximately plus MNOK 10 for revenue, and plus MNOK 1 for EBITDA, resulted in a net negative EBITDA-effect from currency of approximately MNOK 4. Other EBITDA-effects are related to product mix and increased cost.

## Segments

In the strategy update session on February 12, 2020, StrongPoint for the first time presented the relative share of revenue of each business area and business segment in Retail Technology.

### Instore Productivity

Instore Productivity is still the largest business segment within Retail. The revenue in Q1 2020 is especially influenced by delivery of ESL projects in Norway and Sweden, with increased delivery also in the Baltics.

### Payment Solutions

In addition to service revenue in Norway and Sweden, Spain had a 30 % growth in delivery and service of Cash Management in January and February. March figures for Spain are unfortunately significantly influenced by the lockdown, especially within the hospitality segment, due to COVID-19.

### E-Commerce

The Chinese manufacturer of C&C Lockers had to close the factory in January and February due to the COVID-19-outbreak in China, and some of the deliveries are postponed to Q2 and Q3. The market shows a high interest for e-commerce products, and during March several new Pick & Collect systems with additional hand-held devices were enrolled to customers in Sweden.

### Check Out Efficiency

Check-Out Efficiency experienced a slower start in 2020 than last year, due to a large Vensafe Upgrade project both in Sweden and Norway in 2019. The Baltics figures are positively influenced by deliveries of Self Checkouts systems.

### Other retail technology

Other revenue showed a decline in relative share. COVID-19 social distancing situation and lockdown of non-food businesses had an early effect the POS/ERP business in the Baltics.

### Cash Security

Cash Security had lower revenue from sale of Cash-In-Transit cases compared to a strong result in the same quarter last year. The business area had a decline in relative share from 12 % in 2019 to 7 % this quarter.

### Labels

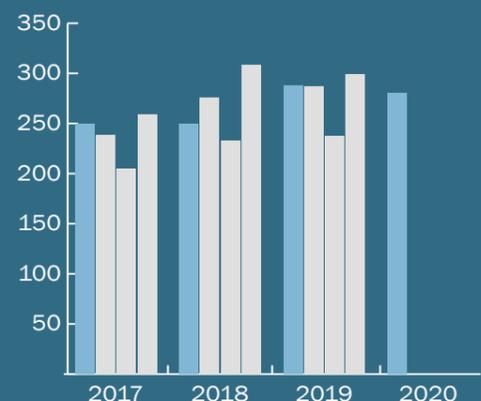
Labels has had a rather stable sale and production, which was confirmed also in Q1 2020. Labels currently experiences increased demand due to the COVID-19 situation.

#### Retail Technology solutions

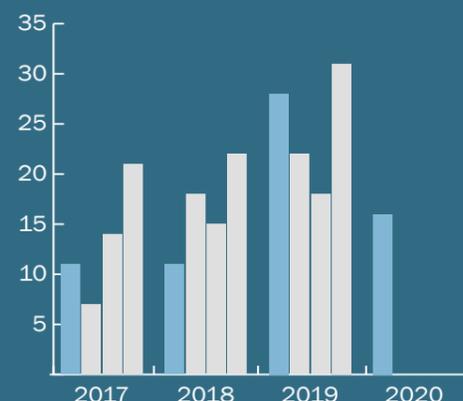
Instore Productivity: Electronic Shelf Labels (ESL), ShopFlow logistics, scales & wrapping systems and workforce & task management  
 Payment Solutions: CashGuard, Compact and Unico  
 E-commerce: Pick & Collect, Click & Collect lockers and delivery solutions  
 Check Out Efficiency: Self checkout, self scanning and Vensafe  
 Other retail technology: POS, ERP and other solutions

## StrongPoint Group

Operating revenue per quarter (MNOK)

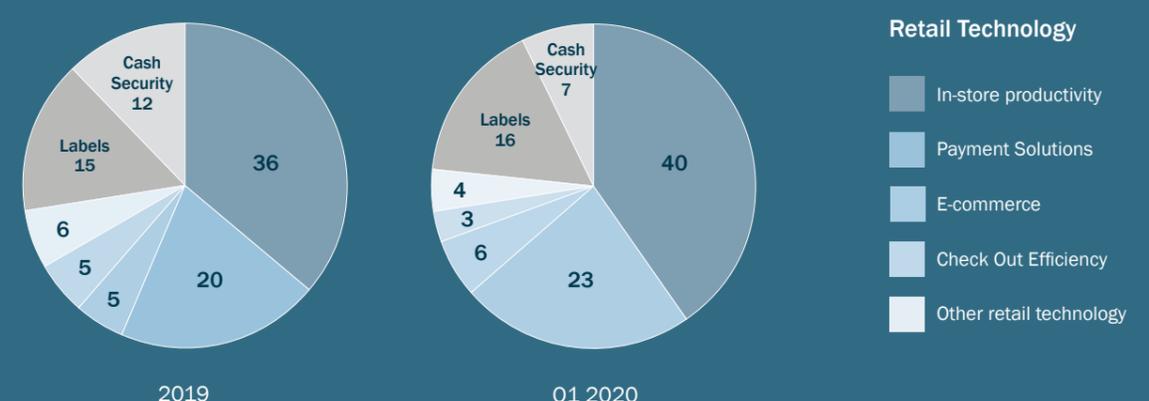


EBITDA per quarter (MNOK)



## StrongPoint Group

Operating revenue relative share (%)



## Decisive and comprehensive measures undertaken due to COVID-19

StrongPoint Management Team has over the last weeks closely monitored the spread of the COVID-19 virus.

Measures to protect employees and customers were established early. The ambition was to reduce impact on the current business as far as possible, and to assist the escalation of the e-commerce business as a respond to the need of contactless distribution of food and medicines.

The decisive and comprehensive measures undertaken related to the virus are different from country to country. Measures like working from home, increased hygiene requirements, reduced visitors to our production facilities, extensive use of telephone and video conference systems etc. was initiated already from March 11. Critical service/maintenance and operations has been handled with thorough care for the employees and staff at the customer site. E-commerce Software deliveries has been implemented into several new stores, mostly through digital distribution and training.

Financial results are, and will continue to be influenced, dependent on how long this situation will last. Temporary lay-offs have been conducted to reflect changes in business demand in the local markets. Per end of April 2020, 13 % of FTE's are on temporary layoffs, mostly in Spain, Lithuania and Sweden. The manufacturer of Click & Collect lockers in China had a shutdown and caused delayed deliveries in Q1. Production is resumed, and if the current transport situation is maintained the deliveries of the lockers can continue in Q2 and onwards.

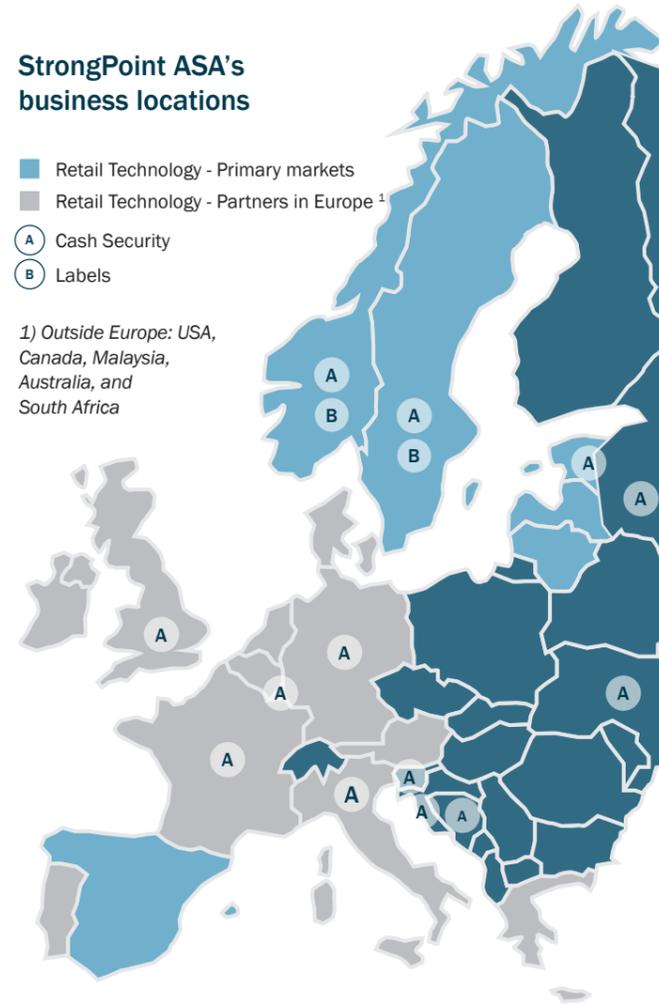
The liquidity position has been monitored and protected throughout Q1, and additional credit facilities have been established to strenghten this position for the coming months. Wage increases for the employees and payment of the management bonuses for 2019 have been postponed, and the Board of Directors have postponed the decision of dividend payment, all to further strengthen the financial position of the company. The inventory has increased due to lower product sales than expected as a direct result of the lockdown situation.

StrongPoint feel strongly with all the people influenced by this situation, both with the people whom have been infected and those working within health care. In addition to distributing e-commerce solutions assisting efficient contactless and even contactfree shopping of grocery, employees have made an application for 3D printers for protective gear to hospitals, as contribution to social responsibility measures.

## StrongPoint ASA's business locations

- Retail Technology - Primary markets
- Retail Technology - Partners in Europe <sup>1</sup>
- A Cash Security
- B Labels

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



## Strengthened organization

Gisle Elvebakken is hired as new MD and SVP Norway. Gisle comes from the position as Sales Director at Visma Exso, and has a solid background from grocery retail and IT. He will replace Per Haagenen in the management team. Per has decided to retire from July 1, 2020.

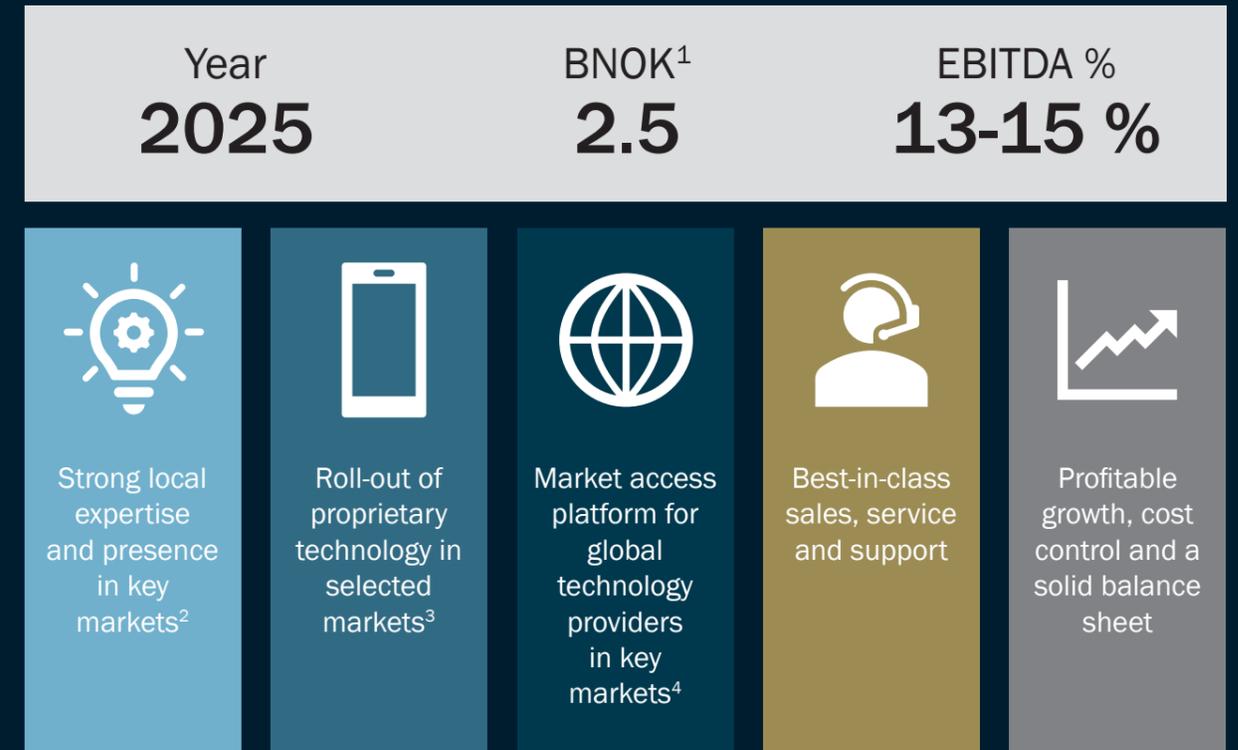
Knut Olav Nyhus Olsen is hired as new SVP People and Organization. Knut Olav has extensive HR experience from Telenor Broadcast, Skanska and ISS. He will replace Erik Vaag, who is leaving the company, in the management team.

StrongPoint has during the quarter strengthened multiple parts of the management organization. Five new positions as Key Account and account management to strengthen sale of e-commerce and cash management operations in Spain. A new Supply Chain Manager with broad experience from other large companies like IKEA. And lastly, a new e-commerce- and Reflexis sales director based out of Norway.

## 2025 ambition

StrongPoint announced its updated strategy on February 12, 2020. Following the COVID-19 the relevance of the strategic direction appears strengthened, whilst the growth ambitions for 2025 are confirmed.

StrongPoint's strategic direction focuses on the resilient grocery retail sector. Being a key partner for grocery retail companies in a set of geographies – namely Norway, Sweden, the Baltics and Spain – is at the core of the strategic direction. Further to this, with StrongPoint's e-commerce solutions portfolio being world class, there is significant opportunity to roll-out this proprietary technology in other markets. The plans to roll out cash management solutions are maintained, although temporary postponed due to lockdown in core markets. The relevance, both hygiene and safety arguments, are stronger than ever. Lastly, StrongPoint's other in-store solutions, such as check-out solutions, has the potential to gain additional relevance from the COVID-19 outbreak.



1) Organic growth ambition  
 2) Norway, Sweden, the Baltics and Spain  
 3) Cash Management solutions in e.g., Italy and Greece, and e-commerce solutions globally  
 4) The Nordics and the Baltics

## Retail Technology

StrongPoint develops and sells technology solutions that streamline store operations, enable e-commerce, and simplify the shopping experience. The Group delivers proprietary solutions within In-store Productivity, E-commerce, Payment Solutions and Check Out Efficiency, as well as tailor-made retail solutions from leading third-party suppliers, including electronic shelf labels (ESL), workforce management systems, POS, ERP, consulting services, scales and wrapping machines.

MNOK	Q1		Year
	2020	2019	2019
Product Sales	140.9	138.9	547.8
Service	79.5	73.7	295.7
Revenue	220.4	212.6	843.5
EBITDA	17.6	23.3	96.3
EBITDA-margin	8,0 %	10,9 %	11,4 %
EBT	13.1	15.0	66.1

Retail Technology delivered a positive growth in revenue despite the COVID-19-situation. The growth adds up to 4 %. The influence of COVID-19 and the different measures taken by the local governments varies market by market.

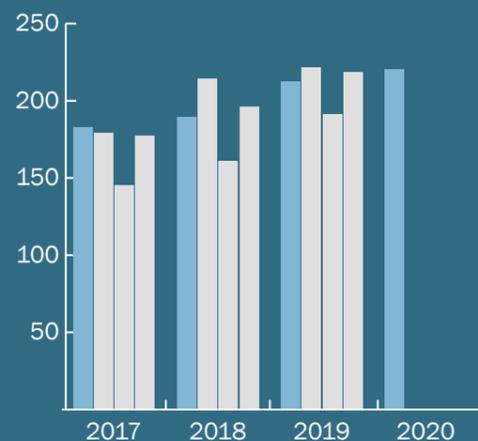
EBITDA in Q1 decreased to 17.6 (23.3). The currency fluctuation, especially in the last part of the quarter,

influenced the figures in two ways – both on cost of goods sold on imported goods and on the translation of international operations. Net currency effect was approx. minus 5 MNOK.

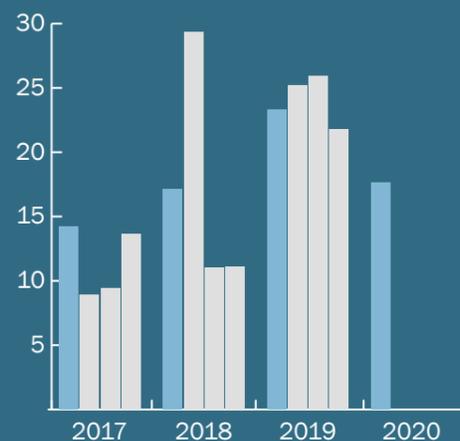
Investments in technology development and sales resources continued in the quarter in order to be well positioned for a more normalized situation.

### Retail Technology

Operating revenue per quarter (MNOK)



EBITDA per quarter (MNOK)



## Norway

MNOK	Q1		Year
	2020	2019	2019
Product Sales	47.5	45.3	176.2
Service	28.5	25.7	109.2
Revenue	76.0	70.9	285.4

Norway continued the positive trend and increased revenue by 7 % in Q1 2020 compared to same quarter last year. Main drivers were deliveries of ESL and service. One large grocery retailer has benefited from StrongPoint's competence and resources to rebuild the physical POS-area in more than 200 stores, leading to higher service revenue in the quarter. This project has been executed during Q4 2019 and Q1 2020 and will continue in Q2 2020.

Norway experienced higher interest of e-commerce and self checkout solutions due the COVID-19 situation.

## Sweden

MNOK	Q1		Year
	2020	2019	2019
Product Sales	33.1	35.2	145.8
Service	29.9	28.3	106.5
Revenue	63.0	63.5	252.3

The revenue in Sweden had a small decline in the quarter compared to last year. The Vensafe upgrade project in Q1 last year influence the comparison figures, but the business has partly replaced this volume with ESL and e-commerce. e-commerce picked up late in the quarter due to delay in delivery of goods from China, and the orders for Click & Collect lockers announced in Q4 2019 are expected to be delivered during Q2 and Q3.

## Baltics

MNOK	Q1		Year
	2020	2019	2019
Product Sales	19.8	29.5	107.7
Service	15.0	12.9	54.8
Revenue	34.8	42.4	162.5

The Baltic countries delivered some large orders in 2019 which led to exceptional high revenue in Q1 last year. In addition, the Government of Lithuania closed the non-food businesses and enforced social distancing measures early in March, and this had a negative influence on revenue from software projects in the quarter. The product mix underlines the overall growth ambitions, and both ESL- and e-commerce projects were delivered in the quarter.

## EMEA/Partners

MNOK	Q1		Year
	2020	2019	2019
Product Sales	40.4	28.9	118.1
Service	6.1	6.9	25.2
Revenue	46.5	35.8	143.3

EMEA and Partners delivered a 30 % growth in revenue compared to the same period last year. The main reason for the large growth was the delivery of more than half of the announced order of 500 Cash Management systems to partner Bullion in South Africa. The delivery will be installed in local retail facilities in the country as a rental solution from First National Bank. The second part of the delivery is expected in Q2.

The Spanish operations had a good start of the year to mid-March. All business except grocery, pharmacies and tobacco shops had to close from March 14, leading to a revenue decline in the month of March to only 30 % of the trend from the two first months. This situation is expected to last until the Government reduces the social distancing measures especially for the hospitality segment. In line with the rest of Europe, StrongPoint Spain also experiences positive interest of our e-commerce solutions.

## Cash Security

Cash Security offers solutions for Cash In Transit (CIT). The business area focuses on innovative IBNS (Intelligent Banknote Neutralisation System) technology, which protects cash without the need for weapons or costly armored vehicles.

MNOK	Q1		Year
	2020	2019	2019
Product Sales	12.7	25.4	87.9
Service	8.5	9.7	35.6
Revenue	21.2	35.1	123.5
EBITDA	0.0	5.8	13.5
EBITDA-margin	0,0 %	16,5 %	10,9 %
EBT	-2.1	4.6	7.8

The business area experienced a decline in revenue of 40 % compared to same quarter last year. The revenue and profit are affected by few, large orders, which leads to variations in a year-on-year comparison.

The EBITDA follows the low revenue and is reduced from 5.8 MNOK last year to 0 this year. The result is positively affected by lower warranty cost and lower production cost as a result of the LEAN-project implemented in 2019.

COVID-19 measures in Cash Security's primary markets have among others led to closed stores,

restaurants and bank facilities. This leads to temporary reduced demand for cash-in-transit services. Due to this demand reduction the business area has implemented temporary layoff of 39 % of the FTE's. This situation is expected to last well into Q2.

The business area has its own sales and service organization in Sweden, Russia, France, Belgium and Norway, as well as partners in several countries, including Italy, Bosnia, Croatia, Serbia, Cyprus and the UK.

## Labels

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

MNOK	Q1		Year
	2020	2019	2019
Revenue	44.0	43.1	163.8
EBITDA	6.0	6.1	21.9
EBITDA-margin	13,6 %	14,2 %	13,4 %
EBT	2.1	1.5	4.2

Operating revenue in Q1 2020 increased by 2 % compared to last year. The business area has a stable trend quarter by quarter and delivers results on the same level as last year. StrongPoint Labels has approximately 70 % of its production towards the food, pharmaceutical and tobacco industries, and experience increased demand for labels due to the COVID-19 situation.

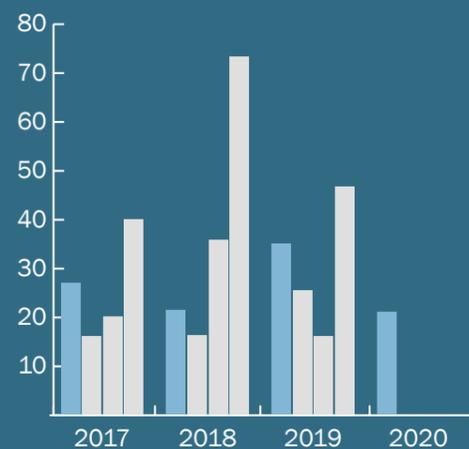
StrongPoint has accepted an initial offer for compensation from BaneNor of MNOK 55.6 to relocate from its label facility in Norway. The railway construction work was estimated to start 2020/2021. However, BaneNor has communicated a delay to

2021/2022. The compensation fee and time of payment is subject to BaneNor's Board approval and the finalization of the agreement between the parties.

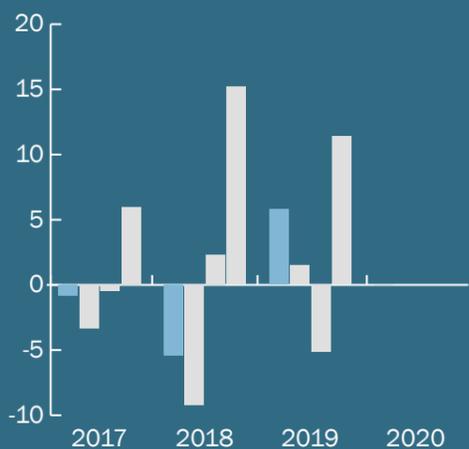
The business area is among the largest suppliers of adhesive labels in the Swedish and Norwegian markets. Labels uses FSC-certified material from EU/EEA/UK in its label production to ensure that the paper is produced in a sustainable manner, and that the production meets the regulations for health and safety in the EU. There will be a continued focus on further streamlining and digitalization of production and administrative processes.

### Cash Security

Operating revenue per quarter (MNOK)

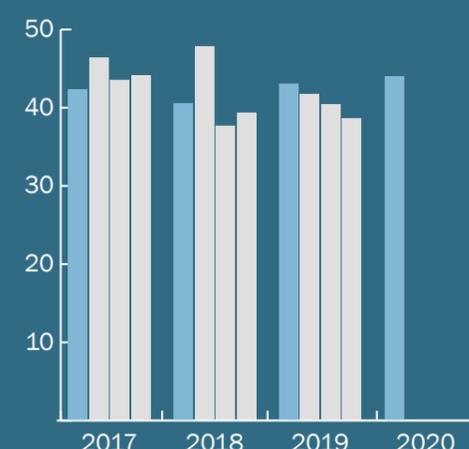


EBITDA per quarter (MNOK)

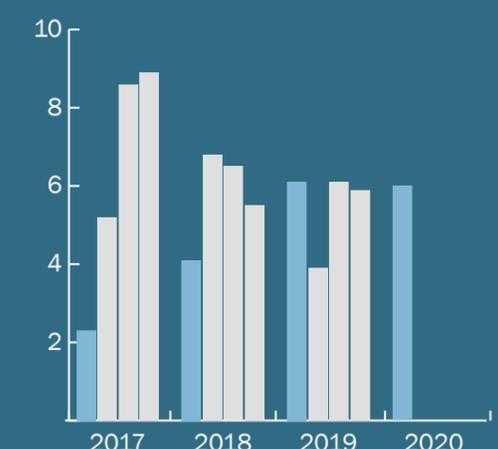


### Labels

Operating revenue per quarter (MNOK)



EBITDA per quarter (MNOK)



### Cash flow and equity

Cash flow from operational activities in the first quarter was MNOK -4.9 (10,7). Reduced ordinary profit before tax and increased inventory are the main reasons for the change in cash flow from operations. Payment of Earn Out for 2019 of MNOK 17.4 was done in the period, related to the acquisitions of Cub AB and PYD Seguridad S.L. Disposable funds were MNOK 54.0 per March 31, 2020. The net interest-bearing debt increased by MNOK 24.7 compared with the end of the last quarter and totaled MNOK 127.5.

The Group's holding of own shares amounted to 29,406, which represents 0.1 per cent of the outstanding shares.

The Group has shareholder programs for the board of directors, the Group executive management and the employees. Through these programs a total of 89,706 shares were bought in 2019 and 169.180 shares have been subscribed so far in 2020.

The Board decided 19 March 2020 that the decision on dividend for 2019 will not be taken at the Annual General Meeting 29. April 2020, due to the COVID-19- situation. The Board of Directors will consider to call for an extraordinary general meeting later in 2020 to decide on potential dividend in line with the communicated dividend policy.

Accounting year	General assembly	Dividend per share
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 first quarter and year to date 2020, including comparative consolidated figures for the first quarter and year to date 2019. This report has been prepared in accordance with IAS 34 on interim financial reporting as determined by the European Union, and with supplementary requirements pursuant to the Norwegian Securities Trading Act. The Board and CEO hereby declare, to the best of their knowledge, that the financial statements for the first quarter and year to date 2020 have been prepared in accordance with prevailing accounting principles and that the information in the financial statements gives a true and fair view of the assets, liabilities, financial position and profit of the group taken as a whole at 31 March 2020 and 31 March 2019. To the best of their knowledge, the report gives a true and fair overview of important events during the accounting period and the impact of these events on the financial statements.

### The Board of Directors of StrongPoint ASA

Rælingen 28 April 2020

**Morthen Johannessen**  
Chairman

**Klaus de Vibe**  
Director

**Camilla AC Tefpers**  
Director

**Inger Johanne Solhaug**  
Director

**Peter Wirén**  
Director

**Jacob Tveraabak**  
CEO



## Consolidated income statement

KNOK	Q1 2020	Q1 2019	Chg. %	Year 2019
Operating revenue	279 794	288 240	-2,9 %	1 111 767
Profit from AC, Service companies	-17	-17		-71
Cost of goods sold	148 681	149 949	-0,8 %	579 457
Payroll	86 014	83 201	3,4 %	324 092
Other operating expenses	28 612	27 388	4,5 %	109 927
Total operating expenses	263 308	260 538	1,1 %	1 013 477
EBITDA	16 470	27 685	-40,5 %	98 219
Depreciation tangible assets	9 509	9 521	-0,1 %	39 136
Depreciation intangible assets	2 416	4 093	-41,0 %	13 700
EBIT	4 545	14 071	-67,7 %	45 383
Interest expenses	1 073	858	25,1 %	3 558
Other financial expenses/currency differences	1 466	-3 558	141,2 %	-1 284
EBT	2 007	16 772	-88,0 %	43 108
Taxes	911	3 503	-74,0 %	11 238
Profit/loss after tax	1 096	13 269	-91,7 %	31 870
Earnings per share				
Number of shares outstanding	44 376 040	44 376 040		44 376 040
Av. Number of shares - own shares	44 274 990	44 274 385		44 231 636
Earnings per share	0,02	0,30		0,72
Diluted earnings per share	0,02	0,30		0,72
EBITDA per share	0,37	0,63		2,22
Diluted EBITDA per share	0,37	0,63		2,22
<b>Total earnings</b>				
Profit/loss after tax	1 096	13 269	-91,7 %	31 870
Exchange differences on foreign operations	35 251	-12 880	373,7 %	-8 123
Total earnings	36 347	389	9254,5 %	23 748

## Consolidated balance sheet

KNOK	31.03.2020	31.12.2019	31.03.2019
<b>ASSETS</b>			
Intangible assets	49 094	46 747	55 464
Goodwill	151 981	137 929	135 742
Tangible assets	35 736	32 267	30 006
Right-of-use assets	86 787	81 175	90 792
Long term investments	1 536	1 553	984
Deferred tax	4 491	5 859	10 233
Non-current assets	329 625	305 530	323 220
Goods	183 339	138 366	127 689
Accounts receivable	207 628	180 412	211 587
Prepaid expenses	31 061	12 781	19 988
Other receivables	6 726	13 954	6 155
Bank deposits	27 479	39 498	19 139
Current assets	456 233	385 011	384 557
<b>TOTAL ASSETS</b>	<b>785 858</b>	<b>690 542</b>	<b>707 777</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	27 513	27 513	27 513
Holding of own shares	-18	-107	-59
Other equity	274 500	236 498	238 110
Total equity	301 995	263 904	265 564
Long term interest bearing liabilities	6 504	10 715	25 043
Long term lease liabilities	57 661	51 131	60 161
Other long term liabilities	4 303	3 904	9 289
Total long term liabilities	68 468	65 751	94 493
Short term interest bearing liabilities	61 728	50 418	23 609
Short term lease liabilities	29 126	30 044	30 631
Accounts payable	114 750	70 799	83 766
Taxes payable	689	1 091	1 100
Other short term liabilities	209 104	208 535	208 613
Total short term liabilities	415 395	360 887	347 720
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>785 858</b>	<b>690 542</b>	<b>707 777</b>

## Overview of changes in the equity

KNOK	Share capital	Treasury shares	Other paid-in equity	Translation variances	Other equity	Total equity
Equity 31.12.2018	27 513	-65	351 262	45 130	-158 703	265 137
Purchase/sale of own shares	-	-42	-	-	-583	-625
Dividend 2018	-	-	-	-	-24 355	-24 355
Profit this year after tax	-	-	-	-	31 870	31 870
Other comprehensive income and expenses	-	-	-	-8 123	-	-8 123
Equity 31.12.2019	27 513	-107	351 262	37 007	-151 770	263 904
Purchase/sale of own shares	-	89	-	-	1 655	1 743
Profit this year after tax	-	-	-	-	1 096	1 096
Other comprehensive income and expenses	-	-	-	35 251	-	35 251
Equity 31.03.2020	27 513	-18	351 262	72 258	-149 019	301 995

## Statement of cash flow

KNOK	Q1 2020	Q1 2019	Year 2019
Ordinary profit before tax	2 007	16 772	43 108
Net interest	1 073	858	3 558
Tax paid	-477	-1 359	799
Share of profit, associated companies	17	17	71
Ordinary depreciation	11 925	13 613	52 837
Profit / loss on sale of fixed assets	7	-	-298
Change in inventories	-28 386	-3 538	-12 384
Change in receivables	-12 104	-16 653	17 024
Change in accounts payable	36 802	4 849	-9 274
Change in other accrued items	-15 800	-3 830	-14 806
Cash flow from operational activities	-4 937	10 729	80 636
Payments for fixed assets	-3 299	-2 825	-14 544
Net payments for long term shares	-	-	-1 000
Payment from sale of fixed assets	62	-	344
Net effect acquisitions	-17 433	-	-
Dividends received from associated companies	-	-	225
Interest income	-113	42	43
Cash flow from investment activities	-20 783	-2 783	-14 932
Purchase/sale of own shares	1 743	39	-625
Change in long-term debt	-7 613	-13 224	-48 984
Change in overdraft	17 087	-505	24 875
Interest expenses	-670	-900	-3 600
Dividend paid	-	-	-24 355
Cash flow from financing activities	10 548	-14 590	-52 689
Net change in liquid assets	-15 173	-6 644	13 015
Cash and cash equivalents at the start of the period	39 498	26 985	26 985
Effect of foreign exchange rate fluctuations on foreign currency deposits	3 154	-1 202	-502
Cash and cash equivalents at the end of the period	27 479	19 139	39 498

## Key figures

KNOK	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	YTD 2020	YTD 2019
<b>Income statement</b>							
Operating revenue	279 777	299 019	237 306	287 149	288 223	279 777	288 223
EBITDA	16 470	30 609	17 820	22 105	27 685	16 470	27 685
EBITA	6 961	20 064	8 506	12 349	18 165	6 961	18 165
Operating profit EBIT	4 545	17 473	5 524	8 313	14 071	4 545	14 071
Ordinary profit before tax (EBT)	2 007	13 660	3 987	8 689	16 772	2 007	16 772
Profit/loss after tax	1 096	8 606	2 860	7 136	13 269	1 096	13 269
EBITDA-margin	5,9 %	10,2 %	7,5 %	7,7 %	9,6 %	5,9 %	9,6 %
EBT-margin	0,7 %	4,6 %	1,7 %	3,0 %	5,8 %	0,7 %	5,8 %
<b>Balance sheet</b>							
Non-current assets	329 625	305 530	303 655	312 364	323 220	329 625	323 220
Current assets	456 233	385 011	386 331	368 288	384 557	456 233	384 557
Total assets	785 858	690 542	689 986	680 652	707 777	785 858	707 777
Total equity	301 995	263 904	249 288	243 348	265 564	301 995	265 564
Total long term liabilities	90 263	87 546	96 555	107 030	117 854	90 263	117 854
Total short term liabilities	393 600	339 092	344 143	330 274	324 359	393 600	324 359
Working capital	276 217	247 979	228 733	228 860	255 509	276 217	255 509
Equity ratio	38,4 %	38,2 %	36,1 %	35,8 %	37,5 %	38,4 %	37,5 %
Liquidity ratio	115,9 %	113,5 %	112,3 %	111,5 %	118,6 %	115,9 %	118,6 %
Net interest bearing debt	127 539	102 810	112 162	106 527	120 306	127 539	120 306
Net leverage multiples	1,47	1,05	1,24	1,22	1,44	1,47	1,44
<b>Cash Flow</b>							
Cash flow from operational activities	-4 937	23 345	107	46 455	10 729	-4 937	10 729
Net change in liquid assets	-15 173	-10 048	24 837	4 870	-6 644	-15 173	-6 644
<b>Share information</b>							
Number of shares	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040
Weighted average shares outstanding	44 274 990	44 196 649	44 164 144	44 242 976	44 274 385	44 274 990	44 274 385
EBT per shares	0,05	0,31	0,09	0,20	0,38	0,05	0,38
Earnings per share	0,02	0,19	0,06	0,16	0,30	0,02	0,30
Earnings per share, adjusted *	0,08	0,25	0,13	0,25	0,39	0,08	0,39
Equity per share	6,8	6,0	5,6	5,5	6,0	6,8	6,0
Dividend per share	-	-	-	0,55	-	-	-
<b>Employees</b>							
Number of employees (end of period)	519	531	519	534	525	519	525
Average number of employees	525	525	527	530	532	525	532

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

## Note 1 Confirmation of reporting framework

The condensed and consolidated quarterly financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The quarterly financial statements do not contain all the information required in an annual financial statement and should be read in connection with the Group financial statements for 2019.

## Note 2 Key accounting principles

The accounting principles for the report are described in note 2 in the annual financial statements for 2019. The Group financial statements for 2019 were prepared in accordance with the IFRS principles and interpretations thereof, as defined by the EU, as well as other disclosure requirements pursuant to the Norwegian Accounting Act and the Oslo Stock Exchange regulations and rules applicable as at 31.12.2019. The quarterly report and the interim financial statements have not been revised by auditor.

## Note 3 Segment information

### Business areas

MNOK	Q1 2020			Q1 2019			Year 2019		
	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT
Retail Technology	220,4	17,6	13,1	212,6	23,3	15,0	843,5	96,3	66,1
Cash Security	21,2	0,0	-2,1	35,1	5,8	4,6	123,5	13,5	7,8
Labels	44,0	6,0	2,1	43,1	6,1	1,5	163,8	21,9	4,2
Elim / ASA	-5,8	-7,2	-11,1	-2,6	-7,5	-4,3	-19,1	-33,4	-35,0
Total	279,8	16,5	2,0	288,2	27,7	16,8	1 111,7	98,2	43,1

### Operating revenue by geographical market

MNOK	Q1 2020			Q1 2019			Year 2019		
	Norway	Sweden	Other	Norway	Sweden	Other	Norway	Sweden	Other
Retail Technology	76,0	63,0	81,3	70,9	63,5	78,1	285,4	252,3	305,8
Cash Security	0,6	9,1	11,5	0,1	13,2	21,9	0,7	41,1	81,7
Labels	13,1	30,9	0,0	15,6	27,5	0,0	54,7	109,2	0,0
Elim / ASA	-0,8	-5,0	0,0	-0,4	-2,1	-0,1	-2,5	-16,7	0,0
Total	88,9	98,0	92,9	86,2	102,1	99,9	338,3	385,9	387,5

### Operating revenue by product and service

MNOK	Q1 2020		Q1 2019		Year 2019	
	New sales	Service*	New sales	Service*	New sales	Service*
Retail Technology	140,9	79,5	138,9	73,7	547,8	295,7
Cash Security	12,7	8,5	25,4	9,7	87,9	35,6
Labels	44,0	0,0	43,1	0,0	163,8	0,0
Elim / ASA	-5,8	0,0	-2,6	0,0	-19,1	0,0
Total	191,8	88,0	204,8	83,4	780,5	331,2

\*) Service and licenses

## Note 4 Related parties

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

## Note 6 Top 20 shareholders as at 31 March 2020

No.	Name	No. of shares	%
1	HOLMEN SPESIALFOND	4 200 000	9,5
2	STRØMSTANGEN AS	3 933 092	8,9
3	AVANZA BANK AB	2 700 143	6,1
4	HSBC TTEE MARLB EUROPEAN TRUST	1 976 000	4,5
5	V. EIENDOM HOLDING AS	1 795 009	4,0
6	PROBITAS HOLDING AS	1 788 276	4,0
7	ZETTERBERG, GEORG (incl. fully owned companies)	1 583 000	3,6
8	NORDNET BANK AB	1 517 168	3,4
9	SOLE ACTIVE AS	1 151 096	2,6
10	VERDADERO AS	1 141 111	2,6
11	WAALER, JØRGEN (incl. fully owned companies)	980 000	2,2
12	RING, JAN	864 372	1,9
13	NORDNET LIVSFORSIKRING AS	786 827	1,8
14	MP PENSJON PK	777 402	1,8
15	HAUSTA INVESTOR AS	595 960	1,3
16	EVENSEN, TOR COLKA	505 437	1,1
17	JOHANSEN, STEIN	500 000	1,1
18	SKANDINAVISKA ENSKILDA BANKEN AB	494 364	1,1
19	NORDEA BANK ABP	437 899	1,0
20	GRESSLIEN, ODD ROAR	410 000	0,9
Sum 20 largest shareholders		28 137 156	63,4
Sum 1 647 other shareholders		16 238 884	36,6
Sum all 1 667 shareholders		44 376 040	100,0

## 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
Operating revenue per employee	Operating revenue / average number of employees
Operating cost per employee	Operating cost / average number of employees
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
Weighted average basic shares	Issued shares adjusted for own shares on average for the year
Liquidity ratio	Current assets / short term debt
Earnings per share	Profit after tax / number of shares
Earnings per share adjusted	Profit after tax + amortization of intangible assets / number of shares
Net leverage multiple	Net Debt / 12 months rolling operating revenue
Net change in liquid assets	The total changes in cash flow from operational activities, investment activities and financing activities



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