



StrongPoint



Q3 and YTD 2019

Financial report and status

CEO statement

The transition towards a focused Retail Technology Company continues

Since assuming the position as CEO, “focus” has been one of the mantras in the organization. We are increasingly focusing the company’s resources to grow and excel in the Retail Technology business area. Part of “focus” is determining what not to do – so we can increase our presence and depth in priority areas. In that respect we have converted a number of our previously own offices into partner offices. We are also continuously striving to develop clear roles and responsibilities to ensure everybody in the organization can focus their efforts and pull in the same direction.

The overall market outlook for Retail Technology is strong. From the growth of e-commerce in retail, we are positioned to enjoy a “double opportunity”. On the one hand side to support retailers, particularly incumbents, in establishing and developing their e-commerce offering. And on the other hand to support retailers in improving their in-store productivity, which is increasingly needed as a larger portion of retail sales goes online.

In our third quarter, Retail Technology constituted approximately 80 % of StrongPoint’s revenue, and more so in terms of bottom line. Retail Technology’s topline grew a strong 20 % vs. same quarter last year, and sale of our E-commerce solutions grew by close to 80 %. The EBITDA-margin in Retail Technology also had a healthy improvement to 14 % (12 % excl. IFRS), from 7 % in the same quarter last year. The improvement is driven by cost reduction initiatives as well as by a more favorable solutions and services mix. The volatile Cash Security

business area influenced the quarterly figures, resulting in a flat overall performance compared to last year on both top and bottom line.

We are transitioning to be the retailers’ trusted partner. The journey has just begun. We have a solid foundation to build on, including a strong presence with retail companies in a selected number of geographies, expertise in both hardware and software development, a strong local field service and support network in key geographies, and products and solutions with world-class potential. Going forward, we will build on the strength of being a full service provider for our customers. We will pursue pragmatic opportunities geographically where the product/market fit is appropriate, and increasingly promote our proprietary solutions with world-class potential to a wider audience.

Finally, we are dedicated to investing in our people – the human resources that are the fundament for our company. Whether employed in our Labels, Cash Security or Retail Technology business area, we will do our utmost to be the preferred employer and continuously develop our people to succeed in the future.



Jacob Tveraabak
CEO of StrongPoint

Highlights 3rd quarter

Strong performance in Retail Technology, however overall flat 3rd quarter performance

- Operating revenues: +2 % growth to MNOK 237 (233); +20 % in Retail Technology, -57 % in Cash Security and +7 % in Labels
- EBITDA: MNOK 17.8¹⁾ (15.2), with MNOK 25.9 (11.0) EBITDA in Retail Technology
- Cash flow from operational activities: MNOK 0.1 (1.2)

Several customer breakthroughs and deliveries

- ~80 % growth in sale of e-commerce solutions and continued deliveries to retailers in primary markets
- Delivered the first integrated automated age verification based on facial recognition in our Self-Checkout and Vensafe solutions in the Baltics
- Completed the first installations of the new customer-facing payment solution CashGuard Unico

Important milestones for go-to-market model

- ~50 % growth in Cash Management solutions through RoadRunners concept in Spain vs. last year, with continued strong interest in rental solutions (same level as Q2)
- Partner agreement with Exclusivas Iglesias for distribution of StrongPoint’s solutions in Portugal

1) IFRS 16 had a positive effect on the EBITDA of MNOK 5.7 in Q3 2019 and MNOK 17.0 YTD 2019.

Financial Calendar

Q4, 2019 - 12.02 (w/Strategy update session)
Q1, 2020 - 29.04 (w/Annual General Meeting)
Q2, 2020 - 14.07
Q3, 2020 - 22.10

The presentations (with the exception of the Q2) will take place at Hotel Continental, Stortingsgaten 24/26 in Oslo.

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

For more information:

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Key figures (MNOK)

	Q3 2019	Q3 2018	YTD 2019	YTD 2018	Year 2018
Operating revenue	237.3	233.3	812.7	759.8	1 067.7
EBITDA	17.8*	15.2	67.6*	45.0	67.5
EBITDA margin	7.5 %	6.5 %	8.3 %	5.9 %	6.3 %
Operating profit (EBIT)	5.5	6.6	27.9	17.5	29.9
Ordinary profit before tax (EBT)	4.0	4.3	29.4	20.1	26.0
Cash flow from operational activities	0.1*	1.2	57.3*	0.9	21.4
Disposable funds	63.7	49.5	63.7	49.5	87.0
Earnings per outstanding shares (NOK)	0.06	0.07	0.53	0.35	0.30

*) IFRS 16 amounts to MNOK 5.7 in Q3 2019 and MNOK 17.0 YTD 2019.

StrongPoint Group

The business area Retail Technology delivers solutions that streamline store operations, enable e-commerce, and simplify the shopping experience. StrongPoint is represented with its own organization in its primary markets, and sells its products and solutions to the outside markets through a network of partners.

The Group also consists of two other business areas: Cash Security, which is a leading supplier of IBNS (Intelligent Banknote Neutralization Systems) in the European market, and Labels, which is a leading supplier of adhesive labels in Norway and Sweden.

Revenue MNOK	Q3		YTD		Year
	2019	2018	2019	2018	2018
Retail Technology	191,0	159,6	625,3	560,0	755,6
Cash Security	16,1	37,2	76,8	78,0	152,0
Labels	40,4	37,7	125,3	126,2	165,6
Elim / ASA	-10,2	-1,2	-14,6	-4,5	-5,5
Total	237,3	233,3	812,7	759,8	1 067,7

EBITDA MNOK	Q3		YTD		Year
	2019	2018	2019	2018	2018
Retail Technology	25,9	11,0	74,4	57,4	68,4
Cash Security	-5,1	2,3	2,1	-12,4	2,9
Labels	6,1	6,5	16,1	17,5	22,9
Elim / ASA	-9,1	-4,7	-25,1	-17,5	-26,8
Total	17,8	15,2	67,6	45,0	67,5

**) IFRS 16 had a positive effect on EBITDA of MNOK 5.7 in Q3 2019 and MNOK 17.0 YTD 2019.*

Strong performance in Retail Technology, however overall flat 3rd quarter performance

Revenue in Q3 2019 grew a mere 2 % vs. same quarter last year. This flat development constitutes of very different performance in two of StrongPoint's business areas. Retail Technology grew 20 % in this quarter compared to last year. Cash Security had a 57 % revenue decline affected by a few but large orders, which led to variations in a year-on-year comparison.

Retail Technology in Norway had a high activity level driven by ESL and service operations. The Baltics continued to produce good results based on large deliveries of Self-Checkout, ERP and POS projects.

EMEA and partners continued the strong delivery rate of Cash Management solutions to the Spanish and South African market.

E-commerce grew by 79 % in the quarter compared to Q3 2018, driven by a strong performance in picking (Pick & Collect) and delivery (Click & Collect) solutions.

The growth in Retail Technology was partly offset by the large decrease in revenue from the Cash Security business area vs. same quarter last year. It is now clear that the earlier announced Sberbank order with delivery in second half 2019 will be delivered in full in Q4. Further to this, the order of up to 580 CIT-cases has increased to 880 cases.

EBITDA for the group was MNOK 17.8 (15.2) in Q3, of which the IFRS 16 effect was MNOK 5.7. The very strong EBITDA development in Retail Technology was offset by a large decline in the EBITDA contribution from Cash Security and a temporary increase in corporate costs due to restructuring and investments. The MNOK 30 p.a. cost savings program continues to have a positive effect on EBITDA in Retail Technology. Some of these cost savings are reinvested in priority growth areas such as e-commerce and Spain.

Delivery of Cash Management solutions through the rental concept in Spain (Easy Access) affected both revenue and EBITDA in the quarter. Financial figures will continue to be influenced by the mix of purchased and rented solutions going forward. The profit & loss statement will show lower revenue compared to traditional sales, and the working capital will increase as the rented solutions currently are financed by equity.

Several customer breakthroughs and deliveries

The Swedish retailers are continuing to sign up to StrongPoint's E-commerce solutions – both Pick & Collect and Click & Collect.

The first Vensafe solution in Estonia was installed at Keila Supermarket. This is also the first live store installation in Europe where age verification technology is used at self-checkouts for selling tobacco and other age-restricted items.

After a successful test of StrongPoint's new Unico Cash Management solution at Hochbahn in Germany, further units were installed at customers in Spain and Norway.

Cash Security received its first order for CIT cases from the postal service in Bosnia. They have so far implemented the solution for CIT in one of their regions.

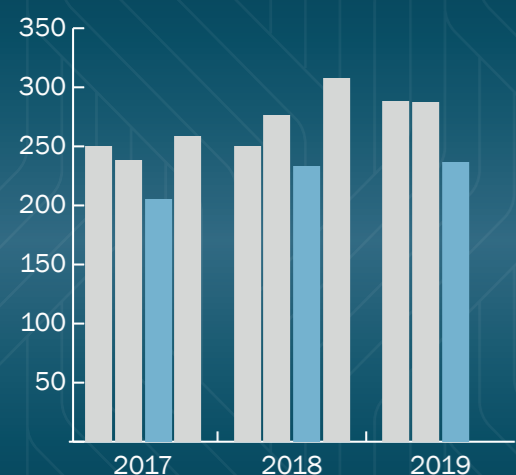
Important milestones for go-to-market model

StrongPoint and Exclusivas Iglesias signed a partnership agreement, granting Exclusivas Iglesias the rights to sell StrongPoint solutions in Portugal. The agreement grants Exclusivas Iglesias the exclusive right to sell StrongPoint's Cash Management solutions to small retail customers and customers within the hospitality segment, and a non-exclusive right to sell all other StrongPoint solutions in Portugal. Under this agreement Exclusivas Iglesias has so far purchased more than 40 Cash Management solutions.

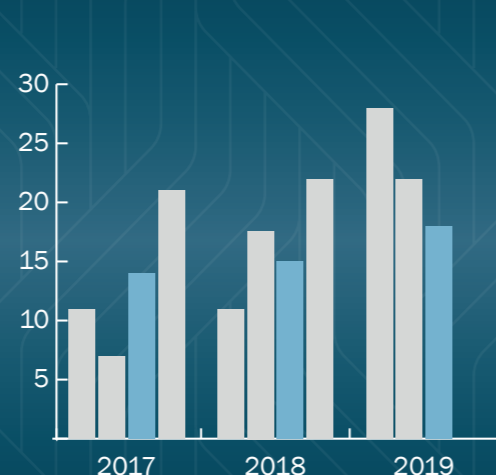
Easy Access, which enables customers to rent Cash Management solutions through StrongPoint, is rapidly growing in Spain. More than 80 solutions were installed in Q3, constituting a sales value of MNOK 5-6. More than 200 units are installed year to date as rental solutions.

StrongPoint Group

Operating revenue per quarter (MNOK)



EBITDA per quarter (MNOK)



Markets

- Retail Technology - Primary markets
- Retail Technology - Partners in Europe ¹⁾
- A Cash Security
- B Labels



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

Business areas

StrongPoint develops and sells technology solutions that streamlines and simplifies e-commerce and store operations. The company is also a leader in IBNS solutions for Cash In Transit (Cash Security), and Labels for customers in Norway and Sweden.

Retail Technology

In-store

In-Store Productivity

- Loss Prevention
- ShopFlow Logistics
- Electronic Shelf Labels
- Scales & Wrapping Systems
- Task & Labour Management
- Voice Communication System

Payment Solutions

- Cash Management

Check Out Efficiency

- Self-Checkout
- Self-Scanning
- Tobacco Sales Automation





E-commerce

Picking

- Pick & Collect

Delivery

- QueueManager
- DeliveryManager
- RouteManager
- Click & Collect

Cash Security



Labels



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), POS, ERP, consulting services, scales and wrapping machines.

MNOK	Q3		YTD		Year
	2019	2018	2019	2018	2018
Product Sales	119,9	97,5	407,0	359,1	478,6
Services	71,1	62,0	218,3	200,9	277,0
Revenue	191,0	159,6	625,3	560,0	755,6
EBITDA	25,9	11,0	74,4	57,4	68,4
EBITDA-margin	13,6 %	6,9 %	11,9 %	10,2 %	9,1 %
EBT	18,7	5,6	50,6	40,0	64,2

1) Alimerka decided to purchase the rented CashGuards in Q2 2018, which gave a one-off effect of 36 MNOK on revenue and 21.3 MNOK on EBITDA.

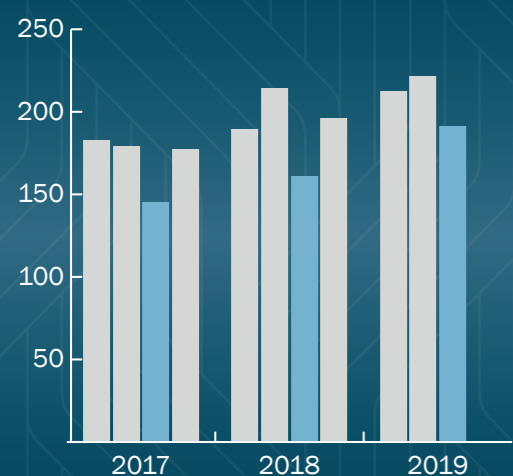
2) IFRS 16 had a positive effect on the EBITDA of MNOK 3.6 in Q3 2019 and MNOK 10.8 YTD 2019.

Retail Technology delivered a strong quarter with a growth of 20 % compared to the same quarter last year. The main drivers were continued deliveries of ESL, Vensafe and e-commerce, Cash Management solutions to the Spanish and South African market and Self Checkout and software related projects in the Baltics.

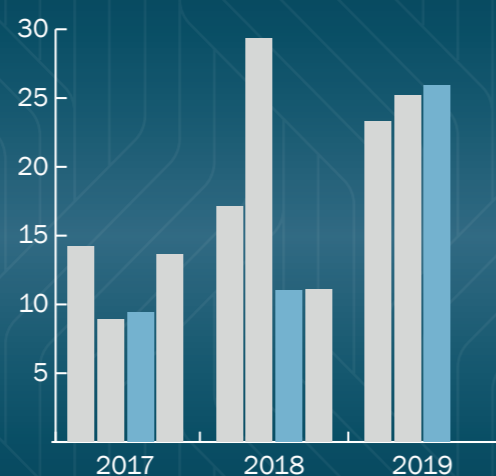
EBITDA in Q3 increased to 25.9 (11.0). This was a result of higher revenues and margin improvements in combination with the cost reduction initiatives implemented last year. At the same time we continue to invest in strategically important growth areas like E-commerce software and sales in Spain. IFRS 16 effects were MNOK 3.6 for Retail Technology.

Retail Technology

Operating revenue per quarter (MNOK)



EBITDA per quarter (MNOK)



Norway

MNOK	Q3		YTD		Year
	2019	2018	2019	2018	2018
Product Sales	29,8	20,4	129,5	84,7	133,2
Services	26,0	22,2	78,0	69,0	94,0
Revenue	55,7	42,6	207,5	153,8	227,2

Q3 was yet another strong quarter for Retail Technology Norway with a growth rate of 31 %. Main drivers were deliveries of ESL, Vensafe and services. The services revenue is increasing as a result of the installed base.

In Q3 the first Unico Cash Management solution was delivered to a Norwegian grocery store.

StrongPoint started delivering ESL to Joker in the first part of the year, and the deliveries is expected to be completed by 2020.

Sweden

MNOK	Q3		YTD		Year
	2019	2018	2019	2018	2018
Product Sales	28,8	36,1	105,0	113,4	133,0
Services	24,8	23,1	80,1	75,0	108,7
Revenue	53,6	59,2	185,1	188,5	241,7

The operating revenue decreased 9 % in Q3 compared to last year. This was due to reduction in Cash Management and Vensafe solutions while E-commerce revenue was growing. ESL deliveries continued as previous quarters. Earlier this year Coop signed an agreement to pilot Click & Collect. Following the success the solution will be a major part of the grocery chain's "Hämta-koncept" with further deliveries this year and in 2020.

Baltics

MNOK	Q3		YTD		Year
	2019	2018	2019	2018	2018
Product Sales	22,2	14,5	76,8	39,2	61,2
Services	13,8	12,1	41,1	35,4	46,5
Revenue	36,0	26,7	117,9	74,5	107,7

The Baltic countries delivered yet another strong quarter with a growth of 35 %, and are increasing their relative share of the Retail Technology revenue. This is the fifth consecutive quarter with year over year growth in revenue. Year to date the business has almost doubled with a growth rate of 58 %. Good underlying operations and several large deliveries, especially within Self-Checkout solutions and ERP/POS projects are contributing to the growth.

The first Vensafe solution in Estonia was installed at Keila Supermarket. This is also the first live store installation in Europe where facial recognition

technology is used at self-checkouts for selling age-restricted items.

StrongPoint's first payment station was installed at Rimi Baltics. This is a Self-Checkout solution developed by StrongPoint to be used in combination with Self-Scanning. It can also be a stand alone Self-Checkout solution for convenience stores.

EMEA/Partners

MNOK	Q3		YTD		Year
	2019	2018	2019	2018	2018
Product Sales	39,2	26,5	95,6	121,7	151,1
Services	6,5	4,6	19,2	21,5	27,7
Revenue	45,7	31,1	114,8	143,2	178,9

The revenue in Q3 was generated by strong organic growth in Spain and the large order of Cash Management solutions to South Africa. In addition, more than 80 units were rented out this quarter.

The year-to-date comparison vs. last year is also influenced by the sale of the Cash Management as a Service contract to Alimerka which resulted in a one-off payment of MNOK 36.0 with an EBITDA effect of 21.3 in Q2 2018.

Earlier this year StrongPoint received the first order of Click & Collect from a Spanish supermarket chain and a logistics company. Both customers see the benefit of StrongPoint's Click & Collect solution and the pilots will be used to evaluate if this solution will be a part of their future delivery concept.

To accelerate sales, StrongPoint uses a network of agents (RoadRunners) in Spain. These agents are smaller distributors whose main task is to sell Cash Management solutions to targeted customers in their geographical area. We have recently expanded and enhanced our Cash Management offering by adding two new solutions: Compact and Unico, in addition to the well-established CashGuard Premium.

E-commerce

E-commerce had a growth of 79 % in the quarter driven by Click & Collect and Pick & Collect solutions. StrongPoint experiences great interest in the market. All the major retail grocery chains in Sweden have already implemented one or more of StrongPoint's E-commerce solutions. Further, both grocery and non-grocery retailers across Europe are evaluating different solutions for picking and delivery from StrongPoint.

StrongPoint is investing in "productification" of the E-commerce Logistics Suite. The project, called E20, will continue through 2020. This investment will develop our E-commerce Logistics Suite into a fully scalable solution.

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	Q3		YTD		Year
	2019	2018	2019	2018	2018
Product Sales	10,0	26,5	51,7	46,3	105,7
Services	6,1	10,8	25,1	31,8	46,3
Revenue	16,1	37,2	76,8	78,0	152,0
EBITDA	-5,1	2,3	2,1	-12,4	2,9
EBITDA-margin	-31,7 %	6,2 %	2,8 %	-15,8 %	1,9 %
EBT	-6,2	1,8	-1,2	-13,1	0,8

*) IFRS 16 had a positive effect on the EBITDA of MNOK 0.8 in Q3 2019 and MNOK 2.6 YTD 2019.

The Cash Security business is typically affected by a few but large orders, which leads to variations in a year-on-year comparison. The previously reported order from Sberbank of up to 580 CIT-cases is now increased to 880 cases and expected to be delivered in full in Q4 2019. Sberbank is the largest bank in Russia with 14 000 branches in 83 regions.

Cash Security received its first order for CIT cases from the postal service in Bosnia. The customer has so far implemented the solution for CIT in one of their regions.

The earlier announced LEAN project, that was initiated to better align our cost base with activity levels, is now ready to be executed. We expect a bottom-line impact of

at least MNOK 5 p.a. from this initiative starting January 2020. The impact stems from improved productivity, cost effects in procurement, and lower quality costs.

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 and the UK.

StrongPoint's CIT cases have the highest level of security in the market, and regardless of the expertise, time, methods and tools used in a robbery attempt, the contents of the cases will always be permanently stained.

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	Q3		YTD		Year
	2019	2018	2019	2018	2018
Revenue	40,4	37,7	125,3	126,2	165,6
EBITDA	6,1	6,5	16,1	17,5	22,9
EBITDA-margin	15,2 %	17,2 %	12,9 %	13,8 %	13,9 %
EBT	1,7	3,1	2,6	7,1	9,0

*) The transition to IFRS 16 had a positive effect on the EBITDA of MNOK 1.2 in Q3 2019 and MNOK 3.7 YTD 2019.

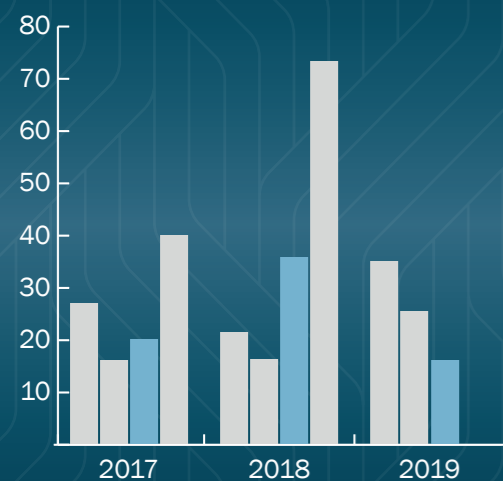
Operating revenue in Q3 2019 increased by 7 % compared to last year. Market headwinds, high price competition and negative FX effects are the main factors for the decline in margin in the quarter. Actions have been initiated to increase revenue and efficiency in production of labels to mitigate this.

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 is estimated to start 2020/2021, and payment of the compensation fee is estimated to January 2020. The compensation fee and time of payment is subject to BaneNor's Board approval and the finalization of the agreement between the parties.

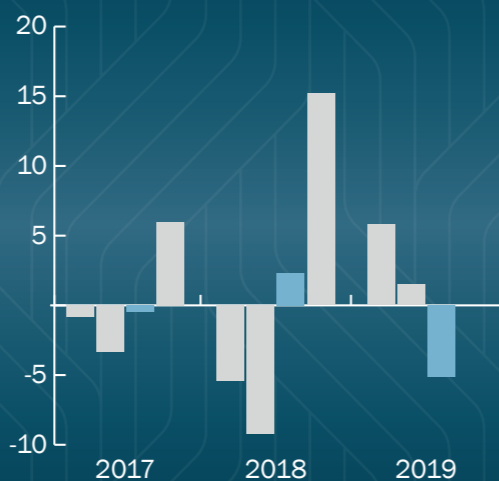
The business area is among the largest suppliers of adhesive labels in the Swedish and Norwegian markets. Labels uses FSC-certified material from EU/ EEA/UK in its label production to ensure that the paper is produced in a sustainable manner, and that the production meets the regulations for health and safety in the EU. In the autumn 2019, the label factory in Sweden will be certified according to ISO 9001 and ISO 14001. In addition, there will be a focus on further streamlining and digitalization of production and administrative processes.

Cash Security

Operating revenue per quarter (MNOK)

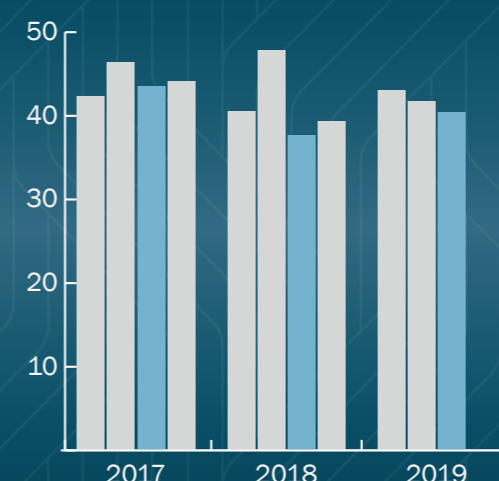


EBITDA per quarter (MNOK)

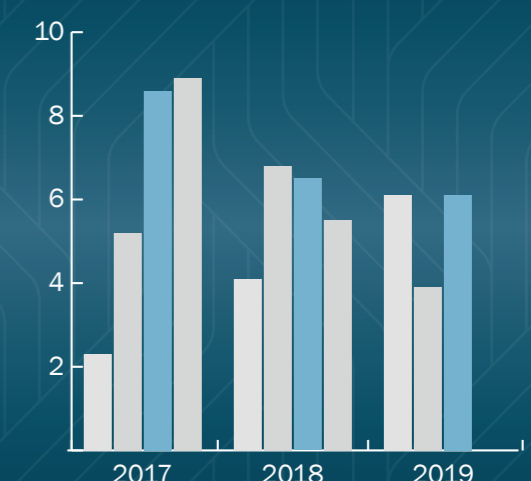


Labels

Operating revenue per quarter (MNOK)



EBITDA per quarter (MNOK)



Cash flow and equity

Cash flow from operational activities in the third quarter was MNOK 0.1 (1.2). Year to date cash flow from operational activities was MNOK 57.3 (0.9). Positive change in working capital is the main reason for the improved cash flow. Disposable funds were MNOK 63.7 per September 30, 2019. The net interest-bearing debt increased by MNOK 5.6 compared with the end of the last quarter and totaled MNOK 112.2, including the effects from IFRS 16. The transition to IFRS 16 increased our debt with MNOK 56.1, see note 5 for more information on IFRS 16. A dividend of NOK 0.55 per share was paid in May 2019. The Group's holding of own shares amounted to 192,579, which represents 0.4 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 127,238 shares were bought in 2018 and 78,756 shares have been subscribed so far in 2019.

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 third quarter and year to date 2019, including comparative consolidated figures for the third quarter and year to date 2018. 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 third quarter and year to date 2019 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 September 2019 and 30 September 2018. To the best of their knowledge, the report gives a true and fair over- view 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 30 October 2019

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	Q3 2019	Q3 2018	Chg. %	YTD 2019	YTD 2018	Chg. %	Year 2018
Operating revenue	237 487	233 214	1,8 %	812 755	759 533	7,0 %	1 067 468
Profit from AC, Service companies	-181	90		-77	238		215
Cost of goods sold	122 973	120 212	2,3 %	421 854	372 509	13,2 %	534 661
Payroll	67 994	68 104	-0,2 %	238 585	244 587	-2,5 %	331 908
Other operating expenses	28 518	29 821	-4,4 %	84 629	97 702	-13,4 %	133 658
Total operating expenses	219 486	218 137	0,6 %	745 068	714 797	4,2 %	1 000 227
EBITDA	17 820	15 167	17,5 %	67 610	44 974	50,3 %	67 457
Depreciation tangible assets	3 895	4 155	-6,3 %	12 403	12 687	-2,2 %	18 531
Depreciation leasing IFRS 16	5 419	-		16 187	-		-
Depreciation intangible assets	2 982	4 371	-31,8 %	11 110	14 743	-24,6 %	19 056
EBIT	5 524	6 640	-16,8 %	27 909	17 544	59,1 %	29 870
Interest expenses	741	766	-3,1 %	1 942	2 049	-5,2 %	3 129
Interest expenses leasing IFRS 16	250	-		856	-		-
Other financial expenses/currency differences	546	1 590	-65,6 %	-4 337	-4 649	6,7 %	724
EBT	3 987	4 285	-7,0 %	29 448	20 144	46,2 %	26 017
Taxes	1 127	1 000	12,7 %	6 183	4 455	38,8 %	12 570
Profit/loss after tax	2 860	3 285	-13,0 %	23 265	15 689	48,3 %	13 447
Earnings per share							
Number of shares outstanding	44 376 040	44 376 040		44 376 040	44 376 040		44 376 040
Av. Number of shares - own shares	44 164 144	44 271 496		44 226 765	44 271 496		44 271 496
Earnings per share	0,06	0,07		0,53	0,35		0,30
Diluted earnings per share	0,06	0,07		0,53	0,35		0,30
EBITDA per share	0,40	0,34		1,53	1,02		1,52
Diluted EBITDA per share	0,40	0,34		1,53	1,02		1,52
Total earnings	Q3 2019	Q3 2018	Chg. %	YTD 2019	YTD 2018	Chg. %	Year 2018
Profit/loss after tax	2 860	3 285	-13,0 %	23 265	15 689	48,3 %	13 447
Exchange differences on foreign operations	2 880	2 314	24,4 %	-13 908	-26 144	46,8 %	-7 187
Total earnings	5 739	5 599	2,5 %	9 357	-10 455	-189,5 %	6 260

*) The transition to IFRS 16 had a positive effect on the EBITDA of MNOK 5.7 in Q3 2019 and MNOK 17.0 YTD 2019.

Consolidated balance sheet

KNOK	30.09.2019	30.09.2018	30.06.2019	01.01.2019	31.12.2018
ASSETS					
Intangible assets	48 332	61 630	50 745	60 280	60 280
Goodwill	135 433	134 884	134 283	141 429	141 429
Tangible assets	55 759	60 017	56 908	58 086	58 086
Tangible assets leasing IFRS 16	56 111	-	60 726	70 584	-
Long term investments	547	1 717	1 106	849	849
Deferred tax	7 473	16 241	8 596	13 601	13 601
Non-current assets	303 655	274 489	312 364	344 829	274 245
Goods	127 049	141 677	117 124	127 897	127 897
Accounts receivable	183 700	174 434	200 093	200 340	200 340
Prepaid expenses	17 423	13 362	20 270	11 641	11 641
Other receivables	8 541	15 533	6 849	14 278	14 278
Bank deposits	49 618	20 381	23 951	26 985	26 985
Current assets	386 331	365 386	368 288	381 141	381 141
TOTAL ASSETS	689 986	639 875	680 652	725 970	655 386
EQUITY AND LIABILITIES					
Share capital	27 513	27 513	27 513	27 513	27 513
Holding of own shares	-119	-65	-132	-65	-65
Other equity	221 894	220 974	215 966	237 689	237 689
Total equity	249 288	248 422	243 348	265 137	265 137
Long term interest bearing liabilities	31 193	38 855	37 127	49 800	49 800
Liabilities leasing IFRS 16	56 111	-	60 726	70 584	-
Other long term liabilities	9 252	19 596	9 177	20 694	20 694
Total long term liabilities	96 555	58 451	107 030	141 078	70 494
Short term interest bearing liabilities	74 476	53 345	32 625	31 789	31 789
Accounts payable	82 016	76 154	88 358	81 326	81 326
Taxes payable	178	493	184	2 990	2 990
Other short term liabilities	187 472	203 010	209 107	203 650	203 650
Total short term liabilities	344 143	333 002	330 274	319 755	319 755
TOTAL EQUITY AND LIABILITIES	689 986	639 875	680 652	725 970	655 386

Overview of changes in the equity

KNOK	Share capital	Treasury shares	Other paid-in equity	Translation variances	Other equity	Total equity
Equity 31.12.2017	27 513	-65	351 262	52 316	-150 013	281 013
Dividend 2017	-	-	-	-	-22 136	-22 136
Profit this year after tax	-	-	-	-	13 447	13 447
Other comprehensive income and expenses	-	-	-	-7 187	-	-7 187
Equity 31.12.2018	27 513	-65	351 262	45 130	-158 703	265 137
Sale of own shares	-	-55	-	-	-796	-850
Dividend 2018	-	-	-	-	-24 355	-24 355
Profit this year after tax	-	-	-	-	23 265	23 265
Other comprehensive income and expenses	-	-	-	-13 908	-	-13 908
Equity 30.09.2019	27 513	-119	351 262	31 222	-160 588	249 288

Statement of cash flow

KNOK	Q3 2019	Q3 2018	YTD 2019	YTD 2018	Year 2018
Ordinary profit before tax	3 987	4 285	29 448	20 144	26 017
Net interest	991	766	2 798	2 049	3 129
Tax paid	3	-472	-2 212	-472	2 092
Share of profit, associated companies	181	-90	77	-238	-215
Ordinary depreciation	6 877	8 526	23 513	27 430	37 587
Depreciation IFRS 16	5 419	-	16 187	-	-
Profit / loss on sale of fixed assets	-	-198	-	-593	-505
Non-realised loss on financial instruments	-	-	-	-	476
Change in inventories	-8 570	-4 622	-2 049	-17 530	1 781
Change in receivables	18 133	-6 574	12 080	-22 048	-41 955
Change in accounts payable	-7 207	8 548	2 641	-12 527	-10 424
Change in other accrued items	-19 708	-8 991	-25 192	4 638	3 383
Cash flow from operational activities	107	1 177	57 291	853	21 365
Payments for fixed assets	-4 655	-1 327	-12 766	-6 942	-11 070
Payment from sale of fixed assets	-	459	-	36 134	38 882
Profit on sale to Alimerka	-	-	-	-21 299	-21 299
Investments in associated companies	302	-	302	-	-
Interest income	28	-17	133	152	843
Cash flow from investment activities	-4 324	-885	-12 331	8 044	7 356
Buying / selling of treasury shares	202	-	-850	-	-
Change in long-term debt	-10 536	-5 048	-22 651	11 368	29 862
Change in overdraft	45 826	1 619	45 076	-14 807	-46 830
Interest expenses	-770	-749	-2 075	-2 200	-3 972
Dividend paid	-	-	-24 355	-22 136	-22 136
Payment of leasing commitments IFRS 16	-5 419	-	-16 187	-	-
Interest expenses IFRS 16	-250	-	-856	-	-
Cash flow from financing activities	29 054	-4 178	-21 898	-27 776	-43 076
Net change in liquid assets	24 837	-3 886	23 063	-18 879	-14 355
Cash and cash equivalents at the start of the period	23 951	24 255	26 985	41 503	41 503
Effect of foreign exchange rate fluctuations on foreign currency deposits	830	11	-430	-2 243	-163
Cash and cash equivalents at the end of the period	49 618	20 381	49 618	20 381	26 985

Key figures

KNOK	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	YTD 2019	YTD 2018
Income statement							
Operating revenue	237 306	287 149	288 223	307 913	233 304	812 677	759 771
EBITDA	17 820*	22 105*	27 685*	22 483	15 167	67 610*	44 974
EBITA	8 506	12 349	18 165	16 639	11 012	39 019	32 286
Operating profit EBIT	5 524	8 313	14 071	12 326	6 640	27 909	17 544
Ordinary profit before tax (EBT)	3 987	8 689	16 772	5 873	4 285	29 448	20 144
Profit/loss after tax	2 860	7 136	13 269	-2 242	3 285	23 265	15 689
EBITDA-margin	7,5 %	7,7 %	9,6 %	7,3 %	6,5 %	8,3 %	5,9 %
EBT-margin	1,7 %	3,0 %	5,8 %	1,9 %	1,8 %	3,6 %	2,7 %
Balance sheet							
Non-current assets	303 655*	312 364*	323 220*	274 245	274 489	303 655*	274 489
Current assets	386 331	368 288	384 557	381 141	365 386	386 331	365 386
Total assets	689 986	680 652	707 777	655 386	639 875	689 986	639 875
Total equity	249 288	243 348	265 564	265 137	248 422	249 288	248 422
Total long term liabilities	96 555*	107 030*	117 854	70 494	58 451	96 555*	58 451
Total short term liabilities	344 143	330 274	324 359	319 755	333 002	344 143	333 002
Working capital	228 733	228 860	255 509	246 911	239 957	228 733	239 957
Equity ratio	36,1 %	35,8 %	37,5 %	40,5 %	38,8 %	36,1 %	38,8 %
Liquidity ratio	112,3 %	111,5 %	118,6 %	119,2 %	109,7 %	112,3 %	109,7 %
Net interest bearing debt	112 162**	106 527**	120 306**	54 604	71 819	112 162**	71 819
Net leverage multiples	1,24	1,22	1,44	0,81	1,09	1,24	1,09
Net leverage multiples, excluding IFRS 16	0,77	0,60	0,71	0,81	1,09	0,77	1,09
Cash Flow							
Cash flow from operational activities	107*	46 455*	10 729	20 512	1 177	57 291	853
Net change in liquid assets	24 837	4 870	-6 644	4 524	-3 885	23 063	-18 879
Share information							
Number of shares	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040	44 376 040
Weighted average shares outstanding	44 164 144	44 242 976	44 274 385	44 271 496	44 271 496	44 226 765	44 271 496
EBT per shares	0,09	0,20	0,38	0,13	0,10	0,67	0,46
Earnings per share	0,06	0,16	0,30	-0,05	0,07	0,53	0,35
Earnings per share, adjusted ***	0,13	0,25	0,39	0,05	0,17	0,78	0,69
Equity per share	5,6	5,5	6,0	6,0	5,6	5,6	5,6
Dividend per share	-	0,55	-	-	-	0,55	0,50
Employees							
Number of employees (end of period)	519	534	525	538	570	519	570
Average number of employees	527	530	532	554	567	529	569

*) IFRS 16 had a positive effect on EBITDA and cash flow from operational activities with MNOK 5.7 in Q3 2019 and MNOK 17.0 YTD 2019.

Fixed assets and long-term liabilities include MNOK 56.1 regarding IFRS 16.

***) Net interest-bearing debt includes the effect of IFRS 16 with MNOK 56.1 in Q3 2019, MNOK 60.7 in Q2 2019 and 65.2 in Q1 2019.

****) 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 2018.

Note 2 Key accounting principles

The accounting principles for the report are described in note 2 in the annual financial statements for 2018. The Group financial statements for 2018 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 31.12.2018. The quarterly report and the interim financial statements have not been revised by auditor. StrongPoint has conducted an assessment of IFRS 15, and its implementation will not have any significant impact on the Group. The Group has implemented IFRS 16 Leases beginning 1 January 2019 with a modified retrospective method. The effect of accounting for IFRS 16 is shown as an adjustment of the opening balance on 1 January 2019, without translating comparative figures. See note 5 for further information.

Note 3 Segment information

Business areas

MNOK	Q3 2019			Q3 2018			YTD 2019			YTD 2018			Year 2018		
	Re-venue	EBIT-DA	EBT	Re-venue	EBIT-DA	EBT	Re-venue	EBIT-DA	EBT	Re-venue	EBIT-DA	EBT	Re-venue	EBIT-DA	EBT
Retail Tech	191,0	25,9	18,7	159,6	11,0	5,6	625,3	74,4	50,6	560,0	57,4	40,0	755,6	68,4	64,2
Cash Security	16,1	-5,1	-6,2	37,2	2,3	1,8	76,8	2,1	-1,2	78,0	-12,4	-13,1	152,0	2,9	0,8
Labels	40,4	6,1	1,7	37,7	6,5	3,1	125,3	16,1	2,6	126,2	17,5	7,1	165,6	22,9	9,0
Elim / ASA	-10,2	-9,1	-10,2	-1,2	-4,7	-6,2	-14,6	-25,1	-22,5	-4,5	-17,5	-13,8	-5,5	-26,8	-48,0
Total	237,3	17,8*	4,0	233,3	15,2	4,3	812,7	67,6*	29,4	759,8	45,0	20,1	1 067,7	67,5	26,0

*) The transition to IFRS 16 amounts to MNOK 5.7 in Q3 2019 and MNOK 17.0 YTD 2019.

Operating revenue by geographical market

MNOK	Q3 2019			Q3 2018			YTD 2019			YTD 2018			Year 2018		
	NO	SWE	Other	NO	SWE	Other	NO	SWE	Other	NO	SWE	Other	NO	SWE	Other
Retail Tech	57,4	48,1	85,4	42,6	59,2	57,8	209,2	179,6	236,5	153,8	188,5	217,8	227,2	241,7	286,6
Cash Security	0,0	8,8	7,3	1,0	24,3	12,0	0,6	29,8	46,3	2,1	37,9	38,0	3,3	56,8	91,9
Labels	11,7	28,8	0,0	15,0	22,8	0,0	42,2	83,0	0,0	48,7	77,5	0,0	64,2	101,4	0,0
Elim / ASA	-0,6	-9,8	0,1	0,0	-1,2	0,0	-1,3	-13,3	0,0	0,0	-4,2	-0,3	0,0	-5,2	-0,3
Total	68,5	75,9	92,8	58,6	105,0	69,7	250,8	279,1	282,8	204,6	299,6	255,5	294,8	394,7	378,2

Operating revenue by product and service

MNOK	Q3 2019		Q3 2018		YTD 2019		YTD 2018		Year 2018	
	New sales	Services*	New sales	Services*	New sales	Services*	New sales	Services*	New sales	Services*
Retail Tech	119,9	71,1	97,5	62,0	407,0	218,3	359,1	200,9	478,6	277,0
Cash Security	10,0	6,1	26,5	10,8	51,7	25,1	46,3	31,8	105,7	46,3
Labels	40,4	0,0	37,7	0,0	125,3	0,0	126,2	0,0	165,6	0,0
Elim / ASA	-10,2	0,0	-1,2	0,0	-14,6	0,0	-4,5	0,0	-5,5	0,0
Total	160,1	77,2	160,5	72,8	569,3	243,4	527,1	232,7	744,4	323,3

*) Service and licenses

Note 4 Related parties

No significant transactions between the Group and related parties had taken place as at 30 September 2019.

Note 5 IFRS 16

The Group has implemented IFRS 16 Leases beginning 1 January 2019 with a modified retrospective method. The effect of accounting for IFRS 16 is shown as an adjustment of the opening balance on 1 January 2019, without translating comparative figures. At the transition to IFRS 16, the Group has listed KNOK 70 583.6 as a right of use in the balance sheet as an asset and correspondingly as a debt liability. StrongPoint leases several objects as buildings and cars that are affected by the transition, listed in the table below. Production equipment that is financially leased is not affected by the transition to IFRS 16 as this has already been carried out in accordance with the principles in IFRS 16.

KNOK	Retail Tech	Cash Security	Labels	Q3 2019	Retail Tech	Cash Security	Labels	YTD	01.01.19
Rent	-2 559,8	-776,3	-1 074,0	-4 410,0	-8 018,5	-2 399,1	-3 224,4	-13 642,0	
Cars	-1 037,5	-71,1	-150,3	-1 258,9	-2 738,3	-212,1	-451,1	-3 401,5	
Other	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
EBITDA	3 597,3	847,4	1 224,2	5 668,9	10 756,8	2 611,2	3 675,5	17 043,5	
Depreciations	3 448,6	821,4	1 149,4	5 419,4	10 254,5	2 512,4	3 420,3	16 187,2	
Interest	148,7	26,0	74,9	249,5	502,3	98,9	255,1	856,3	
EBT	-0,0	-0,0	-0,0	-0,0	-0,0	-0,0	-0,0	-0,0	
Tangible assets IFRS 16 Cars								49 068,9	
Tangible assets IFRS 16 Other								7 041,7	
Leasing commitments ex. interest								56 110,6	70 583,6
								56 110,6	70 583,6

Note 6 Top 20 shareholders as at 30 September 2019

No.	Name	No. of shares	%
1	STRØMSTANGEN AS	3 933 092	8,9 %
2	HOLMEN SPESIALFOND	3 650 000	8,2 %
3	AVANZA BANK AB	2 644 447	6,0 %
4	HSBC TTEE MARLB EUROPEAN TRUST	1 976 000	4,5 %
5	PROBITAS HOLDING AS	1 788 276	4,0 %
6	V. EIENDOM HOLDING AS	1 750 908	3,9 %
7	ZETTERBERG, GEORG (incl. fully owned companies)	1 633 000	3,7 %
8	NORDNET BANK AB	1 487 432	3,4 %
9	NORDNET LIVSFORSIKRING AS	1 287 305	2,9 %
10	VERDADERO AS	1 092 400	2,5 %
11	WAALER, JØRGEN (incl. fully owned companies)	1 000 000	2,3 %
12	RING, JAN	874 372	2,0 %
13	GLAAMENE INDUSTRIER AS	873 549	2,0 %
14	MP PENSJON PK	777 402	1,8 %
15	GRESSLIEN, ODD ROAR	540 000	1,2 %
16	SKANDINAVISKA ENSKILDA BANKEN AB	527 166	1,2 %
17	JOHANSEN, STEIN	500 000	1,1 %
18	EVENSEN, TOR COLKA	455 000	1,0 %
19	JACOBSEN, SVEIN (incl. fully owned companies)	385 000	0,9 %
20	BJØRNSTAD, DANIEL	377 720	0,9 %
	Sum 20 largest shareholders	27 553 069	62,1 %
	Sum 1 629 other shareholders	16 822 971	37,9 %
	Sum all 1 649 shareholders	44 376 040	100,0 %

Definitions

Working capital

Equity per share

Operating revenue

Operating revenue per employee

Operating cost per employee

EBT

EBT-margin

EBIT

EBITA

EBITDA

EBITDA-margin

Equity ratio

Weighted average basic shares

Liquidity ratio

Earnings per share

Inventories + accounts receivables – accounts payable

Book value equity / number of shares

Sales revenue and profit from AC, Service companies

Operating revenue / average number of employees

Operating cost / average number of employees

Profit before tax

EBT / operating revenue

Operating profit

Earnings before interest, taxes, and amortization

Operating profit + depreciation fixed assets and tangible assets

EBITDA / operating revenue

Book value equity / total assets

Issued shares adjusted for own shares on average for the year

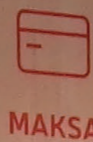
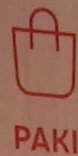
Current assets / short term debt

Paid dividend per share throughout the year

PULDIKASSA

PULDIKASSA

SKANEERI



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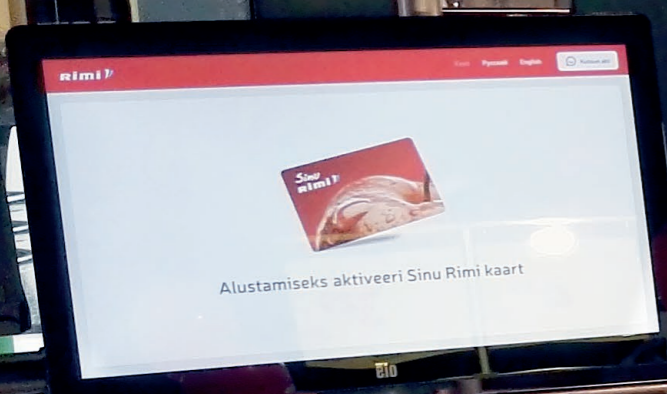
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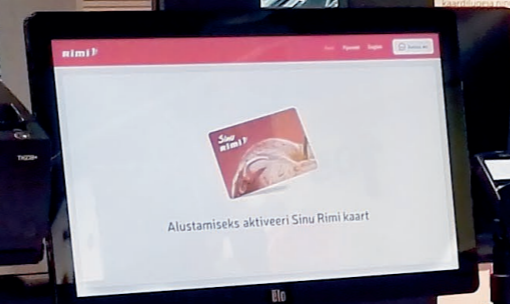
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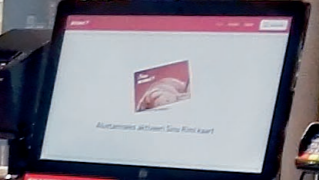
SKANEERI TOODE



SKANEERI TOODE

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RIMI KAARDI
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SKANEERI TOODE



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StrongPoint

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