



StrongPoint



Q4 and year 2019

Financial report and status

CEO statement

We shop like never before. Both online and offline and everything in between. With delivery home, in-store or wherever we are. Around the clock. Combined with an ever-increasing competition and accelerating awareness among both retailers and consumers of consumption's environmental and social impact, global retailers are facing their biggest challenge ever: To stand out, sustain growth, and spur productivity.



Jacob Tveraabak
CEO of StrongPoint

Together with colleagues in the StrongPoint team, I recently visited the NRF 2020 Big Show in New York, one of the most important retail shows on the planet. During busy days, we reinforced our partnerships with leading business and technology partners and received solid feedback on our solutions offering. The NRF conference also confirmed the 2025 growth strategy that StrongPoint has developed over the latest busy months, presented for the first time at our Strategy Update Session in Oslo on February 12th.

In short, StrongPoint targets to be retailers' trusted in-store technology and e-commerce partner. We will drive productivity for retailers through our leading portfolio of technology solutions and highly valued service and support offering.

In e-commerce, StrongPoint is offering a complete solution for managing and optimizing the entire flow of online orders from planning and picking to last mile delivery.

In-store, StrongPoint's offering improves consumers' shopping experience from their first pick to check-out, and at the same time increasing retailers' productivity through automated, integrated, secure and cost-saving solutions. From stockroom to check-out.

Combined, StrongPoint's e-commerce and in-store solutions and services are perfectly positioned at the crossroads of multi-channel retailing: online growth and cost-cutting in offline retail. From a North European and grocery focused starting point, StrongPoint will pursue a three-step approach to geographical expansion and growth:

- Roll-out of the full portfolio of current solutions in key markets, including Norway, Sweden, the Baltics and Spain, utilizing our strong sales, service and support organization and model, applying innovative tools and sharing of best practices.

- Roll-out of proprietary technology solutions in selected new markets, including US, Netherlands, Italy and Greece, through strong local presence, service and support, targeting the largest cost-buckets in offline and online grocery retail with existing and new solutions.
- Utilizing our market access platform for global retail technology providers targeting leading retailers in StrongPoint's key markets, leveraging our strong market- and one-stop-shop position.

In Q4 2019 we continued delivering on the pillars described above, and experienced a 12 % revenue growth in Retail Technology vs. same quarter last year. Our e-commerce revenue contribution grew even stronger with more than 40 % growth. However, the overall revenue development was slightly down as revenue from Cash Security was reduced from the exceptional quarter last year. EBITDA for the quarter improved to MNOK 30.6, up from MNOK 22.5 last year (IFRS effect in 2019 constituted of MNOK 6.3).

Looking back at 2019 I am pleased with a 12 % organic growth in Retail Technology and the profitability improvement. In particular when considering the many changes, we have undertaken with regards to conversion of formerly own offices into partner locations and resources leveraged to craft our strategy forward.

I look forward to the journey ahead. We are just getting started. We will help retailers to stand out, sustain growth and spur productivity - leveraging the arising opportunities within e-commerce and in-store technology.

Highlights 4th quarter

Continued strong performance in Retail Technology

- Operating revenues: MNOK 299, -3 % decline vs Q4 2018. 12 % growth in Retail Technology
- Strong e-commerce growth with 42 % compared to same quarter last year
- EBITDA: MNOK 30.6¹⁾ (22.5), with MNOK 21.9 (11.1) EBITDA in Retail Technology
- Cash flow from operational activities: MNOK 23.3 (20.5)

Several customer breakthroughs and deliveries

- Contract to deliver 20 Click & Collect lockers to COOP Sweden in 2020
- First pilot for Mobile Grocery Click & Collect lockers with Axfood in Sweden
- First implementation of e-commerce Pick & Collect system to a Spanish customer
- Signed order with partner Bullion IT for delivery of 500 CashGuard Premium units to First National Bank in South Africa
- Delivery of 885 CIT-cases to Sberbank, Russia, during the quarter

Important product development

- Finalisation of beta version of Pick & Collect software (project E20)
- Completion of integrated Self-Checkout solution with Harting Systems' checkout zone
- Launch of Click & Collect lockers on wheels (mobile lockers)

The Board will propose a dividend of NOK 0.60 per share, up from NOK 0.55 last year

1) IFRS 16 had a positive effect on the EBITDA of MNOK 6.3 in Q4 2019 and MNOK 23.4 YTD 2019.

Key figures (MNOK)

	Q4		Year	
	2019	2018	2019	2018
Operating revenue	299.0	307.9	1.111.7	1 067.7
EBITDA	30,6*	22.5	98,2*	67.5
EBITDA margin	10.2 %	7.3 %	8.8 %	6.3 %
Operating profit (EBIT)	17.5	12.3	45.4	29.9
Ordinary profit before tax (EBT)	13.7	5.9	43.1	26.0
Cash flow from operational activities	23.3*	20.5	80,6*	21.4
Disposable funds	74.2	87.0	74.2	87.0
Earnings per outstanding shares (NOK)	0.19	-0.05	0.72	0.30
Earnings per share adjusted (NOK) **	0.25	0.05	1.03	0.73

*) IFRS 16 amounts to MNOK 6.3 in Q4 2019 and MNOK 23.4 YTD 2019.

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

StrongPoint Group

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

The Group also consists of the 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	Q4		Year	
	2019	2018	2019	2018
Retail Technology	218,2	195,6	843,5	755,6
Cash Security	46,8	74,0	123,5	152,0
Labels	38,6	39,4	163,8	165,6
Elim / ASA	-4,5	-1,0	-19,1	-5,5
Total	299,0	307,9	1 111,7	1 067,7

EBITDA MNOK	Q4		Year	
	2019	2018	2019	2018
Retail Technology	21,9	11,1	96,3	68,4
Cash Security	11,3	15,2	13,5	2,9
Labels	5,8	5,5	21,9	22,9
Elim / ASA	-8,4	-9,3	-33,4	-26,8
Total	30,6	22,5	98,2	67,5

**) IFRS 16 had a positive effect on EBITDA of MNOK 6.3 in Q4 2019 and MNOK 23.4 YTD 2019.*

Continued strong performance in Retail Technology in Q4

Total revenue in Q4 2019 decreased by 3 % vs. same quarter last year and ended at MNOK 299. This almost flat development constitutes of very different performance in two of StrongPoint's business areas. Retail Technology, the focus area for StrongPoint, increased its revenue by 12 % in this quarter compared to last year. E-commerce grew by 42 % in the quarter compared to Q4 2018, driven by strong performance in picking (Pick & Collect) and delivery (Click & Collect) solutions.

Cash Security delivered 100 % of the 885 Cash InTransit (CIT) - cases to Sberbank in Russia during the quarter. The revenue decreased by 37 % compared to fourth quarter last year, due to the exceptional situation with delivery of two parallel large orders in the same quarter in 2018.

Labels experienced a small decline compared to Q4 2018, due to some lower demand from customers

EBITDA for the group was MNOK 30.6 (22.5) in Q4, of which the IFRS 16 effect was MNOK 6.3. Cost savings program initiated at the end of 2018 had a positive effect on EBITDA in the quarter, in addition to lower warranty costs in Cash Security. Some of this cost saving has been reinvested in priority growth areas such as e-commerce and growing our presence in Spain.

Delivery of Cash Management through the rental solution in Spain (Easy Access) affected both revenue and EBITDA in the quarter. Financial figures will continue to be influenced by the mix of paid and rental 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.

Full year revenue in Retail Technology grew organically by 12 % from 2018 to 2019, from MNOK 756 to 844. Norway and the Baltics had growth rate of 4 % and 34 % respectively and covered well up for the non-repetitive Alimerka lease buyout in 2018. E-commerce delivered an overall growth of 34 % year-on-year.

The Spanish operation has increased the targeted market to also include non-grocery segments and initiated the rental solution as a new concept. Within Retail Technology, major restructuring has been done in France, Belgium, Germany and Russia by converting them to partner offices.

The cost savings initiative of MNOK 30 was delivered in full during the year. The Retail Technology business area has invested part of the savings in product development (mostly "E20", Cash Management and Self-Checkout solution), and the Group is recruiting new resources to support future business plans. Cash Security experienced a decline of 19 % in yearly revenue, but the profitability was improved by MNOK 7, adjusted for IFRS. Main drivers for the increased result was improvement in quality.

Several customer breakthroughs and deliveries

Retailers are continuing to sign up to StrongPoint's e-commerce solutions, and especially Click & Collect in Q4 2019.

Based on feedback from the pilot solution "COOP Hämtas", the Swedish grocery retailer ordered 20 lockers to be installed in 20 different stores. The lockers will be delivered during the first half of 2020. In addition, the retailer Axfood has ordered 4 pilots of the StrongPoint Mobile Grocery Click & Collect locker.

Bullion IT, StrongPoint's partner in South Africa, ordered 500 CashGuard Premium units to be installed in bank facilities to First National Bank in the country.

Important product development

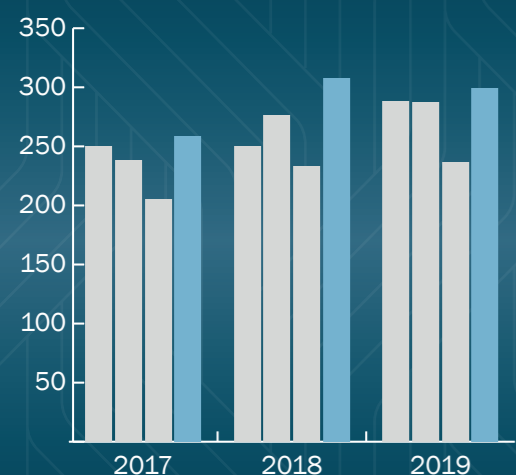
Throughout 2019 we have invested in a new Pick & Collect software solution, called the E20 project. A beta-version of the new platform is now completed. The solution will be a true SaaS solution, more scalable and with incorporated AI features. The beta version will be launched at Euroshop in February 2020.

The partnership with Harting Systems is progressing in line with plans. The customer offering combines StrongPoints' Self-Checkout solution and Harting Systems' checkout zone. The integrated solution will also be showcased at Euroshop. The primary market for the solution is Germany, where Harting Systems has a strong foothold with grocery retailers.

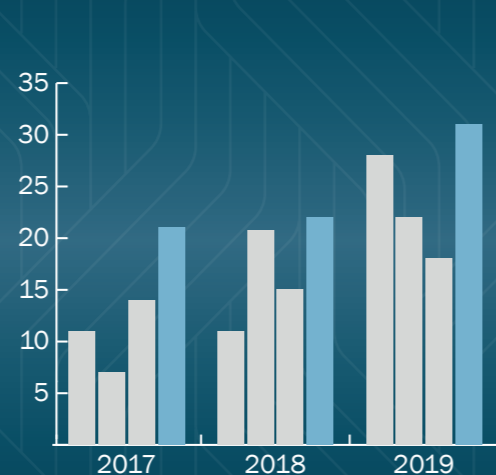
Click & Collect lockers on wheels (mobile lockers) were launched and received immediately interest in the market. The solution enables retailers to try out a Click & Collect solution in different locations, typically without additional permits from the authorities.

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, Canada, 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	Q4		Year	
	2019	2018	2019	2018
Product Sales	140,8	119,5	547,8	478,6
Service	77,4	76,1	295,7	277,0
Revenue	218,2	195,6	843,5	755,6
EBITDA	21,9	11,1	96,3	68,4
EBITDA-margin	10,0 %	5,7 %	11,4 %	9,1 %
EBT	15,6	24,2	66,1	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 Q4 2019 and MNOK 14.3 YTD 2019.

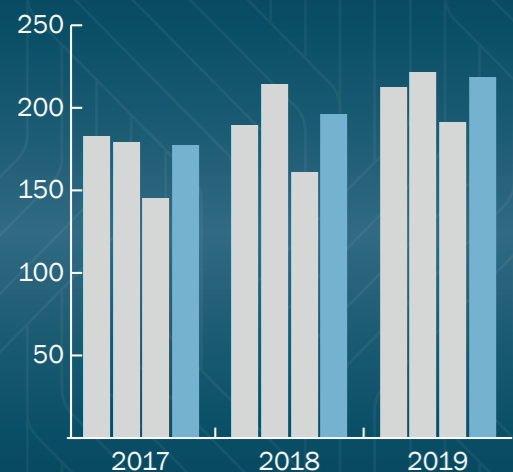
Retail Technology delivered yet another strong quarter with an organic growth of 12 % compared to last year and continues the growth rate from previous quarters. All key markets experience growth in the quarter.

EBITDA in Q4 increased to 21.9 (11.1). This was a result of higher revenues and margin improvements in

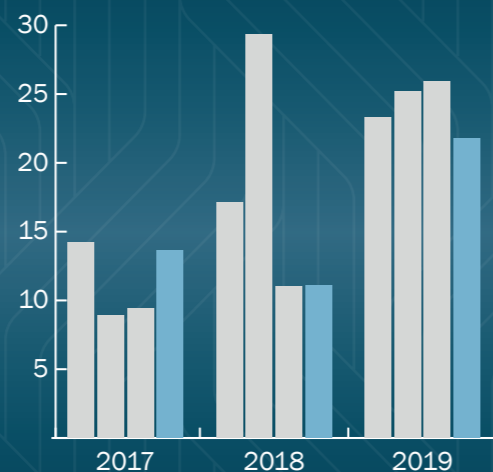
combination with the cost reduction initiatives implemented last year. At the same time, we continue to invest in strategically important growth areas like e-commerce software and sales resources in Spain. IFRS 16 effects were MNOK 3.6 for Retail Technology.

Retail Technology

Operating revenue per quarter (MNOK)



EBITDA per quarter (MNOK)



Norway

MNOK	Q4		Year	
	2019	2018	2019	2018
Product Sales	45,0	48,5	176,2	133,2
Service	31,2	25,0	109,2	94,0
Revenue	76,2	73,5	285,4	227,2

Norway continued the positive trend and increased revenue by 4 % in Q4 compared to same quarter last year. Main drivers were deliveries of ESL, Vensafe and service. One large retailer has used StrongPoint competence and resources to rebuild the POS-area in more than 200 stores, leading to higher service revenue in the quarter. The project will continue in Q1 2020.

Sweden

MNOK	Q4		Year	
	2019	2018	2019	2018
Product Sales	46,3	19,5	145,8	133,0
Service	26,4	33,7	106,5	108,7
Revenue	72,7	53,2	252,3	241,7

Revenue grew with 37 % in the quarter compared to last year. ESL deliveries continued as previous quarters, and e-commerce continues to be more relevant to customers. Coop signed an agreement to buy 20 Click & Collect lockers for delivery in 2020. The solution will be a major part of the grocery chain's "Hämta-concept". Axfood signed an agreement to buy 4 pilots of Mobile Grocery Click & Collect to test customer behaviour related to this innovative solution.

Baltics

MNOK	Q4		Year	
	2019	2018	2019	2018
Product Sales	30,9	22,0	107,7	61,2
Service	13,7	11,2	54,8	46,5
Revenue	44,6	33,2	162,5	107,7

The Baltic countries delivered yet another strong quarter with a growth rate of 34 %, and are increasing its relative share of the Retail Technology revenue. This is the sixth consecutive quarter with year over year growth in revenue. Year-on-year comparison ended with a growth rate of 51 %. Good underlying operations and several large deliveries, especially within Self-Checkout solutions and ERP/POS projects are contributing to the growth. The Baltic sales team has achieved several pilots for different solutions, like ESL, complete Self-Checkout with cash and age verification (Vensafe +Yoti), Self-Scanning with Datema solution, and launched e-commerce picking to Rimi.

EMEA/Partners

MNOK	Q4		Year	
	2019	2018	2019	2018
Product Sales	18,7	29,4	118,1	151,1
Service	6,0	6,2	25,2	27,7
Revenue	24,7	35,6	143,3	178,9

The revenue from RoadRunners in Q4 2018 was presented as extraordinary and influence the comparison for Q4 2019. Spain delivered good sales growth and develops according to plan. In addition, more than 80 units were rented out this quarter, leading to increased recurring revenue going forward. In total almost 300 systems have been installed as rental solutions in 2019. If the units were sold the revenue would be approx. MNOK 22 higher for the year.

Partner Bullion IT ordered 500 units of CashGuard to be installed in the bank facilities of First National Bank in South Africa. The order is expected to be delivered during first half of 2020. Bullion IT doubled the installation of CashGuards from 2018 to 2019.

During 2019, restructuring has been done in Malaysia, France, Belgium and Germany. The conversion of own offices into Partner offices has led to a revenue decline, however the profitability for StrongPoint has improved as there was no direct cost of sales.

The first implementation of e-commerce Pick & Collect solution was completed for the Spanish retailer Plusfresc.

The yearly comparison vs last year was 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.

E-commerce

E-commerce had a growth of 42 % in the quarter driven by Click & Collect and Pick & Collect solutions. The growth during 2019 were 34 % vs 2018. The solution represented 5 % of total revenue for the full year. StrongPoint experience great interest in the market. All the major retail grocery chains in Sweden have already implemented e-commerce solutions. Further, both grocery and non-grocery retailers across Europe are evaluating different solutions for picking and delivery from StrongPoint.

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	Q4		Year	
	2019	2018	2019	2018
Product Sales	36,2	59,4	87,9	105,7
Service	10,5	14,6	35,6	46,3
Revenue	46,8	74,0	123,5	152,0
EBITDA	11,3	15,2	13,5	2,9
EBITDA-margin	24,2 %	20,6 %	10,9 %	1,9 %
EBT	9,0	13,9	7,8	0,8

*) IFRS 16 had a positive effect on the EBITDA of MNOK 1.3 in Q4 2019 and MNOK 3.9 YTD 2019.

The Cash Security revenue and profit are affected by few but large orders, which often leads to significant variations in quarterly and year-on-year comparisons. The previously reported order from Sberbank of 885 CIT-cases were delivered in full in Q4 2019. Sberbank is the largest bank in Russia with 14 000 branches in 83 regions.

In addition, the business area delivered the first 100+ CIT-cases to Prosegur in Germany. This is a new customer for StrongPoint.

The full year EBITDA increased with MNOK 10.6 compared to last year. 2018 was highly influenced by warranty issues and related cost that has not occurred in 2019. The business area focusses continuously on

quality and improvements.

The earlier announced LEAN project, that was initiated to better align our cost base with activity levels, is now under implementation. A new and expected more productive assembly line is up and running, and contributes partly to the improved profitability already in Q4. We expect a bottom-line impact of at least MNOK 5 p.a. from this initiative as of year-end 2020, stemming 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.

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	Q4		Year	
	2019	2018	2019	2018
Revenue	38,6	39,4	163,8	165,6
EBITDA	5,8	5,5	21,9	22,9
EBITDA-margin	14,9 %	13,9 %	13,4 %	13,9 %
EBT	1,6	2,0	4,2	9,0

*) The transition to IFRS 16 had a positive effect on the EBITDA of MNOK 1.3 in Q4 2019 and MNOK 5.0 YTD 2019.

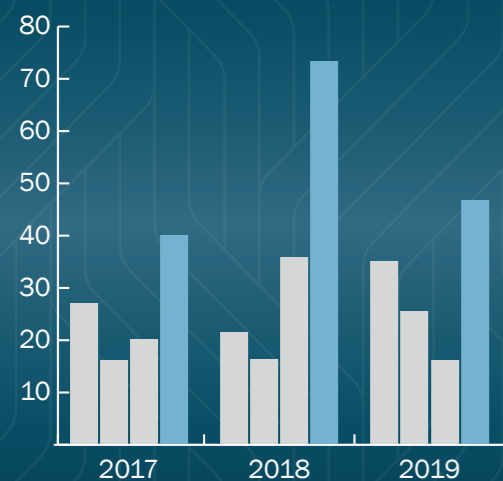
Operating revenue in Q4 2019 decreased by 2 % compared to last year. Lower demand in general in both the Norwegian and Swedish market are the main drivers for the decline. Margin pressure in a highly competitive market led to reduced margins when adjusted for the IFRS effect.

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.

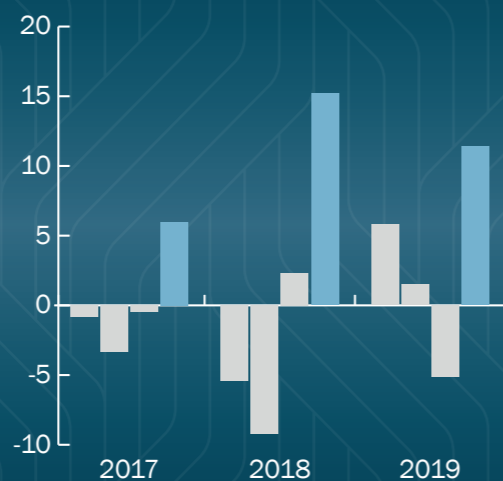
The business area is among the largest suppliers of adhesive labels in the Swedish and Norwegian markets. Labels uses FSC-certified material from EU/EEA/UK in its label production to ensure that the paper is produced in a sustainable manner, and that the production meets the regulations for health and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

Cash Security

Operating revenue per quarter (MNOK)

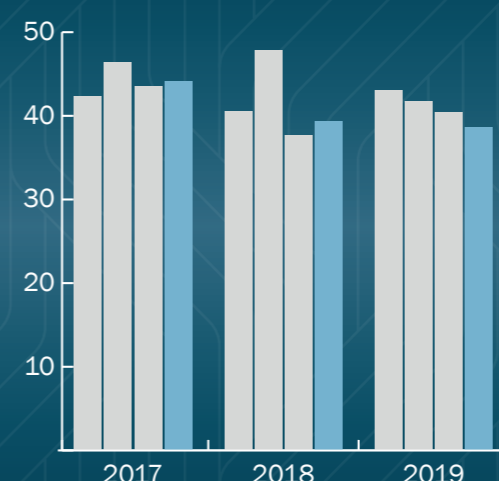


EBITDA per quarter (MNOK)

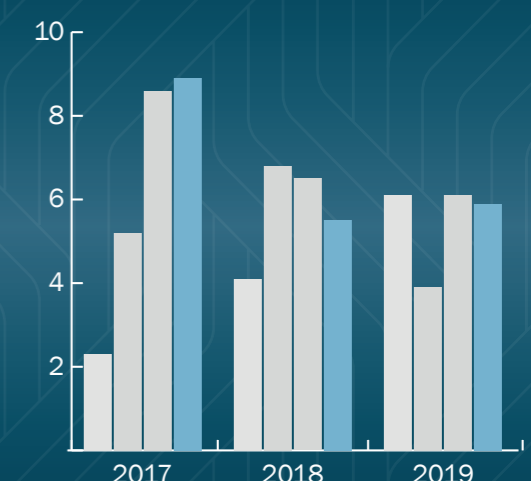


Labels

Operating revenue per quarter (MNOK)



EBITDA per quarter (MNOK)



Cash flow and equity

Cash flow from operational activities in the fourth quarter was MNOK 23.3 (20.5). For 2019, cash flow from operational activities was MNOK 80.6 (21.4) in 2019, including IFRS effect of MNOK 22. Positive changes in working capital and profitability, are the main reasons for the positive change in cash flow. Disposable funds were MNOK 74.2 per December 31, 2019. The net interest-bearing debt decreased by MNOK 9.4 compared with the end of the last quarter and totalled MNOK 102.8, including the effects from IFRS 16. The transition to IFRS 16 increased our debt with MNOK 59.8, see note 5 for more information. A dividend of NOK 0.55 per share was paid in May 2019. The Group's holding of own shares amounted to 172,416, 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 89,706 shares have been subscribed in 2019. The Board will at the Annual General Assembly propose a dividend of NOK 0.60 per share, that when approved will be paid in May 2020.

Accounting year	General assembly		Dividend per share
2019	29.04.2020	Proposed	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 reviewed and approved StrongPoint's financial statements for the fourth quarter and the year 2019, including comparative consolidated figures for the fourth quarter and the year 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 fourth quarter and year 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 31 December 2019 and 31 December 2018. 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 11 February 2020

Morthen Johannessen
Chairman

Klaus de Vibe
Director

Camilla AC Tefers
Director

Inger Johanne Solhaug
Director

Peter Wirén
Director

Jacob Tveraabak
CEO



Consolidated income statement

KNOK	Q4 2019	Q4 2018	Chg. %	Year 2019	Year 2018	Chg. %
Operating revenue	299 013	307 935	-2,9 %	1 111 767	1 067 468	4,1 %
Profit from AC, Service companies	6	-23		-71	215	
Cost of goods sold	157 603	162 152	-2,8 %	579 457	534 661	8,4 %
Payroll	85 508	87 322	-2,1 %	324 092	331 908	-2,4 %
Other operating expenses	25 299	35 956	-29,6 %	109 927	133 658	-17,8 %
Total operating expenses	268 409	285 429	-6,0 %	1 013 477	1 000 227	1,3 %
EBITDA	30 609	22 483	36,1 %	98 219	67 457	45,6 %
Depreciation tangible assets	4 577	5 844	-21,7 %	16 980	18 531	-8,4 %
Depreciation leasing IFRS 16	5 969	-	0,0 %	22 156	-	0,0 %
Depreciation intangible assets	2 590	4 313	-39,9 %	13 700	19 056	-28,1 %
EBIT	17 473	12 326	41,8 %	45 383	29 870	51,9 %
Interest expenses	412	1 080	-61,9 %	2 353	3 129	-24,8 %
Interest expenses leasing IFRS 16	348	-	0,0 %	1 205	-	0,0 %
Other financial expenses/currency differences	3 053	5 373	-43,2 %	-1 284	724	-277,3 %
EBT	13 660	5 873	132,6 %	43 108	26 017	65,7 %
Taxes	5 055	8 115	-37,7 %	11 238	12 570	-10,6 %
Profit/loss after tax	8 606	-2 242	483,8 %	31 870	13 447	137,0 %
Earnings per share						
Number of shares outstanding	44 376 040	44 376 040		44 376 040	44 376 040	
Av. Number of shares - own shares	44 196 649	44 271 496		44 231 636	44 271 496	
Earnings per share	0,19	-0,05		0,72	0,30	
Diluted earnings per share	0,19	-0,05		0,72	0,30	
EBITDA per share	0,69	0,51		2,22	1,52	
Diluted EBITDA per share	0,69	0,51		2,22	1,52	
Total earnings	Q4 2019	Q4 2018	Chg. %	Year 2019	Year 2018	Chg. %
Profit/loss after tax	8 606	-2 242	483,8 %	31 870	13 447	137,0 %
Exchange differences on foreign operations	5 785	18 957	-69,5 %	-8 123	-7 187	-13,0 %
Total earnings	14 391	16 715	-13,9 %	23 748	6 260	279,3 %

*) The transition to IFRS 16 amounts to MNOK 6.3 in Q4 2019 and MNOK 23.4 YTD 2019

Consolidated balance sheet

KNOK	31.12.2019	31.12.2018	30.09.2019	01.01.2019
ASSETS				
Intangible assets	46 747	60 280	48 332	60 280
Goodwill	137 929	141 429	135 433	141 429
Tangible assets	53 658	58 086	55 759	58 086
Tangible assets leasing IFRS 16	59 784	-	56 111	70 584
Long term investments	1 553	849	547	849
Deferred tax	5 859	13 601	7 473	13 601
Non-current assets	305 530	274 245	303 655	344 829
Goods	138 366	127 897	127 049	127 897
Accounts receivable	180 412	200 340	183 700	200 340
Prepaid expenses	12 781	11 641	17 423	11 641
Other receivables	13 954	14 278	8 541	14 278
Bank deposits	39 498	26 985	49 618	26 985
Current assets	385 011	381 141	386 331	381 141
TOTAL ASSETS	690 542	655 386	689 986	725 970
EQUITY AND LIABILITIES				
Share capital	27 513	27 513	27 513	27 513
Holding of own shares	-107	-65	-119	-65
Other equity	236 498	237 689	221 894	237 689
Total equity	263 904	265 137	249 288	265 137
Long term interest bearing liabilities	23 858	49 800	31 193	49 800
Liabilities leasing IFRS 16	59 784	-	56 111	70 584
Other long term liabilities	3 904	20 694	9 252	20 694
Total long term liabilities	87 546	70 494	96 555	141 078
Short term interest bearing liabilities	58 667	31 789	74 476	31 789
Accounts payable	70 799	81 326	82 016	81 326
Taxes payable	1 091	2 990	178	2 990
Other short term liabilities	208 535	203 650	187 472	203 650
Total short term liabilities	339 092	319 755	344 143	319 755
TOTAL EQUITY AND LIABILITIES	690 542	655 386	689 986	725 970

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
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

Statement of cash flow

KNOK	Q4 2019	Q4 2018	Year 2019	Year 2018
Ordinary profit before tax	13 660	5 873	43 108	26 017
Net interest	760	1 080	3 558	3 129
Tax paid	3 012	2 564	799	2 092
Share of profit, associated companies	-6	23	71	-215
Ordinary depreciation	7 167	10 157	30 680	37 587
Depreciation IFRS 16	5 969	-	22 156	-
Profit / loss on sale of fixed assets	-298	88	-298	-505
Non-realised loss on financial instruments	-	476	-	476
Change in inventories	-10 335	19 312	-12 384	1 781
Change in receivables	4 944	-19 908	17 024	-41 955
Change in accounts payable	-11 914	2 103	-9 274	-10 424
Change in other accrued items	10 387	-1 256	-14 806	3 383
Cash flow from operational activities	23 345	20 512	80 636	21 365
Payments for fixed assets	-1 777	-4 128	-14 544	-11 070
Net payments for long term shares	-1 000	-	-1 000	-
Payment from sale of fixed assets	344	2 748	344	38 882
Profit on sale to Alimerka	-	-	-	-21 299
Dividends received from associated companies	-77	-	225	-
Interest income	-91	692	43	843
Cash flow from investment activities	-2 602	-688	-14 932	7 356
Purchase/sale of own shares	225	-	-625	-
Change in long-term debt	-4 177	18 494	-26 827	29 862
Change in overdraft	-20 201	-32 022	24 875	-46 830
Interest expenses	-321	-1 772	-2 396	-3 972
Dividend paid	-	-	-24 355	-22 136
Payment of leasing commitments IFRS 16	-5 969	-	-22 156	-
Interest expenses IFRS 16	-348	-	-1 205	-
Cash flow from financing activities	-30 791	-15 300	-52 689	-43 076
Net change in liquid assets	-10 048	4 524	13 015	-14 355
Cash and cash equivalents at the start of the period	49 618	20 381	26 985	41 503
Effect of foreign exchange rate fluctuations on foreign currency deposits	-72	2 080	-502	-163
Cash and cash equivalents at the end of the period	39 498	26 985	39 498	26 985

Key figures

KNOK	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Year 2019	Year 2018
Income statement							
Operating revenue	299 019	237 306	287 149	288 223	307 913	1 111 696	1 067 684
EBITDA	30 609*	17 820*	22 105*	27 685*	22 483	98 219*	67 457
EBITA	20 064	8 506	12 349	18 165	16 639	59 083	48 926
Operating profit EBIT	17 473	5 524	8 313	14 071	12 326	45 383	29 870
Ordinary profit before tax (EBT)	13 660	3 987	8 689	16 772	5 873	43 108	26 017
Profit/loss after tax	8 606	2 860	7 136	13 269	-2 242	31 870	13 447
EBITDA-margin	10,2 %	7,5 %	7,7 %	9,6 %	7,3 %	8,8 %	6,3 %
EBT-margin	4,6 %	1,7 %	3,0 %	5,8 %	1,9 %	3,9 %	2,4 %
Balance sheet							
Non-current assets	305 530*	303 655*	312 364*	323 220*	274 245	305 530*	274 245
Current assets	385 011	386 331	368 288	384 557	381 141	385 011	381 141
Total assets	690 542	689 986	680 652	707 777	655 386	690 542	655 386
Total equity	263 904	249 288	243 348	265 564	265 137	263 904	265 137
Total long term liabilities	87 546*	96 555*	107 030*	117 854	70 494	87 546*	70 494
Total short term liabilities	339 092	344 143	330 274	324 359	319 755	339 092	319 755
Working capital	247 979	228 733	228 860	255 509	246 911	247 979	246 911
Equity ratio	38,2 %	36,1 %	35,8 %	37,5 %	40,5 %	38,2 %	40,5 %
Liquidity ratio	113,5 %	112,3 %	111,5 %	118,6 %	119,2 %	113,5 %	119,2 %
Net interest bearing debt	102 810**	112 162**	106 527**	120 306**	54 604	102 810**	54 604
Net leverage multiples	1,05	1,24	1,22	1,44	0,81	1,05	0,81
Net leverage multiples, excluding IFRS 16	0,56	0,77	0,60	0,71	0,81	0,56	0,81
Cash Flow							
Cash flow from operational activities	23 345*	107*	46 455*	10 729	20 512	80 636	21 365
Net change in liquid assets	-10 048	24 837	4 870	-6 644	4 524	13 015	-14 355
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	44 196 649	44 164 144	44 242 976	44 274 385	44 271 496	44 231 636	44 271 496
EBT per shares	0,31	0,09	0,20	0,38	0,13	0,97	0,59
Earnings per share	0,19	0,06	0,16	0,30	-0,05	0,72	0,30
Earnings per share, adjusted ***	0,25	0,13	0,25	0,39	0,05	1,03	0,73
Equity per share	6,0	5,6	5,5	6,0	6,0	6,0	6,0
Dividend per share	-	-	0,55	-	-	0,55	0,50
Employees							
Number of employees (end of period)	531	519	534	525	538	531	538
Average number of employees	525	527	530	532	554	528	565

*) The transition to IFRS 16 had a positive effect on EBITDA and cash flow from operational activities with MNOK 6.3 in Q4 2019 and MNOK 23.4 YTD 2019. Fixed assets and long-term liabilities include MNOK 59.8 regarding IFRS 16.

**) Net interest-bearing debt includes the effect of IFRS 16 with KNOK 59.784 in Q4 2019, KNOK 56.111 in Q3 2019, KNOK 60.726 in Q2 2019 and KNOK 65.225 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	Q4 2019			Q4 2018			Year 2019			Year 2018		
	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT	Revenue	EBITDA	EBT
Retail Technology	218,2	21,9	15,6	195,6	11,1	24,2	843,5	96,3	66,1	755,6	68,4	64,2
Cash Security	46,8	11,3	9,0	74,0	15,2	13,9	123,5	13,5	7,8	152,0	2,9	0,8
Labels	38,6	5,8	1,6	39,4	5,5	2,0	163,8	21,9	4,2	165,6	22,9	9,0
Elim / ASA	-4,5	-8,4	-12,6	-1,0	-9,3	-34,2	-19,1	-33,4	-35,0	-5,5	-26,8	-48,0
Total	299,0	30,6*	13,7	307,9	22,5	5,9	1 111,7	98,2*	43,1	1 067,7	67,5	26,0

*) The transition to IFRS 16 amounts to MNOK 6.3 in Q4 2019 and MNOK 23.4 YTD 2019.

Operating revenue by geographical market

MNOK	Q4 2019			Q4 2018			Year 2019			Year 2018		
	Norway	Sweden	Other	Norway	Sweden	Other	Norway	Sweden	Other	Norway	Sweden	Other
Retail Technology	76,2	72,7	69,3	73,5	53,2	68,8	285,4	252,3	305,8	227,2	241,7	286,6
Cash Security	0,1	11,3	35,4	1,1	18,9	53,9	0,7	41,1	81,7	3,3	56,8	91,9
Labels	12,4	26,1	0,0	15,5	23,9	0,0	54,7	109,2	0,0	64,2	101,4	0,0
Elim / ASA	-1,1	-3,3	0,0	0,0	-1,0	-0,0	-2,5	-16,7	0,0	0,0	-5,2	-0,3
Total	87,5	106,8	104,7	90,1	95,1	122,7	338,3	385,9	387,5	294,8	394,7	378,2

Operating revenue by product and service

MNOK	Q4 2019		Q4 2018		Year 2019		Year 2018	
	New sales	Service*	New sales	Service*	New sales	Service*	New sales	Service*
Retail Technology	140,8	77,4	119,5	76,1	547,8	295,7	478,6	277,0
Cash Security	36,2	10,5	59,4	14,6	87,9	35,6	105,7	46,3
Labels	38,6	0,0	39,4	0,0	163,8	0,0	165,6	0,0
Elim / ASA	-4,5	0,0	-1,0	0,0	-19,1	0,0	-5,5	0,0
Total	211,1	87,9	217,3	90,6	780,5	331,2	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 31 December 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 70,584 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.

	Retail Tech	Cash Security	Labels	ASA/ Elim	Q4 2019	Retail Tech	Cash Security	Labels	ASA/ Elim	Year 2019
Rent	-2 406	-1 208	-1 223	-	-4 837	-10.425	-3 607	-4 448	-	-18 479
Cars	-1 167	-75	-115	-122	-1 480	-3 906	-287	-566	-122	-4 881
EBITDA	3 574	1 283	1 339	122	6 317	14 330	3 894	5 014	122	23 361
Depreciations	3 451	1 266	1 147	105	5 969	13 706	3 779	4 567	105	22 156
Interest	122	17	192	17	348	625	115	447	17	1 205
Tangible assets IFRS 16 Cars										50 848
Tangible assets IFRS 16 Other										8 936
Leasing commitments ex. interest										59 784

Note 6 Top 20 shareholders as at 31 December 2019

No.	Name	No. of shares	%
1	HOLMEN SPESIALFOND	4 100 000	9,2 %
2	STRØMSTANGEN AS	3 933 092	8,9 %
3	AVANZA BANK AB	2 709 369	6,1 %
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	1 780 009	4,0 %
7	ZETTERBERG, GEORG (incl. fully owned companies)	1 633 000	3,7 %
8	NORDNET BANK AB	1 563 729	3,5 %
9	NORDNET LIVSFORSIKRING AS	1 158 762	2,6 %
10	VERDADERO AS	1 111 111	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	JOHANSEN, STEIN	500 000	1,1 %
16	GRESSLIEN, ODD ROAR	480 000	1,1 %
17	EVENSEN, TOR COLKA	470 000	1,1 %
18	SKANDINAVISKA ENSKILDA BANKEN AB	468 228	1,1 %
19	BJØRNSTAD, DANIEL	391 000	0,9 %
20	JACOBSEN, SVEIN (incl. fully owned companies)	380 000	0,9 %
	Sum 20 largest shareholders	27 967 899	63,0 %
	Sum 1 613 other shareholders	16 408 141	37,0 %
	Sum all 1 633 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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