

2024



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	2024	2023	2022	
Operating revenue	1 309	1 342	1 372	MNOK
Annual growth	-2	-2	40	%
Recurring revenue <sup>1</sup>	358	312	292	MNOK
Annual growth recurring revenue	15	7	-3	%
EBITDA	2	-1	76	MNOK
EBT	-47	-45	38	MNOK
Total assets	1,028	1 014	986	MNOK
Equity	465	475	507	MNOK
Equity ratio <sup>2</sup>	45.3	46.8	51.5	%
Current ratio <sup>3</sup>	1.09	1.27	1.53	
Earnings per share <sup>4</sup>	-0.72	-0.77	0.66	NOK
Number of shares (average for year)	44 631	44 398	44 260	Т
Number of shares 31.12	44 888	44 888	44 888	Т
Share price (Oslo Børs) 31.12	11.15	13.35	22.00	NOK
Number of employees 31.12	497	524	511	

<sup>1) 12</sup> months recurring revenue includes service agreements, licenses and rentals.

2) Equity ratio

<u>Equity 31 December x 100</u>

Total assets 31 December

3) Current ratioCurrent assets 31 DecemberCurrent liabilities 31 December

4) Earnings per share

<u>Annual profit after tax</u>

Average no. of shares

**1.3Bn** 

NOK ANNUAL REVENUE

39
YEARS IN BUSINESS

497

NUMBER OF EMPLOYEES

2003
LISTED ON OSLO

STOCK EXCHANGE

2021

GRI REPORTING & MEMBER OF UN GLOBAL COMPACT

9

COUNTRIES WITH FULL SALES, SERVICE AND SUPPORT 20+

COUNTRIES COVERED WITH PARTNERS

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## **OUR PURPOSE**

# RETAIL **TECHNOLOGY** IN EVERY SHOPPING **EXPERIENCE FOR** A SMARTER AND **BETTER LIFE**

## **IMPACT ON GROCERY RETAILERS**

Driving efficiency savings and boosting margins



## **IMPACT** ON END **CUSTOMERS**

Improving both the in-store and online experience for shoppers



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## CEO STATEMENT

2024 has been a challenging year for StrongPoint. While we have seen improvements throughout the year, the overall performance did not meet our expectations.

Scandinavia and the Baltics have shown encouraging trends, however performance in the UK and Spain has been disappointing. Addressing these challenges remains a top priority, and we have already implemented measures to improve efficiency, reduce costs, and ensure that our investments are targeted toward sustainable growth. This includes the rightsizing of our organization in 2023, which has had a noticeable impact in 2024.





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Despite these challenges, 2024 has also been a year of significant progress and strategic developments. We began the year with a landmark achievement when Sainsbury's, the UK's second-largest grocery retailer, selected StrongPoint's Order Picking solution. This partnership reinforces our commitment to strengthening our presence in the UK, a market where we are still in the very early stages of building the same depth as we have in Norway, Sweden, and the Baltics, where our top ten customers on average utilize between four and five of our solutions. The potential in the UK is significant, and realising our full market opportunity will require time and sustained effort. Customer intimacy is crucial, and as a new player in the market, building these necessary customer relationships will take time.

# Sainsbury's, the UK's second-largest grocery retailer, selected StrongPoint's Order Picking solution.

In Spain, we announced our collaboration with the largest grocery retailer in Iberia to develop CashGuard Connect, a groundbreaking cash management solution for large cash volumes. While the new solution is expected to generate substantial efficiency savings for retailers, the complexity of product development and challenges with our joint venture partner have led to prolonged timelines. As a result, we are continuously assessing our resource allocations to this initiative while continuing to make progress.

In Spain, we announced our collaboration with the largest grocery retailer in Iberia to develop CashGuard Connect, a groundbreaking cash management solution for large cash volumes. At the end of the year, we announced an extensive partnership with VusionGroup, a global retail technology company that provides digital solutions to many of the world's largest retailers, including Walmart and Carrefour, and holds approximately 50% of the global market share in electronic shelf labels.

This partnership is a key milestone in our strategy, consisting of two critical components. First, as an Independent Software Vendor', StrongPoint's Order Picking solution will be integrated into VusionGroup's Retail IoT Cloud platform, allowing us to expand into new markets worldwide through co-selling opportunities. Second, as a 'Value Added Reseller' in our nine geographic markets, StrongPoint will sell, install, service, and support VusionGroup's full range of solutions, including electronic shelf labels. While the 'Independent Software Vendor' aspect presents a significant long-term opportunity for global expansion, the 'Value Added Reseller' partnership strengthens our short and medium-term growth potential in our core markets.

We announced an extensive partnership with VusionGroup, a global retail technology company that provides digital solutions to many of the world's largest retailers.

None of these developments would be possible without our employees, who are the foundation of StrongPoint's success. Their dedication, expertise, and commitment to innovation continue to drive our progress.

This year, our Employer Net Promoter Score reached 30, seven points higher than the average for similar technology companies, an encouraging sign of the strong culture we are building.

Attracting and retaining top talent remains a priority. In the UK, we are actively growing our organization to prepare for future expansion with key strategic hires. Meanwhile, in Scandinavia, we continue to evolve our team to maintain and grow our market position.

As we look ahead, we remain focused on delivering financial improvements and positioning StrongPoint for long-term success. In April 2024, we revised our financial estimates for 2025, forecasting revenues of NOK 1.5-1.8 billion with an EBITDA margin of 4-6%.

Given the difficulties of 2024, the previously stated forecast for 2025 seems challenging, though not unattainable. While we will work hard to achieve the previously communicated targets, they remain well below our ultimate aspirations. Longer term, we have stated that StrongPoint should operate with an EBITDA margin in excess of 10% alongside healthy revenue growth. Achieving this will require customer focus, continuous operational improvements, expansion in key markets, and an increasing focus on recurring revenue streams.

While the financial results for 2024 were far from satisfactory, the year also marked substantial progress and strategic growth. We faced challenges, but the improvements we have made and the opportunities ahead are encouraging.

Our success is a testament to the dedication and talent of the StrongPoint team. Their hard work has been instrumental in this year's achievements, and I want to extend my heartfelt thanks to them, as well as to our customers and shareholders for their continued support.

Stay safe and strong.

Jacob Tveraabak CEO

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## CHAIR'S PERSPECTIVE

As 2024 unfolded, StrongPoint remained focused on regaining momentum and reinforcing its position as a leading player in retail technology after a challenging 2023. The first half of the year marked a significant milestone with our breakthrough in the UK, with Sainsbury's selecting and rolling out our Order Picking solution for their e-commerce orders.

The second half of the year brought further encouraging progress with two consecutive quarters of revenue growth, albeit at modest levels. While challenges persist and our financial results are far away from our ambitions, the trajectory is positive and we ended the year on an even stronger note with the announcement of our strategic partnership with VusionGroup, a collaboration that expands the reach of our scalable e-commerce solutions into new markets.

The weak performance in 2024 is primarily due to the challenging macro environment which began to deteriorate in the second half of 2023. Higher interest rates and weakening currencies in the Nordics required retailers to meet higher return targets for their investments while also facing rising costs for new products. Understandably, this resulted in delayed and reduced new product investments by our customers. The decline is visible in the product sales across most of our product segments, as well as in the shop fitting segment in the UK. We have taken the required financial and organizational measures to navigate through these challenging times, and the Board would like to extend our sincere thanks to the entire StrongPoint team that has made this possible. The financial performance in the second half of the year is a testament to the positive impact of these efforts.

StrongPoint's solutions are gaining traction among leading retailers who recognize the necessity of hyper-efficiency, instore and online, in an evolving marketplace where costs are growing almost everywhere.

While the new product sales have been challenging over the past 1.5 years, our efforts to build a more resilient and predictable revenue base are delivering tangible results. Recurring revenue grew by 15% over the course of the year (rolling 12 months), mainly driven by the increasing adoption of our e-commerce solutions.

A deeper analysis of our recurring revenue streams shows steady and sustained growth in service and support across most product areas. This trend reflects a growing customer reliance on our solutions, reinforcing a positive longterm trajectory. When combined with the continued expansion of e-commerce related services, these developments further strengthen our revenue stability and predictability, positioning us for continued success in an evolving market.

While we remain disciplined in our approach to growth, these developments signal that StrongPoint's solutions are gaining traction among leading retailers who recognize the necessity of hyper-efficiency, instore and online, in an evolving marketplace where costs are growing almost everywhere.

As we look ahead, we expect 2025 to bring continued macroeconomic and geopolitical uncertainty and unpredictability, but we remain steadfast in our belief that StrongPoint is now better positioned than ever to capitalize on the significant opportunities within the retail technology market in the years to come. The investments we have made in technology, partnerships and market expansion are already beginning to yield results, and we remain focused on executing our long-term vision with discipline and determination across our entire organization.

With a clear strategy, a strong foundation, and a dedicated team with a passion for customer service, we enter the next phase of our journey with confidence and optimism. The priority now is to build on our regained momentum, accelerate growth and strengthen profitability. We are all encouraged and motivated by the substantial opportunities that lie ahead of us!

Morthen Johannessen Chairman

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## **OUR VALUES**

Values are what WE choose to prioritize. They encompass the behaviors and skills that WE cherish. They form the foundation of how WE want the work environment to be at StrongPoint. At StrongPoint, WE have chosen five values that demonstrate the behaviors and skills WE want all our colleagues to embody.



## **WE WIN THE CUSTOMER EVERY** SINGLE DAY

It's not just about winning the contract; it's about continuously developing the relationship and never taking the customer for granted.



### **WE LOVE RETAIL**

As experts, we always look to improve and innovate. We come up with new technological solutions that are tailor-made for our retail customers.



## **WE MAKE A DIFFERENCE**

Share your learnings, knowledge, wins and losses. Be the best you can be, and help others to achieve the same.



We don't waste time or resources, so every second counts in our pursuit of perfection.



## **WE STAY** STRONG, SAFE AND **PASSIONATE**

We take care of each other, and in challenging times and crises we stand together.



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# **TECHNOLOGY RESPONDING TO GROCERY RETAIL MEGATRENDS**



The pressure on brick-and-mortar retailers' margins means that grocery retailers must find ways to increase in-store productivity to boost profitability.

#### **OPPORTUNITY 2: E-COMMERCE SOLUTIONS**

Grocery retailers with e-commerce services require highly efficient order fulfillment solutions to keep costs down.



**LABOUR** COSTS **GOING UP**  Solutions must be less labor-dependent, often involving automation.

**DISCOUNTERS BECOMING** MAINSTREAM

All market players must reduce costs to remain competitive.

**INCREASING CUSTOMER DEMANDS** 

There is a constant demand for a better and faster customer experience, both in-store and online.

## **STRONGPOINT DOUBLE OPPORTUNITY:**

**Technology** solutions solving

1) in-store and 2) online challenges

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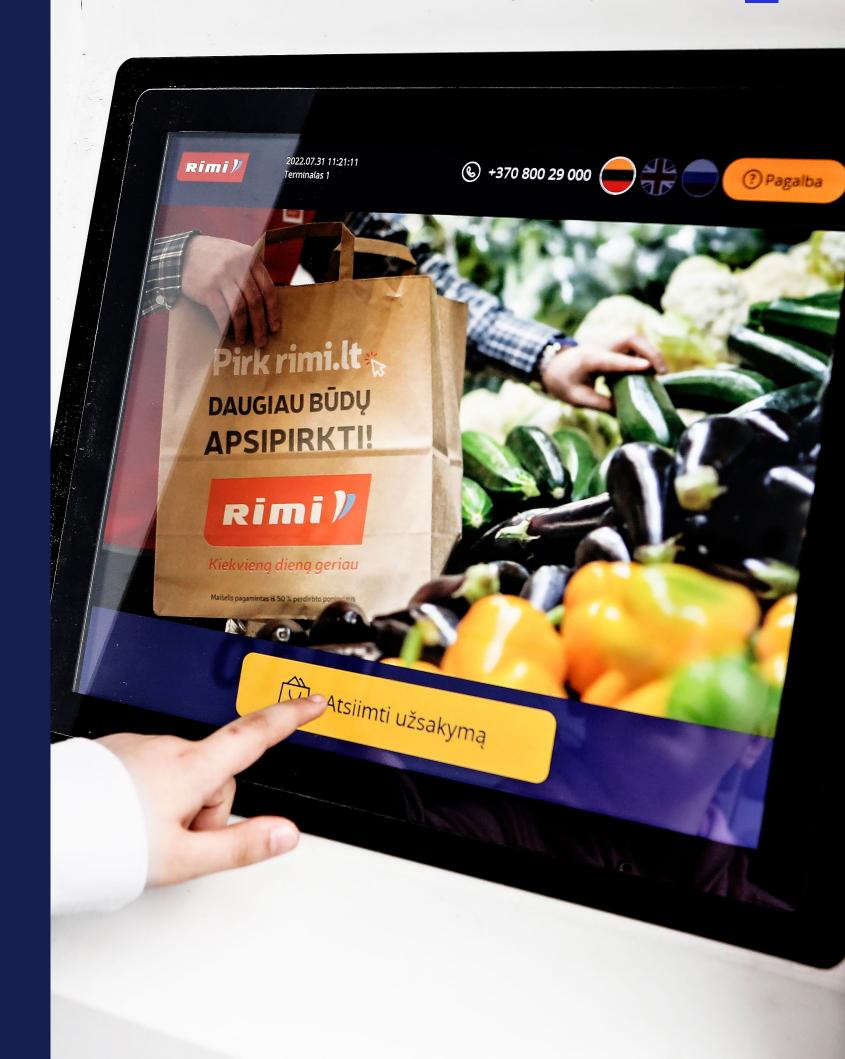
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# FOCUS ON **GROCERY** RETAIL

StrongPoint primarily serves the grocery retail market. Unlike the retail market in general, grocery retail is non-cyclical and highly resilient. Even in times of market turmoil and economic uncertainty, consumers will always need to shop for groceries. Beyond grocery retail, StrongPoint has opportunities to extend its solutions to other market segments, particularly DIY stores, pharmacies and convenience retailers.





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# **OUR GROCERY RETAIL SOLUTION SUITE**



<sup>\*</sup> Fully StrongPoint proprietary solutions



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## **HIGHLIGHTS**

### **JANUARY**

## Sainsbury's selects StrongPoint's grocery Order **Picking solution**

StrongPoint was selected by the UK's second largest grocery retailer Sainsbury's to supply order picking technology for online grocery orders fulfilled manually in store. Sainsbury's has over 1,400 supermarkets and convenience stores across the UK and employs more than 152,000 people.



The fact that we now serve the UK's second largest grocery retailer is a perfect testament to the quality of our solution.

**Jacob Tveraabak CEO of StrongPoint** 

### **APRIL**

## **SPAIN'S LARGEST GROCERY RETAILER WITH** STRONGPOINT'S NEW CASH **MANAGEMENT SOLUTION**

StrongPoint introduced a new solution, 'CashGuard Connect', the world's first fully automated end-to-end cash management solution eliminating the need for store staff to handle cash. The new solution is operational and being tested in a store check-out of the largest grocery retailer in Iberia.

#### MAY

## **GROCERY RETAILER ALPHAMEGA ORDERS ELECTRONIC SHELF LABELS**

StrongPoint signed an agreement with the Cyprus-based grocery retailer Alphamega to install Electronic Shelf Labels in all its stores. Alphamega has previously purchased and integrated StrongPoint's Order Picking, Grocery Lockers and Delivery Manager software to manage e-commerce orders. Electronic Shelf Labels are Alphamega's fourth solution purchased from StrongPoint.



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### **SEPTEMBER**

## World's first AutoStore™ Multi-Temperature Solution<sup>™</sup> for Haugaland Storhusholdning

StrongPoint has installed the world's first AutoStore™ Multi-Temperature Solution™ with a frozen zone for Haugaland Storhusholdning which was officially opened in September. In the world of grocery cube storage automation, this is a significant breakthrough. That StrongPoint was chosen for this major project is a testament to its unique expertise in the grocery sector, which is far more complex than other retail segments.

What's unique about this grid, is that it is divided into 3 sections. We have one for frozen, one for ambient and one for chilled. Automating with AutoStore and StrongPoint gives us the opportunity to grow our revenue by 3 times.

Our collaboration with StrongPoint has been excellent. Especially with our Project Manager and their support team. The support has been ready and available whenever needed, and I think that is important to create a successful partnership.

Thorstein Kirkeleit, **Business Development Manager Haugaland Storhusholdning** 



## JUNE

## **LEADING US GROCERY** RETAILER EXPANDS STRONGPOINT LOCKER **INSTALLATIONS**

This new order follows the 20 temperature-controlled grocery lockers ordered by the same grocery retailer in December 2022. The new order is for 35 grocery locker installations for its 'proof of economy'. If deemed successful, the next phase could involve a further roll-out.

### **SEPTEMBER**

## **QUICK COMMERCE DELIVEREASY PICKS** STRONGPOINT'S ORDER **PICKING SOLUTION**

Delivereasy, the leading Quick Commerce technology company in New Zealand, chose StrongPoint's Order Picking solution to fulfil its grocery orders.

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### **DECEMBER**

## Partnership with VusionGroup

Through this partnership, VusionGroup will integrate StrongPoint's end-to-end e-commerce platform into its advanced Retail IoT Cloud platform, making it available to retailers internationally. VusionGroup serves over 350 retailers in more than 60 countries through 25 offices worldwide, including partnerships with leading retailers such as Walmart, Carrefour, Edeka, and MediaMarkt-Saturn. The company currently operates over 450 million smart electronic shelf labels in more than 45,000 stores, accounting for approximately 50% of the global market share.

Enabling physical retailers to increase their e-commerce performance through store digitalization is one of the key pillars of our strategy, and this partnership represents a wonderful opportunity to accelerate that. By integrating StrongPoint's e-commerce technology into our platform, we are not only enhancing our offering but also enabling our customers to unlock new levels of efficiency, profitability and growth potential in a rapidly evolving retail landscape

**Sébastien Fourcy SEVP EMEA** VusionGroup



### **NOVEMBER**

## **LEADING BALTIC-BASED GROCERY RETAILER RIMI ORDERS EUR 2.3 MILLION OF** STRONGPOINT SELF-**CHECKOUTS**

Rimi has been using StrongPoint Self-Checkouts for over five years, showcasing the solution's proven reliability and customer convenience. With this new order, Rimi is further scaling and rolling out StrongPoint Self-Checkouts. This new order includes self-checkouts with cashhandling capabilities, as cash management remains an important aspect of the checkout process in the region.

### **DECEMBER**

## **LEADING BALTIC-BASED GROCERY RETAILER IKI ORDERS EUR 1.5 MILLION OF SELF-CHECKOUTS FROM STRONGPOINT**

One of the largest grocery retailers in Lithuania, IKI (part of REWE Group), placed an order with StrongPoint to supply and install self-checkout solutions in its stores.



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## **PRODUCT SEGMENTS**

StrongPoint is organized into six product segments:

## E-COMMERCE LOGISTICS

Order Picking, Automated Fulfillment, Warehouse Management, Home Delivery, Various Click & Collect Pickup Solutions.

## **IN-STORE PRODUCTIVITY**

Electronic Shelf Labels. Scales and Wrapping Systems and ShopFlow Logistics.

## **PAYMENT SOLUTIONS**

Multiple CashGuard models: Core, Premium, Unico and Compact.

## **CHECK OUT EFFICIENCY**

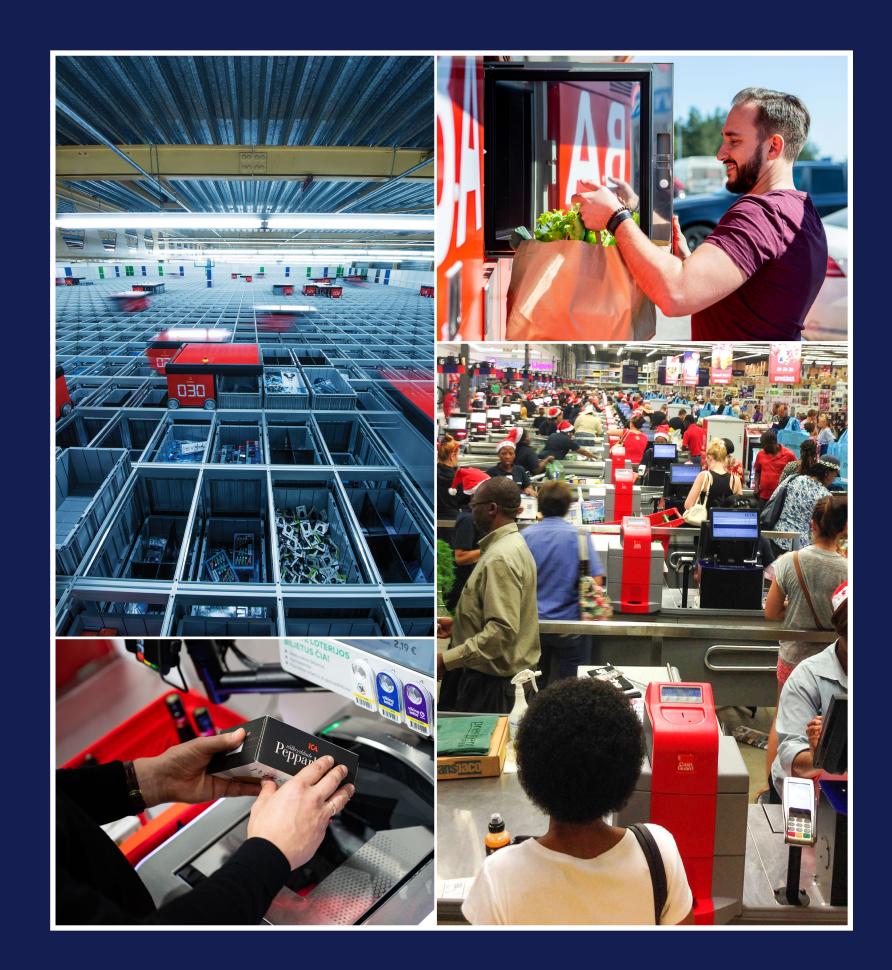
Self-Checkout, Vensafe, Self Scanning and POS systems.

## **SHOP FITTING**

StrongPoint equips retail and service shops with fixtures, fittings, and necessary equipment as well as refurbishing checkouts.

## **OTHER RETAIL TECHNOLOGY**

StrongPoint implements, personalises and maintains an enterprise resource management solution.





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## **E-Commerce Logistics**

StrongPoint offers a comprehensive SaaS platform designed to support retailers through the entire process of fulfilling and delivering e-commerce orders. Specializing in a store-centric approach, StrongPoint helps retailers optimize their store networks with efficient picking, manual and automated, as well as multiple last mile solutions.

## **E-Commerce Fulfillment**

### **Manual Order Picking**

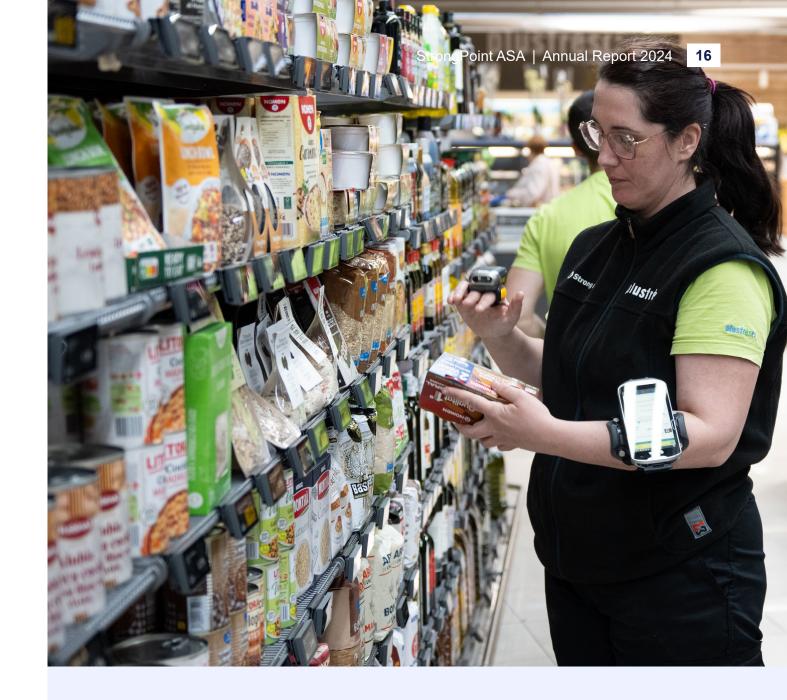
StrongPoint's Order Picking Solution is designed to maximize efficiency and accuracy in grocery e-commerce fulfillment. Our market-leading technology enables faster, more accurate picking processes, significantly reducing labor costs while improving order accuracy. Whether used in-store, in a dark store, or integrated with automated micro-fulfillment, our solution ensures world-class performance in online grocery fulfillment.

#### **Pick-by-light with Electronic Shelf Labels**

To further boost e-commerce fulfillment efficiency, StrongPoint integrates with multiple Electronic Shelf Label (ESL) vendors to enable Pick-by-light technology. This advanced solution accelerates the picking process by flashing the location of items in real time, reducing errors and improving speed. By leveraging Pick-by-light, retailers can streamline in-store and dark-store picking operations, ensuring a faster, more cost-effective fulfillment process.

#### **Automated Fulfillment**

StrongPoint's Automated Fulfillment Solution enables grocery retailers to achieve worldclass efficiency. This is further enhanced by integration with StrongPoint's Automated Fulfillment software, purpose-built for AutoStore solutions, and StrongPoint's manual order picking for situations where retailers automate certain items while keeping others for manual picking. This combination optimizes space, reduces fulfillment times, and lowers operational costs. StrongPoint has also delivered the world's first multi-temperature AutoStore grid with frozen food capabilities, enabling efficient storage and processing of frozen. chilled, and ambient products within a compact, automated system. StrongPoint partners with AutoStore to provide this solution. Taking a consultative approach, we work closely with retailers to solve their challenges while being technology-agnostic, allowing us to offer best-fit, world-class solutions tailored to each retailer's needs.





9%
RELATIVE
SHARE OF TOTAL
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## **Last Mile Solutions**

## **Grocery Lockers**

StrongPoint's Grocery Lockers Solution provides a convenient and cost-effective way for customers to pick up online orders while reducing last-mile delivery costs. By automating the collection process and turning stores into distribution points, retailers can streamline operations and enhance convenience. These Click & Collect Lockers can be mobile or stationary and support three temperature zones: ambient, chilled, and frozen. StrongPoint partners with leading retailers to deliver this pickup solution.

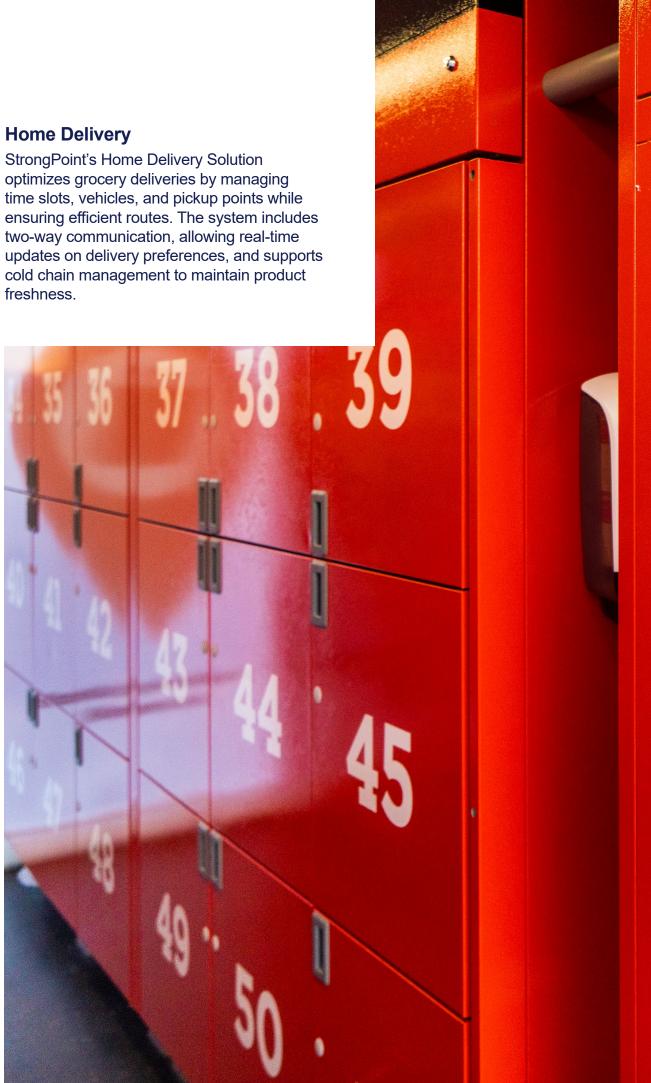
### **In-Store Pickup**

StrongPoint's In-Store Pickup Solution automates pickup operations for a fast and efficient customer experience. The system includes two-way communication, allowing shoppers to notify the store when they are en route so their order is ready on arrival. By streamlining in-store fulfillment, retailers can improve efficiency and service. StrongPoint partners with grocery retailers to implement this system.

#### **Drive-Thru**

StrongPoint's Drive-Thru Solution provides a fully contactless and automated way for customers to pick up groceries without leaving their vehicle. Al-powered image recognition detects when a customer enters the pickup zone, instantly notifying store staff. This ensures a smooth and efficient process StrongPoint partners with grocery retailers to deliver this technology.

StrongPoint's Home Delivery Solution optimizes grocery deliveries by managing time slots, vehicles, and pickup points while ensuring efficient routes. The system includes two-way communication, allowing real-time updates on delivery preferences, and supports cold chain management to maintain product freshness.







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### **Market Today**

The UK, European, and North American online grocery markets in 2024 have shown steady growth. While France, the Netherlands, and Scandinavia report higher online grocery penetration, Germany, Spain, and Italy remain at lower levels in Europe.

Consumers continue to balance the convenience of digital shopping with the tactile experience of physical stores. Growth has been driven by demand for time-saving solutions, improved technology, and expanded delivery options such as rapid delivery and click-and-collect.

Al-driven personalization is allowing retailers to tailor promotions and refine the shopping experience. Hybrid retail models, blending online and offline shopping, are gaining traction, with physical stores serving as fulfillment hubs. Sustainability remains a key consumer priority, driving initiatives such as eco-friendly packaging and optimized delivery routes to reduce emissions.

However, the sector faces substantial challenges. Rising operational costs, including energy prices and labor wages, are putting pressure on profitability. Competition from discounters, who have largely avoided online grocery, continues to intensify. Customer retention is also a growing concern, as fluctuating consumer loyalty requires grocers to continuously enhance their digital offerings.

Additionally, infrastructure strain remains a significant issue, as many logistics networks were not designed for high-volume e-commerce. Because of these hurdles, investment in technology, efficiency, and customer experience remains critical for maintaining competitiveness.

#### **Future Outlook**

The grocery industry is expected to continue evolving as retailers integrate AI, machine learning, and automation to improve efficiency and customer experience. However, the impact of these technologies are still being evaluated, and implementation is progressing cautiously.

While automation is streamlining fulfillment and logistics, retailers are focusing on where these solutions provide clear value.
Collaborative robots (cobots) are being deployed alongside human employees, but large-scale adoption remains limited.

Al is increasingly used for demand forecasting, inventory management, and personalized promotions, though widespread adoption is still in its early stages. Seamless integration between online platforms, in-store systems, and fulfillment centers remains a priority, but technical and logistical challenges persist in creating a fully unified omnichannel experience.

Rising labor costs and workforce shortages make automation an attractive option, though its role in grocery fulfillment is still being refined. Small, dense, high throughput retail automation solutions (what some call micro-fulfillment centers) and autonomous delivery solutions are expanding, but broad implementation is not yet universal.

Rapid delivery is gaining traction, making it essential for retailers to process and hand over orders in a simple, efficient manner. Quick commerce partnerships are expanding to meet consumer demand for speed, and Al-powered chatbots and voice assistants are being introduced to enhance the shopping experience, though their long-term impact on consumer behavior remains uncertain.

As retailers navigate 2025 and beyond, the adoption of new technologies will be driven by proven value and cost-effectiveness.



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## In-store Productivity

#### **Electronic Shelf Labels**

enhance in-store efficiency by automating price updates, eliminating manual labor, and freeing up staff for other tasks. Real-time, accurate pricing reduces discrepancies and improves customer satisfaction. In an environment of rising labor costs and intense price competition, ESLs offer a competitive edge by streamlining operations and optimizing pricing strategies.

### Scales and wrapping systems

Our partner Digi Teraoka provides scales and wrapping solutions for accurate labeling and efficient in-store packaging. Its Al-powered self-service scales streamline checkout, improve product identification, and eliminate pick-list friction, with StrongPoint deploying them in multiple stores across Norway. Digi also focuses on sustainability, developing a dispenser to address stolen plastic bags and promoting its "Bring Your Own Container" initiative to encourage reusable packaging.

### **ShopFlow Logistics**

ShopFlow Logistics is a solution built and designed by StrongPoint as a cloud-based mobile logistics system for managing routines such as receiving goods, inventory, balance adjustments, label printing, and waste management on both Android and iOS. The solution empowers the workforce, enhancing efficiency on the shop floor.



19



31%
RELATIVE
SHARE OF TOTAL
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### Market Today

The current retail environment is placing significant pressure on margins. Rising utility costs, increased theft, higher labor expenses, and intense price competition are forcing retailers to improve in-store productivity. Theft, in particular, is becoming a major concern, directly impacting retailers' bottom lines and making it an issue they can no longer ignore. This is where in-store technology can help. For example, weighing scales use AI to recognize products placed on the scale, potentially reducing both customer mistakes and theft.

Beyond theft, the rising cost of labor is pushing retailers to enhance efficiency. Electronic Shelf Labels (ESLs) can improve in-store productivity while helping retailers meet growing customer expectations. StrongPoint now offers ESLs along with additional solutions designed to enhance productivity in stores.

#### **Future Outlook**

Solutions that enhance in-store productivity will continue to play a crucial role for retailers in the future. Rising energy costs, higher salaries, and increasing levels of theft are all putting significant pressure on retailers' margins, making best-in-class in-store productivity solutions more important than ever. Leveraging Aldriven tools, such as product recognition on self-service scales, is one way retailers can address the growing issue of theft across their stores.

Equipping in-store personnel with the best possible tools to meet these challenges will also be essential. ShopFlow Logistics, for example, can help employees on the shop floor by streamlining tasks, allowing them to spend more time assisting customers, ultimately increasing sales and boosting efficiency. By implementing and embracing in-store productivity solutions, retailers can thrive in an evolving retail landscape, creating a customer-centric and engaging work environment.



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## Payment Solutions

#### CashGuard

StrongPoint's CashGuard solutions streamline in-store cash handling, reduce costs, and enhance security for retailers. Manual cash management can lead to errors, shrinkage, theft, and slower transactions, while automation secures cash and improves efficiency. CashGuard offers four options: Core, Premium, Unico, and Compact, with a fifth, Connect, in development. Designed to fit various store formats, it reduces cashrelated costs by 30% and handling time by up to 50%. By minimizing theft risks, it creates a safer environment and lowers insurance costs. With continuous cash counting and optimization, retailers can focus on customers while maintaining better control over cash flow

### **Market Today**

In 2024, cash remains a widely used payment method across many regions, highlighting the ongoing need for efficient and secure cash management. Despite the rise of digital payment solutions, many retailers still rely on manual cash handling, which poses significant challenges related to labor costs, theft prevention, and customer service efficiency. Increasing incidents of theft and a growing focus on operational optimization have further emphasized the need for automated, end-to-end solutions. StrongPoint's CashGuard system addresses these challenges by securing and automating the cash handling process reducing errors, streamlining operations, and enhancing the customer experience.

While supermarkets remain a primary market, CashGuard also serves pharmacies, tobacco stores, bakeries, and the HoReCa sector, all of which require high levels of

security and reliability. The continued success of CashGuard Core demonstrates the strong demand for solutions that integrate seamlessly into checkout counters and manage bulk coin handling. By eliminating manual errors and providing real-time visibility, CashGuard enables retailers to maintain tighter control over cash, ultimately improving profitability.

#### **Future Outlook**

Moving forward, there is still considerable untapped potential for cash management automation in many global markets-particularly in Southern Europe and other regions where cash remains prevalent for daily transactions. Although digital payment methods continue to gain traction, a significant portion of the population still prefers or relies on cash, providing ongoing opportunities for innovative automation solutions.

Several countries are using legislation to guarantee consumers the right to pay with cash in certain sectors.

Throughout 2024, StrongPoint has significantly advanced the development and testing of CashGuard Connect in collaboration with a leading Iberian grocery retailer. While the official launch of this next-generation solution is still forthcoming, early trials indicate that it will offer transformative benefits: reducing or eliminating manual tasks for in-store staff, minimizing cash pickup frequency by cash-in-transit partners, and lowering overall logistics and handling costs. As we continue refining CashGuard Connect, we remain focused on delivering robust, cost-effective, and secure payment solutions that meet the evolving needs of retailers worldwide.





18%
RELATIVE
SHARE OF TOTAL
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## **Checkout Efficiency**

#### **Self-Checkout**

StrongPoint's Self-Checkout solutions improve the customer experience and help reduce costs. StrongPoint offers hardware and software solutions that can be used independently or together. It also integrates advanced AI for fraud prevention, item recognition, and age verification for restricted items.

#### Vensafe

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







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### **Market Today**

In 2024, retailers worldwide are focused on optimizing the in-store checkout experience amid economic pressures, rising theft, and evolving consumer expectations. While cost of living challenges persist in many regions, customers increasingly demand faster and more convenient checkout processes. Growing concerns around theft, staffing shortages, and inflation are driving the need for technology-driven solutions that enhance security and protect employees. Both Self-Checkout and automated dispensing systems such as Vensafe incorporate built-in security features to help retailers safeguard profitability. At the same time, shoppers have grown more comfortable with automation, expecting seamless self-service experiences similar to those found online and in-store kiosks. StrongPoint's Al-driven tools, including automatic item recognition and real-time fraud detection, strengthen security while maintaining convenience. Additionally, as retailers integrate online and offline shopping, a unified approach to payment and checkout that leverages loyalty programs, mobile payments, and frictionless checkout options continues to gain traction, ensuring a smoother and more efficient customer experience.

#### **Future Outlook**

Looking ahead to 2025 and beyond, checkout efficiency will remain central to retail innovation, driven by technological advancements and the ongoing need to manage costs, enhance security, and improve the customer experience. Al and machine learning will play an increasing role in automation, enabling item recognition, real-time fraud alerts, and intelligent age verification to make self-checkout more accurate and secure. As retailers experiment with smaller store formats, pop-up shops, and hybrid self-checkout or checkout-free concepts, adaptable solutions such as Vensafe and modular self-checkout kiosks will cater to different layouts and customer flows. With theft and security concerns persisting, solutions that reduce human intervention for restricted items will become more prominent, protecting employees and customers while minimizing shrinkage. StrongPoint's strategic roadmap is focused on advancing self-checkout, Vensafe, and related payment technologies to keep retailers ahead of evolving market demands. By leveraging Al-powered tools, enhancing user experience, and strengthening security features, we are committed to delivering solutions that exceed retailer expectations in an increasingly complex landscape.





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## Shop Fitting

Shop fitting involves equipping retail and service shops with necessary equipment, fixtures, and fittings. StrongPoint ALS has specialised in this service and provides modifications and enhancements within the physical retail space, addressing both interior layouts and the external surroundings of stores. The focus often lies on the check-out area or the integration of innovative technological solutions, with a strong commitment to identifying and implementing sustainable alternatives for clients. This includes the complete refurbishment of the checkout area, prolonging its lifecycle, decreasing costs and minimising environment impact. The future of shop fitting revolves around implementing and upgrading our clients infrastructure as the demand for technology increases. How the products of the future seamlessly integrate into stores and the interface with the shopper, means that shop fitting will remain a valuable service for our clients.

## **Market Today**

In 2024, UK retailers have faced a variety of challenges that lead to reduced spending across the shopfitting industry, particularly in the grocery vertical. The year proved to be demanding as economic uncertainties and continued margin pressures lead to a tightening of retailers discretionary spend on store enhancements and a significant reduction in the development of new space and formats. The focus for retailers in 2024 has been to ensure that they remain price competitive for the customers in the face of the continually rising cost of living. This has had a ripple effect into the shopfitting industry with a number of large-scale vendors experiencing financial issues, layoffs and even bankruptcy.

#### **Future Outlook**

In the UK, the grocery retail shopfitting market is undergoing a period of significant change, driven by shifting consumer expectations, technological developments, and the increasing pressure to reduce cost. While standard refurbishment schemes remain common, these projects increasingly incorporate modern designs, new technologies and environmentally friendly materials to meet growing sustainability requirements.

Retailers are focusing on enhancing in-store environments to meet changing shopper expectations. Key strategies include improved concessions through collaborations with complementary brands, which enhance the customer experience and provide additional revenue streams. Efforts to reduce shrink (theft and waste) are also influencing shopfitting priorities, with an emphasis on improved security features and efficient layout designs to minimize losses. Additionally, the integration of digital media installations, such as video walls and digital displays, is becoming more prevalent, allowing retailers to deliver targeted marketing and enhance in-store engagement.

Despite opportunities for growth, the sector faces challenges that could dampen investment in shopfitting projects during 2025. Rising national insurance contributions and an increase in the minimum wage are placing additional financial pressure on retailers, many of whom are already grappling with increased energy costs and supply chain disruptions. These economic factors may constrain budgets for store refurbishment and infrastructure upgrades, leading to a cautious approach to investment.



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## Other Technology

### **Commerce Management System**

StrongPoint implements, personalises, and maintains an enterprise resource management solution that includes the company's trading processes from customer service units to the central office. StrongPoint also helps retailers to automate checkout processes and deliver speedy customer service with POS software, POS terminals, fiscal printers, and other related technologies.

Our solution is based on Microsoft
Dynamics 365 Business Central with
Retail Module LS Central. Installing this
solution will increase employee
productivity, internal process efficiency,
decision-making speed and reduce
operational costs. StrongPoint was the
first in the Baltic States to introduce
Microsoft Dynamics NAV solution to
retailers. StrongPoint implements,
modifies, and advises on all issues related
to enterprise resource management
systems since 2000. StrongPoint has for
over 30 years delivered proprietary POS
solutions to retailers in the Baltics.

Long-term experience and accumulated expertise enable us to select and model enterprise resource management and POS systems that best meet the needs of the retailer for maximum operational efficiency and performance.

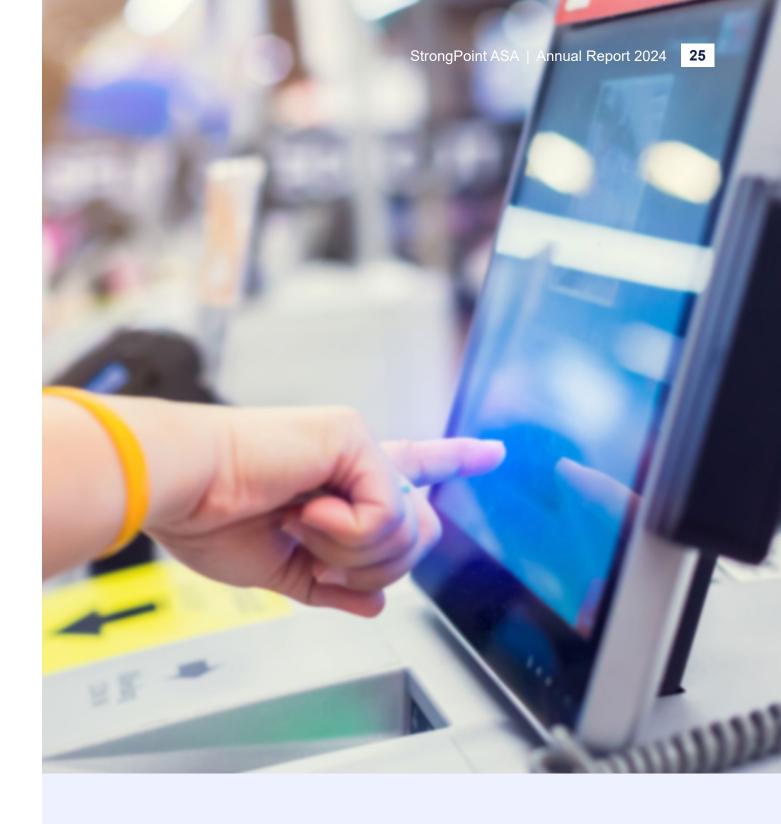
In 2005 StrongPoint became a
Microsoft Gold Partner and in 2015
StrongPoint was named a Diamond LS
Retail Partner. StrongPoint has
implemented enterprise resources
management systems in more than
100 companies and maintain more than
10,000 POS solutions in the Baltic.

#### **Market Today**

Other technologies, such as ERP solutions and POS systems, remain core components for retailers. With ongoing environmental changes and government initiatives, including euro cent rounding, VAT adjustments, and fiscal law updates, maintaining these software solutions has become increasingly challenging. Additionally, the growing number of service providers requires seamless integration to ensure a smooth and efficient consumer experience. The market is shifting towards solutions as a service, becoming more standardized and less customized for individual retailers. This evolution has driven us to continuously learn, adapt, and stay ahead with our solutions.

#### **Future Outlook**

The transition to a SaaS model is set to become the new standard, even for complex solutions. As the retail landscape evolves, next-generation commerce management will require software that is not only lightweight and easy to deploy but also highly modular. This level of flexibility will enable retailers to adapt quickly to shifting market demands, regulatory changes, and emerging consumer expectations. A truly modular approach will allow businesses to integrate only the features they need, ensuring efficiency without unnecessary complexity.







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#### **LATVIA**

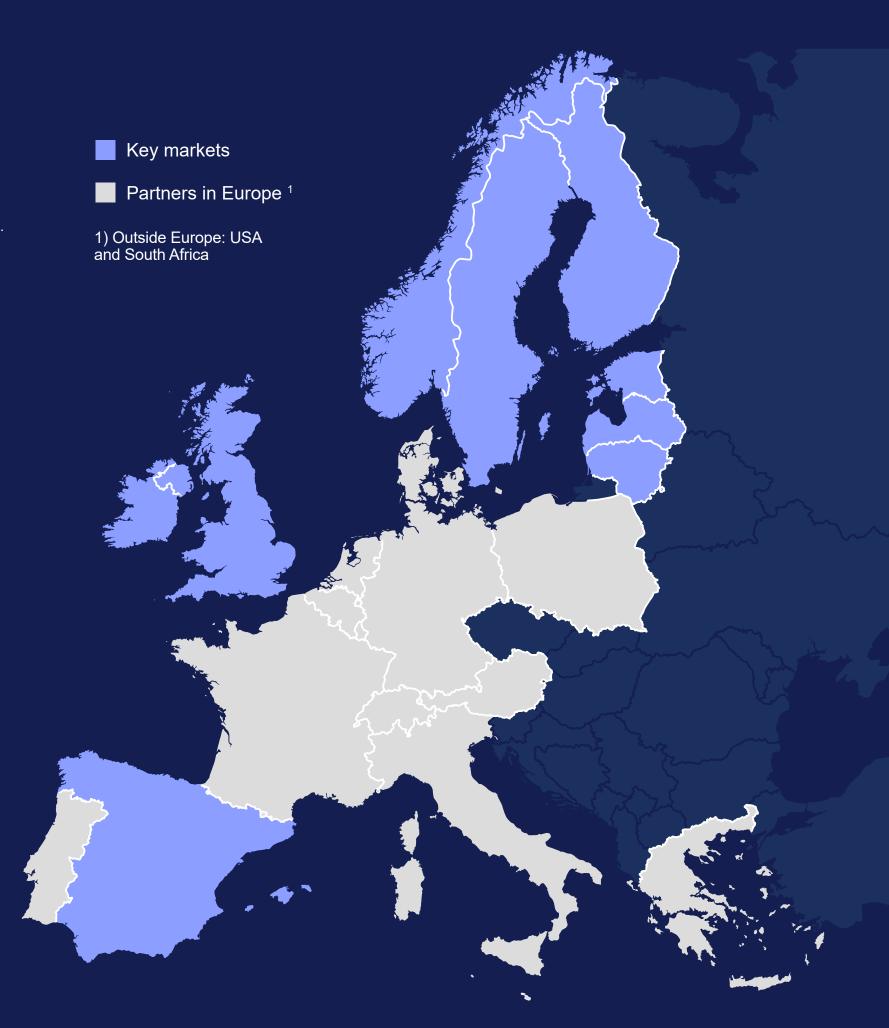
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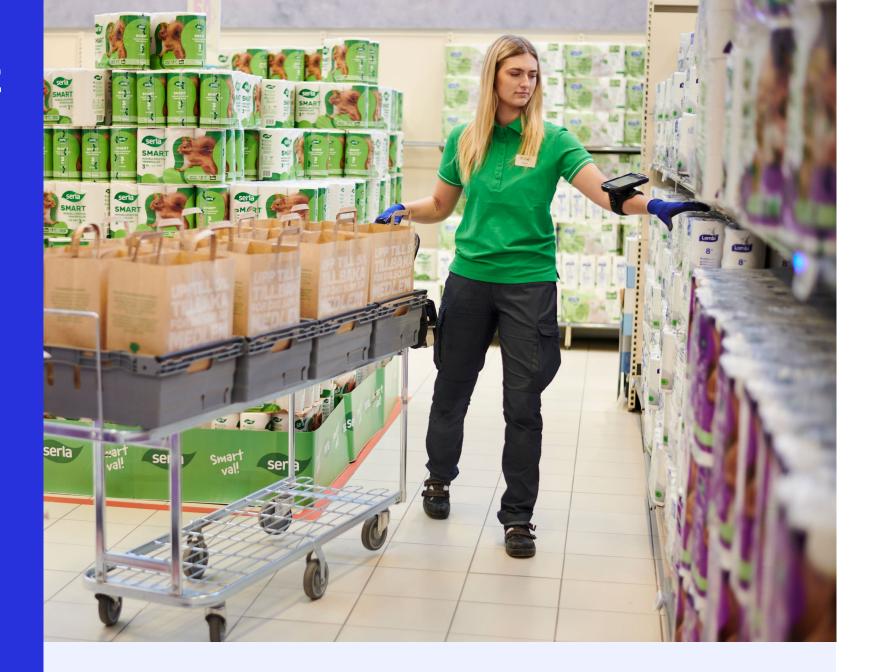
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## Scandinavia



50%
RELATIVE
SHARE OF TOTAL
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# What do you see as the key trends facing the grocery retail sector in Norway and Sweden?

In Norway, the economic growth rebounded last year and has now returned to normal levels. Unemployment has remained stable at a low level since last summer, and further growth is expected. Wage growth in outpacing inflation, leading to a sharp improvement in purchasing power, while anticipated interest rate cuts will provide additional support for consumption. Although inflation has declined significantly from its peak, it will take time before it reaches the 2 percent target.

In Sweden, the economy struggled in 2024, with minimal GDP growth, rising unemployment, and continued pressure on household purchasing power. Despite these challenges, the grocery retail sector recovered and returned to volume growth during the year. Looking ahead to 2025 and beyond, households expect the economy and their personal finances to stabilize. With inflation under control and real disposable income expected to rise, consumption is set to recover. These conditions will support increased demand, further driving volume growth in the grocery retail sector.

The grocery retail sector saw modest sales growth in 2024, but with private consumption projected to increase in 2025, accelerated growth in grocery retail is likely.

Although there are significant differences between Norway and Sweden, several key trends will continue to shape grocery retail across these markets.

Low prices will remain a priority for customers, prompting retailers to implement price cuts, increase promotional activity, and



Magnus Rosén SVP Norway & Sweden

focus more on private-label products. At the same time, retailers are intensifying efforts to drive operational efficiencies to protect shrinking margins. Online grocery sales, though still a small portion of total grocery sales, are expected to be the fastestgrowing channel in the coming years, particularly as purchasing power recovers. The digitalization of retail will continue to advance, with increased adoption of technologies such as AI, computer vision, robotics, automation, and retail media. These innovations will enhance customer experiences both online and in-store, reduce waste, prevent theft, and improve operational efficiency.

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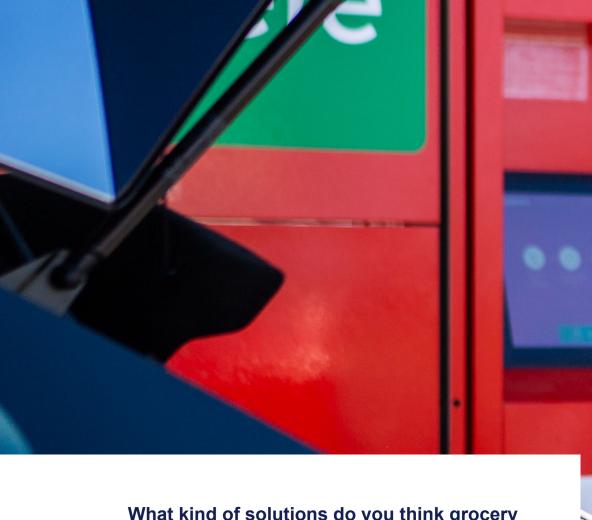
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## What kind of solutions do you think grocery retailers are going to be in most need of in the future?

Margin pressure and cost efficiency will remain top priorities for grocery retailers in Norway and Sweden. Solutions that enhance operational efficiency and reduce losses will continue to be in high demand in the coming years. There will also be a growing need for solutions that address customer pain points and cater to specific shopping missions, both online and offline.

Operational efficiency will remain at the forefront of retailers' agendas, driving demand for solutions that lower operational costs. Key examples include electronic shelf-edge labels, in-store robotics, and software that optimizes retail processes and staffing. Online grocery shopping will be the fastest-growing channel in most markets, increasing the need for automation, order picking, and last-mile solutions. Innovations that simplify customer journeys across multiple channels will also create new opportunities, with unmanned stores, vending machines, lockers, Al-powered self-checkouts, and smart scales emerging as relevant solutions. Additionally, theft and other crimes are becoming growing concerns for grocery retailers, leading to a significant rise in demand for theft prevention and security solutions such as Vensafe and SAI fraud detection.

## **MNOK** 400 300 230 **222** 200 110 **124** 100 2023 2024 2023 2024 2023 2024

**PRODUCTS** 

**SERVICES** 

**Norway** 

**REVENUE** 

### Sweden



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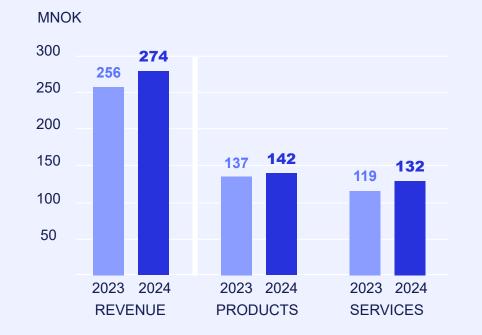
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## **Baltics and Finland**



21%
RELATIVE
SHARE OF TOTAL
REVENUE
2024

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

The stable economic situation and normalized inflation in Lithuania and Latvia present challenges for retailers striving to remain profitable and efficient. In contrast, Estonia faces a more complex market situation, with increased VAT further reducing consumer purchasing power. Across the region, retailers continue to expand their store networks and invest in self-service shopping technologies, focusing on solutions that help address staff shortages.

While household purchasing power has improved, this has not yet translated into increased private consumption. In fact, consumption declined in 2024. However, with inflation remaining lower than wage growth and declining interest rates reducing household costs.

Several key trends are shaping the grocery retail sector in the Baltic and Finnish markets. E-commerce and grocery delivery are expanding. Retailers are increasingly adopting automation and artificial intelligence to enhance efficiency and improve the customer experience through technologies such as electronic shelf labels, autonomous mobile robots, and Al-driven analytics. Store formats are being optimized as operators downsize existing spaces to reduce costs and adapt to changing consumer preferences. Sustainability is also a growing priority, with retailers implementing eco-friendly practices and expanding their selection of sustainable products to meet consumer demand. Additionally, economic uncertainty and price sensitivity are driving increased investment in private label products and a rise in discount retailers offering more affordable options.

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

Grocery retailers in the Baltics and Finland are expected to focus on adopting technological solutions that align with both



Rimantas Mažulis SVP Baltics & Finland

regional trends and global innovations. The shift toward online shopping will continue, making robust e-commerce systems essential, while automation will play a key role in improving efficiency and enhancing the customer experience.

Autonomous checkout solutions, such as scan-and-go systems, cashierless stores, smart shopping carts, and app-based payments, will become more prevalent. Al-powered inventory management will help retailers optimize stock levels, prevent shortages, and reduce waste, particularly in perishable goods. Smart shelf technology, including electronic shelf labels (ESLs), will allow retailers to dynamically update prices and promotions in real time. Robotics will increasingly be used in warehousing for sorting, packing, and restocking, improving operational speed and efficiency.

To address labor shortages and enhance productivity, retailers will invest in staff scheduling tools, workforce management systems, and Al-powered platforms that align shifts with demand patterns. Improved communication and task management tools will further support operational efficiency.

Overall, Baltic and Finnish grocery retailers will focus on remaining competitive by addressing regional demands for convenience, sustainability, and digital innovation.



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Lorena Gómez SVP Spain

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

After a period of economic recovery, 2024 marks the beginning of a moderately optimistic economic outlook in Spain.

Consumption has nearly returned to prepandemic levels, growing by 1.3 percent. While consumers have improved their financial situation, spending is shifting away from mass consumption toward areas such as leisure and communications. As a result, supermarkets are struggling to convert this increased spending into higher food sales.

The grocery sector faces persistent challenges, including high absenteeism rates and low productivity. Retailers are finding it increasingly difficult to recruit skilled labor in an industry that requires greater investment to retain talent and enhance efficiency. Additionally, per capita investment in technology remains too low, limiting the sector's ability to drive competitiveness.

To address these challenges, grocery retailers must leverage technology as a crucial tool for improving operational efficiency and mitigating labor shortages, a trend that is expected to intensify in the coming years.

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

In Spain, the adoption of certain technological solutions is progressing more slowly compared to other European countries, but it continues to advance. One technology gaining traction is electronic shelf labels, with several Spanish retailers beginning to implement and expand their use. The economic benefits are becoming increasingly evident, and modern ESLs now offer more than just price changes. They help optimize in-store product repositioning, improve stock control, and enhance product location tracking, which is particularly valuable for preparing e-commerce orders.

Cash management solutions are also emerging as a key investment for grocery retailers. According to the Bank of Spain, cash remains the most widely used payment method for physical purchases, with 59 percent of the population relying on it as their primary means of payment and 80 percent opposing its disappearance. Traditionally, cash management has relied on manual processes, which are both inefficient and insecure. However, technological advancements have led to the development of specialized supermarket solutions that provide a rapid return on investment. As a result, interest from grocery chains in these solutions is growing significantly.



## Spain



6%
RELATIVE
SHARE OF TOTAL
REVENUE
2024

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## **UK & Ireland**

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

There are two prevalent trends coming out of 2024 that are impacting grocers in the United Kingdom and will continue through 2025, rising costs and soaring rates of theft.

The rising cost of living in the United Kingdom looks set to continue into 2025, perpetuated by increases in National Insurance payments and a rise in National Minimum Wage which will be in effect from

2023 2024

**PRODUCTS** 

283

224

2023 2024

**SERVICES** 

**MNOK** 

400

350

300

250

200

150

100

50

283

225

2023 2024

**REVENUE** 

April. These incoming pressures have lead grocery retailers to take proactive and drastic action in order to protect their commercial performance. Tesco, Asda, Sainsburys and Morrisons have all announced significant redundancies in an attempt to mitigate the impact of upcoming financial pressures. This is likely to have a knock-on effect to allocation of capital resources, however, also intensifies the need to find efficiencies both in-store and on-line, further optimise operating models and leverage opportunities to reduce costs

wherever possible.

**17% RELATIVE** SHARE OF TOTAL **REVENUE** 2024

Crime rates in the UK look set to continue climbing in 2025. This is particularly prevalent in the grocery retail market where theft is anticipated to hit a 20 year high with forecasts suggesting that it could account for as much as £7.9 Billion of losses across the sector. Retailers will be looking at a range of solutions to reduce the costs associated with theft as well as protecting their employees from both abuse and physical harm.

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

With rising costs and increasing theft, UK grocery retailers are seeking solutions to reduce labor costs, increase productivity, and minimize shrink without compromising the customer experience. StrongPoint offers a range of innovative technologies to address these challenges. Its industryleading order picking solution optimizes fulfillment efficiency by streamlining routes and reducing errors, helping retailers meet growing online demand while lowering labor costs. Click and collect lockers provide a cost-effective grocery and parcel collection option, with temperature-controlled compartments ensuring customer convenience while reducing last-mile delivery costs and driving in-store traffic. StrongPoint's Connected Store solution integrates various in-store systems into a single platform, enabling real-time datadriven decision-making to improve task prioritization, boost productivity, and reduce operational bottlenecks.



Alex Eveleigh **SVP UK & Ireland** 

To combat theft, StrongPoint's Vensafe system provides a highly effective loss prevention solution for high-risk items such as tobacco, razor blades, and pharmaceuticals. These products are stored in a secure vending unit, accessible only through a digital interface or receipt-based system, eliminating shoplifting and reducing employee theft. By restricting access to frequently stolen goods, Vensafe helps retailers cut shrinkage, enhance security, and protect profitability while maintaining a smooth customer experience.

With UK grocery retailers facing continued financial pressures and unprecedented levels of theft, StrongPoint's solutions offer a strategic approach to optimizing efficiency and protecting profitability.

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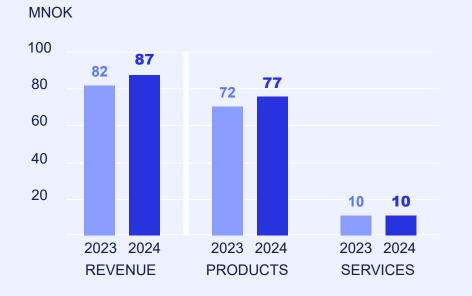
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## Rest of Europe



7%
RELATIVE
SHARE OF TOTAL
REVENUE
2024

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

In 2024 and looking ahead to 2025, the grocery retail sector is evolving rapidly, shaped by economic shifts, technological advancements, and changing consumer behaviors. Retailers are strengthening omnichannel strategies, seamlessly integrating online and in-store shopping to offer greater flexibility. At the same time, persistent inflation and economic pressures are driving a sharper focus on cost efficiency, prompting investments in automation, workforce optimization, and data-driven decision-making.

The demand for faster order fulfillment is rising, expanding beyond same-day delivery to near-instant solutions in urban markets. This has accelerated the adoption of micro-fulfillment centers, optimized last-mile logistics, and store-level solutions like click & collect and home delivery. Al-driven personalization is also gaining traction, refining promotions, product recommendations, and in-store experiences based on individual preferences. Meanwhile, loss prevention and security have become critical, with retailers turning to computer vision, autonomous store concepts, and other tech-driven solutions to combat theft and labor shortages.

Supply chain resilience remains a priority, as retailers seek to manage rising logistics costs, mitigate disruptions, and maintain steady inventory levels. By leveraging diversified sourcing, real-time visibility tools, and predictive analytics, they can better navigate market fluctuations. As the industry continues to transform, technology, sustainability, and customer-centric strategies will shape the future of grocery retail.

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

In the coming years, grocery retailers will increasingly adopt technologies that



Julius Stulpinas SVP Technology and Supply Chain

streamline every aspect of the shopping journey while ensuring profitability and security. Meeting online shoppers' expectations for fast and accurate order fulfillment will remain a top priority, driving further investment in real time inventory tracking and efficient in store picking methods. At checkout, automation and computer vision will play a growing role as retailers strive to enhance the customer experience, reduce labor demands, and combat rising concerns around theft and loss prevention.

There will also be a stronger focus on secure payment systems that handle cash and restricted items efficiently without adding friction to the checkout process. Meanwhile, Al driven insights will continue to reshape personalized promotions and store operations, improving productivity and reducing errors. Ultimately, the future of grocery retail lies in solutions that integrate these advancements into a seamless customer centric ecosystem, one that prioritizes convenience, cost efficiency, and the highest standards of safety and service.

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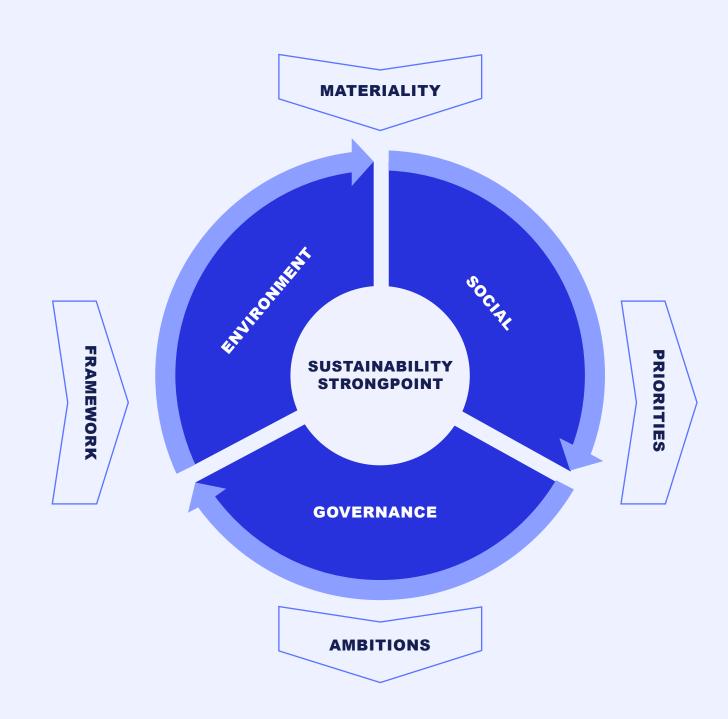
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# SUSTAINABILITY IN STRONGPOINT

At StrongPoint, sustainability means making responsible business decisions that create value while protecting the environment and benefiting society. It is an integral part of our operations, forming the foundation for long-term growth and profitability.

By minimizing our environmental footprint, fostering strong relationships with stakeholders, managing our impact, enhancing resource efficiency, and developing innovative solutions for our customers, StrongPoint aims to mitigate risks and unlock new opportunities.



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## Double materiality and stakeholder engagement

In 2024, we conducted a comprehensive process to update our double materiality assessment. This was the third time we have undertaken this assessment, gathering feedback from our stakeholders to identify a list of potentially important sustainability topics for StrongPoint.

Our key stakeholders include customers, investors, financiers, employees, unions, national authorities, partners, and suppliers.

Our ESG reporting approach and format align with the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

A more comprehensive and detailed report on double materiality can be found on our website strongpoint.com.

Stakeholder	How we engage and arenas for dialogue	Topics of interests and concerns	Frequency of Engagement	
Customers	<ul> <li>Customer boards</li> <li>Customer visits and during installation)</li> <li>Surveys and ratings</li> <li>Marketing/communications, website and newsletters</li> <li>Customer and project meetings</li> <li>Tender responses and presentations</li> </ul>	<ul> <li>Ensure high-quality product that are safe for end-user (e.g. food safety, chemical use).</li> <li>Follow laws and regulations in terms of ethical business operations, human rights, and anti-corruption.</li> <li>Correct waste management (reduce, reuse, recycle).</li> </ul>	Daily, Weekly, Monthly, Quarterly, Annually	
Investors/owners	<ul> <li>Sustainability report</li> <li>Quarterly reports/presentations</li> <li>Annual reports</li> <li>Teams/phone meeting</li> <li>Roadshows</li> <li>Annual General Meeting</li> </ul>	<ul> <li>Ensure an engaging, healthy, and safe working environment.</li> <li>Allow employees to prevent sick leave and high turnover.</li> <li>Follow laws and regulations in terms of ethical business operations, human rights, and anti-corruption.</li> <li>Continuously work to reduce the environmental footprint of the products and in own operation.</li> </ul>	Monthly, Quarterly, Annually (and ongoing basis when relevant)	
Employees/ Employee representatives	<ul> <li>Employee survey</li> <li>Townhall meetings</li> <li>Website and intranet</li> <li>Trainings</li> <li>Information posters/leaflets</li> <li>Values implementation process</li> <li>Performance reviews</li> <li>Union consultations and negotiations</li> </ul>	<ul> <li>Ensure an engaging, safe, and inclusive working environment.</li> <li>Focus on employee training and development.</li> <li>Follow laws and regulations in terms of ethical business operations, human rights, and anti-corruption.</li> </ul>	Daily, Weekly, Monthly, Quarterly, Annually	
Suppliers and Business Partners	<ul> <li>Supplier audits and Code of Conduct</li> <li>Quarterly meetings/audits</li> <li>Newsletters</li> <li>Customer meetings/projects</li> <li>Through partnership projects</li> <li>R&amp;D initiatives</li> </ul>	<ul> <li>Contribute to a sustainable industry.</li> <li>Work to ensure long lifetime of products.</li> <li>Correct waste management (reduce, reuse, recycle).</li> </ul>	Daily, Weekly, Monthly, Quarterly, Annually	
Government/ civil society	<ul> <li>Phone and email communication</li> <li>Visits and tours at court facilities</li> <li>Conferences and community events</li> <li>Participation on advisory boards</li> <li>Social media</li> </ul>	<ul> <li>Follow laws and regulations in terms of ethical business operations, human rights, and anti-corruption.</li> <li>Comply with regulations for data privacy (e.g., GDPR).</li> <li>Ensure safe products.</li> </ul>	Monthly, Quarterly, Annually (Frequency depends on type of government/public authority body)	
Media	<ul> <li>Phone and email communication</li> <li>Interviews</li> <li>Press releases</li> <li>Website and social media</li> </ul>	<ul> <li>Business development and innovations.</li> <li>Status of operations, and effects on local/regional/national employment.</li> <li>Transparent reporting.</li> </ul>	Daily, Weekly, Monthly (Frequency depends on type of media, and editorial focus vs StrongPoint's key business activities.)	

Table: A summary of our stakeholder engagement and the topics and impacts raised by them.

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StrongPoint has discontinued reporting according to the GRI standard as we are progressing into reporting according to the Corporate Sustainability Reporting Directive (CSRD) from the financial year 2025. In 2024 we continue reporting according to the EU Taxonomy.

StrongPoint's environmental footprint (direct emissions) is relatively low due to the nature of the business. After assessing the significance and possible negative impact, we have found it to be more relevant and aligned with our stakeholders' feedback to become more focused on innovation and technical solutions that reduce energy consumption on our customer and customercustomers side of the value chain.

Our focus will still be on our three Operational Sustainability Initiatives (OSIs). Our ambition is to drive sustainability in the grocery industry through product innovation and solution design. The selected focus areas have the potential to significantly improve either emissions or working conditions. Our three OSIs are:

- 1. Reduction of warehouse energy consumption
- 2. Refurbishment and end-of-life treatment of check-out counters
- 3. Safeguarding shopworkers

### Sustainability governance and frameworks

StrongPoint is committed to upholding sustainability, integrity and responsibility across all aspects of its operations. The Board of Directors, as the highest governing body, oversees and ensures the effective management of our sustainability efforts. Sustainability is addressed during Audit Committee meetings, where discussions revolve around risk assessment, significant impacts, policy formulation, reporting, and other pertinent matters.

The Executive Vice President of People and Organization, reporting to the CEO, spearheads the development, implementation, and communication of our sustainability agenda, while our business units are tasked with its execution. Each of our locations is responsible for adhering to both local regulations and corporate standards.

All StrongPoint employees are expected to adhere to our Code of Conduct, which serves as the cornerstone of our commitment to maintaining the utmost integrity and avoiding involvement in unethical or illegal activities. We prioritize environmental conservation by adopting more eco-friendly technologies in our operations and for our clients.

We acknowledge our obligation to make positive contributions to the societies in which we operate and strive to ensure that they benefit from our presence. Sustainability is seamlessly integrated into StrongPoint's overarching enterprise strategy, guiding decisions made throughout our value chain. We understand that our conduct as an employer and business entity profoundly impacts our ability to generate long-term value for both society and our shareholders.

#### FRAMEWORKS:

StrongPoint acts and reports on sustainability according to national and international standards and legal requirements. The most important are

- I. UN Sustainability Development Goals and membership in UN Global Compact
- II. EU taxonomy for sustainable economic activities

- III. EU regulation on responsible business conduct and The Norwegian Transparency Act
- IV. The Norwegian accounting act §3-3 and compliance with EUs Non Financial Reporting Directive
- V. Statement on equality and non-discrimination (the Norwegian Equality and Anti-Discrimination Act)
- VI. EU regulation on executive remuneration

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## I. UN Sustainable Development Goals and UN Global Compact

StrongPoint supports the UN Sustainable Development Goals (SDGs), a collection of 17 global goals set by the United Nations General Assembly in 2015. Based on our materiality assessment, we have prioritized eight (8) SDGs where we believe we can have the most impact and where we seek to contribute positively.

The UN Sustainable Development Goals (SDGs) embrace a universal approach and define the global agenda for sustainable development. The goals explicitly call on businesses to use creativity and innovation to address development challenges and recognize the need for governments to encourage sustainability reporting. StrongPoint uses the SDGs to understand the context of our impact on sustainable development. Please refer to the Appendices for an overview of StrongPoint's impact on the 17 development goals.

#### COMMUNICATION **ON PROGRESS**



Since 2021, StrongPoint has been a signatory to the UN Global Compact, the world's largest corporate sustainability initiative, and is committed to its 10 principles. We respect and adhere to the precautionary principle (Principle 7). This report is our annual Communication on Progress.







9 INDUSTRY, INNOVATION AND INFRASTRUCTURE





## **SDG 2, 9, 11 AND 12: PRODUCT INNOVATION, QUALITY AND SAFETY IN THE FOOD CHAIN**

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





## **SDG 5 AND 8: WORKING ENVIRONMENT**

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



## **SDG 13: ENVIRONMENT**

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



## **SDG 16: GOVERNANCE**

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

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## II. Statement on EU taxonomy for sustainable economic activities

The taxonomy is a classification system that specifies criteria for which activities can be considered sustainable. It is an integral part of the EU's action plan to turn capital toward a more sustainable economy. It represents an important step in becoming carbon neutral by 2050.

The taxonomy has been adopted in Norwegian legislation through the Act on the publication of sustainability information in the financial sector, which entered into force on 1 January 2023. In the following section, we, as a non-financial parent undertaking, present the share of our group turnover, capital expenditure (Capex), and operating expenditure (Opex) for the reporting period 2024, which are associated with Taxonomy-eligible economic activities.

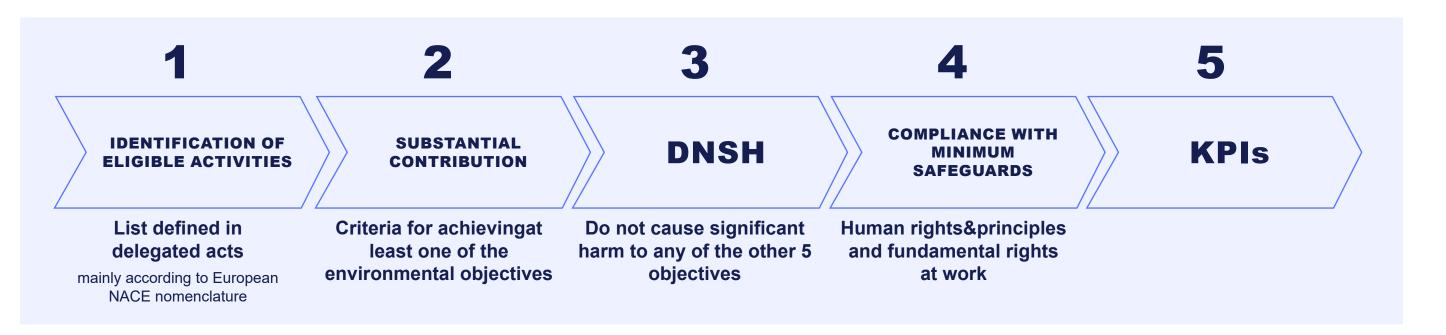


Illustration of Taxonomy requirements and qualifiers.



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## Our activities - eligibility

Our economic activities as a technology group are Taxonomy-non-eligible. We have examined all Taxonomy-eligible economic activities listed in the Climate Delegated Act based on our activities as a retail technology company. After a thorough review (using the NACE codes, technical screening criteria, and Taxonomy compass) involving relevant Business units and functions, we concluded that our economic activities are not covered by the Climate Delegated Act, or Do No Significant Harm ('DNSH'), and consequently are Taxonomy-non-eligible.

Activities within the value chain of our products that are not revenue-generating, but that result in assets or processes that are essential for our revenue-generating activities, are not reported as Taxonomy-eligible economic activities on their own. This includes, in particular, research and development, the rent/acquisition/construction of new buildings (for our production sites), and other investment-oriented activities such as expenditure for our fleet and data center capacities.

Additionally, the transport of our products to our customers and partners is not reported as a Taxonomy-eligible activity, and is not included in our turnover KPI, because we are not generating external turnover on a standalone basis with this activity. However, we do disclose Capex and Opex relating to the purchase of output from Taxonomy-eligible economic activities and individual measures to improve energy efficiency listed in the Climate Delegated Act.

We foresee that in the future, (to be further assessed in 2025) we may report on how the grocery retail industry positively impacts food waste and changes in traffic patterns in heavily populated city areas. We also see that we may contribute to energy-efficient building automation and control systems for non-residential buildings (warehouses).

Taxonomy activity number	Activity	Relevance
7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings).	A limited number of service installations for charging stations have been completed by StrongPoint ALS.
8.1	Data processing, hosting and related activities.	Data Center hosting done by 3 <sup>rd</sup> party. Only non-eligible processing practice.
8.2	Computer programming, consultancy and related activities.	Does not substantially reduce the most important physical climate risks that are material to that activity, and is not based on a robust climate risk and vulnerability assessment.
9.3	Professional services related to energy performance of buildings.	Provided as part of AutoStore frozen.



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## Individually Taxonomy-eligible Capex and Opex

Since our main economic activities as a retail technology company are not covered by the Climate Delegated Act, the share of Taxonomy-eligible economic activities in our total turnover is 0%, and consequently the related capital and operating expenditure is also 0%.

Only "category c" Capex and Opex can therefore qualify as Taxonomy-eligible, i.e., Capex/Opex related to the purchase of output from Taxonomy-eligible economic activities and individual measures enabling the target activities (our non-eligible activities) to become low-carbon or to lead to greenhouse gas reductions.

These individual measures correspond to economic activities listed in the delegated acts supplementing the Taxonomy Regulation (as of today, the Climate Delegated Act).

We have identified the following purchased outputs and individual measures that correspond to eligible economic activities and, thus, result in Taxonomy-eligible Capex/Opex:

	Total (MNOK)	Proportion of Taxonomy eligible economic activities (in %)	Proportion of Taxonomy- noneligible economic activities (in %)
Turnover	1,309	0%	100%
Capital expenditure (Capex)	40	1%	99%
Operating expenditure (Opex)	157	1%	99%

- \* Concerning our vehicle fleet, we considered all leased vehicles as Taxonomy-eligible.
- \* This voluntary disclosure is based on a preliminary assessment of the technical screening criteria. Our assessment might change in the future. We provide this information for transparency purposes only.

## **Taxonomy Opex and Capex KPI reporting:**

Based on the non-significant impact and size of the expenditures there has not been set any specific KPIs on top of what StrongPoint has as general Sustainability KPIs.

## **Compliance with Taxonomy Minimum Safeguards:**

Compliance with the Minimum Safeguards is determined by assessing performance criteria against four core topics:

	Considered non-compliant if one of the two criteria apply:	StrongPoint reporting
Human Rights	<ol> <li>The company has not established an adequate human rights due diligence (HRDD) process as outlined in the UN Guiding Principles (UNGPs) and OECD Guidelines for Multinational Enterprises in alignment with the International Bill of Human Rights</li> <li>There are signals that the company did not dequately implement human rights due diligence and/or did abuse.</li> <li>These are:</li> <li>The company has been finally found in breach of labour law or human rights</li> <li>OECD or Business and Human Rights Resource Centre (BHRRC) indicators signal that the company does not engage with stakeholders.</li> </ol>	HRDD is described in CoC and implemented as part of the Transparency act process. StrongPoint has not been accused or found in breach of labour law or No indicators signal has ever been issued.
Corruption	<ol> <li>The company has no anti-corruption processes in place</li> <li>The company or its senior management, including the senior management of its subsidiaries, has been finally convicted in court of corruption.</li> </ol>	Anti-corruption process is described in our policies. The company or any of its senior management has never been convicted of corruption.
Taxation	<ol> <li>The company does not treat tax governance and compliance as important elements of oversight, and there are no adequate tax risk management strategies and processes in place.</li> <li>The company or its subsidiaries have been finally found to have violated tax laws.</li> </ol>	StrongPoint follows national and international standards on taxation. The company and subsidiaries has never been found guilty of having violating tax laws.
Fair Competition	<ol> <li>The company does not promote employee awareness of the importance of compliance with all applicable competition laws and regulations.</li> <li>The company or its senior management, including the senior management of its subsidiaries, has been finally convicted of violating competition laws.</li> </ol>	StrongPoint accepts and promotes the principles of fair competition. The company or any of its senior management has never been convicted of violating competition laws.

Table: Taxonomy Minimum Safeguards



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## III. Sustainability reporting

## Scope

This chapter summarizes StrongPoint's sustainability reporting. It presents StrongPoint's management of and performance on material environmental and social issues.

The reporting period is 1st January to 31st December 2024. The report adheres to the Oslo Stock Exchange's Euronext Guidelines. StrongPoint's sustainability report has been reviewed and approved by the Board of Directors together with the annual report. The claims and data in this report has not been audited by a third party.

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

Our materiality assessment is presented above on page 34, and the background facts and figures about the company can be found on page 2-32 of this report. Our corporate governance model is presented on page 63-67.

This report covers all locations and subsidiaries of StrongPoint ASA. StrongPoint is headquartered in Oslo, Norway, with offices in ten countries (Norway, Sweden, Finland, the Baltics, Spain, UK, Ireland and Bulgaria).

## **Economic impact and tax information**

StrongPoint's economic impact is covered in the company's annual report. Payroll and social security expenses are covered in Note 9 of StrongPoint's annual report 2024. Tax information can be found in Note 26 in the annual report.

### Value chain and markets served

StrongPoint serves the retail industry. The company produces a wide range of services to different lines of businesses, including food and beverage, beauty and health, sports and the manufacturing industry.

StrongPoint's supply chain starts with the sourcing of materials and extends to the distribution of StrongPoint's products mainly to customers throughout Europe. StrongPoint's key markets are Norway, Sweden, the Baltics, Spain, UK, South-Africa, Italy and the USA.

## **Corporate governance**

Good corporate governance is vital to the success of StrongPoint and as a stock listed company, StrongPoint has the responsibility to follow all relevant legislation, regulations and standards. In 2024, the Board of Directors (the Board) has reviewed and updated the company's corporate governance practice, which is in line with the Accounting Act, section 3-3b and the Norwegian Code of Practice for Corporate Governance (NUES recommendations), except where deviations are noted.

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

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



Figure: StrongPoint's supply chain illustrated



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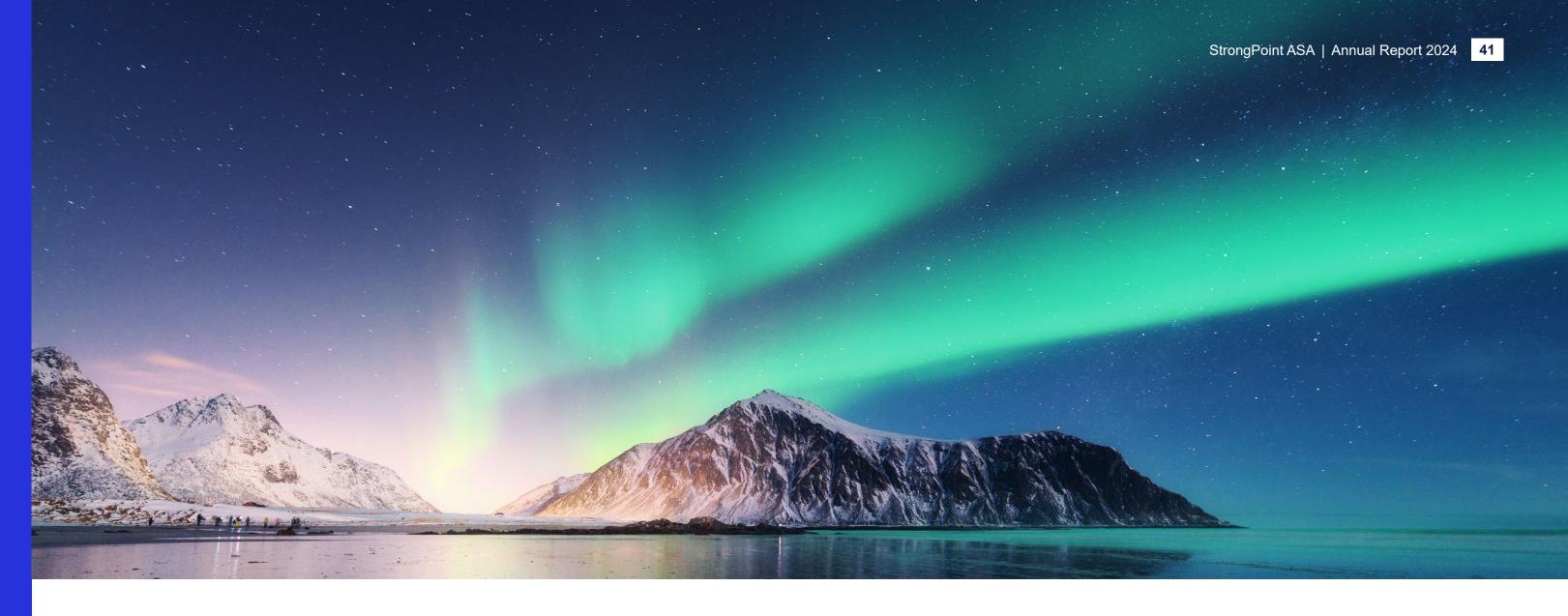
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## **ESG** priorities

StrongPoint's materiality assessment guides the company's ESG priorities. StrongPoint's materiality assessment helps identify, prioritise, and validate our most significant sustainability impacts, risks, and opportunities.

ESG factors are at StrongPoint treated with equal importance, given the fundamental belief that smaller actions also contribute to the greater good and drive society towards a more sustainable future.

## **StrongPoint has the following ESG priority topics:**

- a) Environment and climate risks
- b) People and working environment
- c) Operational sustainability initiatives
  - Reduction of warehouse energy consumption
  - Refurbishment and end-of-life treatment of checkout counters
- Safeguarding shopworkers



Environment and climate



People and working environment



Operational sustainability initiatives



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## Material topic 1

## **Environment and climate risks**

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

StrongPoint's direct and indirect environmental impacts relate to the production, shipment and transportation of products, employee business travel, waste management and the end-of-life treatment of products.

StrongPoint's most important indirect environmental impacts in the value chain come from transportation and the end-of-life treatment for some of StrongPoint's products. Combustion of fossil fuels from company vehicles and on-site combustion are the second largest source of emissions.

StrongPoint should at all times act responsibly and adhere to relevant laws and standards relating to the environment. The company will work systematically to ensure that the products StrongPoint manufacture or resell are made by leading suppliers with a clear policy for sustainability in their own organisation and supply chain.

Environmental criteria are always considered when selecting partners. StrongPoint has included environmental accountability in the company's SLA/ supplier Code of Conduct to reduce the indirect carbon emissions caused by suppliers.

## **Net-zero ambition**

StrongPoint has a net-zero ambition and believes selected solutions from StrongPoint play a role in reducing global greenhouse gas (GHG) emissions. StrongPoint's ambition is to:

- reduce the climate impact from our value chain and become a net-zero company in 2050 or earlier,
- deliver net-zero products, and
- use our industrial competence to enable the transition to a net-zero society especially in the retail industry sector.

Our net-zero ambitions are based on a successful transition to a 1.5 degree economy, in line with climate science and the Paris agreement.

StrongPoint's climate strategy is an integral part of our overall business strategy, aiming at driving improvements and development within the company. Impact on the climate strategy is also a criterion for all significant investment

decisions. The strategy includes reducing the climate impact of our operations as well as taking advantage of business opportunities by enabling our customers and society to do the same. StrongPoint will start reporting on the Net-zero ambition in 2025.

## **Science Based Targets**

To set goals that are in line with our net-zero ambition and commitments StrongPoint in 2023 joined the Science Based Targets Organization and We Mean Business Coalition. We will according to the protocol set and submit for official validation our near term and Net-Zero commitments at the latest before November 2025.



Climate emissions (Greenhouse Gas Protocol)

StrongPoint monitors and calculates emissions in accordance with the GHG protocol published by the World Business Council for Sustainable Development (WBCSD) and World Resources Institute. Scope 1 emissions are calculated using emission factors for fuel combustion from DEFRA. Scope 2 emissions are calculated using market-based emission factors from the RE-DISS Project, assuming a European residual mix.

Scope 3 emissions are calculated in accordance with the GHG Protocol, using relevant emission factors from recognized sources such as DEFRA, ADEME, or industry-specific databases. Where primary data is unavailable, estimations are based on spend-based, activity-based, or hybrid methodologies, aligned with best practices for value chain emissions accounting.

As StrongPoint is preparing for CSRD reporting from the next financial year the 2024 emissions will not be published.

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## Climate change risks

In order to understand and mitigate the risks for our operations and potential consequences related to climate change, we have performed a climate risk assessments, evaluating physical and transition risks. We have looked at weather patterns and their impact on our facilities based on climate models and scenarios from the Intergovernmental Panel on Climate Change (IPCC).

## We assess the specific impact that climate change could have on our business to be relatively small.

Our office locations and operational way-of-work does not imply acute physical risks (e.g., physical assets, insurance liabilities) or chronic physical risk (e.g., resource availability, including labour).

Business-related transition risks that a societal and economic shift to a decarbonized world would bring (such as changes in demand, the impact on energy prices, building renovation requirements, or potential competitive impacts on logistics chains) is likely to happen, but in an extent and comparable

to what competitors and the society in general will have to face.

We foresee some general transition risk to occur. Such as policy and legal risk (e.g., compliance costs, CO2 emission tax).

We do not expect market and economic risk impacts (e.g., company valuation, asset impairment, credit rating) or any negative reputation risk (e.g., brand value).

No technology risk (e.g., write-offs for old systems displaced by new technologies) has been accounted.

We anticipate a growing market opportunity related to our energy efficient temperature-controlled warehouse and locker solutions with higher energy prices and higher temperatures.

## Accounting assessment and exposure:

StrongPoint has no significant climate exposure in any part of its business operations. At the time of the report, there were no climate-related conditions of a size that are relevant for estimation uncertainty or write-downs. There are no asset retirement obligations.



Table: Climate assessments



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## **Material topic 2**

## **People and working environment**

## **Business ethics**

Working with employees, customers and suppliers in more than 20 different countries, StrongPoint is directly and indirectly exposed to ethical risks throughout the company's value chain. The company has a direct and indirect responsibility to ensure it maintains a proactive approach to ethics, including screening suppliers or assessing operations for risks related to corruption, provide awareness training for employees, implement good governance mechanisms and a system for employees to raise concerns and report irregularities. Responsible business conduct is crucial to earn the trust of stakeholders and the company is dedicated to ensuring ethical business practices throughout its operations and value chain.

For StrongPoint this means respecting recognised international human and labour rights, such as the Human Rights Act and OECD Guidelines for multinational enterprises and respecting all national laws and regulations in the countries where the company is present, including the Norwegian Companies Act, the Norwegian Penal Code and the Norwegian Code of Practice for listed companies (NUES). In 2020, StrongPoint became a UN Global Compact Signatory. The company's ethical guidelines are outlined in the Code of Conduct, which can be found in full on StrongPoint's website. The StrongPoint Code of Conduct is the overarching document describing the standards and expectations regarding business ethics for all who work for StrongPoint, its subsidiaries and entities under the company's control. The Code of Conduct clearly states StrongPoint's expectations for personal conduct and business practice, and covers matters such as information security, policies in relation to anti-corruption and how to deal with conflicts of interest. The Code of Conduct applies to all StrongPoint employees as well as the Board of Directors. The Executive Management are responsible for the implementation and follow-up of the principles in the Code of Conduct and signing the Code of Conduct is a part of the onboarding process for new employees. Supervisors are responsible for both promoting and monitoring compliance with the Code of Conduct within their respective area of responsibility.

A strong company culture and a continued focus on business ethics is a prerequisite for risk management and a strong business performance. Risk is initially assessed at the business unit side then discussed at the board level to mitigate any risks flagged. StrongPoint makes a quarterly risk assessment for all StrongPoint's operations with the aim to identify, evaluate and manage risks.

## **Human rights**

StrongPoint recognizes that businesses have a responsibility to respect, support and promote human rights. As an employer, owner and purchaser, an important way to respect human rights is to secure decent working conditions in our organization, in minority-owned companies and with our suppliers. We do not tolerate any form of harassment or discrimination, including but not limited to gender, race, colour, religion, political views, union affiliation, ethnic background, disability, sexual orientation or marital status. Furthermore, we do not tolerate any form of forced or compulsory labour, human trafficking or child labour abuse. We support the principles of freedom of association and collective bargaining. StrongPoint supports the principles underlying the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights, and the International Covenant on Civil and Political Rights, the UN Global Compact and ILO's eight core conventions, and we expect our suppliers to do the same.

StrongPoint has identified the key risk of human rights breaches to be related to having third-party suppliers in China. StrongPoint has during 2024 reduced our exposure as importer of goods from China. In 2024 there has been no indication of serious violations to the StrongPoint Code of Conduct. StrongPoint's human rights management is based on the OECD Due Diligence Guidance for Responsible Business Conduct.

## **Anti-corruption**

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



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## Whistleblowing and reporting of potential misconduct

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

Examples of issues that should be reported includes:

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

StrongPoint has not taken part in any legal proceedings related to business ethics in 2024, nor has there been any confirmed cases of corruption. In 2024 there has been reported one case of misconduct. This was related to inappropriate relations between co-workers. In our monthly employee survey, we ask all employees the following question: "If I experienced serious misconduct at work, I'm confident StrongPoint would take action to rectify the situation". The feedback (eNPS) score on this question is 12 points above the external benchmark.

## **Working environment**

StrongPoint will conduct its business in a manner designed to protect the interests of its employees including their health and safety. StrongPoint abides by all local laws and regulations in the countries where the company operates. The overall responsibility of employment, including anti-discrimination and equality process lies with the line manager, and is overlooked by Human Resources, with input from employee representatives, and reviewed by the Board of Directors. StrongPoint aims to provide a workplace with a good working environment. The Group is implementing measures to promote the employees' professional development, prevent illness and accidents, and improve the overall work environment.

Employee turnover in 2024 was 17.7%, up from 8.5% in 2023, driven by necessary workforce reductions and reorganizations, along with geopolitical and financial uncertainty in Europe.

All employees in the Group shall have standardised employment contracts and are free to organise themselves in labour unions and organisations promoting employee welfare. In 2024, StrongPoint has continued the use of Employee Engagement tool, Peakon. The tool allows us to measure the employee experience for all employees and managers in StrongPoint. They survey is run every two months where all employees record their feedback on 56 questions that cover 15 dimensions of their employment. The employee Net Promoter Score in Peakon show good results when benchmarked against other companies (the list of indicators are based on loyalty and satisfaction). At the end of 2024 StrongPoint score was 32 (34 in 2023). This is 10 base points better than the benchmark companies, and in the middle range of technology companies. Approximately 52% of all employees score the company at 9 or 10 on a scale from 1 to 10.

## **Employee health and safety**

Ensuring a safe and secure working environment is StrongPoint's number one priority. All employees are required to follow the company's health and safety guidelines as well as applicable laws to prevent harm to people and the surrounding environment.

StrongPoint encourages its employees to participate in activities related to health and wellbeing. Working conditions within the organisation shall meet or exceed legal requirements in every country in which StrongPoint operates and the company shall comply with the conventions of the UN Global Compact and the International Labour Organization.

Hazards are identified and monitored to prevent accidents and occupational illness and workplace guidelines are monitored to ensure a healthy, safe environment.

The company's ambition is to have zero injuries or incidents. However, it is crucial that the company monitor potential breaches and health and safety incidents that occur at StrongPoint sites in order to implement preventive measures. Employees are encouraged to report health and safety breaches and any work-related incidents that happen on StrongPoint's sites to the nearest line manager and he/she is responsible for the investigation. No employees were injured at work and there were no major occupational accidents and no work-related fatalities in 2024. Total sick leave in the company was at 1% in 2024, compared to 2.5% the previous year.

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## Material topic 3

## Operational sustainability initiatives (OSI)

StrongPoint has set an ambition to drive sustainability in the grocery industry through our product innovation and solution design. We have chosen to focus on three areas where we know the positive impact can become significant on either emissions or humans.

- A. Reduction of warehouse energy consumption
- B. Refurbishment and end-of-life treatment of check-out counters
- C. Safeguarding shopworkers.

## Operational sustainability initiative A: Reduction of warehouse energy consumption

5-10% of all sold groceries are handled in a chilled or frozen environment. How a retail grocery business transports and stores the products dramatically impacts food quality and related food waste. Keeping an efficient cold chain is essential both in terms of energy consumption and costs. Historically companies have implemented energy management programs targeting energy efficiency savings of 5% to 20% on energy bills. With such measures, the industry has lowered warehouses' general energy consumption benchmark by 15% - 30%\* over the past two decades. (\*dependent on the size of the warehouse).

StrongPoint believes we can improve this significantly and achieve much higher savings by introducing our AutoStore automation warehouse solutions.

By reducing the needed space required for storage and retrieval operations, organizations can construct smaller, more energy-efficient buildings, shrinking the construction footprint by up to ¼. A reduced volume requires less energy to cool down, and the cube storage model also has significantly less circulation and temperature loss than standard cold storage rooms. The StrongPoint solution needs no doors, trucks, lights, and workers inside to be operated, saving money and the environment.

According to research (source: coldchainfederation.org.uk), a modern and well-maintained cold store of 500,000 m3 would have a specific energy consumption (SEC) of approximately 5kWh/m3/yr. This would be equivalent to more than 500,000 kg CO2 per year. A possible reduction of 50% in emissions with our solutions would be substantial for this operation.

## **Progress**

In 2023 StrongPoint successfully managed to build the world's first AutoStore facility with frozen groceries storage capabilities. During 2024 it has been handed over to the customer and put in full production. The projected energy savings have been met. A broader commercial launch for other customers is as planned for 2025.

## **COMPANY TARGET:**

2023 - introduce the concept to the markets in Norway, Sweden, and UK.

2023 - build and perform proof of concept in one facility.

2024 - in full operation and with a consistent reduction of minimum 50% CO2 eq.

2025 - commercial roll-out of new facilities (non-disclosed number).

In 2023 StrongPoint successfully managed to build the world's first AutoStore facility with frozen groceries storage capabilities. During 2024 it has been handed over to the customer and put in full production.

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## Operational sustainability initiative B: Refurbishment and end-of-life treatment of checkout counters

In Europe, there are an estimated 78,000 grocery hyper and super-markets. They are all set up with multiple checkout counters serving millions of customers daily. The wear and tear on the equipment (i.e., conveyor belts, structures, painting, electronics, and dividers) are lasting and lead to a need for replacement.

Historically the checkout counters have been replaced by new ones, leaving the old as waste. Our estimates show that a medium-sized check-out counter has an LCA (Life Cycle Assessment) carbon footprint that could be reduced by more than 70% with a more sustainable practice.

StrongPoint ALS has specialized in the recycling of counters. We believe this could also be done in markets other than UK/ROI.

Having comprehensive management of existing assets allows grocers to identify opportunities to extend the lifespan of the check-out counters through deep cleaning, sanitisation, repairing, re-painting, and upgrading hardware. Returned assets can be refurbished or upgraded and re-allocated to another site to supplement the existing assets, or as a like-for-like replacement. This will lessen the environmental impact by reducing waste sent to landfills and removing the need to purchase from new.

However, everything has a finite lifespan. Anything that reaches the end of life will be harvested for parts for maintenance purposes, and the remainder will be disposed of in a controlled manner, in line with our environmental policies and accreditations.

## **Progress**

In 2024 StrongPoint has successfully refurbished more than 3,000 checkouts in the UK and Ireland. Many of the checkouts are over 15 years old and have been reworked several times. One large retailer in the UK has gone over 9 years without purchasing a single new checkout.

The concept has been showcased in Norway and Sweden and we are now undergoing a proof-of-concept with one of the leading retailers of plants and accessories in the Nordics. Our ambition is to have all products and processes used to refurbish a checkout sourced locally in the Nordics, resulting in a much lower environmental impact compared to buying a new product, which is often imported from Asia.

In 2024 StrongPoint has successfully refurbished more than 3,000 checkouts in the UK and Ireland. Many of the checkouts are over 15 years old and have been reworked several times.

## **COMPANY TARGET:**

2023 - introduce the concept to selected grocery chains in Norway and Sweden.

2024 - build up internal competence and pilot.

2025 - introduction of solution to the Swedish market.

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## Operational sustainability initiative C: Safeguarding shopworkers

Shopworkers are being attacked, threatened, and even killed while on duty in retail and grocery stores. Armed robberies cause untold damage. Yet they are occurring with worrying regularity.

Sainsbury's, one of the leading grocery chains in the UK has informed the UK's Parliament's Home Affairs Committee that it alone experienced 4,500 violent incidents involving a weapon in a year.

Historically, armed robbers used to target high-end banks. But since they have securitised to such an extent that, for your average robber, it's just too much hard work, armed robbers have now chosen "softer targets" with less security, such as convenience stores. Amateur criminals can now commit violent incidents as often as professional gangs. The average armed robber now is a lone male in his 30s using a knife, often committing crimes to fund substance abuse.

StrongPoint has, since the introduction of CashGuard in 2003 and Vensafe in 2012, been fighting crimes by safeguarding the money, products and the workers.

Shopworkers are being attacked, threatened, and even killed while on duty in retail and grocery stores. Armed robberies cause untold damage. Yet they are occurring with worrying regularity. StrongPoint has, since the introduction of CashGuard in 2003 and Vensafe in 2012, been fighting crimes by safeguarding the money, products and the workers.

## IV. EU regulation on responsible business conduct and The Norwegian Transparency Act

The Norwegian Transparency Act came into force on 1 July 2022. It amends the Non-Financial Reporting Directive 2014/95/EU on Responsible Business Conduct and is based on the recommendations in the UN Guiding Principles on Business and Human Rights (UNGP) and the OECD Guidelines for Multinational Enterprises.

The Transparency Act aims to promote enterprises' respect for fundamental human rights and decent working conditions in connection with the production of goods and services and to ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions.

It applies to the company's own business, suppliers, and the suppliers' value chain.

StrongPoint shall, according to section 5 in the Transparency Act, publish an account of the due diligence assessments, as done in this report. This report also combines the reporting obligations under the Accounting Act §3-3c.

## **Duties and governance**

StrongPoint follows the duties to carry out due diligence assessments to understand the risk of possible breaches - and to introduce measures where necessary. Furthermore, we have a duty to inform about what is used as a basis for the due diligence assessments and the results.

Each StrongPoint business unit shall monitor its operations, and due diligence assessments are carried out locally under guidance and collaboration with StrongPoint ASA.

StrongPoint Technology and Sourcing are primary responsible for the follow up of all suppliers.

We carry out due diligence assessments in connection with various business decisions. This will in StrongPoint be done when establishing new business areas, launching new products, or acquiring other businesses.

StrongPoint works according to a risk-based methodology, where risk assessments and analyses are part of the management processes in the company and are overlooked by the Board of Directors. StrongPoint also includes the environment and anti-corruption in our transparency due diligence assessment.



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## **Due diligence process description**

The process for due diligence assessments in StrongPoint is based on the "OECD guide for due diligence assessments for responsible business".

- **A0.** We establish a list of all suppliers and partners (up-stream and down-stream). Based on the severity and probability of adverse impacts on fundamental human rights and decent working conditions, we include the extended supply chain.
- **A1.** An overall risk assessment is carried out. Assessing the country of origin, company size, raw materials and risk industries, and company legal structure. Based on this assessment, a list of suppliers is produced where risks may be related to human rights, decent working conditions, the environment, and anti-corruption. If no significant risk is uncovered, the process stops and no further actions are performed. In this assessment, we use pre-determined threshold values and benchmarks against recognized and reliable international subject matter sources (list found in the section below).
- **A2.** We make a detailed assessment of the risk list from A1. It starts with us looking at the findings from A1 against the documentation and the knowledge

StrongPoint has about the suppliers in question. Normally, the supplier's risk will be handled, and the supplier will receive a new low-risk status. For suppliers where the risk has not been handled, we will obtain the necessary information and documentation to map the risk better. We will then conduct a new risk assessment where the supplier is normally involved. The supplier will receive either a "low risk" or a "high risk" status. If the risk is high, the next step is to make an action plan.

- A3. Here, measures are drawn up and planned to reduce the risk uncovered in A2. This can be local audits, contract changes, and measures that stop or reduce the negative impact. Necessary internal and external resources are involved, and an action plan is drawn up with those responsible.
- **A4.** We have reached the time when the measures we have decided on in A3 are implemented. This is documented continuously to see that the measures are having an effect.
- **A5.** Evaluation and learning cycle. We confirm that the measures resolved identified risks and reduced the negative impact. Conducts evaluation meetings and suggests improvements to avoid similar situations in the future.
- A6. All process steps and actions should be documented.

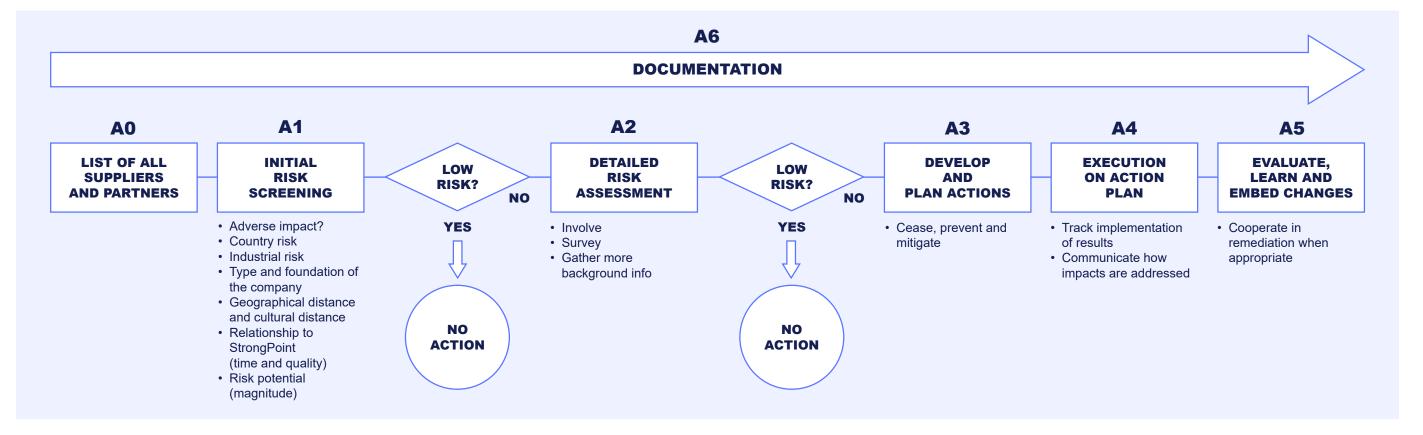


Table: Process description



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## **Assessment of risk**

StrongPoint uses the following sources as a basis for its due diligence assessments of suppliers:

Theme	Source	Measures
Fundamental Human Rights	Freedom House	Measures political freedom and individual rights. Political diversity, freedom of expression, legal due process, and financial dependencies and supression.
Decent working conditions	International Trade Union Confederation	Summarises data from unions on employment conditions in different countries. Measures the right to establish and join labour unions, collective negotiations, and the right to go on strike.
Environment	Environmental Performance Index (EPI)	Measures different countries contribution and impact on the environment. Environmental health (40%): Polution in air, water and from heavy metals. Eco-systems (60%): Biodiversity, de-foresting, fisheries, suage, greenhouse emissions, and nitrogen emissions from agriculture
Anti-corruption	Transparency International	Measures the extent of corruption in the government sector in different countries based on 12 expert opinions from institutions and 16 surveys.

#### Sources:

Freedom House: <a href="https://freedomhouse.org/reports/nations-transit/nationstransit-methodology">https://freedomhouse.org/reports/nations-transit/nationstransit-methodology</a>
The International Trade Union Confederation (ITUC): <a href="https://www.ituc-csi.org/">https://www.ituc-csi.org/</a>

EPI: https://epi.yale.edu/epi-results/2022/component/epi

Transparency International: <a href="https://www.transparency.org/">https://www.transparency.org/</a>

In the assessment we specifically look at the following:

- 1. Country risk
- 2. Industrial risk
- 3. Type and legal entity of the company
- 4. Geographical distance and cultural distance
- 5. Relationship to StrongPoint (time and quality)
- 6. Risk potential (magnitude)

An essential part of establishing a tool for our risk assessment has been to determine threshold values for the different risk areas i.e., when is a country good enough at safeguarding fundamental human rights or decent working conditions? The above-mentioned assessment sources have recommendations that StrongPoint has chosen to use. Based on a point scale from 0 to 100, StrongPoint has the following threshold values as guidelines in our assessments:

Source	Threshold	Explanation
Freedom House	Minimum 35	Countries with score below 35 are considered "Not Free". Countries with score above 35 are considered "Partly Free" or "Free".
International Trade	Minimum 60	Scores below 60 are not considered acceptable.
Environmental Performance Index (EPI)	Minimum 50	Scores are rated from red to green per country. Red (not acceptable) is in the range of 0-50.
Transparency International	Minimum 50	Countries with score below 50 are considered to be among the more corrupt societies.

## When needed, we also use references from the following sources:

Global Slavery Index
Global Rights Index
Country Reports on Human Rights Practices
Human Rights Watch
UN: Working Group on Business and Human Rights
Universal Human Rights Index (UHRI)
Business Human Rights
Corporate Human Rights Benchmark



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# V. The Norwegian accounting act §3-3, and compliance with EUs Non Financial Reporting Directive (NFRD)

Reference is made to the following statements, with description of the company's guidelines for handling such conditions including carried out due diligence assessments:

- On environment page 42-43 of this report
- On social conditions and working environment page 44-45 of this report
- On equality and non-discrimination page 52-54 of this report
- On compliance with human rights page 44 of this report
- On combating corruption and bribery page 44 of this report
- On the company's business model page 9 of this report
- On performance indicators and effects of the guidelines page 53-54 of this report

StrongPoint will report according to the Corporate Sustainability Reporting Directive (CSRD) from 2025.

## VI. Statement on equality and non-discrimination

The following sections provide information on the status of diversity and inclusion in StrongPoint and the activities being undertaken to identify and analyze the risk of discrimination and actions to improve our D&I performance under the Norwegian Equality and Anti-Discrimination Act.

## **Program statements**

StrongPoint find diverse perspectives to be essential to delivering on our long term strategic agenda. Diversity allows us to think, approach challenges and solve problems differently. StrongPoint is committed to providing equitable employment opportunities and treating all employees fairly and respectfully. StrongPoint employees and business units shall only use merit, qualifications, and other professional criteria as a basis for employee-related decisions, such as recruitment, training, performance, compensation, and promotion. We strive to develop programs and actions to encourage a diverse organization based on the principle of equitable opportunities. StrongPoint is committed to the principles of non-discrimination and does not tolerate any form of harassment or bullying in the workplace.

We are working to ensure equal opportunities for all employees and prevent discrimination based on gender, pregnancy, leave in connection with childbirth or adoption, care responsibilities, ethnicity, religion, belief, disability, sexual

orientation, gender identity, gender expression, or combinations of these grounds globally, and shall seek to prevent harassment, sexual harassment, and gender-based violence.

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

## Identifying and mitigating D&I-related risks

We use our employee engagement surveys, StrongPoint Peakon eNPS pulse surveys, to identify and monitor risks relating to diversity and inclusion. We also use the internal grievance mechanism AlertLine to assess the risk of discrimination and harassment in the organization and track relevant employee data from our core employee system.

Our Peakon survey also allows us to assess employee engagement and psychosocial risk indicators across different demographics, including gender, age, and roles.

The index consists of seven diversity, inclusion, and equality related questions. The Peakon index score is part of the Executive Management KPIs.

The business areas are expected to develop targets based on their scores, act on the findings from the risk assessments, develop roadmaps, ensure responsibility is taken, and report progress to eliminate discrimination. Every quarter the executive team oversees trends and analyze root causes.

D&I is embedded in all people processes, including recruitment, onboarding, and succession planning, and is included in all employee and leadership development programs.

We have identified critical risk areas/obstacles for equality, diversity and discrimination to be:

- Recruitment
- Culture
- Leadership
- Work-life balance

Recruiting employees from various countries, backgrounds, and cultures may challenge how we communicate and follow up with employees. Regarding leadership, poor gender balance can create a perception of unequal career development opportunities and represent a talent retention risk. We also see that StrongPoint's growth strategy, combined with a performance-driven culture, might create high expectations and workloads for employees, making work-life balance challenging for some.



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## 2024 performance

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

On Culture and Leadership, we have continued the focus and understanding of our purpose and values (see page 6).

We have pushed for gender balance at all leadership events and diverse leadership teams through systematic succession planning.

We are continuously tracking our population regarding work-life balance, and our 2024 engagement survey showed increased scores in most BUs in this area.

We have benchmarked executive payments and how it relates to gender diversity. During the past year, we have continued to focus on aligning our policies across the different business units and within the countries of operation.

We assess the compensation and benefit equality as part of the yearly salary review and conduct a benchmark survey. We found only minor disparities in 2024 and have adjusted them individually.

StrongPoint has steadily progressed in the D&I area the past years and is satisfied with the trend.

In 2025 the company will especially focus on recruitment practices to support the D&I agenda.

Average age of employees in StrongPoint is 42.5 years in 2024 (42.9 years in 2023). With female average age of 41.4 years old and males 42.7.

		SP Cash						ALS			SP UAB SUM	
	SP AB	SP S.L.U.	Tech SL	SP E-com AB	SP AS	ALS UK	<b>ALS Ireland</b>	Bulgaria	Hamari	SP ASA	Group	StrongPoint
Average FTE:	83.1	32.0	12.3	26.2	47.8	50.0	13.0	13	5.5	4.0	207.1	494
Number of employees per 31.12.2024	80	29	11	25	45	57	14	15	5	4	212	497
Number of FTE per 31.12.2024	79.8	28.8	11.0	25.0	43.0	56.2	13.6	14.0	5.0	4.0	211.5	491.8
Sick leave	0.20%	0.74%	11.00%	0.150%	3.00%	0.60%	3.00%	5.20%	0%	0%	0.20%	1.00%
Number of women	15	6	3	8	5	13	3	7	2	1	49	112
Average salary men	555	488	407	725	875	680	674	199	962	2570	560	625
Average salary women	587	629	475	749	667	560	389	177	451	1250	507	536
Part time women	0	0	0	0	0	3	1	0	0	0	2	6
Part time men	0	0	0	0	0	0	0	0	0	0	0	0
- Of which number of involuntary part-time female employees 31.12	0	0	0	0	0	0	0	0	0	0	0	0
- Of which number of involuntary part-time male employees 31.12	0	0	0	0	0	0	0	0	0	0	0	0
Temporary employees	0	0	0	0	0	0	0	0	0	0		
Parental leave	9/6,43 weeks	1/18 weeks		11/6,43 weeks		2/24 weeks					12/22 weeks	35/13,1 weeks

Table: Measures in 2024.



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## Gender-related salary differences

StrongPoint policy is that all employees shall receive a total compensation that is competitive and aligned with local industry standards. The compensation should also be performance-oriented, transparent, fair and objective. Salaries in the organisation are reviewed regularly (minimum every second year). Positions and pay grades are established and compared both on a group and individual level.

No significant gender-pay differentials were found, and this corresponded with the general assessment of the previous years. Still, we adjusted salaries to approximately 15 employees to align them with relevant pay groups. Employees earning collective negotiated wages in Sweden also had no significant gender-pay differentials. When setting up and comparing pay groups we looked at and compared the need for knowledge, problem-solving, accountability, and the overall working conditions for every position. Each employee's base salary, benefits, pension cost, short and long term incentives were assessed (total remuneration).

The average salary of men was NOK 625,000 (NOK 580,000 in 2023), and women NOK 536,000 (NOK 492,000 in 2023). The significant year-over-year uplift is caused by inflation driving high salary increases, and a currency effect since it is reported in NOK.

Fomala

Mala

Level/ Employee groups	Female	Male	Total	average total remu- neration in percent of the median	average total remu- neration in percent of the median
10-12	14	22	37	104%	96%
13	13	64	77	95%	102%
14	30	79	108	97%	101%
15	25	75	101	97%	100%
16	11	69	80	104%	102%
17	11	29	39	98%	105%
18-25	7	48	55	93%	103%

## VII. Remuneration to the Chief Executive Officer (CEO) and other senior executives report

The Board of Directors are required to, in accordance to the Public Limited Liability Companies Act § 6-16 a and b and regulation 11.12.2020 no. 2730, prepare principles and report on remuneration to the Chief Executive Officer (CEO) and other senior executives. StrongPoint presents this report as a separate document to the Annual General Meeting, and it is published on our website.



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## **Annex: Goals and status on progress**

Our main indicators related to our three key prioritized sustainability focus areas:

Reference/Target	2024 goals	Status	2025 goals	Key actions
ENVIRONMENT AND CLIMATE	Update the Double materiality impact assessment.	Updated and reported	Start reporting according to the Corporate Sustainability Reporting Directive (CSRD).	Implement a new reporting model in all Business Units.
ENVIRONMENT AND CLIMATE	Start mapping eligible activities as described in the EU taxonomy.	Implemented.		
ENVIRONMENT AND CLIMATE	Plan and test Environmental Product Declaration (EPD)/Life Cycle assessment for the refurbishment business	Deferred as part of cost-reduction initiatives.		
ENVIRONMENT AND CLIMATE	Prepare a new goals structure in 2024/2025 as part of the Science Based Targets Initiative.	Became member and started verification process.	Report SBTi targets.	Report and get approval of new targets from SBTi.
PEOPLE AND WORKING ENVIRONMENT	Establish e-learning platform.	Deferred as part of cost-reduction initiatives.	Establish learning platform cross StrongPoint Group.	
PEOPLE AND WORKING ENVIRONMENT	IT security ISO certification implemented in all StrongPoint.	Became certified in 2024.	Re-certification.	
OPERATIONAL SUSTAINABILITY INITIATIVES	Document energy consumption in Haugaland facility	Implemented.		

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## EXECUTIVE MANAGEMENT



## **JACOB TVERAABAK** CEO

Jacob Tveraabak was previously the CEO of Miklagruppen (Bavaria Nordic), director of business development at Rema 1000 and with McKinsey & Company for 12 years. He is also the co-founder of Nabobil.no. Tveraabak has MSc degrees from the Norwegian School of **Economics and Bocconi** University. He holds 250,146 shares and 1,000,000 options in StrongPoint privately and through a privately owned company.



## **MARIUS DREFVELIN CFO**

Marius Drefvelin has been a group CFO of several international tech companies, including five years at the listed company Techstep ASA. Prior to this, he has been a financial advisor in the transaction teams of Deloitte and KPMG, as well as an investment manager at Jebsen Asset Management AS. Drefvelin holds BSc degrees in Finance and Economics from the University of Utah and is a Certified European Financial Analyst from the Norwegian School of Economics. He holds 21,364 shares and 275,000 options in StrongPoint.



## **NYHUS OLSEN** SVP People & Organization, Marketing and Communication

**KNUT OLAV** 

Knut Olav N. Olsen was previously the position as Chief People Officer in Canal Digital, Telenor Satellite and Telenor Pakistan. Previously also working as CHRO in Skanska and EVP in ISS Facility Services. Olsen holds a master's degree in law and a finance degree from the University of Bergen, with additional management training from IMD and INSEAD. He is the co-founder and board member of Terrosa Consulting. He holds 46,995 shares and 350,000 options in StrongPoint.



## **JULIUS STULPINAS** SVP Technology and Supply Chain

Julius Stulpinas has 15 years of experience within StrongPoint related companies, leading and transforming sales, service, product development organizations and teams. He has MSc degree of **Engineering from Kaunas University** of Technology and MBA from a consortium of Baltic Management Institute, HEC Paris, NHH Norwegian School of Economics and Copenhagen Business School. He holds 49,321 shares and 325,000 options in StrongPoint.



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## EXECUTIVE MANAGEMENT



**MAGNUS** ROSÉN SVP Norway and Sweden

Magnus Rosén has more than 20 years' experience from retail in various management roles, including the role as business director e-commerce at ICA. Magnus have throughout his career predominantly worked with retail management, business development and technology development in the grocery retail space. He holds 27,307 shares and 275,000 options in StrongPoint.



RIMANTAS MAŽULIS **SVP Baltics & Finland** 

Rimantas Mažulis has 15 years of experience in retail technologies within StrongPoint. During that time, he held various positions in retail solution design & development area. Rimantas Mažulis holds a degree of Engineering Informatics from Kaunas University of Technology (2004) and currently in progress with Executive MBA (2022) master's degree by a consortium of Baltic Management Institute, HEC Paris, He holds 44,951 shares and 400,000 options in StrongPoint.



LORENA GÓMEZ SVP Spain

Lorena Gomez has extensive experience in managing and scaling sales in the retail sector across Europe and has been sales director for the retail technology division at HMY Group, a company she has been with since 2006. Since 2014 she was responsible for the newly formed Retail Technology division at the Group level. Lorena Gomez holds a degree in Industrial Design Engineering from the University of Zaragoza and a Master's degree in Innovation Management. She holds 35,119 shares and 300,000 options in StrongPoint.



**ALEX EVELEIGH** SVP UK & Ireland

Alex Eveleigh started in StrongPoint in January 2024. He has over 15 years of experience working in the grocery retail industry, holding senior positions at Asda, Aldi and Ocado. In these roles he led teams across various domains, including in-store operations, online grocery fulfillment, automation and robotics. Most recently, he served as the VP of Business Development & Strategy and as the Director of Growth at Takeoff Technologies, a grocery e-commerce automation company, where he oversaw sales, strategy development, implementation, and operations. He holds 0 shares and 100,000 options in StrongPoint.

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## **Events after the balance sheet date**

No major events have occurred after the balance sheet date.

## **Segments**

The Group reported on two segments in 2024: Scandinavia and International incl. R&D. In addition, the financial statement includes detailed revenue information for geographic and product segments.

The Group delivers proprietary solutions within In-store Productivity, E-commerce, Payment Solutions and Checkout Efficiency, as well as tailor-made retail solutions from leading third-party suppliers, including, Electronic Shelf Labels (ESL), POS, ERP and Digi scales and wrapping systems. The business governance is based on reported sales revenues, EBITDA and EBIT for the two business areas Scandinavia and International incl. R&D.

## **Scandinavia**

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

## International incl. R&D

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

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- Operating revenues for StrongPoint Group declined by 2% to 1,309 MNOK (1,342).
- Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to 2 MNOK (-1), and profit after tax was -32 MNOK (-34).
- Total assets per 31 December 2024 were 1,028 MNOK (1,014) and equity was 465 MNOK. This resulted in an equity ratio of 45 per cent.
- Net interest-bearing liabilities amounted to 60 MNOK at the end of 2024.
- The Group has a cash pool arrangement that includes most business units, ensuring efficient utilization of liquidity and cash flow. Disposable funds end of year was 102 MNOK, of which 20 MNOK was available credit facility. Cash flow from operational activities was 93 MNOK (25), and working capital decreased by 73 MNOK in 2024.

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## STRONGPOINT SEGMENTS

The 2024 financial statements include two reporting segments: Scandinavia and International incl. R&D.

MNOK	Yea	ar	MNOK	Ye	ar
Scandinavia	2024	2023	International incl. R&D	2024	2023
Norway	345.9	340.3	Baltics & Finland	274.5	255.5
Sweden	302.9	293.6	Spain	74.1	87.6
Total Revenue	648.8	633.9	UK & Ireland	224.8	283.5
EBITDA	55.0	41.5	Rest of Europe	86.9	81.9
- In %	8.5 %	6.5%	Total Revenue	660.3	708.5
EBT	49.5	35.1	EBITDA	-26.6	-10.4
- In %	7.6 %	5.5%	- In %	-4.0 %	-1.5%
			EBT	-72.2	-51.5
			- In %	-10.9%	-7.3%

## **Employees and organization**

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

The Group had 497 employees as of 31 December 2024. Total sick leave in the company were estimated at 1.0% in 2024 compared to 2.5% the previous year.

No employees were reported injured and there were no reported accidents during the year.

The company has share incentive programs for the executive management and all the employees. 186,746 shares were distributed in 2024.

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

There were 112 women among the Group's 497 employees at the end of the year. StrongPoint is an equal opportunity employer, and diversity and inclusion are imperative to the way StrongPoint does business. More information on the status of gender equality and how we comply with section 26 of the Equality and Anti-Discrimination Act can be found under the ESG section on page 52 of the annual report.

## **Product development**

The Group owns intellectual property within cash management, checkout efficiency and e-commerce. StrongPoint continues to invest in and maintain the current solutions, as well as developing and funding new solutions. In 2024, development costs of 30.9 MNOK were capitalized, comprising 27.9 MNOK related to the development of a new cash management solution and 3.0 MNOK related to our own POS solution (Tree Commerce).

## Risk

Historically, the Group's key markets have been robust and stable, as investments in the retail grocery sector have not been significantly affected by financial and macroeconomic changes. In 2024, however, the continued increase in inflation and interest rates put additional pressure on the market condition, resulting in lower customer spending. Moreover, global component shortages, supply chain delays, pandemic restrictions and other international macro instabilities may impact the Group's financial performance. The Group managed the risk by close dialogue with key suppliers and also used the strong liquidity situation to increase inventory in order to reduce the risk of delay in future deliveries.

The Group's operations are exposed to currency risk, and in 2024 this had a negative impact on the Scandinavian operations. Currency risk is managed operationally in customer contracts, but there is a time lag between the currency



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change and the increased (or decreased) price to customers. Receivables and liabilities are exposed to financial risk, which is reduced by a thorough, action-based follow-up on an ongoing basis. These matters also have implications for liquidity risk. The Group has managed liquidity risk by closely monitoring anticipated future operational cash flow, as well as available cash and credit facilities.

StrongPoint has a worldwide Directors' and Officer's liability insurance with a limit of approx. 4% of revenue.

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

In the opinion of the Board, the income statement, balance sheet and notes presented are a true and fair view of the company's position and profit from activities in 2024. The Board of Directors are not aware of any other matters relevant for assessing the company beside what is stated in the annual report.

## Ownership and corporate governance

StrongPoint's policy on corporate governance is presented in the Group's Annual Report and on the corporate website.

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

The Group's ongoing business performance, organizational competence and capacity and capital structure were the main focus of Board meetings in 2024. The Board held eleven scheduled board meetings and six extraordinary meetings in 2024. All board members are considered to be independent board members, with a 96% participation rate during the year.

Every year, the Board performs a board evaluation survey, which is discussed and acted upon to constantly improve the work of the Board of Directors. Parts of StrongPoint's Group management team are also invited to participate in the survey, and the results are also shared with the nomination committee. StrongPoint ASA hired consultancy services valued at KNOK 100 from TLT Leadership AS where Board member Ingeborg Hegstad owns 50% of the company. There has not been any other transactions with any Board members and employees in 2024.

The Board has three subcommittees: an audit committee, a nomination committee and a remuneration committee. The audit committee comprises two Board members. The committee reviewed quarterly and annual financial statements, as well as the Group's main risk categories. The committee also

assessed its internal controls, including internal controls related to financial reporting, as well as the quality of risk management systems and audit work. The nomination committee consists of three external members. The remuneration committee consists of two Board members. The remuneration committee continues to evaluate and benchmark the total remuneration program every year.

## Ethics, environment and corporate social responsibility

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

StrongPoint's operations follow established public procedures to prevent pollution of the external environment and comply with relevant international and local legislation and standards. Some subsidiaries sell and store products classified as environmentally hazardous if the waste is not managed in accordance with applicable regulations. Subsidiaries have contracts with authorised return and recycling companies. There were no emissions of environmentally harmful substances in 2024. StrongPoint's customers have the option to return products at the end of their life to ensure they are handled in an environmentally responsible manner. StrongPoint's focus on environment, social, and governance (ESG) are reported separately in the annual report. In 2024, the main topics were employee working environment, health and safety, product innovation, quality and safety, corporate governance including ethics and anti corruption and environment and climate, including emissions and waste management.

StrongPoint works actively with suppliers to understand how climate changes can influence the business and try to reduce the risk by identifying and implementing alternative components, reduced production redundancy and reduce emission by searching for more optimal transportation routes.

## **Corruption and whistleblowing**

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



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The Group has whistleblowing procedures in place. It is important to report policy violations or inappropriate conduct in a responsible manner.

The audit committee is responsible to handle whistleblowing incidents reported directly to the Board.

## Shareholder relations

As of 31 December 2024, StrongPoint had a share capital of NOK 27,830,778 allocated to 44,888,352 shares with a face value of NOK 0.62. At the end of 2024, the Group held 194,374 treasury shares at an average price of NOK 22.75. There were 2,268 shareholders in the company at the end of 2024. The 20 largest shareholders represented 53.8 per cent of total share capital. At the end of 2024, 288 shareholders owned 10,000 shares or more.

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

## **Outlook**

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

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

- Roll-out of the full portfolio of solutions in key markets, including Norway, Sweden, Finland, the Baltics, UK&Ireland and Spain, utilizing our strong sales, service and support organization, applying innovative tools and sharing of best practices.
- Selling StrongPoint's proprietary solutions in a selected number of countries beyond key markets. The list of solutions includes grocery e-commerce, self-checkout, shop fitting and cash management solutions.
- Utilizing StrongPoint's market access platform for global retail technology

providers targeting leading retailers in the key markets, leveraging StrongPoint's strong market and one-stop-shop position.

As a foundation for creating shareholder value, StrongPoint growth strategy is based on profitable and organic growth, M&A initiatives, cost control and a solid balance sheet. The Group frequently presents its long term goals as part of a Strategy Update Session.

The Board of Directors underlines that growth is not expected to be linear, and investments in products and sales resources to enable growth, will influence the EBITDA. The overall growth ambitions can further be influenced by global component shortages, supply chain delays, pandemic restrictions and other international macro and geopolitical instabilities. The Board also acknowledges that the time from pilots to roll-outs and scale-up for new solutions is difficult to predict, and this might sometimes be reflected in rather significant variations in the reported numbers between the quarters.

## Parent company - StrongPoint ASA

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

StrongPoint ASA's loss for the year was -6.9 MNOK compared to a profit of 7.1 MNOK in 2023.

## Proposal for allocation of profit for the year:

The Board of Directors will propose to the general meeting the following allocation of profit for the year in the parent company StrongPoint ASA for 2024:

## **Profit for the year:**

NOK - 6,856,985.54

## **Transferred from other equity:**

NOK 6,856,985.54

Oslo, 19 March 2025

Morthen Johannessen Chairman

Ingeborg Molden Hegstad
Director

Cathrine Laksfoss
Director

Audun Nordtveit Director

Pål Wibe Director Jacob Tveraabak CEO

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## **BOARD OF DIRECTORS**



## **MORTHEN JOHANNESSEN** Chairman

Morthen Johannessen has more than 20 years' experience as CEO/ Managing director of international businesses. In Tomra he first served as CEO for the European business, and later as Group COO & head of the Global Business Development division. Prior to Tomra Morthen was CEO of Pepsico's beverage business in Western-Europe. He currently works as an industrial advisor and professional board member of a number of companies in various industries. Johannessen holds a Master of Business Administration (HD) from CBS, Copenhagen. He has been on the Board of StrongPoint since April 2016, and Chairman from April 2018. He holds 147,584 shares in StrongPoint.



**INGEBORG MOLDEN HEGSTAD Director** 

Ingeborg Hegstad has 20 years of experience from management consulting, including McKinsey & Company and Egon Zehnder. Since 2015 Hegstad has been a partner in Imsight AS, offering strategy and leadership advisory to executives. teams and organizations. She has experience from the Board of Directors of Cxense ASA (2017-2019), Q-Free ASA (2018-2021), Cyviz ASA (2021-onwards) and Gjensidige Mobility Group (2023-onwards). Hegstad holds a Master of Business and Administration from Norwegian Business School BI (2000). She has been a Board member in StrongPoint since April 29, 2020. She holds 30,826 shares in StrongPoint.



**AUDUN NORDTVEIT** Director

Audun Nordtveit has more than 10 years' experience from finance and investment operations, including with Norges Bank Investment Management and UBS. Since 2018, he has worked as an investment manager at the investment company Sole Active AS. Nordtveit holds an M.Sc. of Industrial **Economics and Technology** Management from NTNU and an MBA from Columbia Business School. He has been a member of the Board of StrongPoint since 27 April 2023. He holds 28,296 shares in StrongPoint.



**CATHRINE LAKSFOSS Director** 

Cathrine Laksfoss is CEO of Schibsted Ecommerce & Distribution as, and head of Ecommerce development across Schibsteds companies and Schibsteds distribution activities. She has led the transformation of the traditional newspaper distribution to an ecommerce growth group by founding and scaling growth companies. She is Chair of Boards in Helthjem Netthandel AS, morgenlevering. no. Distribution Innovation AS and serves on the boards of Bookis.no and Dooris ab. She has previous experience from Posten Bring and management consulting and holds an MBA from HEC Paris and a Masters degree in marketing from the Norwegian Business School. She has been a Board member in StrongPoint since April 28, 2022. She holds 10,435 shares in StrongPoint.



**PÅL WIBE DIRECTOR** Director

Pål Wibe has more than 30 years experience from management consulting and retail. 25 of those years from different leadership positions within retail in a unique breadth of sectors from grocery to travel retail to discount variety retail in various forms and lately sport & outdoor. He was the CEO of XXL ASA from 2020-2022, the CEO of Europris ASA from 2014-2020, the CEO of Nille from 2006-2013 and the CEO of Travel Retail Norway from 2004-2006. He is now an advisor, investor and Board Member/Chair in different companies from early stage tech companies to larger retailers and public corporations like Europris ASA, Posten Bring AS, Forte Group AS, AKA Eiendom AS, Holdbart AS and Whiteaway Group AS (DK). He has been on the Board of StrongPoint since April 25, 2024. He holds 3,868 shares in StrongPoint.

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# Corporate Governance

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

StrongPoint is compliant to all item in the code except item 3: The board has an authorization to make an overall capital increase of up to 9,000,000 shares that is not limited to a defined purpose. The shareholders' preferential rights according to cf. section 10-14 of the Public Limited Liability Companies Act can be disregarded. The board has authorization to acquire up to 4,400,000 own shares that is not limited to a defined purpose.

## 1. Implementation and reporting on corporate governance

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

## Values, ethical guidelines and guidelines for corporate social responsibility

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

## 2. Business

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



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## 3. Equity and dividends

## **Equity**

The Group's equity as of 31 December 2024 amounted to 465.2 MNOK corresponding to an equity ratio of 45.3 per cent.

The company's share capital is NOK 27,830,778.24, divided into 44,888,352 shares with a nominal value of NOK 0.62.

### **Dividends**

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

When deciding the annual dividend level, the Board of directors will take into consideration expected cash flow, investments in organic growth, plans for growth through mergers and acquisitions, and needs for appropriate financial flexibility.

In addition to cash dividends, StrongPoint ASA may buy back shares as part of its total distribution of capital to the shareholders.

## **Board authorizations**

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

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

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

Both authorizations are valid until the next general meeting or 30 June 2025, whichever comes first.

## 4. Equal treatment of shareholders and transactions with close associates

The company has a single class of shares, and all shares carry the same rights related to the company. Equal treatment of all shareholders is essential. Transactions involving the company's own shares are executed on the Oslo Stock Exchange, except for the repurchase of minor shareholdings from

shareholders with 500 or fewer shares. In the event of material transactions between the company and a shareholder, Board member, member of executive management, or a party closely related to any of the beforementioned, the Board will ensure that independent valuations are made available.

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

## 5. Freely negotiable shares

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

## 6. General meetings

## Meeting notification, registration and participation

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



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## Proxy and votes in advance

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

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

## Meeting chair, voting, etc.

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

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

## 7. Nomination committee

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

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

In accordance with StrongPoint ASA's articles of association, the nomination committee recommends candidates for election to the Board of Directors. In addition, the nomination committee recommends a candidate for Chairman. The nomination committee also makes recommendations on remuneration of Board members. The nomination committee is to justify its recommendations, how it

takes care of the shareholders' and the company's need for expertise, capacity and diversity. Care should be taken that the Board functions effectively as a cooperative body. Proposals for Board candidates are to be submitted in reasonable time before the general meeting. The annual general meeting will, in accordance with the Code of Practice, be presented with the guidelines governing the duties of the nomination committee for approval. The duties of the nomination committee are found on the company website.

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

In accordance with the company's articles of association, the Board comprises between 5 and 11 members. Board members are elected for a period of one year. The Board members are independent of the company's executive management and its significant business associates. No member of the company's executive management is a Board member. CEO Jacob Tveraabak has ownership interests in StrongPoint ASA privately and trough his company Celo Industries AS. The current composition of the Board is presented on the company website. The Board members' expertise is also presented. In 2024, the Board of Directors had 17 meetings.

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

## 9. The work of the Board of Directors

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



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Audun Nordtveit. The Board evaluates the competence of the audit committee members to be sufficient. The audit committee sets the agenda according to the tasks set in Allmennaksjelovens §6-43. In 2024, there were 17 board meetings.

## 10. Risk management and internal control

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

StrongPoint ASA is exposed to currency and interest risk, market risk, credit risk and operational risk at its underlying companies. Management of operational risk primarily takes place at each underlying operating company, reported to Group management, and evaluated and handled to the best for the company.

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

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

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

## 11. Remuneration of the Board

Board remuneration reflects the Board's responsibility, expertise, time spent and the complexity of the business. Remuneration does not depend on StrongPoint's financial performance. There are no option programs for any Board members.

20% of gross remuneration to the Board shall be used for share purchases until the value of the shares corresponds to a minimum of one year's gross remuneration. The annual general meeting determines Board remuneration following recommendations by the company's nomination committee. Board members are elected because of their expertise and knowledge. Directors or their related companies should not undertake special assignments for the company in addition to their Board appointments. However, if they do, the whole Board should be informed. Fees for such assignments must be approved by the Board. All remunerations are specified in the financial statement. Additional information on remuneration paid to Board members for 2024 is presented in note 9 to the consolidated accounts.

## 12. Remuneration of executive personnel

The Board has adopted guidelines for remuneration of executive management in accordance with section 6-16a of the Norwegian Public Limited Liability Companies Act. The Board of Directors determines the remuneration of the CEO. StrongPoint ASA implemented a Long Term Incentive Program in 2020 represented as a Stock Option program. The program has ambition to both motivate and retain executive management and key personnel to achieve the overall strategic ambitions, and has been granted in the years 2020, 2021, 2022, 2023 and 2024. The company's guidelines and further information on remuneration for 2024 for members of StrongPoint's executive management is presented in note 9 to the consolidated accounts. Additional information will be shared in a remuneration report to be presented to the General meeting in 2024. Some members of StrongPoint's executive management maintain the company's interests as board members of other StrongPoint companies. They do not personally receive board remuneration for this. StrongPoint has a worldwide Directors' and Officer's liability insurance with a limit of approx. 4% of revenue.

## 13. Information and communications

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

The long-term purpose of StrongPoint's IR activities is to ensure access to capital at competitive terms for the company and correct pricing of shares for shareholders. These goals are to be accomplished through accurate and timely distribution of information that can affect the company's share price; the company



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is also to comply with current rules, regulations and market practices, including the requirement of equal treatment.

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

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

## 14. Take-overs

In a bid situation, StrongPoint's Board of Directors and management have an independent responsibility to help ensure that shareholders are treated equally, and that the company's business activities are not disrupted unnecessarily. The Board has a particular responsibility to ensure that shareholders are given sufficient information and time to form a view of the offer. The Board of Directors will not seek to hinder or obstruct take-over bids for the company's activities or shares unless there are particular reasons for this. An agreement with the bidder to limit the company's ability to obtain other offerings on the company's shares will only be entered into when it clearly can be attributed to the company and shareholders' common interest. The same applies to an agreement to compensate the bidder if the offer is not completed. Any compensation shall be limited to the cost the bidder has incurred in making the bid. Agreements between the company and provider of importance for the market's assessment of the offer should be made public no later than the alert that the offer is made. In the event of a take-over bid for the company's shares, the company's Board of Directors will

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

## 15. Auditor

The auditor participates in the Board meeting that decides the annual accounts. The auditor audit material changes in the company's accounting principles and assessments of material accounting estimates with the Board. Further, the auditor has provided the Board with written confirmation that the requirement of independence is met. The Board and the audit committee meet with the auditor without the presence of representatives of executive management. The audit committee determines guidelines for executive management's access to use the auditor for services other than auditing and receives an overview of services rendered by the auditor to the company. Remuneration for auditing and other services are presented in note 5 to the StrongPoint ASA accounts. Such details are presented to the annual general meeting.

Oslo, 19 March 2025

Morthen Johannessen
Chairman

Ingeborg Molden Hegstad Director Cathrine Laksfoss
Director

Audun Nordtveit Director

Pål Wibe Director Jacob Tveraabak CEO

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## **Investor Relations**

StrongPoint ASA strives to have an open investor relations policy towards its shareholders and the market in general. The most important events for shareholder information and updates are the quarterly presentations and the Strategy Update Session. In addition, StrongPoint uses its website, meetings and direct communication to provide investors



Marius Drefvelin CFO

and analysts with relevant information. Information for shareholders is available at strongpoint.com and ose.no (ticker STRO).

StrongPoint ASA has frequent contact with investors and analysts to provide the best possible information regarding the group's financial situation and development. The market is informed of orders and or contracts worth 10 MNOK or more, as well as orders that are considered strategically important.

StrongPoint ASA is a public limited company and is established under Norwegian law. The company is listed on the Oslo Stock Exchange. The Group's issued share capital is NOK 27,830,778 allocated as 44,888,352 shares, each with a nominal value of NOK 0.62, all fully paid and issued in accordance with Norwegian law. The company has one class of shares.

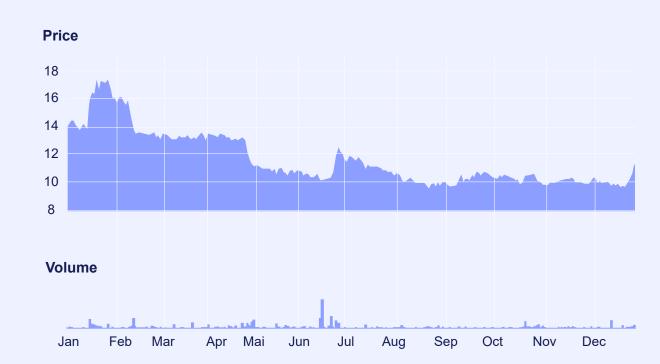
## For more information

Marius Drefvelin CFO

Tel: +47 95 89 56 90

E-mail: marius.drefvelin@strongpoint.com

# SHARE INFORMATION



## **FINANCIAL CALENDAR 2025**

Q1 - 29.04

Q2 – 11.07 Q3 – 17.10

Annual General Meeting – 29.04

Webcast will be available at our website www.strongpoint.com from CET 07.00.

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KNOK	Note	2024	2023
Operating revenue	3	1,309,066	1,342,398
Cost of goods sold	12	779,109	805,266
Payroll	9	366,508	366,782
Share based compensation	9	4,232	6,395
Other operating expenses	5, 16, 27	157,179	165,244
Total operating expenses		1,307,027	1,343,687
EBITDA		2,039	-1,288
Depreciation tangible assets	10	29,261	26,996
Amortization intangible assets	11	12,256	11,163
Total depreciations and impairments		41,517	38,159
Operating profit		-39,478	-39,448
Financial expenses	8	22,588	17,646
Financial income	6, 8	15,284	11,763
Total financial items		-7,304	-5,884
Profit before tax		-46,783	-45,331
		,	,
ncome tax expense	26	-14,853	-11,132
Profit/loss after tax		-31,930	-34,200
Financial expenses Financial income  Total financial items  Profit before tax  ncome tax expense	6, 8	22,588 15,284 -7,304 -46,783	17,6 11,7 -5,8 -45,3

KNOK	Note	2024	2023
Other comprehensive income net of tax			
Items that may be reclassified through profit or loss in later period	ls		
Exchange differences on foreign operations		16,207	32,894
Total comprehensive income		-15,723	-1,305
Earnings per share			
Earnings per share	23	-0.72	-0.77
Diluted earnings per share	23	-0.66	-0.72

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KNOK	Note	31.12.2024	31.12.2023
ASSETS			
Intangible assets	11	152,326	125,327
Goodwill	11	179,875	174,325
Tangible assets	10	29,748	30,397
Right-of-use assets	10	96,647	99,568
Associated companies	6	798	853
Other long term investments	7	4,001	4,001
Other long term receivables	13	896	1,372
Deferred tax assets	26	45,979	31,106
Total fixed assets		510,271	466,949
Inventories	12	173,151	230,424
Accounts receivables	13, 17	223,238	240,790
Prepaid expenses	13	28,236	22,032
Other current receivables	13	10,351	14,955
Cash and cash equivalents	14	82,490	39,340
Total current assets		517,467	547,541
TOTAL ASSETS		1,027,738	1,014,490

KNOK	Note	31.12.2024	31.12.2023
EQUITY AND LIABILITIES			
Share capital	24	27,831	27,831
Treasury shares	24	-121	-217
Other equity		437,493	447,238
Total equity		465,203	474,852
Long term interest-bearing liabilities	15	1,318	4,983
Long term lease liabilities	15	68,664	83,513
Other long term liabilities	22	602	1,848
Deferred tax liabilities	26	16,547	18,111
Total long term liabilities		87,132	108,455
Current interest-bearing liabilities	15	128,163	7,962
Bank overdraft	15	-	94,153
Short term lease liabilities	15	26,190	14,316
Accounts payable		140,789	159,690
Tax payable	26	-4,557	-10,603
Public duties payable		27,927	33,871
Other short term liabilities	22,27	156,890	131,794
Total short term liabilities		475,403	431,183
TOTAL LIABILITIES		562,535	539,638
TOTAL EQUITY AND LIABILITIES		1,027,738	1,014,490

Oslo, 19 March 2025

Morthen Johannessen Chairman Ingeborg Molden Hegstad
Director

Cathrine Laksfoss
Director

Audun Nordtveit Director

Pål Wibe Director Jacob Tveraabak CEO

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KNOK	Note	2024	2023
Ordinary profit before tax		-46,783	-45,331
Net interest		13,798	9,617
Tax paid		4,953	-26,047
Share of profit, associated companies	6	-245	-191
Depreciation tangible assets	10	29,261	26,996
Amortization intangible assets	11	12,256	11,163
Gain/-loss on sale of tangible assets	10	-446	-235
Change in inventories		64,709	17,169
Change in accounts receivables		27,868	52,485
Change in accounts payable		-24,871	-170
Change in other accrued items		12,604	-20,275
Net cash flow from operational activities		93,105	25,182
Payments for fixed assets	10	-8,581	-17,643
Payment for intangible assets	11	-31,545	-23,425
Sale of tangible assets (sales proceeds)	10	756	467
Acquisition of subsidiaries, net of cash acquired	4	-	-2,357
Interest received	8	3,503	1,604
Dividends received from associated companies	6	300	300
Net cash flow from investment activities		-35,568	-41,054

KNOK	Note	2024	2023
Sale of own shares	24	1,852	4,410
Payment long and short term debt	15	-6,501	-111
Payment of leasing commitments	15	-22,534	-24,444
New loan	15	120,000	-
Change in overdraft	15	-91,799	75,664
Interest paid	8	-17,301	-11,221
Dividends paid		-	-39,935
Net cash flow from financing activities		-16,282	4,363
Net cash flow in the period		41,255	-11,510
Cash and cash equivalents at the start of the period		39,340	47,248
Effect of foreign exchange rate fluctuations on foreign currency deposits		1,896	3,602
Cash and cash equivalents at the end of the period	14	82,490	39,340

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			Other equity							
KNOK	Note	Share capital	Treasury shares	Other paid-in equity	Translation variances	Share Option Program	Other equity	Total equity	Minority interest	Total equity
Equity at 31.12.2022		27,831	-362	351,262	32,755	11,301	84,422	507,207	-	507,207
Profit for the year after tax							-32,231	-32,231	-1,968	-34,200
Other comprehensive income and expenses 1)					32,837			32,837	57	32,894
Total comprehensive income		-	-	-	32,837	-	-32,231	606	-1,911	-1,305
Sale of own shares	24		74				2,444	2,518		2,518
Dividend 2022 paid in 2023	24						-39,935	-39,935		-39,935
Acquisition of Hamari paid in shares	4		72				1,821	1,892		1,892
Share Option Program	9					4,475		4,475		4,475
Equity at 31.12.2023		27,831	-217	351,262	65,592	15,776	16,521	476,763	-1,911	474,852
Profit for the year after tax							-30,435	-30,435	-1,495	-31,930
Other comprehensive income and expenses 1)					16,327			16,327	-120	16,207
Total comprehensive income		-	-	-	16,327	-	-30,435	-14,108	-1,615	-15,723
Sale of own shares	24		97				1,755	1,852		1,852
Share Option Program	9					4,222		4,222		4,222
Equity at 31.12.2024		27,831	-121	351,262	81,919	19,998	-12,159	468,729	-3,526	465,203

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

<sup>1)</sup> The balance sheet is converted with the closing rate at the balance sheet date, while the income statement is converted with the average monthly exchange rate. The net effect of the translation is recognized as translation differences in other comprehensive income and expenses. See exchange rates in note 21.

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### Note 1: General information

StrongPoint ASA is based in Norway with registered office at Brynsengveien 10 in the municipality of Oslo. The company is listed at the Oslo Stock Exchange with the ticker STRO. The group's main business is the development, sale and implementation of innovative, integrated technology solutions to retailers especially within the grocery segment but also other segments like Do-It-Yourself or pharmacies. The group has two reporting segments: "Scandinavia" and "International incl. R&D".

The proposed annual financial statements are prepared with the assumption of a going concern and were adopted by the board and CEO on the date shown on the signed balance sheet. The annual financial statements will be approved by the ordinary general meeting 29 April 2025.

## Note 2: Accounting principles

#### Basic principles

The consolidated financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and associated interpretations and with additional Norwegian disclosure requirements pursuant to the Accounting Act, Stock Exchange Regulations and stock exchange rules applicable to financial statements completed by 31.12.2024. The consolidated financial statements have been produced based on historical costs.

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

#### **Estimates and judgements**

In preparing the consolidated financial statements, management makes various accounting estimates and assumptions that form the basis of the presentation, recognition and measurement of StrongPoint's assets and liabilities.

Determining the carrying amounts of some assets and liabilities requires estimates and assumptions concerning future events. Estimates and assumptions are based on historical experience and other factors, which management assesses to be reasonable, but which by their nature involve uncertainty and unpredictability. These assumptions may have to be revised as unexpected events or circumstances may occur. The areas that involve a high degree of estimation uncertainty and usage of management's judgement are described in more detail in note 25.

#### Translation of foreign currency

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

The balance sheet is converted with the closing rate at the balance sheet date, while the income statement is converted with the average monthly exchange rate. The net effect of the translation is recognized as translation differences in other comprehensive income.

#### Equity and cost of equity

#### Share option program

The equity-settled share-based option program is a part of the total remuneration plan for the Group management team. The option program is designed to align and incentivize management performance with shareholder value creation and to attract and retain high calibre executive management and key personnel.

The share options will be allocated to the Participants based on company- and individual goal achievement, and at the Board's discretion. The Board will take into consideration the company's goals and strategies as well as targeted performance for executive management, when granting options. The option plan is a performance-based remuneration scheme reflecting the underlying long-term value creation of the company. The limits for the allocation of share options to the Participants is determined by the board, within the board mandates approved by the general meeting.

#### **Provisions**

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

#### **Financial instruments**

For Financial instruments we have the the following material accounting policies:

#### Financial assets

#### Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss

#### Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

#### Financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

#### Financial liabilities at fair value through profit or loss

Financial assets at fair value are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit or loss.

#### Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

#### **Borrowing costs**

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

#### **Government grants**

Government grants are recognized if there are reasonable assurance that the company will meet the criteria of the grant and the grant will be awarded. The recognition of operating grants shall be recognized systematically during the grant period. In Norway we can apply for Skattefunn, where we can get a 19% refund of R&D expenses related to spesific projects.

#### Cash flow statement

The cash flow statement is presented using the indirect method.

#### New standards and interpretations

No new principles with effects on recognition and measurement.

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## Note 3: Segment information

#### **Accounting policies**

#### Revenue recognition

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

The Group's sales of products and services are considered to be separate performance obligations according to IFRS 15. The assessment is supported by independence between product sales and sales of services and that both types of sales are based on market prices without cross-subsidisation. The performance obligation related to the sale of products is fulfilled upon installation by the customer (at a point in time) and the performance obligation related to service agreements is fulfilled on a linear basis over the contract period (over time).

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

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

#### **Segments**

The Group has two segments: Scandinavia and International incl. R&D. The financial statements include revenue information for both geographic and product information in the current reporting.

The business segment Scandinavia currently consist of the operating business units in Norway and Sweden. The revenue also includes some deliveries to Denmark. The business segment International incl. R&D consists of the operating business units in the Baltics, Finland, Spain and UK/ Ireland, in addition to partner sales in the rest of Europe and rest of world. The ongoing R&D activities for own products have been allocated to this segment.

The Group delivers proprietary solutions within In-store Productivity, E-commerce, Payment Solutions and Checkout Efficiency, as well as tailor-made retail solutions from leading third-party suppliers, including Electronic Shelf Labels (ESL), POS, ERP and Digi scales and wrapping systems. The group management has in the fiscal year 2024 governed the business based on reported sales revenues, EBITDA and EBIT for the two business areas Scandinavia and International incl. R&D.

#### Revenue per product segment

KNOK	2024	2023
- Products	292,870	219,693
- Services	111,893	100,056
In-store Productivity	404,763	319,749
- Products	115,866	148,186
- Services	120,557	111,285
Payment Solutions	236,423	259,472
- Products	121,591	117,564
- Services	60,621	44,408
Check Out Efficiency	182,212	161,972
- Products	43,811	86,940
- Services	70,639	39,666
E-commerce logistics	114,451	126,606
- Products	-	-
- Services	196,124	283,466
Shop Fittting	196,124	283,466
- Products	72,814	89,651
- Services	102,279	101,483
Other retail technology	175,093	191,132
- Products	646,952	662,036
- Services	662,114	680,362
Total sales revenue	1,309,066	1,342,398

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#### Segment and geographical information

3.43.4	Scand	inavia	Internationa	l incl. R&D	ASA	/Elim	Consol	idated
KNOK	2024	2023	2024	2023	2024	2023	2024	2023
- Products	222,360	230,437					222,360	230,437
- Services	123,535	109,845					123,535	109,845
Norway	345,895	340,282	-	-	-	-	345,895	340,282
- Products	152,479	155,231					152,479	155,231
- Services	150,409	138,364					150,409	138,364
Sweden	302,888	293,595	-	-	-	-	302,888	293,595
- Products			142,484	136,829			142,484	136,829
- Services			131,969	118,713			131,969	118,713
Baltics & Finland	-	-	274,453	255,542	-	-	274,453	255,542
- Products			51,905	67,586			51,905	67,586
- Service			22,187	19,985			22,187	19,985
Spain	-	-	74,093	87,570	-	-	74,093	87,570
- Products			1,037	-			1,037	0
- Services			223,797	283,466			223,797	283,466
UK & Ireland	-	-	224,834	283,466	-	-	224,834	283,466
- Products			76,686	71,953			76,686	71,953
- Services			10,218	9,990			10,218	9,990
Rest of Europe	-	-	86,904	81,943	-	-	86,904	81,943
- Products	374,838	385,668	272,113	276,368	-	-	646,952	662,036
- Services	273,944	248,209	388,170	432,153	-	-	662,114	680,362
Total sales revenue	648,783	633,877	660,284	708,522	-	-	1,309,066	1,342,398
EBITDA	54,961	41,485	-26,606	-10,403	-26,316	-32,371	2,039	-1,288
EBT	49,502	35,119	-72,239	-51,475	-24,045	-28,975	-46,783	-45,331
Assets	333,538	406,984	561,418	440,480	126,250	167,026	1,027,738	1,014,490
Liabilities	112,905	201,103	503,112	401,269	-60,014	-62,734	562,535	539,638
Working capital	125,722	185,989	149,341	149,687	-19,464	-24,153	255,600	311,524
Investment in fixed assets	2,216	5,110	6,365	12,508	-	26	8,581	17,643

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

EBT is profit before tax.

Working capital is inventory plus accounts receivables minus accounts payables

There are no customers that represent 10% or more of revenues in the individual business areas in 2024 and 2023.

Revenue per customer is based on sales per legal entities.

## Note 4: Changes in the group structure

There have not been any changes in the group structure in 2024.

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## Note 5: Other operating expenses

KNOK	2024	2023
Rent, electricity, cleaning	17,337	16,962
Vehicles	13,964	14,317
Other consultancy fees	25,438	38,450
IT	45,765	44,927
Travel	13,222	11,632
Marketing	10,329	9,984
Other costs	31,125	28,972
Total	157,179	165,244

Specification of recognized auditors fee:	2024	2023
Fee for auditing services	3,928	3,924
Fee for other services	277	145
Total <sup>1</sup>	4,206	4,069

1) Of which TNOK 845 applies to auditors other than EY. Auditors fee are exclusive of VAT, with the exception of transaction expenses.

## Note 6: Investment in associated companies

StrongPoint ASA owns 49,9997% of the shares in Spok AS. StrongPoint does not have any defacto control. The company performs services on behalf of StrongPoint AS.

#### StrongPoint ASA had the following investments in associated companies per 31 December 2024:

KNOK			Stake	Cost price	Book value	paid in	net profit	value
Entity	Country	Industry	31.12.2024	31.12.2024	31.12.2023	2024	2024	31.12.2024
Spok AS	Norway	Service company	50.0 %	1,700	853	-300	245	798
Total				1,700	853	-300	245	798

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

KNOK			2024							
	Current	Fixed				<b>Profit for</b>				
Entity	assets	assets	Debt	Equity	Turnover	year				
Spok AS	5,304	1,442	3,658	1,596	14,954	361				
Total	5,304	1,442	3,658	1,596	14,954	361				

## Note 7: Shares in other companies

KNOK	2024		2023		
Company	Cost price	Market value	Cost price	Market value	
Other long term investments:	price	value	price	value	
Plata Capital Europe AS	476	_	476	_	
1X Holding AS	4,001	4,001	4,001	4,001	
Total	4,477	4,001	4,477	4,001	

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

In March 2021, StrongPoint announced a partnership with humanoid robotics company 1X Technologies, giving StrongPoint distribution rights within grocery retail in the countries in which we operate. The shares owned in 1x Holding AS are not related to this distribution agreement. The shares in Plata Capital Europe AS (former Settle Group AS) were written down to 0 in 2018 and

the fair value is evaluated to be unchanged.

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### Note 8: Financial items

KNOK	2024	2023
Interest income	3,503	1,604
Currency adjustment bank and unpaid receivables and liabilities	9,466	9,818
Profit from associated companies	245	191
Other financial income <sup>1</sup>	2,070	150
Total financial income	15,284	11,763
Interest expense <sup>2</sup>	-12,794	-6,924
Interest expenses leasing IFRS 16	-4,507	-4,297
Currency adjustment bank and unpaid receivables and liabilities	111	-1,840
Other financial expenses <sup>3</sup>	-5,398	-4,585
Total financial expenses	-22,588	-17,646
Net financial items	-7,304	-5,884

- 1) Of which KNOK 1,686 in reversal of earn-out related to the aquisitoin of Hamari in 2023.
- 2) The interest expenses have increased due to higher interest rates and higher utilization of the overdraft.
- 3) Other financial expenses are primarily related to restructing of loans and financial liabilities.

Currency differences relating to the payment of purchases are recorded as cost of goods and constitutes a cost of KNOK 306 in 2024 (cost of KNOK 1,684 in 2023).

Currency differences relating to the payment of sales revenues are recorded as sales revenues and constitutes a revenue of KNOK 1,905 in 2024 (cost of KNOK 953 in 2023).

## Note 9: Payroll costs and number of employees

#### **Accounting policies**

#### a) Pension commitments

The employees in StrongPoint have pension schemes in line with local statutory and obligatory company pension schemes, and are in general recognized as a defined contribution plan.

#### b) Bonus schemes

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

#### c) Share program

The Group has a share program for the executive management where the CEO has the opportunity to buy shares for up to NOK 1,000,000 per year with 20% discount with a 3 years lock-in period and the other members have the opportunity to buy shares for up to NOK 500,000 per year with 20% discount with a 3 years lock-in period. In addition, all permanent employees in a StrongPoint legal entity, are offered to buy shares for up to NOK 35,000 per year with a 20% discount. The discount is recognized as a personnel cost.

KNOK	2024	2023
Salaries	263,064	262,080
Severance packages	8,864	8,382
Director's fee and Nomination Committee	2,872	2,240
Social fee	47,125	46,449
Pension costs	16,353	15,728
Other payroll costs	28,230	31,903
Total payroll costs	366,508	366,782
Number of full-time employees employed during the year:	494	514
Number of full-time employees at the end of the year:	492	524

#### Salaries and remuneration for Executive Management Team and Directors

KNOK	2024	2023
Board of Directors		
Director's fee	2,050	2,082
Executive Management Team		
Salaries	16,690	19,200
Bonus	2,162	2,771
Company car	1,092	1,022
Exercised options	392	2,156
Other remuneration	1,469	902
Pension expenses	1,789	1,866
Total salaries and remuneration	25,645	29,998

Remuneration to the Chief Executive Officer (CEO) and other senior executives will be presented in a separate Renumeration report to the Annual General Meeting, and will be published on our webpages.

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

	Shares per	Shares per	Options per	Options per
Name, position	31.12.24	31.12.23	31.12.24	31.12.23
Board of Directors				
Morthen Johannessen, Chairman <sup>1</sup>	147,584	112,135		
Ingeborg Molden Hegstad, Director <sup>2</sup>	30,826	25,602		
Cathrine Laksfoss, Director	10,435	5,211		
Audun Nordtveit, Director	28,296	23,072		
Pål Wibe, Director	3,868			
Peter Wirén, former Director <sup>4</sup>	-	40,607		
Total	221,009	166,020	-	-

Name, position	Shares per 31.12.24	Shares per 31.12.23	Options per 31.12.24	Options per 31.12.23
Executive Management Team	<u> </u>	<u> </u>	<b>VIII</b>	
Jacob Tveraabak, CEO <sup>3</sup>	250,146	230,843	1,000,000	750,000
Marius Drefvelin CFO from 01.09.23	21,364	-	275,000	150,000
Knut Olav Nyhus Olsen, SVP People & Organisation, and head of Marketing and Internal Communication	46,995	31,227	350,000	275,000
Gisle Elvebakken, SVP Norway to 31.08.24	-	47,645	-	350,000
Julius Stulpinas, SVP Technology & supply chain	49,321	38,365	325,000	250,000
Rimantas Mažulis, SVP Baltics	44,951	30,523	400,000	325,000
Lorena Gómez, SVP Spain	35,119	19,846	300,000	200,000
Chris Mackie, SVP E-commerce to 31.01.24	-	25,104	-	125,000
Magnus Rosén, SVP Sweden	27,307	15,886	275,000	175,000
Alex Eveleigh, SVP UK & Ireland from 15.01.24	-	-	100,000	
Total	475,203	439,439	3,025,000	2,600,000

#### 1) Morthen Johannessen ownes the shares privatly and through the company Motri AS.

- 2) Ingeborg Molden Hegstad ownes the shares privatly and through the company Imsight AS.
- 3) Jacob Tveraabak ownes the shares privately and through the company Celo Industries AS.
- 4) Member of the Board until 25 April 2024

## Members of the Extended Group Management Team and key employees have stock options:

Total costs and Social Security Provisions (KNOK)	2024	2023
Total IFRS cost	4 222	6 827
Total Social security provisions	10	- 432
	4,232	6,395
Granted instruments	2024	2023
Instrument	Option	Option
Quantity 31.12 (instruments)	1 230 000	1 335 000
Quantity 31.12 (shares)	1 230 000	1 335 000
Contractual life *	5.00	5.00
Strike price *	10.92	21.34
Share price *	10.95	21.16
Expected lifetime *	3.25	3.25
Volatility *	40.44%	43.11%
Interest rate *	3.69%	3.31%
Dividend *	0.00	0.00
FV per instrument *	3.58	7.07

Vesting conditions

#### **Outstanding instruments Year End - Option**

#### Quantity and weighted average prices

Activity	Number of instruments	Weighted Average Strike Price
Outstanding OB (01.01.2024)	3,422,500	22.33
Granted	1,230,000	10.92
Terminated	-557,500	21.95
Outstanding CB (31.12.2024)	4,095,000	18.98
Vested CB	1,772,500	23.06

<sup>\*</sup> Weighted average parameters at grant of instrument

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#### **Outstanding Instruments Overview**

Strike price	Number of instruments	Weighted Average remaining contractual life	Vested instruments 31.12.2024
10.92	1,230,000	4.37	-
14.68	500,000	0.84	500,000
18.00	150,000	3.67	37,500
21.77	890,000	3.36	222,500
21.91	625,000	2.36	312,500
30.23	700,000	1.35	700,000
Total	4,095,000		1,772,500

#### **Method of valuation:**

The fair value of share options granted is estimated at the date of grant using the Black-Scholes-Merton Option Pricing Model. The model uses the following parameters: the exercise price, the life of the option, the current price of the underlying shares, the expected volatility of the share price, the dividends expected on the shares, and the risk-free interest rate for the life of the option. The measure of volatility used in the option pricing models is the annualized standard deviation of the continuously compounded rates of return on the share over a period of time.

#### **Vesting requirements:**

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

#### **Method of settlement:**

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

#### **Vesting period**

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

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## **ABOUT STRONGPOINT**

## Note 10: Tangible assets

#### **Accounting policies**

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

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

Leasing contracts with a lifetime of more than one year and a value of KNOK 100 are booked as IFRS 16 Leases as both right-of-use assets and liabilities. Operational leases with lower value or shorter lifetime are booked as operational leases in the P&L. For lease contracts with a lease term less than 12 months or a value of the underlying asset of less than KNOK 100, the group applies the recognition exemptions and do not recognize these in the balance sheet.

#### Tangible assets, company owned

			<b>Equipment</b>	Total			<b>Equipment</b>	Total
KNOK	Land	Buildings	owned	2024	Land	Buildings	owned	2023
Acquisition costs 01.01	825	8,731	94,764	104,320	825	8,731	79,880	89,436
Addition			8,581	8,581			13,845	13,845
Divestment		-2,056	-4,773	-6,829			-4,434	-4,434
Currency exchange differences			4,862	4,862			5,473	5,473
Acquisition costs 31.12	825	6,675	103,434	110,933	825	8,731	94,764	104,320
Accumulated depreciations 01.01	-825	-8,731	-64,366	-73,922	-825	-8,731	-56,125	-65,681
Depreciations			-5,649	-5,649			-4,537	-4,537
Depreciations of the year regarding rental machines is booked as cost of gods sold			-4,417	-4,417			-4,308	-4,308
Divestment		2,056	4,467	6,523			4,330	4,330
Currency exchange differences			-3,720	-3,720			-3,727	-3,727
Accumulated depreciations 31.12	-825	-6,675	-73,686	-81,186	-825	-8,731	-64,366	-73,922
Book value 31.12	-	-	29,748	29,748	-	-	30,397	30,397
Depreciation ratio			10-33%				10-33%	
Depreciation method			Linear				Linear	

Some equipment has been fully depreciated per 31 December 2024 but is still in use. StrongPoint has no contractual purchasing obligations.



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#### Tangible assets, right of use

KNOK	Right of use offices	Right of use cars and equipment	Total 2024	Right of use offices	Right of use cars and equipment	Total 2023
Acquisition costs 01.01	147,642	44,489	192,131	113,840	35,140	148,980
Addition	10,477	5,651	16,129	25,872	6,841	32,713
Divestment	-	-899	-899	-	371	371
Currency exchange differences	6,351	1,255	7,607	7,930	2,136	10,067
Acquisition costs 31.12	164,470	50,496	214,967	147,642	44,489	192,131
Accumulated depreciations 01.01	-62,815	-29,748	-92,562	-44,795	-21,486	-66,281
Depreciations	-17,196	-6,417	-23,613	-15,510	-6,950	-22,459
Currency exchange differences	-2,273	129	-2,144	-2,510	-1,312	-3,822
Accumulated depreciations 31.12	-82,284	-36,036	-118,319	-62,815	-29,748	-92,562
Book value 31.12	82,187	14,461	96,647	84,827	14,741	99,568
Depreciation ratio	10-33%	10-33%		10-33%	10-33%	

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

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## Note 11: Intangible assets

#### **Accounting policies**

#### Intangible assets

Intangible assets are recognized at their cost price, less any accumulated write-downs and amortization, and are considered periodically for impairment in case of any impairment indicators. Any impairment losses are recognized as operating costs.

Intangible assets with definite lives are amortized over economic life and tested for impairment when there are indications on this.

#### Goodwill and other intangible assets from acquisitions

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

#### Development costs

Product development costs and research into new products and maintenance of existing products are expensed as incurred except capitalization of intangible assets related to the new cash management solution developed for a customer in Iberia and development costs related to our own POS solution (Tree Commerce) in the Baltics. The development in Spain is performed through a new legal company called StrongPoint Cash Tech S.L., which are consolidated from Q2 2023. The expenses include in-house payroll costs and outsourced services. The expenses are reduced with any government grants received related to this development. Government grants (Skattefunn) are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

					2024					2023
Other intangible assets (KNOK)	Technology	Brand	Customer	Software	Total	Technology	Brand	Customer	Software	Total
Acquisition costs 01.01	147,040	31,502	95,834	13,174	287,550	107,510	31,502	92,425	9,376	240,813
Acquired by acquisition	-	-	-	-	-	16,105	-	3,409	-	19,514
Investment	27,916	-	-	3,628	31,545	23,425	-	-	3,798	27,223
Acquisition costs 31.12	174,957	31,502	95,834	16,802	319,095	147,040	31,502	95,834	13,174	287,550
Accumulated impairments and amortizations 01.01	-105,655	-3,371	-51,581	-8,390	-168,998	-105,655	-1,164	-42,632	-8,383	-157,834
Accumulated impairments and amortizations 31.12	-105,655	-5,679	-61,521	-8,398	-181,254	-105,655	-3,371	-51,581	-8,390	-168,998
Translation differences	95	4,430	10,650	-690	14,485	-1,855	3,383	6,129	-883	6,774
Book value 31.12	69,397	30,252	44,963	7,714	152,326	39,530	31,513	50,382	3,901	125,327
Amortizations of the year	-	-2,308	-9,939	-8	-12,256	-	-2,207	-8,949	-7	-11,163
This year change in translation differences	1,950	1,047	4,369	193	7,559	0	2,446	4,792	7	7,245
Amortizations schedule	10 and 15 years	Impairment test	1-7 years	4-7 years		10 and 15 years	Impairment test	1-7 years	4-7 years	
Amortizations ratio	7-10%		14-100%	14-25%		7-10%		14-100%	14-25%	

In 2024 there have been expensed KNOK 39,549 (KNOK 49,770 in 2023) in research and development costs. Intangible assets regarding brand are related to CashGuard and ALS.

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			StrongPoint	StrongPoint	StrongPoint	StrongPoint			Total	Total
Goodwill (KNOK)	StrongPoint AS	StrongPoint AB	Technology AB	Baltic	S.L.U	E-com AB	ALS	Hamari	2024	2023
Acquisition costs 01.01	15,976	2,612	81,127	23,318	4,431	25,889	38,268	2,914	194,535	191,620
Acquisition								-	-	2,914
Acquisition costs 31.12	15,976	2,612	81,127	23,318	4,431	25,889	38,268	2,914	194,535	194,535
Accumulated impairment 01.01	-14,689	-229	-	-23,345	-	-	-	-	-38,263	-38,263
Accumulated impairment 31.12	-14,689	-229	-	-23,345	-	-	-	-	-38,263	-38,263
Translation differences	-	-	11,478	3,254	1,408	1,172	6,148	144	23,604	18,054
Book value 31.12	1,286	2,383	92,605	3,227	5,839	27,060	44,416	3,058	179,875	174,325
This year change in translation differences	-	-	1,466	152	274	429	3,085	-	5,407	11,492

Goodwill is not depreciated. Impairment tests are carried out every year. The impairment test per 31 December 2024 has been carried out with the segments Scandinavia and International incl. R&D as the cash generating units.

		Goodwill (H	KNOK)
Acquired company	Cash generating unit	31.12.2024	31.12.2023
StrongPoint AS	Scandinavia	1,286	1,286
StrongPoint AB	Scandinavia	2,383	2,383
StrongPoint Technology AB	Scandinavia	92,605	91,139
StrongPoint UAB	International incl. R&D	3,227	3,075
StrongPoint S.L.U	International incl. R&D	5,839	5,564
StrongPoint E-com AB	Scandinavia	27,060	26,632
StrongPoint ALS	International incl. R&D	44,416	41,331
StrongPoint Hamari Oy	International incl. R&D	3,058	2,914
Total goodwill		179,875	174,325

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#### Impairment test of goodwill and intangible assets with indefinite useful life

Impairment tests are carried out in order to assess the prospects of each cash flow-generating unit based on value in use. Value in use is measured against net book value for the cash flow-generating entity. Key assumptions are a growth rate of 2.5% in net cash flow after five years of explicit plan and a WACC after tax of 10,18%. Climate change is considered not to have a significant impact and is taken into account in the cash flow.

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

The Group has used value in use to determine recoverable amounts for the cash flow-generating entities. Value in use is determined by using the discounted cash flow method. The expected cash flow is based on the business areas' budgets and long term plans, which are approved by StrongPoint's executive management and the Board. Budgets and long-term plans cover a five-year period (explicit prognosis period). Approved budgets and long-term plans are adjusted for cash flows related to investments, future product improvements and new development, if the elements are considered significant for the impairment test. After the five years of explicit plans a terminal value is calculated based on 2.5% growth in net cash flow. To calculate value in use, the Group has used anticipated cash flows after tax and, correspondingly, discount rates after tax. The recoverable amount would not have been significantly different if cash flows before tax and the discount rate before tax had been used. The WACC after tax has been stipulated using an iterative method and is 10.18%. The assumptions are based on historical results and observable market data.

#### **Key assumptions**

#### Discount rate

The discount rates are based on a weighted average cost of capital (WACC) method, whereby the cost of equity and the cost of liabilities are weighted according to an estimated capital structure. The discount rates reflect the market's required return on investment at the time of the test and in the industry to which the cash-generating unit belongs. The estimated capital structure is based on the average capital structure in the industry in which the cash generating unit operates and an assessment of what is a reasonable and prudent long-term capital structure. The CAPM model is used to estimate the cost of equity. In accordance with the CAPM model, the cost of equity consists of risk-free interest as well as an individual risk premium. The risk premium is the entity's systematic risk (beta), multiplied by the market's risk premium. The risk-free interest is estimated on a 10-year Norwegian government bond interest rate and is based on all cash flows being translated to NOK. The cost of liabilities represents an expected long-term after-tax interest rate for comparable liabilities and consists of risk-free interest and an interest spread. The pre tax discount rate is 12.82%.

#### Profit margin (EBITDA)

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

#### Growth rate

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

#### Market shares and macro trends

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

#### Risk

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

#### Sensitivity analysis

In connection with impairment tests of goodwill and intangible assets, sensitivity analyses are carried out. When applying long term annual growth rates of 8 to 10% on revenue and 5 to 6% on operating costs, there is substantial impairment headroom. This corresponds to EBITDA margin of 6 to 9% and is considered to be achievable in the long term. However, if assuming long term annual revenue growth of 5 to 6% and the operating costs continuing to increase by 5%, the EBITDA margin will convert to 3% and consequently lead to an impairment in both segments.

#### Estimation uncertainty

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

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### Note 12: Inventories

#### **Accounting policies**

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

Inventories (KNOK)	2024	2023
Inventories	197,292	241,050
Provision for obsolete stock	-24,141	-10,626
Total	173,151	230,424

Inventories are measured at the lower of cost and net realizable value.

The stock is pledged as security for loans, see note 15.

Provision for obsolete stock (KNOK)	2024	2023
Provision for obsolete stock, opening balance	-10,626	-10,416
Taken to income/charged to expense (-) change in provision	-13,515	-210
Provision for obsolete stock, closing balance	-24,141	-10,626

The cost of goods sold of KNOK 779,109 includes direct costs of goods with KNOK 639,014.

### Note 13: Other receivables

#### **Accounting policies**

For account receivables, the Group applies a simplified approach in calculating Expected Credit Losses (ECL)s. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The carrying amount of the asset is reduced using an allowance account and the amount of the loss is recognized in the income statement.

Provisions are made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified. It should, in minimum, be made provisions for: 50% of the amounts ex VAT that has been due for 3 months or more, 80% of the amounts ex VAT that has been due for 6 months or more, 100% of the amounts ex VAT that has been due for 12 months or more. Changes in provision are booked as other operating expenses.

In 2024, Norway and The UK entered factoring arrangements. The financing arrangements have contributed to lower outstanding accounts receivables per 31.12.2024.

Short term receivables (KNOK)	2024	2023
Accounts receivables	223,238	240,790
Prepaid expenses	28,236	22,032
Other receivables	10,351	14,955
Total short term receivables 31.12	261,826	277,777

Other receivables included MNOK 3.9 in expected government grants (Skattefunn) refunds for development costs in 2024 (MNOK 4.6). This was booked as reduction of other operating expenses.

Changes in provision for bad debts (KNOK)	2024	2023
01.01	7,243	6,027
Applied provisions	-	-676
Reversed provisions	-393	-594
New provision for bad debt	903	2,486
Total 31.12	7,753	7,243

The provisions per 31.12.2024 are not directly related to individual customers.

Losses on bad debts are classified as other operating expenses in the income statement.

Aging of accounts receivables (KNOK)	2024	2023
Not due	180,683	154,583
0-3 months	38,269	85,025
3-6 months	3,837	1,182
6-12 months	449	-
Total 31.12	223,238	240,790
long term receivables (KNOK)	2024	2023
Deposit rented offices	896	1,372
Total long term receivables 31.12	896	1,372

Average nominal interest for 2024

10.49%

1.72%

2.6%-7.99%

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## Note 14: Cash and cash equivalents

#### **Accounting policies**

Cash includes cash in hand and cash deposits in banks.

Cash equivalents are held for the purpose of meeting short term commitments rather than for investment or other purposes.

KNOK	2024	2023
Cash and bank deposits	82,490	39,340
Overdraft	-	94,153
Unused overdraft / credit facilities	20,000	55,847

The Group had liquid assets (bank deposits and unused credit facilities) of MNOK 102,5 per 31.12.2024 (2023: MNOK 95.2). KNOK 3,107 are restricted funds pr. 31.12.2024 (2023: KNOK 2,865).

The Group has a cash pool arrangement allowing efficient distribution of cash between the different business units. The total Group credit facility is MNOK 140, of which MNOK 120 was withdrawn per 31.12.2024.

## Note 15: Interest-bearing debt and secured debt

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

Type of loan	2024	2023
Multi-currency, group credit account <sup>1</sup>	-	94,153
Credit facilities	120,000	-
Long term loan	5,229	8,646
Short term debt	4,253	4,299
Financial leasing	3,402	4,240
IFRS 16 car liabilities	9,266	8,762
Total interest-bearing debt	142,149	120,100
IFRS 16 rent liabilities	82,186	84,827
Total interest-bearing debt and IFRS 16 rent liabilities	224,336	204,927

<sup>1)</sup> The Groups' main bank connection has loan covenants in relation equity %. The loan agreements are measured on a quarterly basis. See note 17 for more information. All loans are secured.

#### Distribution of long term and short term debts and liabilities:

KNOK	2024	2023
Bank overdraft	-	94,153
Current interest-bearing liabilities	154,353	22,278
Due after one year	69,983	88,496
Total interest-bearing debt and IFRS 16 rent liabilities	224,336	204,927

#### Change in liabilities arising from financing activities:

KNOK	31.12.2023	CashFlow	New contracts	Currency differences	31.12.2024
Interest-bearing liabilities	107,098	(98,300)	120,000	684	129,482
Lease liabilities	97,829	(22,534)	16,129	3,523	94,854
Total	204,926	(120,833)	136,129	4,207	224,336

### Pledged assets per 31.12 and book value:

**Borrowing terms** 

Quarterly repayments

Repayment in 2025

Repayment/renewal in 2025

Monthly and quarterly payments

Overdraft limit MNOK 150, not time limited

Asset	31.12.2024	31.12.2023
Operating equipment and inventories for StrongPoint AS	48,360	100,960
Lien over Företagsinnteckning StrongPoint AB <sup>1</sup>	123,722	117,711
Co-surety Norway, Sweden, the Baltics and UK *	120,000	150,000

<sup>1)</sup> Företagsinnteckning is equivalent to a priority lien over the company's assets

<sup>\*</sup>The foreign companies liabilities are limited to the amount the guarantor at any time has drawn.

KNOK	31.12.2022	CashFlow	New contracts	Currency differences	31.12.2023
Interest-bearing liabilities	37,757	75,553	-	(6,212)	107,098
Lease liabilities	81,203	(24,444)	32,713	8,357	97,829
Total	118,960	51,109	32,713	2,145	204,927

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## Note 16: Leasing commitments

Tenancy agreements on premises has a lease-term of 0.5-9 years. Annual payment for these premises is approx. KNOK 22,833.

Leasing contracts on vehicles has a lease-term of 1-9 years. Annual payment is approx. KNOK 7,146.

Leasing contracts on inventory (copy machines, coffee machines etc.) has a lease-term of 1-5 years. Annual payment is approx. KNOK 765.

The numbers above includes approximately MNOK 1 as leasing expenses in the P&L regarding contracts with a lifetime of less than one year and a value of less than KNOK 100. These contracts are not booked as leasing commitments in the balance sheet.

Future minimum rent for the leasing contracts per 31.12 is as follows:			The present value of future payments
KNOK	2024	2023	2024
Within one year	30,744	26,979	27,087
After one year, but within five years	67,621	66,130	46,149
After more than five years	15,738	17,307	7,362
Total	114,104	110,417	80,598

In 2024 the present value of the lease payments has been calculated based on the lessee's incremental borrowing rate. The discount rate is 13.5%, included a risk premium of 9.5% business risk and 4.0% risk free.

The carrying value of leasing are included in note 10.

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#### Note 17: Financial instruments

#### Financial risks

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

#### (i) Credit risks

The Group's credit risk is related to the sale of goods and services on credit. In 2024, Norway entered a factoring arrangement for the accounts receivables. We receive payment earlier and the credit risk for these receivables are transferred to the factoring company.

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

Per 31.12.2024 the Group had KNOK 223,238 in outstanding accounts receivables. Of this KNOK 42,555 were overdue, traditionally most of the overdue amount are paid a few days after period end. The Group has historically had a low rate of loss on receivables. This year's expenses in relation to bad debts amounting to a revenue of KNOK 1,070, including realized losses and changes in the provision for bad debts.

KNOK	2024	2023
Total interest-bearing debt	142,149	120,100
Cash	82,490	39,340
Net interest-bearing debt	59,659	80,760
Total capital adjusted for Goodwill	847,862	863,676
Debt ratio	7%	9%

#### (ii) Interest rate risk

The company's interest-bearing debt decreased in 2024.

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

As a result of this the group's interest-bearing debt has a floating interest rate at year-end. It has not been used fixed rate contracts or other hedging instruments in 2024 or 2023.

Based on the financial instruments in existence as of 31 December 2024, a general increase in interest rates of two per cent will reduce pre-tax profits by KNOK 2,658.

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

	2024	2023
Bank overdraft	5.80%	5.13%
Credit facilities	10.49%	
Short term loans	5.30%	5.30%
Long term loans	1.72%	1.72%

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

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

## An increase of 1% in the interest rate per 31 December 2024 would have resulted in the following effects on the profit in the group;

Sensitivity currency exposure;	KNOK
Credit facilities	-1,200
Short term loans	-52
Long term loans	-43
Leasing	-127

#### (iii) Liquidity risk

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

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

Disposable funds were 102.5 MNOK as of 31 December 2024, comprising cash and cash equivalents of 82.5 MNOK and 20.0 MNOK remaining as undrawn from the Norion RCF. During the fourth quarter, the refinancing from a bank overdraft of 150 MNOK with Danske Bank to Norion RCF of 140 MNOK, was completed. As part of this new financing, there is a 30% equity covenant. As per 31 December 2024, the equity ratio was 46%.

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#### Overview of maturity structures of financial liabilities:

	Balance sheet					
KNOK	amount	0-6 months	6-12 months	1-2 year	2-3 year	more than 3 years
Secured loans (long and short term interest-bearing debt)	129,482	125,601	2,563	1,318	-	-
Secured loans, interest	IA	96	30	11	0	IA
Leasing	94,854	13,095	13,095	20,489	13,673	34,503
Leasing, interest	IA	2,221	2,202	3,334	2,435	IA
Other long term debt	602			602		
Accounts payable	140,789	140,789	-	-	-	-
Net liabilities financial instruments	365,727	281,803	17,890	25,755	16,107	34,503

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

#### (iv) Currency risks

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

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

#### (v) Financial investments

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

A change of 10% exchange rate per 31 December 2024 would have resulted in the following effects on the profit in the group;

Sensitivity currency exposure;	KNOK
SEK weakened by 10% against EUR	-1,440
SEK weakened by 10% against GBP	-
SEK weakened by 10% against USD	1,519
NOK weakened by 10% against SEK	188
NOK weakened by 10% against EUR	283
NOK weakened by 10% against GBP	30
NOK weakened by 10% against USD	379

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#### (vi) Capital structure

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

The level of net debt is measured in terms of cash flow.

#### (viii) Fair value measurement

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

		Fair value me	asurement using
	Date of valuation	Total	Significant unobservable inputs (Level 3)
Assets measured at fair value:			
Financial assets			
Cash	31 December 2024	82,490	82,490
Accounts receivable	31 December 2024	223,238	223,238
Other long-term investments	31 December 2024	4,001	4,001
Financial debts			
Accounts payable	31 December 2024	-140,789	-140,789
Bank loans	31 December 2024	-9,482	-9,482

Due to their short term nature, the carrying value of current financial assets and liabilities is deemed as reasonable approximation to the fair value of the financial assets and liabilities. As such, the carrying amount is considered not to be significantly different from the fair value.

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

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

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

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

## Note 18: Transactions with related parties

StrongPoint ASA hired consultancy services valued at KNOK 100 from TLT Leadership AS where Board member Ingeborg Hegstad owns 50% of the company. There has not been any other transactions with any Board members and employees in 2024.

#### Transactions with associated companies

The group carried out several transactions with Spok AS in 2024 and 2023. All transactions were carried out as part of its ordinary activities and at ordinary business conditions.

	2024		202	23
KNOK	Sale	Purchase	Sale	Purchase
Spok AS	336	3,172	345	3,433

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

	2024	2023		
KNOK	Receivables	Debt	Receivables	Debt
Spok AS	-	6	-	274

The Group has no other binding future transactions with related parties.

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### Note 19: Post balance sheet events

No significant events have occurred after the balance sheet date.

### Note 20: Overview of subsidiaries

#### The following subsidiaries are included in the consolidated accounts:

Company	Adress	Main area of business	Share of votes	Stake
StrongPoint AS <sup>1</sup>	Oslo	Service and product provider	100%	100%
StrongPoint AB	Göteborg (Sweden)	Service and product provider	100%	100%
StrongPoint UAB <sup>2</sup>	Vilnius (Lithuania)	Service and product provider	100%	100%
StrongPoint S.L.U <sup>3</sup>	Spain	Service and product provider	100%	100%
StrongPoint E-com AB	Täby (Sweden)	Production and sales	100%	100%
Air Link Group Ltd <sup>4</sup>	Birmingham (UK)	Service and product provider	100%	100%
StrongPoint Hamari Oy	Finland	Service and product provider	100%	100%
StrongPoint Investering AS	Oslo	Investment company	100%	100%

<sup>1)</sup> StrongPoint AS owns 100% of a company in Germany that is under liquidation.

## Note 21: Exchange rates

							2024							2023	
	Average exchange rate							Exchange rate	Exch	nange rate					
	January	February	March	April	May	June	July	August	September	October	November	December	31.12.	Average	31.12.
SEK	1.006	1.012	1.019	1.008	0.998	1.012	1.016	1.029	1.038	1.034	1.014	1.021	1.029	0.996	1.013
Euro	11.350	11.384	11.512	11.683	11.590	11.418	11.716	11.790	11.785	11.791	11.741	11.739	11.795	11.424	11.241
GBP	13.218	13.320	13.460	13.639	13.549	13.489	13.893	13.846	14.027	14.122	14.081	14.177	14.225	13.136	12.934

Profit or loss items in the subsidiaries are converted to NOK monthly, based on the average exchange rate of that month. Balance sheet items for the subsidiaries are converted to NOK, based on the exchange rate per 31.12.2024.

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

<sup>3)</sup> StrongPoint SLU owns 60% of StrongPoint Cash Tech S.L.

<sup>4)</sup> Air Link Group Ltd owns 100% of its sales companies in UK, Ireland and Belgium.

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## Note 22: Short and long term provisions

KNOK	2024	2023
Earnout Hamari	-	1,686
Rental deposit	602	162
Balance 31.12	602	1,848
Of which long term provisions	602	1,848

## Note 23: Earnings per share

KNOK	2024	2023
Profit for the year	-31,930	-34,200
Weighed average number of shares during the year		
Basic	44,631,136	44,397,547
Effect of dilutive share based incentive plans	4,095,000	3,422,500
Diluted	48,726,136	47,820,047
Earnings per share (NOK)		
Basic	(0.72)	(0.77)
Diluted	(0.66)	(0.72)
The entire are entidibitive due to the deficit in 2004		

The options are antidilutive due to the deficit in 2024.

Number of outstanding shares (numbers in thousand)	2024	2023
01.01: Number of shares (after deductions for own shares)	44,538	44,304
Sale of own shares during the year	156	234
31.12: Number of shares (after deductions for 194 thousand own shares)	44,694	44,538

### Note 24: Shareholder information

#### Overview of shareholders per 31.12.2024

No.	Name	No. of shares	%
1	STRØMSTANGEN AS	3,933,092	8.76
2	TOHATT AS	2,225,000	4.96
3	SOLE ACTIVE AS	2,221,717	4.95
4	BANK PICTET & CIE (EUROPE) AG	1,981,821	4.42
5	ZETTERBERG, GEORG (incl. fully owned companies)	1,400,000	3.12
6	NORDNET BANK AB	1,320,626	2.94
7	AVANZA BANK AB	1,299,363	2.89
8	RING, JAN	1,243,374	2.77
9	VERDADERO AS	1,081,285	2.41
10	JAHATT AS	1,080,850	2.41
11	MUEN INVEST AS	806,000	1.80
12	EVENSEN, TOR COLKA	803,000	1.79
13	HSBC BANK PLC	702,612	1.57
14	WAALER AS	700,000	1.56
15	BANQUE PICTET & CIE SA	670,033	1.49
16	JOHANSEN, STEIN	600,000	1.34
17	MP PENSJON PK	561,402	1.25
18	SKANDINAVISKA ENSKILDA BANKEN AB	520,185	1.16
19	ALS KINGFISHER LIMITED	506,156	1.13
20	EUROPEAN RETAIL ENGINEERING LIMITED	506,156	1.13
	Sum 20 largest shareholders	24,162,672	53.83
	Sum 2 248 other shareholders	20,725,680	46.17
	Sum all 2 268 shareholders	44,888,352	100.00

StrongPoint ASA had per 31.12.2024 a share capital of NOK 27,830,778.24 spread over 44,888,352 shares with a nominal value of NOK 0.62.

All shares have equal voting rights.

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#### Changes in share capital:

	Numl	per of shares	Share capital			
KNOK	2024	2023	2024	2023		
Ordinary shares 01.01	44,888	44,376	27,831	27,513		
Ordinary shares 31.12	44,888	44,888	27,831	27,831		

#### Own shares:

Numbers in 1000	2024	2023
01.01	350	585
Sales of own shares	-156	-234
31.12	194	350
Nominal value	0.62	0.62
Own shares specified in equity (KNOK):	121	217

Per 31.12.2024 the Group owned 194,374 own shares. Cost price of these was KNOK 4,423, giving an average share price of NOK 22.75.

Members of the Group management team have stock options. See note 9 for more information.

### Note 25: Estimation uncertainties

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

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

- Business combinations
- Impairment of intangible assets
- · Impairment assessment of goodwill
- Recognition of deferred tax on balance sheet
- Warranty provisions

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

Management prepare a Key Audit Matter report to the Audit Committee at least every 6 months, where major estimates are discussed and agreed.

Goodwill and brands as stated on the balance sheet are evaluated for impairment whenever there are indications of impairment, at least annually. The valuation is based on value in use when discounting expected future cash flows. The valuation is carried out with starting points in next year's budget and in a forecast for the next four years. Next, a terminal value is calculated based on 2.5% growth in net cash flow. The most sensitive assumption used in the estimates is that of future turnover growth, but EBITDA and discount rate are also important. The assumptions and sensitivity analysis are detailed in note 11.

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

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### Note 26: Tax

#### **Accounting policies**

Current tax liabilities and assets are measured at the amount that is expected to be paid to or recovered from the tax authorities. The tax rates and tax rules used to calculate the amounts are those that have been adopted or substantively adopted by the end of the reporting period in the countries in which the group operates and generates taxable income.

Deferred tax liabilities and assets are computed for all temporary differences between the carrying amount of an asset or liability in the consolidated financial statements and their respective tax bases and tax losses carried forward. For the calculation of deferred tax assets and liabilities, the nominal tax rates expected to be applied when the asset is realized or the liability is paid will be used.

#### Tax expense:

KNOK	2024	2023
Tax payable	1,422	3,891
Tax items relating to previous years	77	-
Change in deferred tax	-16,352	-15,023
Tax expense	-14,853	-11,132
Included as tax expense in the financial statements	-14,853	-11,132
Reconciliation of the nominal tax rate	22%	22%
KNOK	2024	2023

KNOK	2024	2023
Profit before tax	-46,783	-45,331
Tax calculated at a rate of 22%	-10,292	-9,973
Taxes related to companies in other countries with other tax rate	-2,605	-2,347
Change in tax rate in Lithuania	-83	-
Non-taxable items (22% of permanent differences)	-2,236	884
Unrecognized deferred tax asset	302	304
Effect corrections previous years 1	61	_
Tax expense	-14,853	-11,131

<sup>1)</sup> Reversal of provision of tax previous years.

#### Deferred tax assets and deferred tax liabilities:

	Deferred t	ax assets	Deferred ta	x liabilities	Consolidat state	ted income ment
KNOK	2024	2023	2024	2023	2024	2023
Current assets	692	665	3,026	3,756	787	-926
Liabilities	5,218	4,393	-2,432	-2,318	-711	-2,169
Fixed assets	265	248	-16,555	-18,219	-1,680	-532
Losses carried forward	39,804	25,800	-586	-1,331	-14,748	-11,397
Deferred tax	45,979	31,106	-16,547	-18,111	-16,352	-15,023

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

Per 31.12.2024 the group has losses carried forward of MNOK 103.4 in the Spanish entity.

Deferred tax assets of MNOK 25.9 (MNOK 19.4) associated with this is included in the balance sheet.

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#### Note 27: Other short term debt

KNOK	2024	2023
Holiday pay owed	20,840	20,328
Accrued expenses	39,854	32,179
Deferred income	81,645	62,520
Warranty provisions	2,065	1,232
Other short term debt	12,487	15,534
Total other short term debt	156,890	131,794
Warranty provisions (KNOK)	2024	2023
Warranty provisions (KNOK) Balance 01.01	<b>2024</b> 1,232	<b>2023</b> 2,149
Balance 01.01	1,232	2,149
Balance 01.01 Provision	1,232 1,945	2,149 1,215
Balance 01.01 Provision Currency differences	1,232 1,945 20	2,149 1,215 154

## Note 28: Macro perspectives influencing the business

#### **Economic conditions**

Inflation and interest rates have started to come down during 2024, however this varies within the markets in which we operate, consequently impacting our customers' investment spend differently across the regions.

#### Global supply chain and component shortages

The Group may be influenced by component shortages and other supply chain issues, as was seen during the COVID 19 pandemic. StrongPoint works closely with suppliers to ensure as little effect on customer deliveries as possible. There were no major shortages impacting the business during 2024.

#### Climate

Global climate changes influence both StrongPoint, customers and suppliers in different ways, contributing to both risks and opportunities.

Climate risks are related especially to shortage of energy for the production and distribution of goods, both proprietary solutions and third party products. If climate changes requires dramatic changes in the energy consumption, this will influence StrongPoints ability to produce the products. Hardware represents 55% of the business. Risk is also related to shortages on food, which will affect the customers of StrongPoint, and shortages of raw materials for specific components. Management does not see this as a risk in the short term.

Climate opportunities are linked to both StrongPoint solutions that can reduce energy consumption, like AutoStore storage of frozen goods. StrongPoint ALS (UK/Ireland) is providing refurbishment of interior or point of sales physical installation, and this can contribute positive to climate if utilized in other markets.

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## Income statement StrongPoint ASA

KNOK	Note	2024	2023
Other operating income	3	14,486	17,392
Payroll	2	22,743	26,535
Depreciation	5	22	28
Other operating expenses	2	3,738	6,899
Total operating expenses		26,503	33,462
Operating profit		-12,017	-16,070
Financial items	6	2,678	21,276
Profit before tax		-9,339	5,206
Income tax expense	12	-2,482	-1,931
Net income		-6,857	7,137
Distributions			
Transfer to / from other equity	8	-6,857	7,137
Total distributions		-6,857	7,137

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## Balance sheet

KNOK	Note	31.12.2024	31.12.2023	KNOK	Note	31.12.2024	31.12.2023
ASSETS				EQUITY AND LIABILITIES			
Tangible assets	5	14	36	Share capital	7.8	27,831	27,831
Investments in subsidiaries	10	452,838	452,838	Treasury shares	8	-121	-217
Loans to group companies		131,268	114,981	Other equity	8	378,988	379,867
Other long term investments	11	1,700	1,700	Total equity		406,698	407,481
Deferred tax	12	7,019	4,537				
Total fixed assets		592,839	574,091	Current liabilities to credit institutions	9	278,101	234,334
				Short term liabilities to group companies		539	660
Accounts receivables		36	-	Accounts payable		5,699	6,912
Group receivables		94,621	77,567	Public duties payable		-44	361
Prepaid expenses		6,134	3,715	Other short term liabilities	4	2,637	5,625
Total current assets		100,791	81,281	Total short term liabilities		286,932	247,892
TOTAL ASSETS		693,630	655,373	TOTAL EQUITY AND LIABILITIES		693,630	655,373

Oslo, 19 March 2025

Morthen Johannessen Chairman Ingeborg Molden Hegstad
Director

Cathrine Laksfoss
Director

Audun Nordtveit Director

Pål Wibe Director Jacob Tveraabak CEO



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## Cash flow statement

KNOK	Note	2024	2023
Cash flow from operational activities			
Ordinary profit before tax		-9,339	5,206
Ordinary depreciation	5	22	28
Share Option Program		4,232	6,395
Profit/loss from divestment	6	-	1,420
Profit/loss from investment	6	-1,686	-
Change in accounts receivables		-36	-
Change in accounts payable		-1,213	-1,012
Change in short term group accounts		-33,463	-51,411
Change in other accrued items		-4,135	2,729
Net cash flow from operational activities		-45,619	-36,645
Cash flow from investment activities			
Payments for fixed assets	5	-	-26
Net effect acquisitions		-	-3,266
Net cash flow from investment activities		-	-3,292
Cash flow from financing activities			
Purchase / Sale of treasury shares	8	1,852	2,518
New interest bearing debt		120,000	-
Dividend paid		-	-39,935
Change in overdraft		-76,233	77,354
Net cash flow from financing activities		45,619	39,937
Net cash flow in the period		-	-
Cash and cash equivalents at 01.01		-	
Cash and cash equivalents at 31.12		-	-

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#### **ABOUT STRONGPOINT**

## Note 1: Accounting principles

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

#### **Basic Principles**

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

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

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

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

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

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

#### Subsidiaries / associated companies

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

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

#### Foreign currency

Transactions in foreign currencies are translated at the exchange rate on the transaction date.

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

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

#### Intangible assets

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

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

#### **Pensions**

The company has a statutory obligatory company pension sheme for its employees. The company pension scheme meets the requirements of the law.

#### Receivables

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

#### Bank deposits, cash etc.

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

#### Tax

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

#### **Cash flow statement**

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

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## Note 2: Payroll, number of employees, benefits, loans to employees, etc.

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

Payroll (KNOK)	2024	2023
Salaries	14,901	16,055
Social fee	2,346	2,777
Pension costs	1,009	941
Share based compensation	4,232	6,395
Other benefits	256	367
Total	22,743	26,535
Number of full-time equivalents employed during the year:	4	4
Number of employees at the end of the year:	4	4

Remuneration to Ernst & Young for audit and audit-related services in 2024 was KNOK 593 (against KNOK 650 in 2023). Remuneration for other services was KNOK 123 (against KNOK 115 in 2023).

## Note 3: Other operating income

KNOK	2024	2023
Received management fee from Norwegian subsidiaries	3,600	4,350
Received management fee from Swedish subsidiaries	3,656	4,350
Received management fee from other subsidiaries	7,230	8,692
Total operating income	14,486	17,392

### Note 4: Other short term debt

KNOK	2024	2023
Holiday pay owed	1,092	986
Accrued expenses	1,545	2,954
Earnout Hamari	-	1,686
Total other short term debt	2,637	5,625

## Note 5: Tangible assets

KNOK	2024	2023
Acquisition costs 01.01	2,009	1,983
Acquired	-	26
Acquisition costs 31.12	2,009	2,009
Accumulated depreciations 01.01	1,973	1,945
Depreciations of the year	22	28
Accumulated depreciations 31.12	1,995	1,973
Book value as at 31.12	14	36
Useful economic life	3 years	
Depreciation method	Linear	

### Note 6: Other financial items

KNOK	2024	2023
Interest income from group companies	9,063	5,734
Other interest income	1,880	1,605
Group contributions received from subsidiaries	194	-
Dividend received from associated companies	300	300
Currency gains	9,631	9,617
Dividend from subsidiaries	-	16,954
Reversal of earnout	1,686	-
Total financial income	22,754	34,210
Other interest expenses	17,526	10,601
Currency loss	858	742
Loss on investment in subsidiaries	-	1,420
Other financial expenses	1,693	170
Total financial expenses	20,077	12,933
Net financial items	2,678	21,276

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## Note 7: Share capital and shareholder information

The company's share capital per 31.12.2024 comprises the following share classes:

	Number	Nominal value	Book value
Shares	44,888,352	0.62	27,830,778
Total	44,888,352		27,830,778

#### Overview of shareholders per 31.12.2024

No.	Name	No. of shares	%
1	STRØMSTANGEN AS	3,933,092	8.8
2	TOHATTAS	2,225,000	5.0
3	SOLE ACTIVE AS	2,221,717	4.9
4	BANK PICTET & CIE (EUROPE) AG	1,981,821	4.4
5	ZETTERBERG, GEORG (incl. fully owned companies)	1,400,000	3.1
6	NORDNET BANK AB	1,320,626	2.9
7	AVANZA BANK AB	1,299,363	2.9
8	RING, JAN	1,243,374	2.8
9	VERDADERO AS	1,081,285	2.4
10	JAHATT AS	1,080,850	2.4
11	MUEN INVESTAS	806,000	1.8
12	EVENSEN, TOR COLKA	803,000	1.8
13	HSBC BANK PLC	702,612	1.6
14	WAALER AS	700,000	1.6
15	BANQUE PICTET & CIE SA	670,033	1.5
16	JOHANSEN, STEIN	600,000	1.3
17	MP PENSJON PK	561,402	1.3
18	SKANDINAVISKA ENSKILDA BANKEN AB	520,185	1.2
19	ALS KINGFISHER LIMITED	506,156	1.1
20	EUROPEAN RETAIL ENGINEERING LIMITED	506,156	1.1
	Sum 20 largest shareholders	24,162,672	53.8
	Sum 2 248 other shareholders	20,725,680	46.2
	Sum all 2 268 shareholders	44,888,352	100.0

## Note 8: Equity

KNOK	Share capital	Treasury shares	Share Option Program	Other equity	Total
Equity per 01.01	27,831	-217	15,776	364,088	407,481
Change of equity for the year:					
Sale of own shares		97		1,755	1,852
Share Option Program			4,222		4,222
Profit for the year				-6,857	-6,857
Equity per 31.12	27,831	-121	19,998	358,985	406,698

#### Own shares:

Numbers in thousand	2024	2023
01.01	350	585
Sale of own shares	-156	-234
31.12	194	350
Nominal value	0.62	0.62
Treasury shares specified in equity (KNOK)	121	217

Per 31.12.2024 the company owned 194,374 own shares. Cost price of these was KNOK 4,422.8, giving an average share price of NOK 22.75.

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## Note 9: Interest-bearing debt

Distribution repayment loans (KNOK)	2024	2023
Due within one year	120,000	-
Debt, not time-restricted (group credit account)	158,101	234,334
Total short term liabilities to credit institutions	278,101	234,334

#### **Debts and terms of borrowing**

Lender (KNOK)	2024	2023	Borrowing terms	Interest terms
Multi-currency, group credit account	158,101	234,334	Overdraft internal not time limited	5.80 %
Credit facilities	120,000	-	Repayment/renewal in 2025	10.49 %
Total interest-bearing debt	278,101	234,334		

During the fourth quarter, the refinancing from a bank overdraft of 150 MNOK with Danske Bank to Norion RCF of 140 MNOK, was completed. 120 MNOK was withdrawn per 31.12.2024. As part of this new financing, there is a 30% equity covenant. As per 31 December 2024, the groups equity ratio was 46%. The loans are secured.

#### Loan security per 31.12.2024

Asset (NOK)	Book value / nominal security
Co-surety Norway, Sweden, The Baltics and UK *	120,000

<sup>\*</sup>The foreign companies liabilities are limited to the amount the guarantor at any time has drawn.

### Note 10: Shares in subsidiaries

Company	Address	Main area of business	Stake	<b>Book Value</b>
StrongPoint AS	Oslo	Service and product provider	100%	37,942
StrongPoint AB	Göteborg (Sweden)	Service and product provider	100%	139,224
StrongPoint UAB	Vilnius (Lithuania)	Service and product provider	100%	20,348
StrongPoint S.L.U.	Madrid (Spain)	Service and product provider	100%	69,033
StrongPoint E-com AB	Täby (Sweden)	Service and product provider	100%	58,864
Air Link Group Ltd	Birmingham (UK)	Service and product provider	100%	116,488
StrongPoint Investering AS	Oslo	Investment company	100%	4,001
StrongPoint Hamari Oy	Finland	Service and product provider	100%	6,939
Total				452,838

## Note 11: Other long term investment

Company	Main area of business	Stake	<b>Book Value</b>
Spok AS	Service company	50%	1,700
Total			1.700

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## Note 12: Tax expense

Tax expenses for the year are as follows (KNOK):	2024	2023
Change in deferred tax	-2,482	-1,931
Tax expense	-2,482	-1,931
Reconciliation from nominal to actual tax rate (KNOK):	2024	2023
Ordinary profit before tax	-9,339	5,206
Expected income tax based on nominal rate of tax 22%	-2,055	1,145
Tax effect of the following items:		
Permanent differences	-427	-3,076
Tax expense	-2,482	-1,931
Effective tax rate	26.6 %	-37.1 %
Overview of deferred tax assets (KNOK):	2024	2023
Fixed assets	-121	-150
Liabilities	-22,359	-18,128
Profit and loss account	53	66
Losses carried forward	-9,476	-2,410
Net negative differences	-31,904	-20,621
Deferred tax assets	7,019	4,537

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

## Note 13: Cash and cash equivalents

KNOK	2024	2023
Unused overdraft facility	66,952	55,847
Cash and cash flow in the cash flow statement	-	-

The parent company shares a credit facility with the rest of the group. The group as whole may withdraw up to KNOK 140 000 from the group's credit facility.

## Note 14: Macro perspectives influencing the business

#### **Economic conditions**

Inflation and interest rates have started to come down during 2024, however this varies within the markets in which we operate, consequently impacting our customers' investment spend differently across the regions.

#### Global supply chain and component shortages

The Group may be influenced by component shortages and other supply chain issues, as was seen during the COVID 19 pandemic. StrongPoint works closely with suppliers to ensure as little effect on customer deliveries as possible. There were no major shortages impacting the business during 2024.

#### Climate

Global climate changes influence both StrongPoint, customers and suppliers in different ways, contributing to both risks and opportunities.

Climate risks are related especially to shortage of energy for the production and distribution of goods, both proprietary solutions and third party products. If climate changes requires dramatic changes in the energy consumption, this will influence StrongPoints ability to produce the products. Hardware represents 55% of the business. Risk is also related to shortages on food, which will affect the customers of StrongPoint, and shortages of raw materials for specific components. Management does not see this as a risk in the short term.

Climate opportunities are linked to both StrongPoint solutions that can reduce energy consumption, like AutoStore storage of frozen goods. StrongPoint ALS (UK/Ireland) is providing refurbishment of interior or point of sales physical installation, and this can contribute positive to climate if utilized in other markets.



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## Responsibility statement

We confirm that, to the best of our knowledge, the consolidated financial statements for the year ended 31 December 2024 have been prepared in accordance with IFRS as adopted by the EU, that the financial statements for the parent company for the year ended 31 December 2024 have been prepared in accordance with the Norwegian Accounting Act, that they give a true and fair view of the Company's and Group's assets, liabilities, financial position and results of operations, and that the

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

Oslo, 19 March 2025

Morthen Johannessen
Chairman

Ingeborg Molden Hegstad
Director

Cathrine Laksfoss
Director

Audun Nordtveit Director

Pål Wibe Director Jacob Tveraabak CEO

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## Auditor's report



with confidence

Statsautoriserte revisorer Ernst & Young AS

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To the General Meeting in Strongpoint ASA

#### INDEPENDENT AUDITOR'S REPORT

#### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Strongpoint ASA (the Company) which comprise:

- The financial statements of the company, which comprise the balance sheet as at 31 December 2024 and income statement, and cash flows statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2024, the statement of comprehensive income, cash flow statement and statement of changes in equity for the year then ended and notes to the financial statements, including material accounting policy

#### In our opinion:

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the company as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and
- the consolidated financial statements give a true and fair view of the financial position of the group as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

#### Basis for opinion

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

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

We have been the auditor of the Company for 25 years from the election by the general meeting of the shareholders for the accounting year 2000.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



#### Impairment of goodwill and brands with indefinite useful life

Basis for the key audit matter Total goodwill and intangible assets in the consolidated financial statement amounts to MNOK 332,2 in 2024, which is 32,5% of total assets. Management performs an annual impairment test of goodwill and brands with indefinite useful life. Impairment loss is recognized if the carrying value exceeds the recoverable amount. Recoverable amount is measured as value in use calculated based on discounted future cash flows. The estimates require insight and judgement from management and uncertainty will exist with respect to technological development and market conditions. The impairment of goodwill and brands with indefinite useful life was a key audit matter due to We refer to note 11 and note 25 in the the size of the items and the judgment involved in the estimated future cash flows.

Our audit response We evaluated the impairment model used and checked the calculation for mathematically accuracy. We assessed management's assumptions used in the calculations, including discount rate and estimated future cash flows. Management's assumptions regarding future cash flows were compared to historical actual numbers and budgets and plans for future periods. The weighted average cost of capital used as discount rate in the impairment assessment was compared to external data on risk-free rate of interest, market risk premiums, beta and capital structure in comparable entities. Sensitivity in changes in main assumptions were analyzed and reviewed.

consolidated financial statement.

#### Other information

The Board of Directors and the CEO (management) are responsible for the information in the Board of Directors' report and the other information presented with the financial statements. The other information comprises annual report, statements on Corporate Governance and report on payments to governments. Our opinion on the financial statements does not cover the information in the Board of Directors' report and the other information presented with the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the information in the Board of Directors' report and for the other information presented with the financial statements. The purpose is to consider if there is material inconsistency between the information in the Board of Directors' report and the other information presented with the financial statements and the financial statements or our knowledge obtained in the audit, or otherwise the information in the Board of Directors' report and for the other information presented with the financial statements otherwise appears to be materially misstated. We are required to report that fact if there is a material misstatement in the Board of Directors' report and the other information presented with the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our statement on the Board of Directors' report applies correspondingly for the statement on Corporate

#### Responsibilities of management for the financial statements

Management is responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is

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## FINANCIAL STATEMENTS STRONGPOINT ASA

Income statement StrongPoint ASA

Balance sheet

Cash flow statement

Note 1 Accounting principles

Note 2 Payroll, number of employees etc

Note 3 Other operating income

Note 4 Other short term debt

Note 5 Tangible assets

Note 6 Other financial items

Note 7 Share capital and shareholder information

Note 8 Equity

Note 9 Interest-bearing debt

Note 10 Shares in subsidiaries

Note 11 Other long term investment

Note 12 Tax expense

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Note 14 Macro perspectives influencing the business

#### FINANCIAL STATEMENTS

Consolidated Financial Statements

Auditor's Report

#### **ABOUT STRONGPOINT**

## Auditor's report



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necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

#### Report on other legal and regulatory requirement

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

#### Opinion

As part of the audit of the financial statements of Strongpoint ASA we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name strongpoint-2024-12-31-0-en.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

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

#### Management's responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF Regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

#### Auditor's responsibilities

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

As part of our work, we perform procedures to obtain an understanding of the company's processes for preparing the financial statements in accordance with the ESEF Regulation. We test whether the financial statements are presented in XHTML-format. We evaluate the completeness and accuracy of the iXBRL tagging of the consolidated financial statements and assess management's use of judgement. Our procedures include reconciliation of the iXBRL tagged data with the audited financial statements in human-readable format. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 20 March 2025 ERNST & YOUNG AS

The auditor's report is signed electronically

Finn Espen Sellæg State Authorised Public Accountant (Norway)

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