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STRONG.OL - StrongPoint ASA - Special Call

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CORPORATE PARTICIPANTS

Hilde Horn Gilen *StrongPoint ASA - CFO*

Jacob Tveraabak *StrongPoint ASA - CEO*

PRESENTATION

Jacob Tveraabak - *StrongPoint ASA - CEO*

Now good afternoon, and welcome to this WebEx, where we will be talking a little bit more about the announced divestment of the Cash Security business of StrongPoint. My name is Jacob Tveraabak. I am the CEO of StrongPoint. And I have Hilde Horn Gilen with me, our CFO, we will take you through some of the highlights of this transaction.

So first of all, the divestment of Cash Security should come as no surprise for those of you that have been following StrongPoint. We have a retail technology focus. And the divestment of our Cash Security business will support us in having additional focus on our retail technology business.

We're also very pleased about the price that we have been able to get for Cash Security. We have had several interested parties. So we do feel very confident about the right market price for the Cash Security business. And likewise, it is also very pleasing as a seller to know that the Cash Security business that we have been having under our umbrella for many, many years is going into the Cennox family with a very complementary type of both geographic footprint, but also product solution offering. So good for seller, good for buyer, and we know also very good for Cash Security going forward.

As for the numbers, Hilde I was hoping you could help me out.

Hilde Horn Gilen - *StrongPoint ASA - CFO*

Absolutely. The purchase price was announced in the stock notice today of EUR 7.3 million. That will be in a combination paid as cash at closing and an earnout of EUR 4.7 million. The earnout is based on the performance of the Cash Security business going forward in the years 2021 through 2023. So there will be -- the last payment is then due in 2024.

And when it is closing, we hope that we can close this before year-end. There is some -- few activities left, so we cannot promise that, but we will be working hard to close before year-end, so that it's all done before that. I will, of course, send a notice when that is done.

The financial gain will be accounted for during the fourth quarter of StrongPoint's accounts, and that will be approximately EUR 4.6 million in a booked gain. We have been asked what will we do with all the money. And of course, divesting this is bringing in cash to our balance sheet. And the focus here is to actually just fund the existing growth path that we have, especially for the e-commerce business. We have M&A missions, and we have a steady dividend history and policy for StrongPoint. So I think this will be secured by also this transaction.

Jacob Tveraabak - *StrongPoint ASA - CEO*

So we'll have no problem investing this in the right -- these proceeds in the right manner.

Hilde Horn Gilen - *StrongPoint ASA - CFO*

We will do our best.

Jacob Tveraabak - *StrongPoint ASA - CEO*

Very well. I think also as we have the investor community with us here now, it is fair to sort of also just say that we believe we are observing that we have a very strong momentum continued in Norway, Sweden and the Baltics on the retail technology side. E-commerce, as stated earlier, is also going very well, and many, many interesting discussions ongoing internationally.

It is also fair to say that the pandemic is taking its toll on Spain and the businesses that are not directly related to growth for retail. But I think all in all, good speed ahead for the remaining part of StrongPoint for the retail technology path. So...

Hilde Horn Gilen - *StrongPoint ASA - CFO*

Look forward to that.

Jacob Tveraabak - *StrongPoint ASA - CEO*

We look forward to the next few weeks of this year and not least 2021. And I think with that, we would both like to wish you all Merry Christmas and Happy New Year and stay safe.

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