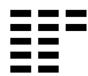
Brønnøysundregistrene

ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	991 516 530
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	BSG NORWAY HOLDING AS
Forretningsadresse:	c/o Altor Equity Partners
	Tjuvholmen allé 19
	0252 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2018 - 31.12.2018

Konsern

Morselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

Regnskapsregler

Regler for små foretak benyttet:	Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Pål Stampe
Dato for fastsettelse av årsregnskapet:	05.06.2019

Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert
År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 19.03.2022

Resultatregnskap

Beløp i: EUR	Note	2018	2017
RESULTATREGNSKAP			
Kostnader			
Administration costs	8	168 000	89 000
Other operating expenses	8	1 124 000	7 872 000
Sum kostnader		**1 292 000**	**7 961 000**
Driftsresultat		**-1 292 000**	**-7 961 000**
Finansinntekter og finanskostnader			
Financial income	9	1 066 000	1 192 000
Sum finansinntekter		**1 066 000**	**1 192 000**
Financial expenses	9	238 000	1 000
Sum finanskostnader		**238 000**	**1 000**
Netto finans		**828 000**	**1 191 000**
Ordinært resultat før skattekostnad		**-464 000**	**-6 770 000**
Income tax	10	150 000	271 000
Ordinært resultat etter skattekostnad		**-614 000**	**-7 041 000**
Årsresultat		**-614 000**	**-7 041 000**

Balanse

Beløp i: EUR	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	10	175 000	325 000
Sum immaterielle eiendeler		**175 000**	**325 000**
Finansielle anleggsmidler			
Investering i datterselskap	2	39 053 000	35 201 000
Lån til foretak i samme konsern	3	8 199 000	13 652 000
Sum finansielle anleggsmidler		**47 252 000**	**48 853 000**
Sum anleggsmidler		**47 427 000**	**49 178 000**
Omløpsmidler			
Varer			
Fordringer			
Other short term receivables	3	1 000	13 000
Konsernfordringer	3	8 000	2 799 000
Sum fordringer		**9 000**	**2 812 000**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		182 000	181 000
Sum bankinnskudd, kontanter og lignende		**182 000**	**181 000**
Sum omløpsmidler		**191 000**	**2 993 000**
SUM EIENDELER		**47 618 000**	**52 171 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Paid in capital	4	12 083 000	12 083 000
Overkurs	4	84 096 000	84 096 000

Balanse

Beløp i: EUR	Note	2018	2017
Sum innskutt egenkapital		**96 179 000**	**96 179 000**
Opptjent egenkapital			
Udekket tap	4	48 641 000	47 518 000
Sum opptjent egenkapital		**-48 641 000**	**-47 518 000**
Sum egenkapital		**47 538 000**	**48 661 000**
Gjeld			
Langsiktig gjeld			
Sum avsetninger for forpliktelser		**0**	
Annen langsiktig gjeld			
Sum langsiktig gjeld		**0**	**0**
Kortsiktig gjeld			
Kortsiktig konserngjeld	5	0	2 601 000
Other short term liabilities	5	80 000	910 000
Sum kortsiktig gjeld		**80 000**	**3 511 000**
Sum gjeld		**80 000**	**3 511 000**
SUM EGENKAPITAL OG GJELD		**47 618 000**	**52 172 000**

Konsernets resultatregnskap

Beløp i: EUR	Note	2018	2017
RESULTATREGNSKAP			
Inntekter			
Operating revenues	6	68 725 000	55 348 000
Sum inntekter		**68 725 000**	**55 348 000**
Kostnader			
Costs of goods sold	7	46 299 000	35 771 000
Sales and administration costs	8.9	15 365 000	14 498 000
Depreciation and amortisation	10	903 000	1 070 000
Other operating expenses	11	91 000	-244 000
Sum kostnader		**62 658 000**	**51 095 000**
Driftsresultat		**6 067 000**	**4 253 000**
Finansinntekter og finanskostnader			
Financial income	13	2 383 000	318 000
Sum finansinntekter		**2 383 000**	**318 000**
Financial expenses	14	1 214 000	4 670 000
Sum finanskostnader		**1 214 000**	**4 670 000**
Netto finans		**1 169 000**	**-4 352 000**
Ordinært resultat før skattekostnad		**7 236 000**	**-99 000**
Income tax	15	2 250 000	1 034 000
Ordinært resultat etter skattekostnad		**4 986 000**	**-1 133 000**
Profit from discontinued operations	16	2 989 000	1 884 000
Årsresultat		**7 975 000**	**751 000**

Konsernets balanse

Beløp i: EUR	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	15	2 461 000	4 088 000
Intangible assets and goodwill	18	31 715 000	31 742 000
Sum immaterielle eiendeler		**34 176 000**	**35 830 000**
Varige driftsmidler			
Property, plant and equipment	17	1 805 000	1 606 000
Sum varige driftsmidler		**1 805 000**	**1 606 000**
Finansielle anleggsmidler			
Other non-current receivables	19	170 000	4 676 000
Sum finansielle anleggsmidler		**170 000**	**4 676 000**
Sum anleggsmidler		**36 151 000**	**42 112 000**
Omløpsmidler			
Varer			
Inventories	20	3 422 000	3 067 000
Sum varer		**3 422 000**	**3 067 000**
Fordringer			
Accounts receivables	21	20 208 000	22 830 000
Income tax receivables	15	54 000	626 000
Sum fordringer		**20 262 000**	**23 456 000**
Investeringer			
Assets held for sale		0	116 811 000
Sum investeringer		**0**	**116 811 000**
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	22	5 957 000	6 321 000
Sum bankinnskudd, kontanter og lignende		**5 957 000**	**6 321 000**
Sum omløpsmidler		**29 641 000**	**149 655 000**

Konsernets balanse

Beløp i: EUR	Note	2018	2017
SUM EIENDELER		**65 792 000**	**191 767 000**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Paid in capital	23	96 179 000	96 179 000
Translation differences	23	-5 843 000	-8 510 000
Beholdning av egne aksjer	23	-1 146 000	
Sum innskutt egenkapital		**89 190 000**	**87 669 000**
Opptjent egenkapital			
Retained earnings	23	-46 386 000	-50 898 000
Minoritetsinteresser	23	0	2 182 000
Sum opptjent egenkapital		**-46 386 000**	**-48 716 000**
Sum egenkapital		**42 804 000**	**38 953 000**
Gjeld			
Langsiktig gjeld			
Pensjonsforpliktelser	26	825 000	1 009 000
Utsatt skatt	15	1 839 000	2 732 000
Non-current provisions	25	527 000	668 000
Sum avsetninger for forpliktelser		**3 191 000**	**4 409 000**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	24	2 366 000	3 845 000
Sum annen langsiktig gjeld		**2 366 000**	**3 845 000**
Sum langsiktig gjeld		**5 557 000**	**8 254 000**
Kortsiktig gjeld			
Interest bearing short-term debt	24	876 000	57 571 000
Leverandørgjeld	27	14 457 000	15 411 000
Income tax	15	1 037 000	179 000
Current part of provisions	25	1 061 000	349 000
Liabilities in disposal groups		0	71 049 000

Konsernets balanse

Beløp i: EUR	Note	2018	2017
Sum kortsiktig gjeld		**17 431 000**	**144 559 000**
Sum gjeld		**22 988 000**	**152 813 000**
SUM EGENKAPITAL OG GJELD		**65 792 000**	**191 766 000**
POSTER UTENOM BALANSEN			
Garantistillelser	32		
Pantstillelser	32		

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Report on the annual accounts 2018

May 22, 2019

BSG Norway Holding AS
Oslo

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Management Board's Report

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Management Board's Report

Management Board's Report

Management of BSG Norway Holding AS hereby presents its financial statements for the financial year ended on 31 December 2018.

Key figures

The Company ended the financial year 2018 with an order intake of 66.5M, and revenues of 68.7M, whereas 2017 order intake ended at 63.8 and revenues were 55.3M.

Gross profit excluding depreciation shows a similar tendency, and increased from 19.8M in 2017 to 22.4M in 2018. Investments in SG&A amounting to 0.4M (15.4M in 2018 compared to 14.5M in 2017), resulted in EBITDA (Operating profit before depreciation, amortization and other operating expenses) in 2018 of 7.1M (2017: 5.1M).

Other expenses, including restructuring expenses and expenses that do not relate to the core business of the Company increased from a benefit of 0.2M in 2017 to an expense of 0.1M where the 2017 benefit included a benefit of 0.3M as result of termination of a defined benefit pension plan in the Netherlands.

Net financial income improved by 5.5M; from a loss of 4.3M in 2017 into a profit of 1.2M in 2018. Interest cost reduced by 4.0M as a result of the repayment of debt and realized exchange gains due to a favourable movement from NOK to EUR rate.

The profit from continuing operations before tax increased from a loss of 0.1M in 2017 to a profit of 7.2M, mainly as a result of the significantly higher volumes and the reduced interest cost.

The profit from discontinuing operations relates to the profit of the industrial division that was disposed in 2018.

Net cash generated by operating activities increased from 4.0M in 2017 to 5.4M in 2018. As a result of the disposal of the Industrial division a net cash of 60.5M was generated by discontinued operations. The generated cash was used for repayments of debts (61.7M), repurchasing of share capital in subsidiaries (6,9M) and investment in machinery and equipment (1.1M). In 2018 a new bank loan of 3,0M was received. Total net cash position at year end 2018 closes at 5.9M (2017: 6.3M) with an additional 4.5M in available credit facility.

Description of the operations

The operation

The Company develops, manufactures, sells and maintains innovative storage solutions for offices, archives, museums and warehouses.

As a producer, consultant and installer, The Company is a market leader in the development of space-saving archiving and storage systems. The Company has sales offices in Germany, France, Belgium, Switzerland, The United Kingdom, Sweden, Norway, Denmark and Bahrain. The Company exports its

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products also via selected distributors in 43 countries outside of the countries with an own sales office. The manufacturing site and group Headquarters are located in Panningen, Netherlands.

Ownership

Altor Fund II is the primary owner of BSG Norway Holding AS.

Disposal of the Industrial segment

In January 2017 the owners together with management of the group committed to a plan to sell the industrial segment. Accordingly it is classified as a discontinued operation and held for sale in the 2017 and annual accounts. On 17 January 2018 the actual sale of the Industrial segment was formalized. The total cash proceeds were used to repay debts and strengthen the cash position of the Group.

Certain warranties have been given to the Buyer of the Industrial Segment. A total provision of 0,8M has been recognized for potential future cash outflows for these warranties. The result of the industrial segment is presented as discontinued operations in the consolidated statement of profit and loss. The profit from continuing operations includes the Bruynzeel segment and holding companies.

Name change

Following the disposal of the industrial segment, the name of the company has been changed to BSG Norway Holding AS (formerly: Constructor Group AS).

Financial performance

The revenues in 2018 are 13.4M higher compared to 2017 revenues, and the respective gross margin decreased with 3.2%pt to 32.6% (2017; 35.8%). The decline in margin is caused by a larger portion of the volume in the year being related to larger projects which have a lower margin than smaller projects, a more aggressive pricing approach in certain markets, one-off charges for projects where results came in lower than expected, foreign exchange effects and other elements.

In 2016 the Company started the Back-to-Basics program focussing on a leaner organisation with a lower cost base (mainly in the headquarters) and a more customer oriented culture. This program has been completed in 2017, and was the main driver for the reduction of SG&A costs in 2017. In 2018 the Company did not invest as much as planned in new resources resulting a only a light increase in SG&A.

The disposal of the Industrial division resulted into a Profit from discontinuing operations of 3.0M and had a positive cash effect of 60.5M.

As a result of the disposal of the Industrial division and the repayment of debt, the cost for external financing are significantly lower.

The Company anticipate the 2019 turnover to be slightly higher than 2018 at levels above 71M, and the resulting relative margin should be slightly higher than 2018. Order Intake for 2019 is anticipated significantly above the 2018 levels. Further strategic initiatives to grow are being developed and include, amongst others, increased focus on the Museum and the Export markets as well as recovery in neglected geographical home markets.

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The results on ordinary activities before tax in 2018 amounts to 7.2M (2017: negative 0.1M).

The other comprehensive income relates to charges for direct benefit pension schemes and foreign currency translation differences. The currency translation differecens are mostly the result of translations from NOK to EUR, since the Company's functional currency is NOK and reports in EUR.

Cashflow, liquidity and solvability

The operational cashflow in 2018 amounts to 5.4M (2017: 4.0M). The Company generates sufficient cash to cater for relevant investments, loan repayments including interest, and fluctuations in working capital whilst having additional credit facilities available.

The Company is financed though some bank loans, and due to temporarily increased working capital, the company's liquidity (current ratio) is 1.70 for the financial year ended 2018 (2017: 0.45), the solvability (debt ratio) increased from 0.20 to 0.65 by the end of 2018. Improvement of these ratios is mainly the result of the disposal of the Industrial division and following debt repayments, and the profitability in last two years.

The equity position of the Company improved during 2018 and, given the profitability of the Company, is expected to improve in the coming years. Further reference is made to financing.

Health and Safety

The Company is a caring company. Besides operating according to local Health and Safety legislation, it is our belief that the Company can only continue building a solid and successful organisation when our people can work safe and feel safe. Health and safety within The Company therefore does not stop with working actively on eliminating any physical risk, but also includes stimulating conditions for leadership, engagement and happiness of the Bruynzeel community and its individual family members.

The Company is committed to provide and maintain safety for all employees, customers and anyone else affected by our business activities by providing a safe working environment, safe work equipments and safe work methods while producing efficient and delivering high quality solutions.

The Company had on average in 230 employees (full time equivalents) employed in the Netherlands (134), France (20), The United Kingdom (14), Sweden (15), Switzerland (9), Germany (8), Belgium (6), Denmark (5), Norway (4). This includes the 98 full time equivalents for which expenses are included in cost of sales. Employee health and the working environment receive significant attention and much effort is used to provide safe and healthy working conditions to reduce injuries and illnesses to a minimum. Employee guidelines are covered under the group's working conditions policy. The average rate for employee sick leave was 4.4% (2017 4.5%). Analyses of the sick leave figures show limited work-related sick leave. Especially in the manufacturing plant, cooperation with the medical officer and a continuous focus on work conditions result in the current relatively low number. The Company and its employees representatives (where applicable) are working together to adopt safe operating practices to protect the workforce's health and minimize risks for accidents.

Corporate social responsibility

The Company has a corporate social responsibility (CSR) Philosophy.

A business can think of Corporate Social Responsibility to be a "main course" or a "side dish", reflecting whether CSR is an essential element or an add-on grafted on to the core functions. Although there isn't

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anything wrong with a high level of social responsibility in the form of a side dish, at Bruynzeel we consider CSR as one of the fundamentals of our business model.

In 2017 the Company started measuring (and reporting) the effects of initiatives to reduce their CO2 footprint. For examples, in 2017 and 2018 the Company specifically continued to focus on the reduction of gas and electricity, also number of kWh and m3 per ton steel was reduced

The Company measures and monitors its electricity usage on production machines, and takes measures to reduce usage (even when equipment is on "standby").

Also, The Company has a continuous focus on improvements, large or small to contribute to a sustainable business.

External Environment

The Company's production operations are, neither by type nor size, anticipated to have a considerably negative impact on the external environment. In production the main input is steel and to a certain extent powder coating. The manufacturing unit is ISO certified and follow ISO standards regarding the handling of chemicals that could potentially cause danger to the environment. The primary method of transporting goods is by truck.

Gender Equality and Discrimination

The Company wants to be an attractive workplace for all people regardless of gender, ethnic background, religion or age.

Approximately 20.6% of the group employees are women. The workforce at the manufacturing plant is male dominated, which is common in this line of industry. There are several female representatives in management at department levels. There are no differences in remuneration due to gender.

Continuous evaluations are being carried out to determine if special initiatives are needed to avoid discrimination related to ethnicity, religion etc.

Environment and safety manufacturing plant

The manufacturing plant has adopted safe operational practices to protect the workforce's health and minimize risks of accidents. The factory is certified for ISO 9001 and ISO 14001, there were no major accidents which resulted in long term absence. In 2018 the Company finalised the implementing of ISO certification in the factory and sales offices against the new ISO standards.

Management and the works council periodically monitor statistics on industrial accidents. The Company has engaged an external advisor to ensure compliance with laws, regulations and ISO norms.

Information regarding Research and Development

The Company is constantly improving the products for the use and looking into possibilities to decrease the cost price without lowering the quality. On top of that The Company looks for new product market combinations. The Company complies with relevant laws and regulations and follows-up on findings from quality and environmental (internal) audits adequately.

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Financial instruments & risks

The Company does not use derivative financial instruments to mitigate risks other than forward contracts to mitigate cash flows from transactions concluded in a foreign currency. A more detailed description of the financial instruments and risks is covered in note [25] of the consolidated financial statements.

The board is responsible for ensuring that the Company complies with applicable legislation and regulations. It is also responsible for the financing and for managing the internal and external risks related to its business activities. The establishment of the Company's internal risk management and control system is based on the identification of external and internal risk factors that could influence the operational, business continuity and financial objectives of the Company and contains a system of monitoring, reporting, and operational reviews. To help identifying risks, the Company uses a risk management approach. Our risk appetite is aligned with our strategy and priorities.

The Company considers the following to be its most important risks:

Financing and financial risks

The Company operates a business that requires significant amounts of capital to finance working capital and production facilities. Sustainable financing structures are of the essence to secure continuity. The Company has secured enough financing and liquidity by means of shareholders loans with a fixed interest rate and an acceptable repayment schedule,a small bank loan and a revolving credit facility as well as a cash pool. The current structure as well as the forecasted cash flows for the coming year allow the Company enough cash generation to cater for relevant investments and fluctuations in working capital. The agreements regarding the shareholder loans, which provide the most important means of financing, protect the Company as they contain minimum cash levels before repayments are allowed.

The interest risks are very limited, because the most important interest rates are fixed.

The Company uses some 8-9M metric tons of steel on an annual basis in its own production. Price fluctuations on the raw material market can have impact on the profitability of the Company for those cases where the Company has entered into fixed price sales contracts with its customers with a delivery date that exceeds the period for which the Company has engaged into steel supply contracts with a fixed or capped price. At the end of the financial year the Company had an order backlog of some 30M euro (approximately 40% of its annual sales volume) of which some larger projects allowed for price increases in the sales contracts and a significant part of the order backlog was covered by steel in inventory and price contracts with suppliers. A relative small portion of the order backlog leaves the Company exposed to future price fluctuations. New offers to customers are based on most recent purchase price information and the Company aims for price indexation clauses in its sales contracts to further reduce its exposure to purchase price fluctuations whilst maintaining a small appetite for some exposure.

The Company recognizes risks regarding customer credit. With some 20M in customer receivables at the end of the year, an important portion of its working capital consists of trade receivables. As the Company has a limited appetite to expose itself to such risk, the Company reviews customer creditworthiness on an ongoing basis and applies internal policies including the use of a credit insurance, advance payments and trade finance / documentary credits. In addition the Company monitors the outstanding receivables very closely and directly contact our customers when agreed payment terms are exceeded.

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Strategic risks

The projects of the Company consist to some extent of larger orders, of which some are complicated turnkey solution contracts that are awarded in a highly competitive environment and may be entered into at a fixed price basis, sometimes with a longer period between contracting the order and the delivery thereof. The Company makes judgments on total project costs, time of deliveries and quality of installation. Any failure to meet these judgments may result in non recoverable costs which could exceed revenues realized from the same project. If such loss making projects are identified provisions are made to cover actual and future losses. The operational activities and financing activities are in line with the strategy. The Company closely monitors the sales per market and product segment.

Operational risks

The Company is ISO-9001 and ISO 14001 certified, and has adopted such working methods throughout the Company into its operational processes. The company has sufficient contingency arrangements in place, to ensure that down-time of e.g. IT infrastructure, production facilities, and any other essential operational process, is limited.

Law and legislation

It is the company's policy to adopt and comply with all relevant law and legislation, this is periodically monitored and reported when needed, as part of our ISO integrated internal and external audit process. The Company has engaged external advisors to ensure compliance with laws, regulations and ISO norms.

A possible financial impact of the above recognized risks and uncertainties cannot be calculated because this impact is dependent on many factors both individual and in combination with each other. None of the relevant risks and uncertainties described above influenced the (financial) performance of the financial year 2018 significantly and therefore no remedial measures to the risk management system were necessary.

Financing

At the end of 2018 the Company is only financed by means of some smaller financing arrangements with banks and leasing companies.

The current structure allows The Company to generate enough cash to cater for relevant investments and fluctuations in working capital. The Company had at least some 4M in available liquity during 2018 and a higher balance at the end of the year to cater for additional, unexpected fluctuations in working capital, necessary investments and/or lower than expected profitability.

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Important events in 2018

- *Acquiry of shares of in Bruynzeel Storage Group B.V. and CD Group AS*
  In 2018 The Group acquired the 15,5% shares in Bruynzeel Storage Group B.V. held by Qubiqa 12,5% of the shares in CD Group AS held by Kaupthing efh. Total cash outflow for these purcahses amounted to Eur 6,9M. Following these purchases no material Non Controlling interests exist per the end of 2018.

Besides the items discussed before, there are no further important events in 2018 to be reported.

Other matters and outlook 2019

Sales

The volume of sales is expected to be slightly higher than 2018 and to exceed 71M. With the order backlog at the end of 2018, more than 40% of the sales volume for 2019 is already under contracts with customers. The Company expects some growth in order intake in 2019 to enable further growth in revenues in 2020.

Profitability

The Company expects that the Operating profit before depreciation, amortization and other operating expenses (EBITDA) will be above 9.0M, a level significantly higher than 2018.

Investments

No major investments are planned for the near future. The production capacity is more than sufficient to accommodate a significant increase in sales volume. The Company will mainly focus its investments on necessary renewals and investments contributing to the profitability on the short to medium term.

Personnel and pensions

The Company did not plan major changes for 2019.
Until the end of 2016 the company in the Netherlands had a defined benefit plan in place for part of its employees. Early 2017 the company and the respective employees both agreed to change the benefit plan to a contribution plan, as of Jan 1, 2017. The existing rights and obligations under the benefit plan until December 31, 2016 remain unchanged.

Financing

Given the company's liquidity and solvability position at year end and the forecasted cash flow for the coming year, no additional financing is expected to be necessary on the short term. The company has sufficient cash generating operations to comply with financing covenants, finance its daily business operations and necessary capital expenditure.

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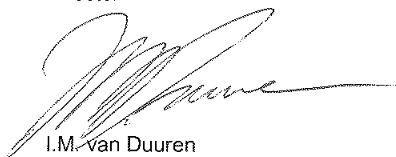
<u>Going concern</u>

The financial statement for the parent company and the group has been prepared on a going concern basis. On this basis and in accordance with §3-3a of the Norwegian Accounting Act, the Board of Directors confirms that the going concern assumption, on which the financial statements have been prepared, is considered to be appropriate.

Oslo, May 22, 2019

E.K. Reiten
Chairman of the Board of Directors

P. Stampe
Director


I.M. van Duuren
CEO

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Consolidated financial statements

- Consolidated statement of profit and loss
- Consolidated statement of comprehensive income
- Consolidated statement of financial position
- Consolidated statement of changes in equity
- Consolidated statement of cash flows
- Notes to the consolidated financial statements

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Consolidated statement of profit and loss for the year ended 31 December

	Notes	Year ended 31.12.2018	Year ended 31.12.2017
		EUR 000	EUR 000
Revenue	[6]	68.725	55.348
Cost of sales	[7]	(46.299)	(35.771)
Sales and marketing expenses	[8]	(10.744)	(10.350)
Administrative expenses	[9]	(4.621)	(4.148)
Operating profit before depreciation, amortization and other operating expenses		*7.061*	*5.079*
Depreciation and amortization	[10]	(903)	(1.070)
Other expenses	[11]	(91)	245
Operating profit		*6.067*	*4.254*
Financial income	[13]	2.383	318
Financial expenses	[14]	(1.214)	(4.670)
Profit before tax		***7.236***	***(98)***
Income tax expenses	[15]	(2.250)	(1.034)
Profit from continuing operations		***4.986***	***(1.132)***
Profit from discontinuing operations	[16]	2.989	1.884
Profit for the year		***7.975***	***752***
Profit for the year attributable to:			
Owners of the Company		7.975	1.809

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Consolidated statement of comprehensive income for the year ended 31 December

	Notes	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Profit for the year		***7.975***	***752***
Other comprehensive income			
Items that will never be reclassified to profit and loss:			
• Actuarial gains and losses on defined-benefit plans	[26]	199	487
• Translation differences parent company before tax		(510)	2.039
• Tax effect of other comprehensive income		(57)	(95)
		(368)	2.431
Items that are or may be reclassified to profit and loss:			
• Foreign operations – foreign currency translation differences		(1.569)	(4.226)
Total other comprehensive income, net of tax continued operations		***(1.937)***	***(1.795)***
Total other comprehensive income, net of tax discontinued operations		***4.746***	***210***
Total comprehensive income		***10.784***	***(833)***
Total comprehensive income for the year attributable to:			
Owners of the Company		10.784	(1.005)
Non-controlling interests		0	172

Translation differences parent company before tax relates to exchange rate differences arising from the translation of the total equity in the parent company from Norwegian Kroner to Euro.

Foreign operations - foreign currency translation differences comprise of differences arising from the translation of the financial statements of foreign subsidiaries. See also note 21.

Remeasurement of defined benefit liability relates to actuarial gains and losses and return on plan assets not included in net interest, note 7.

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Consolidated statement of financial position at 31 December

	Notes	31.12.2018	31.12.2017
		EUR 000	EUR 000
Assets			
Non-current assets			
Property, plant and equipment	[17]	1.805	1.606
Intangible assets	[18]	31.715	31.742
Financial assets	[19]	170	4.676
Deferred tax asset	[15]	2.461	4.088
		36.151	42.111
Current assets			
Inventory	[20]	3.422	3.067
Trade and other receivables	[21]	20.208	22.830
Current tax assets	[15]	54	626
Cash and cash equivalents	[22]	5.957	6.321
		29.641	32.843
Assets hold for sale		0	116.811
Total assets		**65.792**	**191.765**
Equity and liabilities			
Capital and reserves			
Equity	[23]	42.804	38.953
Non-current liabilities			
Interest bearing non-current liabilities	[24]	2.366	3.845
Deferred tax liability	[15]	1.839	2.732
Non-current provisions	[25]	527	668
Retirement plan liabilities	[26]	825	1.009
		5.557	8.254
Current liabilities			
Interest-bearing short-term debt	[24]	876	57.571
Trade and other payables	[27]	14.457	15.411
Income tax liability	[15]	1.037	179
Current part of provisions	[25]	1.061	349
		17.431	73.510
Liabilities in disposal groups		0	71.049
Total equity and liabilities		**65.792**	**191.765**

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Consolidated statement of changes in equity
for the year ended 31 December

	Paid in capital	Treasury shares	Translation reserve	Retained earnings	Total	Non-Controlling interest	Total Equity
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
Balance as at 1 January 2017	**96.179**	**0**	**(6.650)**	**(53.874)**	**35.655**	**1.060**	**36.715**
Profit for the year	0	0	0	388	388	363	751
Other comprehensive income	0	0	(1.860)	466	(1.394)	(191)	(1.585)
Total comprehensive income	0	0	(1.860)	855	(1.006)	172	(834)
Deferred tax and goodwill recognized in equity	0	0	0	2.211	2.211	861	3.072
Changes in NCI due to repurchase	0	0	0	(89)	(89)	89	0
Total changes in ownership interests	0	0	0	2.122	2.122	950	3.072
Balance as at 31 December 2017	**96.179**	**0**	**(8.510)**	**(50.898)**	**36.771**	**2.182**	**38.953**
Profit for the year	0	0	0	7.975	7.975	0	7.975
Other comprehensive income	0	0	2.667	142	2.809	0	2.809
Total comprehensive income	0	0	2.667	8.117	10.784	0	10.784
Changes in NCI due to repurchase	0	0	0	(4.208)	(4.208)	(2.182)	(6.390)
Shares in Emgods AS acquired in the year	0	0	0	(543)	(543)	0	(543)
Transfer of own shares as result of change of ownership in Emgods AS	0	(1.146)	0	1.146	0	0	0
Total changes in ownership interests	0	(1.146)	0	(3.605)	4.751	(2.182)	(6.933)
Balance as at 31 December 2018	**96.179**	**(1.146)**	**(5.843)**	**(46.386)**	**42.804**	**0**	**42.804**

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Consolidated statement of cash flows for the year ended 31 December

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Cash flow from operating activities		
Profit before tax	7.236	(98)
Adjustments for:		
- Depreciation and amortisation of non-current assets	903	1.070
- Unrealized foreign exchange gain/loss and other non-cash items	(319)	(759)
- Net interest expenses	632	4.444
- Movements in working capital	(576)	1.638
Interest received	5	54
Interest paid	(2.401)	(2.100)
Income tax paid	(110)	(259)
Net cash (used in)/generated by operating activities	**5.370**	**3.990**
Cashflow from investing activities		
Payments for property, plant and equipment	(1.104)	(424)
Proceeds from disposal of property, plant and equipment	20	478
Net cash (used in)/generated by investing activities	**(1.084)**	**54**
Cashflow from financing activities		
Transfers to restricted cash / deposits	445	0
Change in bankoverdrafts	0	(232)
Purchase shares in group companies	(6.932)	0
Proceeds from borrowings	3.000	0
Repayment of interest-bearing debt	(61.651)	(3.844)
Net cash (used in)/generated by financing activities	**(65.138)**	**(4.075)**
Net cash (used in)/generated by discontinued operations	**60.512**	**(9.928)**
Net increase/(decrease) in cash and cash equivalents	**(340)**	**(9.960)**
Effects of exchange rate changes on the balance of cash held in foreign currency	24	(162)
Cash and cash equivalents at the beginning of the year	6.321	16.443
Cash and cash equivalents at the end of the year	**5.957**	**6.321**

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Notes to the consolidated financial statements

1. **General information**

BSG Norway Holding AS (the Company) is a private limited company domiciled in Norway, having its registered office at Tjuvholmen allè 19, Oslo, Norway, The Company was formerly named Constructor Group AS (name change on 6 March 2018). BSG Norway Holding AS is controlled by Altor fund II GP Limited as the ultimate parent.

BSG Norway Holding AS is the parent company of the BSG Norway Holding Group (the Group). The parent company is a holding company only. The 2018 consolidated financial statements include the financial statements of the parent company and its subsidiaries.

The present principal activities of the Group primarily consist of developing, manufacturing, selling and maintaining of storage- and filing solutions for offices, archives, museums and warehouses.

2. **Going concern**

The financial statement for the parent company and the group has been prepared on a going concern basis. On this basis and in accordance with §3-3a of the Norwegian Accounting Act, the Board of Directors confirms that the going concern assumption, on which the financial statements have been prepared, is considered to be appropriate.

3. **Application of new and revised International Financial Reporting Standards (IFRSs)**

3.1. New and amended IFRSs that are effective for the current year

The Company has applied the following new or revised IFRSs that are mandatorily effective for an accounting period that begins on or after 1 January 2018:

IFRS 9 *Financial Instruments*

In the current year, the Group has applied IFRS 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other IFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of IFRS 9 allow an entity not to restate comparatives.

Additionally, the Group adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that were applied to the disclosures for 2018 and to the comparative period.

IFRS 9 introduced new requirements for:
1) The classification and measurement of financial assets and financial liabilities,
2) Impairment of financial assets, and
3) General hedge accounting.

The Company reviewed and assessed The Company's financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of IFRS 9 did not have a significant impact on the financial position and/or financial performance of the Group.

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The company has applied the simplified approach to recognise lifetime expected credit losses for its trade receivables and amounts due from customer under construction contracts as required or permitted by IFRS 9.

IFRS 15 *Revenue from Contracts with Customers*

In the current year, the Group has applied IFRS 15 Revenue from Contracts with Customers (as amended in April 2016) which is effective for an annual period that begins on or after 1 January 2018. IFRS 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Details of the new requirements as well as their impact on the Group's consolidated financial statements are described below.

The Company recognises revenue from the following major sources:
- Sale of storage systems including granted warranties
- Transportation of storage systems
- Installation of storage systems
- After Sale Services

The directors of the company have assessed the categories above as four separate performance obligations. Under IFRS 15 revenue is recognised for each of these performance obligations when control over the corresponding goods and services is transferred to the customer and when the after-sales services are performed. For smaller contracts revenue is recognised when the order is fully completed (installation at the customer location), and timing is not based on the different performance obligations. These projects have a lead time of a few weeks and have relatively low sales value. The impact on total timing of revenue recognition under IFRS 15 is not significant.

Apart from providing more extensive disclosures for the Company's revenue transactions as described in note [4.5], the application of IFRS 15 has not had a significant impact on the financial position and/or financial performance of the Group.

Other amendments to IFRS Standards and Interpretations

In the current year, the Group has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2018:

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- IFRS 2 (amendments) Classification and Measurement of Share-based Payment Transactions
- IAS 40 (amendments) Transfers of Investment Property
- Annual Improvements to IFRS Standards 2014 – 2016 Cycle
- Amendments to IAS 28 Investments in Associates and Joint Ventures
- IFRIC 22 Foreign Currency Transactions and Advance Consideration

Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements

3.2. New and revised IFRSs in issue but not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective and/or have not yet been adopted by the European Union:

IFRS 16	Leases
IFRS 17	Insurance Contracts
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Annual Improvements to IFRS Standards 2015–2017 Cycle	Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs
Amendments to IAS 19 Employee Benefits	Plan Amendment, Curtailment or Settlement
IFRS 10 Consolidated Financial Statements and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
IFRIC 23	Uncertainty over Income Tax Treatments

IFRS 16 *Leases*

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related Interpretations when it becomes effective for accounting periods beginning on or after 1 January 2019. The date of initial application of IFRS 16 for the Company will be 1 January 2019.

The Company has chosen the modified retrospective application of IFRS 16. Consequently, the Company will not restate the comparative information.

The Group will apply the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019. In preparation for the first-time application of IFRS 16, the Group has carried out an implementation project. The project has shown

that the new definition in IFRS 16 will not change significantly the scope of contracts that meet the definition of a lease for the Group.

On initial application of IFRS 16, for all leases (except as noted below), the Group will:

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a) Recognise right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments;
b) Recognise depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss;
c) Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated cash flow statement.

Under IFRS 16, right-of-use assets will be tested for impairment in accordance with IAS 36 Impairment of Assets. This will replace the previous requirement to recognise a provision for onerous lease contracts. For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Group will opt to recognise a lease expense on a straight-line basis as permitted by IFRS 16.

As at 31 December 2018, the Company has non-cancellable operating lease commitments of 6.1M. The main lease is for the buildings in Panningen, with expiry date in 2024. A preliminary assessment indicates that 6.0M of these arrangements relate to leases other than short-term leases and leases of low-value assets, and hence the Group will recognise a right-of-use asset of 5.2M and a corresponding lease liability of 5.2M in respect of all these leases. The impact on profit or loss is to decrease Other expenses by 1.2M , to increase depreciation by 0.9M and to increase interest expense by 0.3M .

The preliminary assessment indicates that 0.1M of these arrangements relate to short-term leases and leases of low-value assets. Under IAS 17, all lease payments on operating leases are presented as part of cash flows from operating activities.

The impact of the changes under IFRS 16 would be to reduce the cash generated by operating activities by 0.9M and to increase net cash used in financing activities by the same amount.

IFRS 17 Insurance Contracts

The Company does not generate any income from insurance contracts. The directors of the Company therefore do not anticipate that the application of the amendments in the future will have an impact on the Group's consolidated financial statements.

Amendments to IFRS 9 Prepayment Features with Negative Compensation

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Group's consolidated financial statements.

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Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Group's consolidated financial statements.

Annual Improvements to IFRS Standards 2015–2017 Cycle Amendments

The Annual Improvements include amendments to four Standards.

- IAS 12 Income Taxes: The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.
- IAS 23 Borrowing Costs: The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.
- IFRS 3 Business Combinations: The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation.
- IFRS 11 Joint Arrangements: The amendments to IFRS 11 clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not remeasure its PHI in the joint operation.

All the amendments are effective for annual periods beginning on or after 1 January 2019 and generally require prospective application. Earlier application is permitted.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Group's consolidated financial statements.

Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement

The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

The paragraphs that relate to measuring the current service cost and the net interest on the net defined benefit liability (asset) have also been amended. An entity will now be required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, the amendments make it clear that for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under IAS 19.99 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

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The amendments are applied prospectively. They apply only to plan amendments, curtailments or settlements that occur on or after the beginning of the annual period in which the amendments to IAS 19 are first applied.

The amendments to IAS 19 must be applied to annual periods beginning on or after 1 January 2019, but they can be applied earlier if an entity elects to do so.

The directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Group's consolidated financial statements.

IFRS 10 Consolidated Financial Statements and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venturethat is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss onlyto the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. At this moment there are no such situations and the directors of the Company do not anticipate that the application of the amendments in the future will have an impact on the Group's consolidated financial statements.

4. Significant accounting policies and reportable segments

4.1. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the Norwegian accounting act, rules and regulations in force as of 31 December 2018.

4.2. Basis of preparation

The financial statements are presented in thousands of Euro (EUR), see chapter of foreign currency translations and transactions.

The financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each

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reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4.3. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and entities controlled by the company and its subsidiaries. Control is achieved when the company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the company obtains control over the subsidiary and ceases when the company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the company gains control until the date when the company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the company's accounting policies.

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All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

4.4. Reportable segments

The Company's internal reporting provided to chief decision makers is segmented geographically.

The Company has no debt or equity instruments that are traded in a public market and does not file, or is in the process of filing, their financial statements with a a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market. The Company therefore is not required to apply IFRS 8.

4.5. Revenue recognition (IFRS 15)

The Company recognises revenue from the following major sources:

- Sale of storage systems including granted warranties
- Transportation of storage systems
- Installation of storage systems
- After Sale Services

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

The company constructs and sells Storage Systems under contract both to end-customers and to dealers (Export).

For contracts directly with end-customers the company mostly also provides for the transportion and installation of the system to the customer. Under the terms of the contracts, the Company has enforceable right to payment for work done. Revenue from the contracts is therefore recognised over the period in which the shipments of product, transportation services and installation services are performed. Revenue is recognised over time on a cost-to cost method, i.e based on the proporation of the contract costs incurred for work performed to date relative to the estimated total contract costs. The directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

For contracts with dealers, revenue is recognized when control of the goods has transferred, being when the goods have been shipped to the dealer. Following delivery, the wholesaler has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when onselling the goods and bears the risks of obsolescence and loss in relation to the goods.
A receivable is recognised by the Group when the goods are delivered to the wholesaler as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

On sales generally a warranty period of two years is provided. Warranty cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

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After Sales Services Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Rendering of Services

Revenues from services rendered are recognised in the profit and loss account when the revenue amount can be determined in a reliable manner, collection of the related compensation to be received is probable, the extent to which the services have been performed on the balance sheet date can be determined reliably, and the costs already incurred and (possibly) yet to be incurred to complete the service can be determined reliably. If the result from a specific service contract cannot be determined reliably, then the revenues are recognised up to the amount of the service costs that are covered by the revenues.

Revenues from services rendered are recognised in the profit and loss account in proportion to the stage of completion of the transaction as at the reporting date. The stage of completion is assessed by reference to assessments of the work performed / the services performed up to that moment as a percentage of the total services to be performed / the costs incurred up to that moment in proportion to the total estimated costs of the services to be performed.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

4.6. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance leases

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as obligations under finance leases. Finance lease payments are apportioned between interest and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Interest on obligations under finance leases is recognised in the consolidated statement of comprehensive income.

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Operating leases

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4.7. Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

The functional currency of the parent company is Norwegian kroner (NOK), its foreign currency translation differences are recognized in OCI as item that will never be reclassified to profit and loss and accumulated in the translation reserve.

4.8. Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued

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operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

4.9. Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

The weighted average capitalisation rate on funds borrowed is 0% in 2018 (2017: 0%) as no borrowing costs are eligible for capitalisation

4.10. Employee benefits

Retirement benefit costs and terminations benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remearusrement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line items cost of sales, sales and marketing expenses, and administrative expenses. Curtailments gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form or refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

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Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Contributions from employees or third parties to defined benefit plans.

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

When the formal terms of the plans specify that there will be contributions from employees or third parties, the accounting depends on whether the contributions are linked to service, as follows:

- If the contributions are not linked to services (e.g. contributions are required to reduce a deficit arising from losses on plan assets or from actuarial losses), they are reflected in the remeasurement of the net defined benefit liability (asset).
- If contributions are linked to services, they reduce service costs. For the amount of contribution that is dependent on the number of years of service, the entity reduces service costs by attributing the contributions to periods of service using the attribution method required by IAS 19 paragraph 70 for the gross benefits. For the amount of contribution that is independent of the number of years of service, the entity reduces service cost in the period in which the related service is rendered.

4.11. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “profit before tax” as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

4.12. Earnings per share

Beause the ordinary shares in the Company are not publicly traded and the Company does not file, and is not in the process of filing, its (consolidated) financial statements with a securities commission or other regulatory organisation for the purpose of issuing ordinary shares in a public market, earnings per share (EPS) information is not disclosed.

4.13. Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

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4.14. Intangible assets

Goodwill

All goodwill concerns the excessive payments over the initial valuation on the acquisitions of subsidiaries comprised in the consolidation of Bruynzeel Storage Group B.V. Once acquired goodwill will not be depreciated but will be subjected to a yearly impairment test. No impairment loss on goodwill was recognised during 2018 (2017: € 0).

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in profit or loss when the asset is derecognised.

4.15. Impairment of tangible and intangible assets

At the end of each annual reporting period (and in any case at any reporting when it is deemed necessary in view of change of status of the concerned assets), the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined

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had no impairment loss been recognised for the asset (or cash- generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

4.16. Inventory

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4.17. Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-forsale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted. Intercompany transactions between discontinued and continuing operations are not eliminated in the consolidated statement of financial position.

4.18. Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortized cost using the effective interest rate method, less allowance for doubtful debts. An allowance for doubtful debts of accounts receivable is established when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of the receivables and after all the documented efforts have been made for the recovery of the outstanding amounts. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial restructuring and default or delinquency in payments are considered indicators that the accounts receivable are impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

4.19. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

4.20. Own shares

Own shares represent the shares of the parent company BSG Norway Holding AS that are held in treasury or by Emgods AS (Employee Benefit Trust). Own shares are recorded at cost and deducted from equity.

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4.21. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Warranties:

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the best estimate of the expenditure required to settle the obligation.

4.22. Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

4.23. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

4.24. Financial assets

Financial assets are classified as "Financial assets at fair value through profit or loss" or "Loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

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Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than twelve months after the statement of financial position date. These are classified as non-current assets.

Loans and receivables (including trade and other receivables, bank balances and cash), and others are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

4.25. Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

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Financial liabilities

Financial liabilities are classified as "Other financial liabilities"

Other financial liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. Critical accounting judgements and key sources of uncertainty

In the application of the accounting policies, which are described in note [4], the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Contingencies and legal claims

With its operations across large parts of Europe, companies included in the Group are in the course of their activities involved in legal disputes. Provisions have been made to cover the expected outcome of the disputes to the extent negative outcomes are probable and reliable estimates can be made. However, the final outcome of these cases will always be subject to uncertainties and resulting liabilities may exceed recognized provisions.

Pension obligations

The present value of pension obligations depends on a number of factors that are determined on an actuarial basis using several key assumptions like expected mortality, wage growth, inflation and

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pension adjustments. The assumptions used in determining net pension costs and obligations include an applicable discount rate. Any changes in these assumptions will impact the calculated pension obligations.

Discount rate used to determine the carrying amount of the defined benefit obligation

The Company's defined benefit obligation is discounted at a rate set by reference to market yields at the end of the reporting period on high quality corporate bonds. Significant judgements are required when setting the criteria for bonds to be included in the population from which the yield curve is derived. The most significant criteria considered for the selection of bonds include the issue size of the corporate bonds, quality of the bonds and the identification of outliers which are excluded.

Evaluation of long-lived assets for impairment

Long-lived assets include other intangible assets and property, plant and equipment.

At each annual reporting date (and in any case at any reporting when it is deemed necessary in view of change of status of the concerned assets), the Company reviews the carrying amounts of tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the Recoverable Amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the Recoverable Amount of an individual asset, we estimate the Recoverable Amount of the cashflow-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cashflow-generating units, or otherwise they are allocated to the smallest group of cashflow-generating units for which a reasonable and consistent allocation basis can be identified.

Other intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired. If the Recoverable Amount of an asset (or cashflow-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cashflow-generating unit) is reduced to its Recoverable Amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Project results

If the result of a construction contract can be estimated reliably, revenues and costs are accounted for over the period of the contractual validity, in proportion to the progress of the activities performed. The activities performed are measured in accordance with the "percentage of completion method". If it is probable that the total project cost will exceed the total contract revenue, the expected loss is recognised as an expense. This system is based on periodic assessments by the project teams using project accounts, project files and the expertise of those involved. Estimates of estimated revenue and project cost at completion are an inherent part of this process and they may differ from the subsequent reality, especially for long-term (complex) projects. However, historical experience has also shown that estimates are, on the whole, adequately and sufficiently reliable.

Project risk and uncertainty

The projects of the company consist to some extent of larger orders, of which some are complicated turnkey solution contracts that are awarded in a highly competitive environment and may be entered into at a fixed price basis, sometimes with a longer period between contracting the order and the

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delivery thereof. The Company makes judgments on total project costs, time of deliveries and quality of installation. Any failure to meet these judgments may result in non-recoverable costs which could exceed revenues realized from the same project. If such loss making projects are identified provisions are made to cover actual and future losses.

6. Revenue

The Company's internal reporting provided to chief decision makers is segmented geographically. The following is an analysis of the Group's revenue for the year from continuing operations.

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Netherlands including export	15.485	13.328
Belgium	8.994	7.658
Germany	5.501	6.010
France	11.499	8.861
Switzerland	3.715	4.443
United Kingdom	4.143	3.797
Sweden	11.007	6.077
Norway	3.373	2.847
Denmark	5.008	2.327
	68.725	**55.348**

The transaction price allocated to (partially) unsatisfied performance obligations for sales contracts for the delivery and installation of storage systems at 31 December amounts to EUR 721.000. Management expects that this amount will be fully recognised in 2019.

As permitted under the transitional provisions in IFRS 15, the transaction price allocated to (partially) unsatisfied performance obligations as of 31 December 2017 is not disclosed.

7. Cost of Sales

Cost of sales consists out of standard cost of sales, direct production related costs and indirect production related costs. The standard costs of sales are the material and manufacturing costs. The direct production related costs consist of transport, installation, maintenance and other variable overhead costs. Whereas the indirect production related costs consist of warehousing and premises costs, production depreciation and other costs.

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Standard cost of sales	(28.992)	(22.225)
Direct production related costs	(12.744)	(9.719)
Indirect production related costs	(4.563)	(3.827)
	(46.299)	**(35.771)**

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8. Sales and marketing expenses

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Sales expenses	(9.793)	(9.361)
Marketing expenses	(951)	(989)
	(10.744)	**(10.350)**

9. Administrative expenses

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Administrative expenses	(4.165)	(3.793)
Research- and development costs	(456)	(355)
	(4.621)	**(4.148)**

The research- and development cost are expensed as occurred, as no research- and development qualify for capitalization.

10. Depreciation and amortization expenses

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Depreciation of tangible fixed assets	(715)	(780)
Amortization of intangible fixed assets	(188)	(290)
	(903)	**(1.070)**

11. Other expenses

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Reorganisation expenses	33	(139)
Pension expenses due to termination of defined benefit plan Netherlands	0	268
Tax Advisory and notary expenses	(92)	(56)
Other expenses	(32)	171
	(91)	**244**

The reorganisation expenses in 2018 consist mainly of reversal of prior year accruals. For details on the pension expenses in 2017 reference is made to disclosure note [26].

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The auditor changed from KPMG in 2017 to Deloitte in 2018. An overview of all audit fees presented by type of service is presented below:

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Audit	244	186
Other assurance services	0	0
Tax advisory services	23	9
Other advisory services	77	56
Other consultancy services	9	7
	353	**258**

Out of the total fees of EUR 353.000, EUR 280.000 relates to services rendered by Deloitte and EUR 73.000 by KPMG.

12. Personnel costs

These costs are comprised in the various categories over cost of sales, sales and administrative expenses and administrative expenses.

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Wages and salaries	(11.842)	(11.551)
Social security charges	(2.332)	(2.248)
Pension and retirement expenses	(975)	(734)
	(15.149)	**(14.533)**

The average number of employees of the Company per country segment and the number of resources engaged on temporary basis as of 31 December 2018 and 2017 are:

	Year ended 31.12.2018	Year ended 31.12.2017
Netherlands	134	128
Belgium	6	6
Germany	8	8
France	20	21
Switzerland	9	11
United Kingdom	14	15
Sweden	15	13
Norway	4	4
Denmark	5	5
Temporary labour	15	6
	230	**217**

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13. Financial income

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Interest income	5	196
Exchange rate gains	2.378	120
Other financial income	0	2
	2.383	**318**

14. Financial expenses

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Interest expense	(637)	(4.640)
Exchange rate losses	(480)	(35)
Other financial expense	(97)	4
	(1.214)	**(4.671)**

15. Income tax expenses

15.1. Income tax recognized in profit or loss

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Current tax:		
• In respect of the current year	(1.653)	(292)
• In respect of the prior year	109	(172)
	(1.542)	(464)
Deferred tax:		
• In respect of the current year	(708)	(570)
Total income tax expenses	**(2.250)**	**(1.034)**

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15.2. Reconciliation of effective tax rate

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Profit before tax	7.236	(98)
Taxation based on the current tax rate in Norway (23%)	(1.664)	24
Tax rate differences between Norway and other tax jurisdictions	(186)	1.073
	(1.850)	1.097
Adjustments:		
• Expenses not deductible for tax purposes	(325)	(1.220)
• Utilisation of previously unrecognised tax losses	28	76
• Tax losses for which no deferred tax assets is recognised	(891)	(1.463)
• Changes in tax rates	207	(11)
• Income not subjected to taxes	506	565
• Income taxes prior year	109	(90)
• Other differences	(34)	12
Total income tax expenses	**(2.250)**	**(1.034)**

15.3. Current tax assets and liabilities

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Current tax assets		
Corporate income tax	0	0
Corporate income tax (other jurisdictions)	54	626
	54	**626**
Current tax liabilities		
Corporate income tax	0	0
Corporate income tax (other jurisdictions)	(1.037)	(179)
	(1.037)	**(179)**

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15.4. Deferred tax balances

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Deferred tax asset in relation to:		
Losses carried forward	2.290	3.846
Employee benefits	171	242
	2.461	**4.088**
Deferred tax liability in relation to:		
(In)Tangible fixed assets	(1.839)	(2.478)
Other liabilities	0	(254)
	(1.839)	**(2.732)**
Net tax assets (liabilities)	**622**	**1.356**

A summary of the movements is given below.

	Deferred tax asset	Deferred tax liability
	EUR 000	EUR 000
Balance 1 January 2017	6.636	(7.143)
Recognized in profit and loss	(270)	(300)
Recognized in OCI/equity	(95)	2.972
Reclassified to held for sale	(1.699)	1.407
Effect of movements in foreign exchange	(484)	333
Balance 31 December 2017	4.088	(2.732)
Recognized in profit and loss	(1.584)	877
Effect of movements in foreign exchange	17	16
Recognized in other comprehensive income	(58)	0
Balance 31 December 2018	**2.461**	**(1.839)**

A summary of the expiration dates of tax losses carried forward is as follows:

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
2018	0	245
2020	0	59
Will never expire	55.287	58.864
Total tax losses carried forward	**55.287**	**59.168**
Of which not recognised	**44.320**	**41.444**

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The total loss carried forward as of 31 December 2018 amounts to EUR 55,3M. In total EUR 44,3M is no deferred tax asset has been recognised due to the uncertainty of utilising these losses in the future. For the remaining losses a deferred tax asset has been recognised of EUR 2.290.000

Tax losses carried forward for the year ended 31.12.2018 relate to losses in Norway.

16. Results of discontinued operations

In January 2017 the owner of BSG Norway Holding AS and the management committed to a plan to sell the industrial segment of BSG Norway Holding AS. The actual sales took place on 17 January 2018. In 2017 the industrial division is classified as held-for-sale and as a discontinued operation.

For practical purposes, the Industry Division has been deconsolidated from 1 January 2018.

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Operating revenues	0	192.226
Cost of good sold	0	(149.226)
Sales and administration cost	0	(32.300)
Other operating expenses	(3.549)	(6.180)
Financial income and expense	2.496	(1.375)
	(1.053)	3.145
Profit on disposal on assets and liabilities		
Held for Sale	4.042	0
Profit before tax	**2.990**	**3.145**
Income tax	0	(1.261)
Profit for the year	**2.990**	**1.884**
Other comprehensive income	**4.746**	**210**
Total comprehensive income	**7.736**	**2.094**

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17. Property, plant and equipment

A summary of the movements of property, plant and equipment is given below.

Cost	Buildings and land	Machinery and plant	Other fixed Assets	Total
	EUR 000	EUR 000	EUR 000	EUR 000
Balance 1 January 2017	1.051	15.243	2.173	18.467
Additions	154	65	221	440
Disposals	(19)	(1.626)	(508)	(2.153)
Reclassifications	(37)	10	(1)	(28)
Effect of movements in foreign exchange	0	(5)	(34)	(39)
Balance 31 December 2017	1.149	13.687	1.851	16.687
Additions	134	697	112	943
Disposals	(67)	(105)	(209)	(381)
Reclassifications	11	(24)	79	66
Effect of movements in foreign exchange	0	0	(2)	(2)
Balance 31 December 2018	**1.227**	**14.255**	**1.831**	**17.313**

Accumulated depreciation and impairment	Buildings and land	Machinery and plant	Other fixed assets	Total
	EUR 000	EUR 000	EUR 000	EUR 000
Balance 1 January 2017	(885)	(13.972)	(1.623)	(16.480)
Depreciation	(62)	(496)	(222)	(780)
Disposals	19	1.626	508	2.153
Reclassifications	0	0	1	1
Effect of movements in foreign exchange	0	5	20	25
Balance 31 December 2017	(928)	(12.837)	(1.316)	(15.081)
Depreciation	(73)	(440)	(202)	(715)
Disposals	67	105	182	354
Reclassifications	(11)	23	(76)	(64)
Effect of movements in foreign exchange	0	0	(2)	(2)
Balance 31 December 2018	**(945)**	**(13.149)**	**(1.414)**	**(15.508)**

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Carrying value	Buildings and land	Machinery and plant	Other fixed assets	Total
	EUR 000	EUR 000	EUR 000	EUR 000
Balance 1 January 2017	166	1.271	550	1.987
Balance 31 December 2017	221	850	535	1.606
Balance 31 December 2018	282	1.106	417	1.805

In the calculation of depreciation useful lives of 5 - 10 years are used for all assets excluding land. During 2018 and 2017, the Company did not record any impairment charges for tangible fixed assets.

The tangible assets include machinery and office equipment with a bookvalue of € 122.000, that are financed through a financial lease contract. The assets are pledged to the lessor, and the company therefore does not have the legal ownership.

18. Intangible assets

A summary of the movements of intangible assets is given below.

	Goodwill	Other	Total
	EUR 000	EUR 000	EUR 000
Cost			
Balance 1 January 2017	68.080	43.762	111.842
Additions	0	43	43
Disposals	0	(100)	(100)
Effect of movements in foreign exchange	(33)	(1)	(34)
Reclassification to held for sale	(43.189)	(33.970)	(77.159)
Reclassification	0	(17)	(17)
Balance 31 December 2017	24.858	9.717	34.575
Additions	0	161	161
Disposals	0	(12)	(12)
Effect of movements in foreign exchange	0	(2)	(2)
Balance 31 December 2018	**24.858**	**9.865**	**34.723**

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	Goodwill	Other	Total
	EUR 000	EUR 000	EUR 000
Accumulated amortisation and impairment			
Balance 1 January 2017	(23.519)	(16.660)	(40.179)
Amortisation	0	(290)	(290)
Disposals	0	100	100
Effect of movements in foreign exchange	23	0	23
Reclassification to held for sale	20.839	15.038	35.877
Reclassification	1.629	7	1.636
Balance 31 December 2017	(1.028)	(1.805)	(2.833)
Amortisation	0	(188)	(188)
Disposals	0	12	12
Effect of movements in foreign exchange	0	1	1
Reclassification	0	0	0
Balance 31 December 2018	**(1.028)**	**(1.980)**	**(3.008)**

	Goodwill	Other	Total
	EUR 000	EUR 000	EUR 000
Carrying value			
Balance 1 January 2017	44.561	27.102	71.663
Balance 31 December 2017	23.830	7.912	31.742
Balance 31 December 2018	23.830	7.885	31.715

In the calculation of amortization the following useful lives are used:

- Software: 5 years
- Goodwill: infinite lifetime
- Trade Mark: infinite lifetime

The carrying value of the other intangilbes per 31 December 2018 include trademarks of EUR 7.623.000 and software of EUR 262.000. All software consists of acquisitions from third parties and concern the cost for licences and cost directly related to the installation of the software.

The carrying amount of goodwill recognized in the statement of financial position is relates to the purchase of Aker Material Handling AS in 2007 and the formation of Bruynzeel Storage Group B.V. in 2012. In 2017 part of the goodwill has been allocated to the Industrial Segment (Held for sales) that was disposed in 2018. The remaining amount is the goodwill allocated to the Bruynzeel segment and amounts to EUR 23.8 Million and EUR 7.6 Million for trademarks.

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Once acquired goodwill and trademarks will not be depreciated but will be subjected to a yearly impairment test. Impairment testing is performed at Bruynzeel Storage Group level (being the cash generating unit). Testing is subject to management assumptions like experience in past years, expected future turnover, costs and investments and future cash flows. The future cash flows are determined using a five year period, whereas the fifth year is the terminal indefinite year. No growth is taken into account after the five year period. Cash flows are discounted using the Weighted Average Costs of Capital (WACC) being 9,7%. Based on the market analysis and forecasts made by management, no impairment was recognized in 2018 (2017: 0).

19. Financial assets

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Investments in associates	0	147
Restricted deposits	170	611
Other non-current receivables	0	3.917
	170	**4.676**

The restricted deposits are deposits at financial institutions used as collateral for bank guarantees provided on behalf of the company by those institutions.

20. Inventory

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Raw materials	1.805	1.139
Goods in production	54	66
Goods in transit	103	276
Finished goods	1.460	1.586
	3.422	**3.067**

Included in the inventory are provisions for obsolete stock amounting € 551.000 (2017: € 559.000).

The cost of inventories recognised as an expense during the year in respect of continuing operations was EUR 28.8 million (2017: EUR 22,2 million). The cost of inventories recognised as an expense includes EUR 0.1 million (2017: EUR 0,0 million) in respect of writedowns of inventory to net realisable value. In 2018 and 2017 no such write-downs were reversed.

No inventories are expected to be recovered after more than 12 months.

All inventories have been pledged as security for certain of the Group’s bank overdrafts.

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21. Trade and other receivables

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Trade receivables from clients	16.995	13.848
Allowance for doubtful debts	(349)	(438)
	16.646	13.410
Projects under construction	2.401	3.027
Related parties	0	526
Other short-term interest-free receivables	1.161	953
	20.208	**17.916**

Before accepting new customers (with the exception of European governmental institutions), the Company assesses the credit risks using an external credit insurance company and applies for credit insurance on most of its non-governmental customers. In case credit insurance is not provided on a customer, management assesses the risks and, based on possibilities for prepayments and/or other securities, may decide to enter into the contract.

Trade receivables disclosed above include amounts that are past due at the end of the reporting period for which the Company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

Trade receivables with a carrying amount of EUR 15.6 million been pledged as security for certain of the Group's bank overdrafts and bank loan.

21.1. Age of trade receivables from clients that are past due but not impaired:

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
1 – 30 days	1.076	1.787
31 – 60 days	2.161	640
61 – 90 days	238	196
90 days and older	223	431
	3.698	**3.054**

As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer base.

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21.2. Movements in the allowance for doubtful debts:

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Balance beginning of the year	(438)	(419)
Impairment losses recognised	5	(56)
Amounts written off as uncollectible	84	37
Balance end of the year	**(349)**	**(438)**

Allowances for doubtful accounts are determined based on individual assessment of each receivable, taking into account the credit insurance coverage and other (operational) information as well as the historical payment behaviour of the customers involved.

22. Cash and cash equivalents

Out of the total Cash and cash equivalent an amount EUR 1.1 Million has been pledged to secure general banking facilities granted to The Company.

23. Equity

23.1. Paid in Capital

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Share Capital	12.083	12.083
Share Premium	84.096	84.096
	96.179	**96.179**

The total authorised and issued number of shares per the year ended 31 December 2018 and also for the year ended 31 December 2017 amount to 9.704.120 shares (9.590.518 shares Class A and 113.602 shares Class B). Face value per share is 10 NOK.

All issued shares are fully paid. All the shares have voting rights. Share owners in class A have 10 votes per A-share, owners in class B have 1 vote per B-share.

Altor Fund II owns 9.584.583 A shares while Emgods AS owns all the B-shares in BSG Norway Holding AS. A third investor holds the remaining 5.935 A-shares.

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The Company's equity holds a share premium reserve that has originated in the past by an additional payment of capital for the company, for an equivalent of a higher amount than the par value of the shares.

23.2. Treasury Shares

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Balance per 1 January	0	0
Transfer of own shares as result of change of ownership in Emgods AS	1.114	0
Balance per 31 December	**1.114**	**0**

The treasury shares relate to the 113.602 B-shares held by Emgods AS.

BSG Norway Holding AS and CD Group AS jointly own 81,4% of the shares in Emgods AS. BSG Norway Holding AS has control over Emgods AS. As a result Emgods AS is included in the BSG Norway Holding AS consolidation in 2018.

23.3. Appropriation of result according to articles of association

In the company statutory regulations the following has been presented concerning the appropriation of result: the profit shown in the annual accounts are at the disposal of the general meeting of shareholders.

Appropriation of result for the financial year 2017

The report on the annual accounts 2017 was adopted in the general meeting of shareholders held on 23 March 2018. The general meeting of shareholders has determined the appropriation of result in accordance with the proposal being made to that end.

Result appropriation for the financial year 2018

Pending the approval by the supervisory board, the appropriation of the result for the financial year 2018 is added to the retained earnings. The financial statements reflect this proposal.

24. Interest bearing liabilities

Information about the contractual terms of interest-bearing loans and borrowings are presented below. For more information about the Group's exposure to interest rate and foreign currency risk, see note [28].

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	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Non-current liabilities:		
Bank loan	2.250	0
Financial lease liabilities	116	235
Loan from related parties (Shareholder loan)	0	3.610
	2.366	**3.844**
Current part of these liabilities:		
Bank loan	750	57.089
Financial lease liabilities	126	115
Loan from related parties (Shareholder loan)	0	367
	876	**57.571**
Total interest-bearing liabilities	**3.242**	**61.415**

On 17 January 2018 The Company repaid all the loan facilities with Kauphting ehf of in total EUR 57.089.000. All pledges relating to this facility were released upon repayment.

In November 2018 The Company entered into a new financing agreement with their bank. The total banking facility amounts € 9,5M, consisting of a secured loan of €3M, a bank overdraft facility of €4,5M and a bank-gaurantee facility of €2M.

The financing was used for

- re-financing of the existing loan from a shareholder loan;
- shares repurchase from shares in Bruynzeel Storage Group B.V. held by external parties;
- improvement of working capital

As security the company pledged all present and future trade receivables, inventories and cash balances from Bruynzeel Storage Group B.V. and it's subsidiaries in Germany, Belgium, UK, France, Sweden and The Netherlands.

The bank loan has been drawn on 6 November 2018. Repayments will commence on 31 March 2019 and will continue until 31 december 2022. The loan carriers a roll-over interest rate of 3-months EURIBOR plus a surcharge..

The interest rate on the bankoverdraft for bank account in euro is based on 1-month EURIBOR plus a surcharge. At year-end the company did not use the overdraft facility.

The guarantee-facility is made available until 31 August 2024.

With the bank a financial conventant was agreed relating to minimum absolute EBITDA and minimum EBITDA Cover test ratio. The Company does comply with these financial convenants.

The financial lease liabilities at the end of 2018 mainly relate to leased vehicles in Switzerland and Sweden and leased production and office equipment in The Netherlands. The related assets are pledged to the lessor.

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25. Non-current provisions

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Non-current provisions:		
Product Warranties	21	9
Jubilee provision	496	441
Claims	0	218
	527	**668**
Current provisions:		
Warranties relating to disposal of Industrial Segment	750	0
Product Warranties	113	175
Jubilee provision	37	119
Long term sickness	0	56
Claims	176	0
	1.061	**350**

Warranties relating to disposal of Industrial Segment

The Company has given certain warranties to the Buyer of the sold Industrial division "Gonvarri Material Handling". Per 31 December 2018 some of these warranties are still open, with an expiry date of latest 17 January 2023. For some of these warranties the Buyer did submit a claim. For the warranties with a probable future cash outflow, the Company has recognized a provision of EUR 750K. For the other warranties no additional future payments are expected.

Product Warranties:
The provision for warranty claims represents the present value of the directors' best estimate of the future outflow of economic benefits that will be required under the Group's obligations for warranties under local sale of goods legislation. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

Jubilee provision:
The jubilee provision is the provision for future long-service awards. The provision is recognized for the present value of the future long-service awards, which is calculated on the basis of the commitments made, the likelihood of the staff concerned remaining with the company, and their age.

Long term sickness:
The provision for Long tem locknes represents the expected costs the company will incur in the next few years for employees who are expected to be unable to work for more than one year. The estimated has been made on the basis of monthly wages and may vary as a result of duration of sickness.

Claims:
The provision for claims is for some legal claims against the French subsidiairy, filed by former

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employees and a former supplier. Court decisions on these claims are expected in 2019, with an expected maximum cash outflow of € 176.000 for the company.

The non-current provisions have an anticipated long-term character.

The movement in the non-current provisions is as follows:

	Warranties	Long term Sickness	Jubilee Provision	Claims
	EUR 000	EUR 000	EUR 000	EUR 000
Balance 1 January 2017	4	32	482	305
Additions	55	0	88	0
Amounts used	(69)	(64)	(37)	(87)
Reversals	(12)	0	0	0
Reclassification from / to current part	31	32	(92)	0
Balance 31 December 2017	9	0	441	218
Additions	92	0	85	0
Amounts used	(128)	0	(135)	0
Reversals	(14)	0	(33)	(41)
Reclassification from / to current part	62	0	138	(176)
Balance 31 December 2018	**21**	**0**	**496**	**0**

26. Retirement plan liabilities

The Company is mainly covering its pension agreements through defined contributions plans. Defined benefit plans are mainly related to the operations in Belgium and Switzerland. The impact on the consolidated financial statements arising from the plans covering employees in the Netherlands, Germany and France is less significant.

Pension expenses recognised in the statement of profit and loss are as follows:

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
From defined contribution plans	854	808
From defined benefit plans	121	81
	975	**889**

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26.1. Details of the pension plans

Details of defined contribution plans

Subsidiaries of the Company have pension arrangements in accordance with local laws. Some foreign subsidiaries have retirement plans where the employer only contributes an agreed amount that is separately administered (defined contribution plan) or contributes to retirement plans that are coordinated with other employers (multi-employer contribution plan). This contribution is presented as pension expense in the period.

The Netherlands
The subsidiary in the Netherlands has a multiemployer pension plan organised by an independent pension fund (PME). The pension costs/contributions paid under this arrangements are presented together with contributions paid as defined contribution plans.

Pension plans in the Netherlands are subject to the Financial Assessment Framework, which is part of the Pensions Act. This Act sets out the minimum requirements for the financial position of a pension fund, such as the minimum funding level. The Financial Assessment Framework had been strengthened as per 1 January 2015, for example by increased buffer requirements. A pension fund's financial position is reflected mainly in the funding level. This expresses the relationship between the fund's assets and the present value of the pensions to be paid in the future (pension liabilities), averaged over the last twelve months. The minimum required funding level is 105%. In addition, a pension fund must hold sufficient buffers (equity) to be able to cope with financial setbacks. The greater the investment risks in the pension fund, the higher the buffer requirements. PME had a funding level of 97,6% at year-end 2018 (2017: 101,6%). Due to a funding deficit (funding less than 105%), the fund submitted a recovery plan. The recovery plan does not include additional contributions by the employer.

In the PME plan a maximum salary-level is incorporated. In addition a voluntary defined contribution plan is available for the employees who's salary is exceeding the maximum in the PME plan.

Details of defined benefit plans

Switzerland

The pension plans in Switzerland are governed by the Swiss Federal Law on Occupational Retirement (BVG). The plans are managed by an independent, legally autonomous entity and is under regulatory supervision. The plan covering the Company's employees in Switzerland is set up as a foundation and the foundation board is composed of equal numbers of employee and employer representatives.

The primary benefit of the Company's plan is an old-age pension after reaching retirement age. The level of the old-age pension is determined by the plan's conversion rate applied to the employees' individual pension account accumulated at retirement age. There are options for early retirement (with actuarially determined reduction of the conversion rate) and for choosing to receive a lump-sum payment instead of a pension. The old-age pension is funded by monthly contributions from the employer and the employee (deducted from salary) to an individual pension account which in addition is increased by a yearly interest accrual. The contributions are based on age and on a percentage of the contributory salary. Further funding of an individual pension account comprises mandatory transfers of funds made by new employees from plans of his/her former employers and discretionary

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contributions from the employee (with restrictions to maximum amounts). Other benefits comprise orphans' pensions and/or lump-sum payments in case of death as well as disability pensions (if disabled before retirement age). The independent insurance company invests the vested pension capital and provides a maximum capital and interest guarantee.

Belgium

In Belgium, the Company has a defined benefit pension plan covering all of its employees. The plan provides lump-sum benefits to participants upon death or retirement based on a formula applied to the annual salary of the participant before retirement or death. The plan is subject to the legal requirement to guarantee a minimum return on the contributions paid by plan participants. The assets of the plan, which are made up from the contributions, are managed through an independent fund that is administered by an independent insurance company, providing a minimum guaranteed return. The plan participant's contributions are defined in the terms of the plan, while the annual contributions to be paid by the Company are determined based on the funding level of the plan and are calculated based on current salaries, taking into account the legal minimum funding requirement, which is based on the vested reserves to which employees are entitled upon retirement or death. The plan mainly invests in group insurance products in order to achieve the required minimum return. The Company bears no risk due to the minimum guarantee given by the insurance company.

The Netherlands

In the Netherlands, until 31 December 2016 the Company had an average pay pension plan for a part of its employees. This plan was terminated per 1 January 2017 and new defined contribution plan was opened for employee's who's salary is exceeding the maximum of the PME plan.

Under the old plan, the Company provides lump-sum benefits to participants upon death or retirement. The contributions to the plan, based upon individual employee circumstances, were paid by the employer and are managed through an independent fund that is administered by an independent insurance company. The insurance company covers the committed pension benefits. The Company bears risk, for example when the employee wants to transfer value.

26.2. Principal assumptions used

The following are the principal assumptions at the reporting dates in the three main countries:

	Belgium		Switzerland		The Netherlands	
	2018	2017	2018	2017	2018	2017
Discount rate	1.0%	0.7%	0.8%	0.7%	1.7%	1.9%
Wage growth	2.9%	2.9%	1.0%	1.0%	0.0%	0.0%
Social security base adjustment / inflation	1.9%	1.9%	1.0%	1.0%	0.0%	0.0%
Pension adjustment	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Expected return	0.7%	1.0%	0.7%	1.0%	1.7%	1.9%

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26.3. Amounts recognized in total comprehensive income in respect of defined benefit plans

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Service cost:		
• Current service cost	(129)	98
• Past service cost and (gain)/loss from settlements	20	0
Net interest expense	(7)	(9)
Administration cost	(5)	(8)
Components of defined benefit costs recognised in profit or loss	*(121)*	*81*
Remeasurement on the net defined benefit liability	199	488
Components of defined benefit costs recognised in other comprehensive income	*199*	*488*
Total	**78**	**569**

26.4. Amounts recognized in statement of financial position in respect of defined benefit plans

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Present value of funded defined benefit obligation	(6.573)	(6.939)
Fair value of plan assets	5.748	5.930
Funded status	(825)	(1.009)
Effect of asset ceiling at the end of financial year	0	0
Net amounts arising from defined benefit plans	**(825)**	**(1.009)**

Out of the total negative funded status of € 825.000, an amount of € 546.000 is relating to the pension plan in Switzerland. For this plan all benefits in accordance with the regulations are reinsured in their entirety with Swiss Life Ltd. A cash-outflow in addition to the regular contributions will only occur in the event that Swiss Life Ltd will not be able to fulfil its obligations to (former) employees. On 30 April 2018, Standard & Poor's Global Ratings affirmed its 'A' financial strength rating on Swiss Life Ltd.

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Movements in the present value of the defined benefit obligation are as follows:

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Opening balance	6.939	8.893
Initial valuation of new plans	0	0
Current service cost	129	(99)
Interest cost	81	90
Remeasurements (gains)/losses arising from:		
- Demographic assumptions	(29)	0
- Economical assumptions	8	19
- Financial assumptions	(162)	(510)
Contribution from plan participants	94	226
Past service cost, including losses/(gains) on curtailments	(2)	0
Liabilities extinguished on settlements	0	0
Exchange differences on foreign plans	75	(222)
Benefits paid	(564)	(1.465)
Transfers	0	0
Administration costs	4	7
Closing balance	**6.573**	**6.939**

Movements in the fair value of the plan assets are as follows:

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Opening balance	5.930	7.110
Initial valuation of new plans	0	0
Interest income	75	83
Remeasurements gain (loss)	33	(5)
Contributions from the employer	125	143
Contributions from plan participants	94	226
Assets distributed on settlements	0	0
Exchange differences on foreign plans	55	(162)
Benefits paid	(564)	(1.465)
Administration cost	0	0
Transfers	0	0
Closing balance	**5.748**	**5.930**

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The fair value of the plan assets at the end of the reporting period for each category are as follows:

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Insurance contracts	5.719	5.908
Cash and cash equivalents	29	22
	5.748	**5.930**

26.5. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and wage growth. We determine that the potential impact of other actuarial assumptions such as the longevity risk, will not materially impact the defined benefit obligation and/or service cost.

The sensitivity analysis below have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the reporting, while holding all other assumptions constant.

	Change	Impact on Defined benefit Obligation Year ended 31.12.2018	Impact on service cost Year ended 31.12.2018
		EUR 000	EUR 000
Discount rate	+1,0%	(795)	(24)
Discount rate	-1,0%	1.037	31
Wage growth	+1,0%	161	16
Wage growth	-1,0%	(171)	(16)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

The average duration of foreign benefit obligations at 31 December 2018 is approximately 15.3 years in Switzerland 8.6 years in Belgium (2017: approximately 16.1 years respectively 8.6 years).

The average duration of the benefit obligation in the Netherlands at 31 December 2018 is approximately 15.6 years (2017: approximately 15.8 years). For the individual member groups, the duration is as follows:

- Active members: not applicable due to termination of plan
- Deferred members: approximately 16.9 years (2017: approximately 17.2 years); and
- Retired members: approximately 8.6 years (2017: approximately 9.0 years).

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The Company expects to make a contribution of € 131.000 to the defined benefit plans during the next financial year.

26.6. Most important actuarial risks

The defined benefit plans expose the Company to actuarial risks such as: interest risk, longevity risk and salary risk. The investments risks are limited as the plans provide a minimum return guarantee by the pension provider.

- Interest risk: a decrease in the bond interest rate will increase the plan liability; however, this will be party offset by an increase in the return on the plan's investments;
- Longevity risk: an increase in the life expectancy of the plan participants will increase the plan's liability;
- Salary risk: an increase in the salaries of the plan participants will increase the plan's liability.

The most recent actuarial valuation was carried out at 31 December 2018 by independent actuaries.

27. Trade and other payables

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Trade payables	8.170	6.499
Advances from customers	721	1.074
Accrued expenses and other current liabilities	5.566	7.838
	14.457	**15.411**

28. Financial instruments

28.1. Information on risks

The following financial risks can be identified: market risk, credit risk and liquidity risk.

The credit risk is the risk arising in connection with the default of counterparties to trading and sales transactions. The liquidity risk is the risk of the Company being unable to meet its payment obligations as they fall due.

This note provides information on these financial risks to which the Company is exposed, the objectives and policy for managing risks arising from financial instruments as well as the management of capital.

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Market risk

Market risk is defined as the risk of loss due to an adverse change in financial market prices The Company is exposed to the following potential market risks:

- Currency risk: the risk that the value of a financial instrument will fluctuate because of changes in exchange rates;
- Interest rate risk: the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed.

Currency risk

The presentation currency of the Company is Euro. The currencies involved in the operations within the Group are EUR, NOK, GBP, CHF, DKK and SEK. Therefore the Company is exposed to a currency risk.

Exchange differences when translating assets and liabilities of companies within the group with functional currency different from Euro are recognized in other comprehensive income and specified as translation differences in the equity.

As the company has an Order Bank (Orders received, not yet delivered) of between € 25 million and € 35 million and receivables in several local currencies in its geographical regions, foreign currency exchange rates have an impact on the profitability of the Company depending on the price clauses included in the orders received and the currencies receivables are denominated in. The Company aims to reduce its exposure to such risks by entering into agreements with customers and/or suppliers that exclude or minimise such exposure. At the end of 2018 and 2017, no hedge instruments were in use.

A sensitivity analysis of the currency risk cannot be calculated because this impact is dependent on many factors both individual and in combination with each other.

Interest rate risk

The Company is exposed to interest rate risk because the Company borrows funds at both fixed and variable interest rates. Variable interest rates aply to the bank loan (€ 3 million) and the overdraft facility. The overdraft facility is not used at the end of 2018. The total interest rate risk is limited to a variable-interest bearing liability of € 3 million and therefore management assessed the interest rate risk as a lower risk.

If variable interest rates had been 5 percent higher/lower and all other variables were held constant, the Company's profit for the year ended 31 December 2018 would not be impacted significantly.

Credit risk:

Credit risk is the risk of a loss being incurred because counterparty is unable or unwilling to meet its obligations. Credit analysis are applied throughout the Company, with the degree of review undertaken varying depending on the magnitude of the credit risk in a transaction.

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Surpluses of cash and cash equivalents are not placed in the money and capital markets.

The Company is exposed to credit risk; this is the risk of non-payment by customers for services provided. The Company has procedures to limit credit exposure to counterparties and to ensure that outstanding positions are covered, for example, by implementing letter of credit or bank guarantees.

Before accepting new customers (with the exception of European governmental institutions), the Company assesses the credit risks using an external credit insurance company and applies for credit insurance on most of its non-governmental customers. In case credit insurance is not provided on a customer, management assesses the risks and, based on possibilities for prepayments and/or other securities, may decide to enter into the contract. Based on these procedures the management assessed the credit risk and expected losses as a lower risk.

Liquidity risk

Liquidity risk is the risk that the Company is unable to obtain the financial resources required to meet its financial obligations on time. In this connection, the Company regularly assesses the expected cash flows. These cash flows include operating cash flows, interest payments, replacement capital expenditure and the effects of a change in the Company's creditworthiness. The aim is to have sufficient funds available at all times to provide the required liquidity.

The Company's liquidity needs are affected by many factors, some of which are based on the normal ongoing operations of the business, and others that relate to the uncertainties of the global economy and the industry. Cash requirements fluctuate based on the timing and extent of these factors.

The following table details the Company's remaining contractual maturity for its non-derivative financial assets liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of the financial liabilities based on the earliest date on which the company can be required to pay.

As at 31.12.2017	Less than 1 year	1-5 years	5+ years	Total
	EUR 000	EUR 000	EUR 000	EUR 000
Financial assets				
Non-interest bearing	280	320	11	611
Financial liabilities				
Non-interest bearing	0	0	0	0
Financial lease liability	115	235	0	350
External debt	57.089	0	0	57.089
Debt shareholder loan	367	1.468	2.142	3.977
	57.571	**1.703**	**2.142**	**61.416**

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As at 31.12.2018	Less than 1 year	1-5 years	5+ years	Total
	EUR 000	EUR 000	EUR 000	EUR 000
Financial assets				
Non-interest bearing	71	89	10	170
Financial liabilities				
Non-interest bearing	0	0	0	0
Financial lease liability	126	116	0	242
Variable interest rate liability	750	2.250	0	3.000
	876	**2.366**	**0**	**3.242**

A possible financial impact of the above recognized risks and uncertainties cannot be calculated because this impact is dependent on many factors both individual and in combination with each other.

None of the relevant risks and uncertainties described above influenced the (financial) performance of the financial year 2018 significantly and therefore no remedial measures to the risk management system were necessary. Based on the Company's risk-profile and the mitigation measures in place, management assesses that that these risks will have no significant impact to future (financial) performance

28.2. Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximising the return to its shareholder through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from prior years.

The capital structure of the Company consists of net debt (borrowings as detailed in note [24]) and equity of the Company (comprising issued capital, reserves and retained earnings as detailed in note [23]).

The Company is subject to bank covenants, as part of the new facility agreement with their bank. The covenant relates to a minimum absolute 12-month EBITDA and minimum EBITDA Cover test ratio. The Company does comply with these financial covenants.

28.3. Categories of financial instruments

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Financial assets		
Cash and bank balances	5.957	6.321
Fair value through profit or loss (FVPTL)		
Held for trading	0	0
Designated as at FVPTL	0	0
Derivative instruments in designated hedge accounting relationships	0	0
Held-to-maturity investments	0	0

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Loans and receivables	20.208	22.830
Available-for-sale financial assets	0	0
Financial liabilities		
Fair value through profit or loss (FVPTL)		
Held for trading	0	0
Designated as at FVPTL	0	0
Derivative instruments in designated hedge accounting relationships	0	0
Amortised cost	3.035	62.236

28.4. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required)

Except as detailed in the following table, the Company considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

	Year ended 31.12.2018		Year ended 31.12.2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities:				
Held at amortised cost				
Interest-bearing loans	3.000	3.035	61.415	62.236

The fair values of the loans from related parties and the bank loan were determined by discounting the future cashflows in accordance with the loan agreements. The company applied the risk free interest rate adjusted for betas as its discount rate which amounts to 1.36% (2017: 1.20%). A change in the discount rate applied would result in a different fair value.

There has been no change to the valuation technique during the year.

28.5. Fair value hierarchy

As at 31.12.2017	Level 1	Level 2	Level 3	Total
	EUR 000	EUR 000	EUR 000	EUR 000
Financial assets:				
Loans and receivables				
Loans to related parties	0	0	0	0
Trade and other receivables	0	22.830	0	22.830
	0	22.830	0	22.830

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Financial liabilities:	Level 1	Level 2	Level 3	Total
	EUR 000	EUR 000	EUR 000	EUR 000
Held at amortised cost				
Interest-bearing loans	0	0	62.236	62.236
Trade and other payables	0	15.411	0	15.411
	0	15.411	62.236	77.647
Financial assets:				
Loans and receivables				
Loans to related parties	0	0	0	0
Trade and other receivables	0	20.208	0	20.208
	0	20.208	0	20.208
Financial liabilities				
Held at amortised cost:				
Bank loan		0	3.035	3.035
Trade and other payables	0	15.105	0	15.105
	0	15.105	3.035	18.140

29. Related Party Transactions

BSG Norway Holding AS is owned by Altor Fund II.

During 2018 The Group has fully repaid loans with former shareholders unrelated to the group for a total value of EUR 61.066.000 plus interest. As a result all pledges relates to these loans have been released.

30. Compensation of key management personnel

The Company considers the (executive) board members to be key management personnel. Individuals responsible for individual business units are not considered to be key management personnel. The remuneration of key management personnel is determined by the shareholders and includes alignment with the remuneration policies of the Company's main shareholder, market trends and the Company's performance.

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Fixed salaries and bonus CEO	335	342
Pension contributions	0	60
Director's fee	53	102
	388	**504**

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31. Operating lease arrangements

31.1. Lease arrangements

The Company is engaged as lessee in several operating building and car lease contracts which may or may not have clauses that allow periodic price indexation and/or purchase options at the end of the contractual term.

31.2. Payments recognised as an expense

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Current year	**1.178**	**1.240**

31.3. Non-cancellable operating lease commitments

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Not later than 1 year	1.027	1.137
Later than 1 and not later than 5 years	3.144	3.222
Later than 5 years	739	1.423
	4.910	**5.782**

32. Contingent liabilities

The Company has pledged assets as collateral in several financing arrangements as disclosed in note [24].

The Company has given certain warranties to the Buyer of the sold Industrial division "Gonvarri Material Handling". Per 31 December 2018 some of these warranties are still open, with an expiry date of latest 17 January 2023. For some of these warranties the Buyer did submit a claim. For the warranties with a probable future cash outflow, the Company has recognized a provision of EUR 750K. For the other warranties no additional future payments are expected.

With extensive operations throughout Europe there are risks of being involved in legal disputes related to the Group's course of activities. Such disputes are however at a minimum, and there were no significant disputes as of 31.12.2018 in the group.

The Company issued a support letter to its subsidiary Bruynzeel Storage Systems AS, in which the Company guarantees to support the subsidiary with sufficient liquidity to safeguard the subsidiaries business.

The subsidiary in Denmark forms a tax union with the Danish subsidiary of a related party until fiscal year 2017. Tax responsibilities are shared between the two entities.

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33. Exchange rates

In the consolidated accounts of BSG Norway Holding AS, the following significant exchange rates have been applied in translating the accounts of subsidiaries to Euro:

Country	Currency	Average rate 2018	Closing rate 31-12-2018	Average rate 2017	Closing rate 31-12-2017
UK	GBP 1	0,8847	0,8945	0,8759	0,8872
Denmark	DKK 1	7,4532	7,4676	7,4387	7,4446
Sweden	SEK 1	10,2523	10,2549	9,6381	9,8442
Norway	NOK 1	9,5996	9,9483	9,3295	9,8403

The statement of profit and loss and cash flow statements of companies whose functional currencies are not EUR are translated into EUR at average exchange rates for the period 1.1 – 31.12. Assets and liabilities are translated at the exchange rates at the end of the reporting period.

34. Group Entities

The company directly holds the shares in CD Group AS (100%) and shares in Emgods AS (62,6%).

During 2018 CD Group AS acquired an additional 55,5% share in Emgods AS. The remaing shares in Emgods AS are held by (former) employees.

The other material subsidiaries of the BSG Norway Holding AS group are presented in the table below.

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Company name	Ownership interest (in %) 31.12.2018	31.12.2017	Business adress	Country
Continuing operations:				
CD Group AS	**100**	**87,5**	**N - Østensjøveien 27, 0661 Oslo**	**Norway**
BSG Norway AS	100	87,5	N - Østensjøveien 27, 0661 Oslo	Norway
Bruynzeel units				
Bruynzeel Storage Group BV	100	73,9	NL - Industrieterrein 7, 5980 AC Panningen	Holland
Bruynzeel Storage Systems BV	100	73,9	NL - Industrieterrein 7, 5980 AC Panningen	Holland
Bruynzeel Storage Systems AS	100	73,9	N - Stanseveien 4, 0975 Oslo	Norway
Bruynzeel Storage Systems A/S	100	73,9	DK - Rorupvej 1, 4320 Lejre	Denmark
Bruynzeel Storage Systems AB	100	73,9	S - Göteborgsvägen 88, 433 02 Sävledalen	Sweden
Bruynzeel Storage Systems Ltd	100	73,9	GB - Marchants Way, Burgess Hill, West Sussex RH15 8QY	UK
Bruynzeel Storage Systems nv/sa	100	73,9	B - Buro & Design Center b50, Espl Heysel, 1020 Brussels	Belgium
Bruynzeel Rangements SAS	100	73,9	F - Parc de Forges, 13 rue de Jacobi-Netter, 67200 Strasbourg	France
Compactus & Bruynzeel AG	100	73,9	CH - Moosweg 8, 8500 Frauenfeld	Switzerland
Bruynzeel Archiv & Bürosysteme Gmb	100	73,9	D - Siemensstrasse 31, 47533 Kleve	Germany
Discontinuing operations:				
Inceptum 1005 AS	0	87,5	N - Østensjøveien 27, 0661 Oslo	Norway
Industrial units				
Dexion sa/nv	0	87,5	B - Buro & Design Center b50, Espl Heysel, 1020 Brussels	Belgium
Constructor Norge AS	0	87,5	N - Østensjøveien 27, 0661 Oslo	Norway
Constructor Danmark A/S	0	87,5	DK - Rorupvej 1, 4320 Lejre	Denmark
Constructor Group UK Ltd	0	87,5	GB - Murdock Road, Dorcan, Swindon SN3 5HY	UK
Constructor Sverige AB	0	87,5	S - Bergsjödalen 60, 400 53 Göteborg	Sweden
Constructor Shared Services AB	0	87,5	S - Bergsjödalen 60, 400 53 Göteborg	Sweden
Dexion GmbH	0	87,5	D - Dexionstr 1-5, 35 321 Laubach	Germany
Constructor Dexion Holland BV	0	87,5	NL - Nijverheidsweg 23H, 3640 AB Mijdrecht	Holland
Dexion Storage Solutions S.R.L.	0	87,5	RO - Str. Campului Nr. 1A, Rasnov, judet Brasov	Romania
Dexion Polska sp. z o.o.	0	87,5	PL - Wenecka Street 12, 03-244 Warzawa	Poland
Dexion SPOL s.r.o.	0	87,5	SK - Triblavinska 3197, 900 25 Chorvatsky Grob	Slovak Rep.
Dexion Kft.	0	87,5	H - Baross utca 89, 2040 Budaörs	Hungary
Dexion S.R.O.	0	87,5	CZ - Vlastiborska 4, 193 00 Praha 9	Czech Rep.
CF Group OY	0	87,5	FI - Sauvonrinne 12, 08500 Lohja	Finland
Constructor Finland OY	0	87,5	FI - Sauvonrinne 12, 08500 Lohja	Finland

The sale of the industrial segment was completed on 17 January 2018, BSG Norway Holding AS sold its fully owned subsidiary Inceptum 1005 AS and 10% of the shares of Dexion GmbH. The gain on the disposal is included in the profit and other comprehensive income of discontinuing operations.

35. Non Controlling Interests

At the end of 2017 the Bruynzeel Storage Group B.V. Subgroup had a 15,5% shareholder and CD Group AS subgroup a 12,5% shareholder unrelated to the Group. During 2018 The Group acquired the shares in these entities from these external shareholders. Total cashoutflow for these transactions amount to EUR 6.4M. As a result no material Non Controlling Interests exists at the end of 2018.

18,57% of the shares in subsidiary Emgods AS are held by (former) employees. Emgods AS has a 1,17% share in BSG Norway Holding AS. The total value of this 0,22% non controlling interest is not material.

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Company financial statements

- Company balance sheet
- Company statement of profit or loss
- Company statement of cash flows
- Notes to the company financial statements

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Company balance sheet at 31 December

	Notes	31.12.2018	31.12.2017
		EUR 000	EUR 000
Assets			
Non-current assets			
Investments in subsidiaries	[2]	39.053	35.201
Deferred tax assets	[10]	175	325
Long-term receivables from group companies	[3]	8.199	13.652
		47.427	49.177
Current assets			
Short-term receivables from group companies	[3]	8	2.799
Other receivables	[3]	1	13
Cash and cash equivalents		182	181
		191	2.994
Total assets		**47.618**	**52.171**
Equity and liabilities			
Capital and reserves			
Share capital	[4]	12.083	12.083
Share premium reserve	[4]	84.096	84.096
Retained earnings	[4]	(48.641)	(47.518)
		47.538	48.661
Current liabilities			
Short-term debt to group companies	[5]	0	2.601
Other current liabilities	[5]	80	910
		80	3.510
Total equity and liabilities		**47.618**	**52.171**

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Company profit and loss account
for the year ended 31 December

	Notes	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Administrative expenses	[8]	(168)	(89)
Operating profit before depreciation, amortization and other operating expenses		**(168)**	**(89)**
Other expenses	[8]	(1.124)	(7.872)
Operating profit		*(1.292)*	*(7.961)*
Financial income	[9]	1.066	1.192
Financial expenses	[9]	(238)	(1)
Profit before tax		**(464)**	**(6.770)**
Income tax expenses	[10]	(150)	(271)
Net income for the year		**(614)**	**(7.041)**
Profit/(loss) for the year is distributed as follows:			
Net profit/(loss) from ordinary activities		(614)	(7.041)
Profit carried forward		614	7.041
		0	0

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Company statement of cash flows for the year ended 31 December

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Cash flow from operating activities		
Profit/(loss) before tax	(464)	(6.770)
Adjustments for:		
- Sales loss/(-profit) and write downs	0	7.835
- Unrealized foreign exchange gain/loss and other non-cash items	95	(1.106)
- Movements in working capital	(633)	97
Net cash (used in)/generated by operating activities	**(1.002)**	**56**
Cashflow from financing activities		
Purchase shares in group companies	(4.388)	0
Instalment long-term receivable	5.393	0
Net cash (used in)/generated by financing activities	**1.005**	**0**
Net increase/(decrease) in cash and cash equivalents	**3**	**56**
Effects of exchange rate changes on the balance of cash held in foreign currency	(2)	(14)
Cash and cash equivalents at the beginning of the year	181	139
Cash and cash equivalents at the end of the year	**182**	**181**

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Notes to the company financial statements

1. **General information and accounting policies**

The financial statements consist of the profit and loss statement, balance sheet, cash flow statement and notes to the accounts. The financial statements form a whole.

The financial statements have been presented in compliance with the Norwegian Companies Act, the Norwegian Accounting Act and Norwegian generally accepted accounting principles in effect as of December 31, 2017. The financial statements give a true and fair view of assets and liabilities, financial standing and result.

The financial statement is presented in thousands of Euro (EUR). The functional currency of the company is Norwegian kroner (NOK). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of each transaction. Receivables and liabilities in foreign currencies are translated into the functional currency at the exchange rates at the end of the reporting period. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss.

The financial statements have been prepared based on the fundamental principles governing historical cost accounting, comparability, continued operations, congruence and prudence. Transactions are recorded at their value at the time of the transaction. Income is recognized at the time of delivery of goods or services. Costs are expensed in the same period as the income to which they relate.

In cases where actual figures are not available at the time of the closing of the accounts, generally accepted accounting principles require management to make estimates and assumptions regarding the effect of these items on the statement of profit and loss as well as the balance sheet. Actual results could differ from these estimates.

Costs are expensed in the same period as the income to which they relate is recognized. Costs that cannot be directly related to income are expensed as incurred. All costs related to restructuring and discontinued activities are expensed at the time restructuring or discontinuance is decided upon.

Items which fall due within one year are classified as current assets/liabilities. Other assets are classified as non-current assets and other debt is classified as non-current liabilities. Current assets/ liabilities are recognized initially at the lowest/highest of acquisition cost and fair value. Other assets are classified as fixed assets.

Fixed assets are recognized at historical cost, with deductions for depreciation. In the event of a decline in value which is not temporary, the fixed asset will be subject to a write-down.

When applying the basic accounting principles and disclosure of transactions and other items, the “substance over form” rule is adopted.

Losses which are probable and quantifiable are charged to profit and loss.

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Investments in subsidiaries

Subsidiaries are entities of which the company owns, either directly or indirectly, over fifty percent of the voting rights, or as to which the company has the power, in some other way, to control the entity's operating and financial policies. Subsidiaries are assessed in the balance sheet using the cost method. The company's investments in subsidiaries are valued at the lower of average cost and fair value. If the fair value of an investment in subsidiary is lower than book value, and the decline in value is not temporary, the investment will be written down to fair value. Previous write-downs are reversed when the basis for such write-down is no longer present.

Receivables

Receivables are accounted for at face value with deductions for expected loss. If fair value of receivables is lower than book value, and the decline in value is not temporary, the receivables will be written down to fair value. Previous write-downs are reversed when the basis for such write-down is no longer present..

Assets and liabilities in foreign currency

Cash and cash equivalents, assets and liabilities in foreign currencies are recorded at the year-end exchange rates.

Deferred tax and tax expense

Deferred tax is calculated based on temporary differences between book values and values according to the tax basis for assets and liabilities at year end. For the purposes of calculating deferred tax, nominal tax rates are used. Positive and negative differences are offset to the extent they reverse within the same time-frame. Temporary differences, including carry-forward of unused tax losses, that will constitute a future tax deduction, give rise to a deferred tax asset. The deferred tax expenses for the year is the change in deferred tax assets/ liabilities together with currency differences and changes in deferred tax assets/liabilities related to takeovers.

Cash flow statement

The cash flow statement is compiled using the indirect method. Cash and cash equivalents include cash, bank deposits and other short-term investments with terms not exceeding 3 months that immediately, and with no significant risk of changes in value, can be exchanged for cash.

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2. Investments in subsidiaries

Shares in subsidiaries comprise of

	Interest	Year ended 31.12.2018	Year ended 31.12.2017
	%	EUR 000	EUR 000
CD Group AS, Norway	2018: 100 2017: 87,5	38.656	35.201
Emgods AS, Norway	2018: 62,6 2017: 0	397	0
		39.053	35.201

	Equity per 31.12.2018	Profit after financial items 2018
	EUR 000	EUR 000
CD Group AS, Norway	25.990	6.046
Emgods AS, Norway	1.133	89

In 2018 BSG Norway Holding AS purchased:

- 12,5% of the shares in CD Group AS from Kaupthing ehf, bringing the total shareholding to 100% in CD Group AS;
- 62,58% of the shares in Emgods AS from former management.

The company voting rights equals owner share.

3. Receivables

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Long-term receivables from group companies	8.199	13.652
Total long-term receivables	**8.199**	**13.652**
Short-term receivables from group companies	8	2.799
Other short-term receivables	1	13
Total short-term receivables	**9**	**2.813**
	8.208	16.465

The long-term receivables from group companies are due after one year. Interest is calculated in accordance with common market conditions.

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4. Equity

4.1. Paid in Capital

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Share Capital	12.083	12.083
Share Premium	84.096	84.096
	96.179	**96.179**

The total authorised and issued number of shares per the year ended 31 December 2018 and also for the year ended 31 December 2017 amount to 9.704.120 shares (9.590.518 shares Class A and 113.602 shares Class B). Face value per share is 10 NOK.

All issued shares are fully paid. All the shares have voting rights. Share owners in class A have 10 votes per A-share, owners in class B have 1 vote per B-share. Altor Fund II owns 9.584.583 A shares while Emgods AS owns all the B-shares in BSG Norway Holding AS. A third investor holds the remaining 5.935 A-shares.

The Company's equity holds a share premium reserve that has originated in the past by an additional payment of capital for the company, for an equivalent of a higher amount than the par value of the shares.

4.2. Loss carried forward

A summary of the movements of the loss carried forward is given below.

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Balance beginning of the year	(48.661)	(36.252)
Profit/(loss) for the year	(614)	(7.041)
Pension cost	0	2
Effect of exchange rate changes	634	(4.226)
Balance end of the year	(48.641)	(48.661)

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5. Short-term liabilities

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Short-term interest-bearing debt to group companies	0	2.601
Trade accounts payable	0	524
Other short-term liabilties	80	385
	80	**3.510**

6. Wages and other personnel expenses

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Wages and renumeration to board of directors and supervisory board	40	607
Social security contributions	10	51
Pension costs	0	(32)
Other benefits	(2)	1
Wages and other personnel costs	48	628
Management fee invoiced to subsidiaries	0	(565)
	48	**63**

7. Number of employees

	Year ended 31.12.2018	Year ended 31.12.2017
Average total year	0	1,1
As of 31 December	0	1,0

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8. Administration cost and other operating items

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Net salary cost	48	63
Other operating cost	120	112
Management fee invoiced subsidiaries except salary cost	0	(86)
	168	89
Other operating items	1.124	7.872
	1.292	**7.961**

In 2018 the operating items include a cost of € 1,0 million for the settlement of a option relating to the purchase of the shares in CF Group OY in 2017. Operating in 2017 mainly relate to impairment cost of the shares in CF Group OY.

In 2018 the Company changed their auditor from KPMG to Deloitte. An overview of all audit fees presented by type of service is presented below:

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Audit	62	32
Tax advisory services	2	0
Other advisory services	20	102
	84	**134**

9. Financial items

	Year ended 31.12.2018 EUR 000	Year ended 31.12.2017 EUR 000
Interest income group companies	973	0
Net foreign exchange gains/(losses)	(145)	1.191
	828	**1.191**

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BSG Norway Holding AS
Oslo

10. Tax

10.1. Income tax payable for the year

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Profit/(loss) before tax	(464)	(6.770)
Permanent differences	1.085	7.836
Change in other differences	444	(1.073)
Taxable profit	1.065	(70)
Utilization of carry forward losses	(1.065)	0
Taxable amount	0	0
Tax rate	23%	24%
Total income tax payable for the year	**0**	**0**

10.2. Income tax expense

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Income tax payable for the year	0	0
Change deferred tax	(150)	(271)
	(150)	**(271)**
Reconciliation of effective tax rate		
23% tax of profit/(loss)	107	1.625
Expenses not deductible for tax purposes	(257)	(1.881)
Effect change in tax rate	0	(15)
	(150)	**(271)**

10.3. Deferred tax balances

	Year ended 31.12.2018	Year ended 31.12.2017
	EUR 000	EUR 000
Deferred tax asset in relation to:		
Losses carried forward	1.495	2.551
Other temporary differences	(732)	(1.139)
Total temporary differences	**763**	**1.412**
Net tax assets (liabilities) – 23% / 24%	**175**	**325**

BSG Norway Holding AS
Oslo

11. Transactions and agreements with related parties

The company has issued a subordinated loan of 8,2 million EUR to subsidiary CD Group AS, interest of 1,0 million EUR is charged on this loan in 2018 (2017: nil).

Altor Equity Partners AS invoiced 18 thousand EUR in 2018 (2017: 10 thousand EUR). The amount is related to travelling and out of pocket cost.

Transactions with related parties are based on the principle of arm's length.

12. Compensation of key management personnel

Reference is made to [note 29] of the consolidated financial statements.

Signing of the annual accounts

Oslo, May 22, 2019

E.K. Reiten

Chairman of the Board of Directors

P. Stampe

Director

I.M. van Duuren

CEO

BSG Norway Holding AS
Oslo

BSG Norway Holding AS
Oslo

Other information

BSG Norway Holding AS
Oslo

Independent auditor's report

Reference is made to the auditor's report as included hereinafter.

BSG Norway Holding AS
Oslo

Independent auditor's report

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BSG Norway Holding AS
Oslo

Norwegian Directorate of Taxes

Inquiries to	Your date	Our date
Torstein Kinden Helleland	19.12.2014	07.01.2015
Telephone	Your reference	Our reference
22078139	Odd Hugo Linnerud	2014/461849
	VCB ARE	

KPMG AS
P.O. Box 7000 Majorstua
0306 OSLO

Permission to prepare the annual accounts and directors' report in English language for Constructor Group AS, org. nr. 991 516 530

With reference to your letter of 19 December 2014, you apply for permission to keep annual accounts and directors' report in English language. The application in question concerns Constructor Group AS.

Conclusion
Based on a total evaluation, the view of The Directorate of Taxes is that Constructor Group AS may make the directors' report and annual accounts in English language according to the Norwegian Accounting Act § 3-4 third paragraph. The exemption requires that the information that the decision is based on, does not change significantly.

A copy of this letter must be sent to the Register of Company Accounts in Brønnøysund together with the financial statements. It is incumbent on the company to document by this letter that the permit is granted.

Background
Constructor Group AS is wholly owned by the British company Altor Fund II GP Limited. The board comprises a mix of Norwegians and non-Norwegians. Constructor Group AS is a leading manufacturer and provider of high quality storage, archiving and logistic solutions. The clients are other professional businesses. The Norwegian activity contributes only a limited part to the total turnover of the company, and the market, for the most part, can be found outside of Norway. The activity is a highly international, and the use of English is extensive. The working language is English, and English is the preferred language for internal and external communication. The annual report and financial statements are required to be prepared each year in the Norwegian language only in order to satisfy the requirements of the Norwegian Accounting Act.

Permission to make the annual accounts and the directors' report in Norway in English language
According to the Norwegian Accounting Act § 3-4, third paragraph shall *"the directors' report and annual accounts ... be in Norwegian. The Ministry can in an individual decision decide that the directors' report and/or annual accounts may be in another language"*.

Postal address	Visiting address:	Telephone
P.O. Box 9200 Grønland	See www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefax
	E-mail: skatteetaten.no/sendepost	22 17 08 60

Ot. prp. nr. 42 (1997-1998) About Act about annual accounts etc., says the following about the purpose of the Accounting Act, refer section 1.1:

> *"The aim of the Government with respect to the Accounting Act is that it shall contribute towards providing informative accounts for different users of accounts. The users of accounts include investors and creditors which provide capital for the companies. Other groups include those who have an interest in knowing how the companies are operated, for example employees and the local community. The information to the capital market is an important basis for the correct pricing of financial instruments. The correct pricing of stocks is an important factor in securing the best possible allocation of resources in the economy. High quality accounts will also make it more difficult for market participants to obtain speculative gains as a result of non-publicly available information."*

Hence, one of the main aims of the Accounting Act is to contribute to "informative accounts for different users of accounts". The users of the accounts will include investors, creditors, employees and the local community.

Hence, it is the view of the Ministry that it is crucial that the question of dispensation from the general rule that the annual accounts and/or directors' report should be prepared in Norwegian, not in any significant way deviate from the consideration of users of the accounts.

As mentioned above it is particularly the consideration of the users of the account information which has to be taken into consideration when considering the application for permission. In this assessment, the Directorate of Taxes has emphasized that the company is wholly owned by a foreign company. The working language is English, and English is the preferred language for internal and external communication. Further, the company operates in a highly international industry.

Please state "our reference" (see above) in all written communication with The Norwegian Tax Authorities.

Best regards

Rune Tystad
Senior Adviser
Legal Department
Norwegian Directorate of Taxes

Torstein Kinden Helleland

This document has been electronically approved and contains therefore no handwritten signatures

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To the General Meeting of BSG Norway Holding AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BSG Norway Holding AS, which comprise:

- The financial statements of the parent company BSG Norway Holding AS (the Company), which comprise the balance sheet as at 31 December 2018, the income statement and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The consolidated financial statements of BSG Norway Holding AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2018, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.
- The accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 as required by laws and regulations, 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.

Other information

Management is responsible for the other information. The other information comprises information in the annual report, except the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

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financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (Management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements of the Company in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for the preparation and fair presentation of the consolidated financial statements of the Group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is 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. The financial statements of the Company use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations. The consolidated financial statements of the Group use the going concern basis of accounting unless management either intends to liquidate 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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 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 laws, regulations, and auditing standards and practices generally accepted in Norway, including 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. We 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 or 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 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.

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- 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 those charged with governance 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.

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 22 May 2019
Deloitte AS

Roar Inge Vadheim
State Authorised Public Accountant (Norway)

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"By my signature I confirm all dates and content in this document."

Roar Inge Vadheim
Statsautorisert revisor
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IP: 217.173.xxx.xxx
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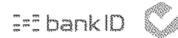

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