ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	917 968 454
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	TERMINATOR BIDCO AS
Forretningsadresse:	Stokkastrandvegen 85 5578 NEDRE VATS

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:	Karl Johan Lier
Dato for fastsettelse av årsregnskapet:	06.05.2019

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, 06.09.2020

Resultatregnskap

Beløp i: NOK	Note	2018	2017
RESULTATREGNSKAP			
Kostnader			
Lønnskostnad	4	1 958 500	1 501 158
Annen driftskostnad	4	4 994 129	28 631 201
Sum kostnader		**6 952 629**	**30 132 359**
Driftsresultat		**-6 952 629**	**-30 132 359**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap og tilknyttet selskap	3	398 836 907	78 900 000
Annen renteinntekt		5 351	21 572
Annen finansinntekt			68 763
Sum finansinntekter		**398 842 258**	**78 990 335**
Annen rentekostnad		110 290 084	68 365 600
Annen finanskostnad		185 712 175	6 677 164
Sum finanskostnader		**296 002 259**	**75 042 764**
Netto finans		**102 839 999**	**3 947 571**
Ordinært resultat før skattekostnad		**95 887 370**	**-26 184 788**
Skattekostnad på ordinært resultat	7	43 096	-2 639
Ordinært resultat etter skattekostnad		**95 844 274**	**-26 182 149**
Årsresultat		**95 844 274**	**-26 182 149**
Overføringer og disponeringer			
Overføring til/fra fond		-1 264 959 465	-26 182 149
Tilleggsutbytte		1 360 668 295	
Konsernbidrag		135 443	
Sum overføringer og disponeringer		**95 844 273**	**-26 182 149**

Balanse

Beløp i: NOK	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	7	0	2 639
Sum immaterielle eiendeler		**0**	**2 639**
Finansielle anleggsmidler			
Investering i datterselskap	3,6	3 904 774 710	3 904 774 710
Sum finansielle anleggsmidler		**3 904 774 710**	**3 904 774 710**
Sum anleggsmidler		**3 904 774 710**	**3 904 777 349**
Omløpsmidler			
Varer			
Fordringer			
Konsernfordringer		303 136 907	96 259 385
Sum fordringer		**303 136 907**	**96 259 385**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende		893 163	3 573 819
Sum bankinnskudd, kontanter og lignende		**893 163**	**3 573 819**
Sum omløpsmidler		**304 030 070**	**99 833 204**
SUM EIENDELER		**4 208 804 780**	**4 004 610 553**
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Selskapskapital	1	260 000 000	260 000 000
Overkurs		1 126 960 841	2 391 920 306
Sum innskutt egenkapital		**1 386 960 841**	**2 651 920 306**

Balanse

Beløp i: NOK	Note	2018	2017
Opptjent egenkapital			
Annen egenkapital		23	23
Sum opptjent egenkapital		**23**	**23**
Sum egenkapital	2	**1 386 960 864**	**2 651 920 329**
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	5,6	2 635 812 400	1 252 409 475
Sum annen langsiktig gjeld		**2 635 812 400**	**1 252 409 475**
Sum langsiktig gjeld		**2 635 812 400**	**1 252 409 475**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	6	0	16 222 582
Leverandørgjeld		40 307	1 172 615
Kortsiktig konserngjeld		182 275 204	82 553 325
Annen kortsiktig gjeld		3 716 004	332 226
Sum kortsiktig gjeld		**186 031 515**	**100 280 748**
Sum gjeld		**2 821 843 915**	**1 352 690 223**
SUM EGENKAPITAL OG GJELD		**4 208 804 779**	**4 004 610 552**

Konsernets resultatregnskap

Beløp i: NOK	Note	2018	2017
RESULTATREGNSKAP			
Inntekter			
Salgsinntekt	2.1	1 164 000 000	648 000 000
Annen driftsinntekt	2.2	10 000 000	5 000 000
Sum inntekter		**1 174 000 000**	**653 000 000**
Kostnader			
Varekostnad	2.3	379 000 000	202 000 000
Lønnskostnad	2.4	87 000 000	95 000 000
Avskrivning på varige driftsmidler og immaterielle eiendeler	3.1,3.3	105 000 000	88 000 000
Annen driftskostnad	2.5	123 000 000	139 000 000
Sum kostnader		**694 000 000**	**524 000 000**
Driftsresultat		**480 000 000**	**129 000 000**
Finansinntekter og finanskostnader			
Annen finansinntekt	4.5	1 000 000	1 000 000
Sum finansinntekter		**1 000 000**	**1 000 000**
Annen finanskostnad	4.5	300 000 000	87 000 000
Sum finanskostnader		**300 000 000**	**87 000 000**
Netto finans		**-299 000 000**	**-86 000 000**
Ordinært resultat før skattekostnad		**181 000 000**	**43 000 000**
Skattekostnad på ordinært resultat	5.1	16 000 000	1 000 000
Ordinært resultat etter skattekostnad		**165 000 000**	**42 000 000**
Årsresultat		**165 000 000**	**42 000 000**
Exchange differences on translation of foreign operations		-4 000 000	17 000 000
Sum resultatkomponenter for IFRS-foretak		-4 000 000	17 000 000
Totalresultat		**161 000 000**	**59 000 000**
Overføringer og disponeringer			
Overføringer til/fra annen egenkapital		161 000 000	59 000 000

Konsernets resultatregnskap

Beløp i: NOK	Note	2018	2017
Sum overføringer og disponeringer		**161 000 000**	**59 000 000**

Konsernets balanse

Beløp i: NOK	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5.1	1 000 000	3 000 000
Goodwill	3.3	2 823 000 000	2 823 000 000
Intangible assets	3.4	1 343 000 000	1 378 000 000
Right-of-use assets	3.2	121 000 000	0
Other non-current assets	4.1	1 000 000	1 000 000
Sum immaterielle eiendeler		**4 289 000 000**	**4 205 000 000**
Varige driftsmidler			
Tomter, bygninger og annen fast eiendom	3.1	35 000 000	13 000 000
Sum varige driftsmidler		**35 000 000**	**13 000 000**
Sum anleggsmidler		**4 324 000 000**	**4 218 000 000**
Omløpsmidler			
Varer			
Varer	2.3	143 000 000	88 000 000
Sum varer		**143 000 000**	**88 000 000**
Fordringer			
Kundefordringer	2.6	143 000 000	104 000 000
Andre fordringer	2.6	33 000 000	7 000 000
Sum fordringer		**176 000 000**	**111 000 000**
Bankinnskudd, kontanter og lignende			
Bankinnskudd, kontanter og lignende	4.4	217 000 000	54 000 000
Sum bankinnskudd, kontanter og lignende		**217 000 000**	**54 000 000**
Sum omløpsmidler		**536 000 000**	**253 000 000**
SUM EIENDELER		**4 860 000 000**	**4 471 000 000**

BALANSE - EGENKAPITAL OG GJELD

Konsernets balanse

Beløp i: NOK	Note	2018	2017
Egenkapital			
Innskutt egenkapital			
Selskapskapital	4.8	260 000 000	260 000 000
Overkurs		1 057 000 000	2 418 000 000
Sum innskutt egenkapital		**1 317 000 000**	**2 678 000 000**
Opptjent egenkapital			
Annen egenkapital		221 000 000	60 000 000
Sum opptjent egenkapital		**221 000 000**	**60 000 000**
Sum egenkapital		**1 538 000 000**	**2 738 000 000**
Gjeld			
Langsiktig gjeld			
Utsatt skatt	5.1	265 000 000	292 000 000
Sum avsetninger for forpliktelser		**265 000 000**	**292 000 000**
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	3.2,4.2	2 774 000 000	1 220 000 000
Øvrig langsiktig gjeld	7.1	34 000 000	80 000 000
Sum annen langsiktig gjeld		**2 808 000 000**	**1 300 000 000**
Sum langsiktig gjeld		**3 073 000 000**	**1 592 000 000**
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	4.2	0	51 000 000
Leverandørgjeld	2.7	118 000 000	42 000 000
Betalbar skatt	5.1	41 000 000	26 000 000
Annen kortsiktig gjeld	3.2,7.1	90 000 000	22 000 000
Sum kortsiktig gjeld		**249 000 000**	**141 000 000**
Sum gjeld		**3 322 000 000**	**1 733 000 000**
SUM EGENKAPITAL OG GJELD		**4 860 000 000**	**4 471 000 000**

AutoStore

Consolidated Financial Statements 2018

Terminator Bidco AS including subsidiaries

AutoStore

Terminator BidCo AS Consolidated Accounts

Annual Report 2018

Nature of business

Terminator BidCo AS is the parent of the AutoStore Group of companies. Terminator Bidco AS and its subsidiaries develop, manufacture and conduct services associated with the patented automatic warehouse system AutoStore. The Company was established 13th of October 2016 just before the AutoStore business was acquired.

Terminator Bidco AS is a limited company incorporated and domiciled in Norway. The Company's main office is in Nedre Vats, Norway and the group also has presence in United Kingdom, USA, Germany and Poland. The address of its registered office is Stokkastrandvegen 85, 5578 Nedre Vats. The ultimate majority shareholder is EQT VII Ltd. UK.

Business operations

Both the company's financial- and business position have been strengthened with strong growth the last years. The establishment of subsidiaries in United States and United Kingdom in 2017 and Germany in 2018 have contributed to continued strong growth in these countries in 2018.

The consolidated total revenues for 2018 were NOK 1.173,9 million vs. NOK 648.4 million in 2017, this means that the growth in revenue 2018 were 81%.

AutoStore has expanded its geographic area to 28 countries and has now sold 318 installations in total, this provides a good basis for further growth. During the spring of 2019 the group has also established a subsidiary in France. This entity together with the entities in United States, United Kingdom and Germany are expected to contribute to further growth on sales in these geographical areas.

At the same time, significant investments are made to further develop the AutoStore concept. In total NOK 49,7 million was capitalized on Research and Development in 2018, and the total carrying amount is NOK 66,8 million. Some of the new products developed have been launched in the end of 2018 and further launches are scheduled for the coming period. The sales growth associated with these products will also have a positive effect on the future performance. The board therefore expects a high activity also in 2019.

The Consolidated operating result before depreciation and amortization was NOK 584,7 million and after excluding non-recurring costs NOK 608,0 million. This results in a profit margin of 52%. Depreciation and amortization of purchased and internally developed fixed and intangible assets was NOK 11,0 million. Depreciation and amortization of fixed assets, intangible assets and goodwill from the PPA was NOK 93,6 million.

Terminator Bidco recorded an operating profit of NOK 160,9 million for 2018 and a positive cash flow from operating activities of NOK 120 million.

Going concern

The group's equity 31 December 2018 was NOK 1 538,2 million, implying an equity rate of 31,6 %. To optimise the capital structure the company refinanced the group in 2018, this also led to a

AutoStore

payment of dividend to shareholders of NOK 1 360,7 millions. The company's liquidity is strong and future cash flows from operations create no need for loan financing or capital injection in 2019.

The financial statements presented here assume continued operation as a going concern and the board confirms this is appropriate. The assumption is based on the outlook for our company and the automated storage market.

The Board believes the annual report provides a reasonable outline of the Company's assets and debt, financial position and financial performance.

Business and Industry related risks

The Group is exposed to a range of risks affecting its financial performance, including market risk, financial risk and credit risk. The Group seeks to minimise potential adverse effects of such risks through sound business practise, risk management, credit insurance on account receivables and use of derivative financial instruments.

Marked risk
The market risk is mainly connected to availability to the market and possible changes in market prices. The AutoStore concept is a patented solution with strong growth in the market and the risk is therefore regarded as small in the short term. In the long-run, the risk lies mainly in the product's market position and the ability for competitors to offer similar products. In addition, much of the company's sales are related to exports. Significant changes in export conditions, customs duties, etc. may thus adversely affect the company's access to this market.

Financial risk
The group's main financial risk is connected to interest and changes in foreign exchange rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term loan facility. In order to offset some of the risk related to an increase in market rates, the Group is considering to enter into a swap agreement to pay fixed and receive a floating interest rate with a third party. The Group does not apply hedge accounting.

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the long-term debt, the Group's operating activities and the Group's net investments in foreign subsidiaries. Revenues are mainly denominated in NOK, USD and EUR and expenses are mainly in NOK, EUR, USD and PLN. Because the main foreign currency exposure is EUR and USD for both revenue and expenses, the Group is somewhat hedged against currency fluctuations. The long-term loan facility is balancing this exposure even more as the loan is in USD and EUR. The Group does not hedge currency exposure with financial instruments at the current time but monitors the net exposure.

The Group is exposed to credit risk from its operating activities (primarily trade receivables), from its financing activities, including deposits with banks and derivative contracts with financial institutions. To offset the risk on trade receivables the company has entered into a credit insurance agreement. Additionally, the Group manages its credit risks by trading only with recognised, creditworthy third parties. It is the Group's policy that all customers wishing to trade on credit terms are subject to credit verification procedures, which include an assessment of credit rating, short-term liquidity and financial position. The Group obtains sufficient collateral (where appropriate) from customers as a means of mitigating the risk of financial loss from defaults. In addition, receivable balances are monitored on an ongoing basis, with the result that the Group's exposure to bad debts is not significant.

With the current positive cashflow the liquidity risk is regarded as small.

AutoStore

Working environment, personnel and equal rights

The work environment in the company is considered satisfactory.

The Parent company has 0 employees, while the Group had on average 242 employees during 2018. The Board of Directors considers the working environment in the group to be satisfactory and has not initiated any particular new measures in this area in 2018. The Company is committed to always choosing the best person for the job regardless of that person's race, colour, religion, disability, gender, sexual orientation, age or nationality.

The Company is, and strives to be, highly conscious of recruiting qualified female work force. The company actively promotes equality throughout the organisation and complies with Norwegian laws regarding non-discrimination and equality.

The group has organized the daily operation to focus on equal treatment and opportunities for men and women, and with equal treatment no matter what ethnicity, nationality, language, religion or belief. The board believes the Company operates within the objective of the Norwegian Act of discrimination, where gender diversity and equality between people are highly rated. The board consist of experienced industry advisors as well as advisors appointed by the shareholders.

Environment

The company's business does not pollute the external environment.

Subsequent events

No events after 31st December 2018 affecting the Consolidated Financial Statement for the year ending 31st December 2018.

Profit and appropriation of Profit

The consolidated financial result for the year is a profit of NOK 160,9 million. All goodwill derived from the acquisition of the AutoStore Group 11th January 2017 and other intangible assets is in accordance with IFRS tested for impairment on an annual basis. The recoverable amount is determined based on value-in-use calculations using cash flow projections. In the impairment test it was concluded that the recoverable amount of goodwill did exceed the carrying amount at 31.12.18 and no impairment is recognised.

The Parent's financial result for the year is a profit of NOK 95,8 million which the directors propose to apply as follows:

Additional Dividend:	: NOK	1 360 668 295
Allocated to group contribution:	NOK	135 443
Transferred to premium fund	: NOK	– 1 264 959 465
SUM TRANSFERED	**: NOK**	**95 844 273**

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NO 917 968 454 MVA

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5578 Nedre Vats, NO

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AutoStore

The board of directors in Terminator BidCo AS:

Tore Thorstensen
Chairman of the board

Anders Misund
Board member

Magnus Tornling
Board member

Roar Isaksen
Board member

Stig Hatteland
Board member

Pål Asbjørn Vindegg
Board member

Bernd Minning
Board member

Karl Johan Lier
CEO

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Contents

Consolidated statement of comprehensive income

For the years ended 31 December

NOK million	**Notes**	**2018**	**2017**
Revenue	2.1	1 163,5	648,4
Other operating income	2.2	10,4	5,3
Total revenue and other operating income		**1 173,9**	**653,7**
Cost of materials	2.3	378,8	202,0
Employee benefit expenses	2.4	87,3	95,3
Other operating expenses	2.5	123,0	138,7
Depreciation and amortisation	3.1-3.3	104,6	88,1
Operating profit		**480,1**	**129,6**
Finance income	4.5	0,8	1,4
Finance costs	4.5	299,9	86,6
Profit before tax		**181,0**	**44,4**
Income tax expense	5.1	15,6	1,4
Profit for the year		**165,4**	**43,0**

Other comprehensive income

Items that subsequently will not be reclassified to profit or loss:		
Total items that will not be reclassified to profit or loss	-	-
Items that subsequently may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	-4,4	16,8
Total items that may be reclassified to profit or loss	-4,4	16,8
Other comprehensive income for the period	**-4,4**	**16,8**
Total comprehensive income for the period	**161,0**	**59,8**

Profit/loss attributable to owners of the parent	165,4	43,0
Total comprehensive income attributable to owners of the parent	161,0	59,8

Consolidated statement of financial position

NOK million	Notes	31.12.2018	31.12.2017
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	34,8	13,0
Right-of-use assets	3.2	121,0	-
Goodwill	3.3	2 823,0	2 823,0
Intangible assets	3.4	1 342,7	1 378,2
Deferred tax assets	5.1	1,2	2,9
Other non-current assets	4.1	0,9	0,6
Total non-current assets		**4 323,6**	**4 217,7**
Current assets			
Inventories	2.3	143,4	87,9
Trade receivables	2.6	143,5	103,9
Other receivables	2.6	33,0	6,7
Cash and cash equivalents	4.4	216,9	54,3
Total current assets		**536,7**	**252,8**
TOTAL ASSETS		**4 860,3**	**4 470,6**
EQUITY AND LIABILITIES			
Equity			
Share capital	4.8	260,0	260,0
Share premium		1 057,4	2 418,1
Other equity		220,8	59,8
Total equity		**1 538,2**	**2 737,9**
Non-current liabilities			
Non-current interest bearing liabilities	4.2	2 635,8	1 219,4
Non-current lease liabilities	3.2	138,5	-
Deferred tax liabilities	5.1	264,6	292,2
Non-current provisions	7.1	34,0	80,0
Total non-current liabilities		**3 072,9**	**1 591,6**
Current liabilities			
Trade and other payables	2.7	118,1	42,3
Interest bearing liabilities	4.2	-	50,4
Lease liabilities	3.2	23,5	-
Income tax payable	5.1	40,6	26,0
Provisions	7.1	66,9	22,3
Total current liabilities		**249,2**	**141,0**
Total liabilities		**3 322,1**	**1 732,7**
TOTAL EQUITY AND LIABILITIES		**4 860,3**	**4 470,6**

Oslo, 3 May 2019

Tore Thorstensen
Chairman of the Board

Karl Johan Lier
Chief Executive Officer

Roar Isaksen
Member of the Board

Anders Misund
Member of the Board

Pål Asbjørn Vindegg
Member of the Board

Stig Hatteland
Member of the Board

Nils Magnus Tørling
Member of the Board

Bernd Friedrich Minning
Member of the Board

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Consolidated statement of cash flows

For the years ended 31 December

Cash flows from operating activities (NOK Million)	Notes	2018	2017
Profit before tax		181,0	39,0
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortisation	3.1,3.4	104,6	86,4
Net finance income and costs	4.5	299,1	70,9
Working capital adjustments:			
Changes in inventories		-55,5	-87,9
Changes in trade and other receivables		-65,8	-110,6
Changes in trade and other payables		75,7	64,6
Changes in provisions and other liabilities		48,9	76,5
Other items			
Tax paid		-26,0	-31,2
Net cash flows from operating activities		**562,1**	**107,7**
Cash flows from investing activities (NOK Million)			
Purchase of property, plant and equipment	3.1	-26,1	-13,0
Purchase of shares in subsidiaries, net of cash acquired	6.2	-	-3 868,0
Purchase of financial instruments	4.1	-	-
Development expenditures	3.4	-49,7	-20,8
Interest recieved	4.5	0,8	0,6
Net cash flow from investing activities		**-75,1**	**-3 901,2**
Cash flow from financing activities (NOK Million)			
Proceeds from issuance of equity	4.8	-	2 655,0
Proceeds from issuance of debt	4.2	2 488,8	1 279,3
Repayment of long-term debt	4.2	-1 287,0	-33,0
Repayment of short-term debt	4.2	-17,4	-
Payments for the principal portion of the lease liability	3.2	-14,4	-
Payments for the interest portion of the lease liability	3.2	-8,2	-
Interest paid	4.5	-111,2	-70,9
Dividends paid	4.8	-1 360,7	-
Net cash flow from financing activities		**-310,1**	**3 830,4**
Net change in cash and cash equivalents		177,0	36,8
Effect of change in exchange rate		2,9	-
Cash and cash equivalents, beginning of period	4.4	37,0	0,1
Cash and cash equivalents, end of period	4.4	**216,9**	**37,0**

The consolidated statements of cash flows are prepared using the indirect method. Cash flows in foreign currencies have been translated into NOK using the exchange rate on the cash flow date.

Consolidated statement of changes in equity

NOK million	Share capital	Share premium	Other equity: Cumulative translation differences	Other equity: Retained earnings	Total equity
Balance at 1 January 2017	**0,1**	**0,0**	**-**	**-**	**0,1**
Issue of share capital	259,9	2 418,1			**2 678,0**
Profit (loss) for the year				43,0	**43,0**
Other comprehensive income			16,8		**16,8**
Balance at 31 December 2017	**260,0**	**2 418,1**	**16,8**	**43,0**	**2 737,9**
Profit (loss) for the year				165,4	**165,4**
Other comprehensive income			-4,4		**-4,4**
Dividends distributed		-1 360,7			**-1 360,7**
Balance at 31 December 2018	**260,0**	**1 057,4**	**12,4**	**208,4**	**1 538,2**

Section 1 - Background

1.1 General information

Corporate information
Terminator Bidco AS and its subsidiaries (collectively "the Group", or "AutoStore") develop, manufacture and conduct services associated with the patented automatic warehouse system AutoStore. The ultimate parent is EQT VII Ltd.

The consolidated financial statements of the Group for the years ended 31 December 2018 were authorised for issue in accordance with a resolution of the directors on 3rd of Mai 2019. Terminator Bidco AS is a private limited company incorporated and domiciled in Norway. The address of its registered office is Stokkastrandvegen 85, 5578 Nedre Vats.

Basis of preparation
The consolidated financial statements of the Group comprise consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, and related notes. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by The European Union ("EU").

The consolidated financial statements have been prepared on a historical cost basis and provide comparative information in respect of the previous period. Further, the financial statements are prepared based on the going concern assumption. All figures are presented in millions (000 000), except when otherwise indicated.

Changes in accounting policies
The Group has adopted IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers* in its 2018 consolidated financial statements. The Group has also early adopted IFRS 16 *Leases* for the reporting period commencing 1 January 2018. IFRS 15 and IFRS 16 have been adopted using the modified retrospective approach and IFRS 9 has been adopted prospectively. Comparative information has not been restated. Section 8 provides further disclosures related to the impact on the consolidated financial statements from the application of these accounting standards.

Presentation currency and functional currency
The consolidated financial statements are presented in Norwegian kroner (NOK), which is also the functional currency of the parent company. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

For presentation purposes, balance sheet items are translated from functional currency to presentation currency by using exchange rates at the reporting date. Items within total comprehensive income are translated from functional currency to presentation currency by applying monthly average exchange rates. If currency rates are fluctuating significantly, transaction date exchange rates are applied for significant transactions.

AutoStore has selected a presentation in which the description of accounting policies as well as estimates, assumptions and judgemental considerations are disclosed in the notes to which the policies relate.

1.1 General information (continued)

Current versus non-current classification
The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities

Significant accounting judgements, estimates and assumptions
The preparation of the consolidated financial statements in accordance with IFRS and applying the chosen accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

The accounting policies applied by management which includes a significant degree of estimates and assumptions or judgements that may have the most significant effect on the amounts recognised in the financial statements, are summarised below:

Estimates and assumptions:
- Impairment testing of goodwill and trademarks (Note 3.5)
- Useful lives of intangible assets (Note 3.4 and Note 6.2)
- Purchase price allocation in business combinations (Note 6.2)

A detailed description of the significant estimates and assumptions are included in the individual note where applicable.

Accounting judgements:
- Determination of CGUs (Note 3.5 and Note 6.2)
- Capitalisation of development costs (Note 3.4)

A detailed description of the significant accounting judgements are included in the individual note where applicable.

1.2 Business development

During 2018, the Group has continued to strengthen the collaboration with its qualified system integrators ("Distributors" or Partners"), that distribute, design, install and service the AutoStore system. The network of Partners has been further expanded to align with the growth in business activities and expansion to new markets. The establishment of subsidiaries in the United States and the United Kingdom in 2017 and Germany in 2018 has led to strong development in these countries in 2018.

AutoStore has expanded its geographic area to 28 countries and sold a total of 318 installations, which provides a strong foundation for further growth.

The Group's consolidated total revenue and other operating income for 2018 was NOK 1.173,9 million, compared to NOK 653,7 million in 2017, implying a growth in revenue of 81%.

AutoStore continues to make significant investments in R&D to further develop the AutoStore system based on new solutions and technology. Some of the new products developed have been launched at the end of 2018, with additional products scheduled for the coming period. The sales growth associated with these products will also have a positive effect on the future performance.

During the spring of 2019 the group has established a subsidiary in France. This entity together with the entities in the United States, the United Kingdom and Germany are expected to contribute to further growth in sales in these geographical areas.

Section 2 - Operating performance

2.1 Revenue from contracts with customers

The Group is a global provider of the AutoStore system, an internally developed automated warehouse system based on robotics. The AutoStore system has a variety of applications and the modularity creates very high flexibility and eliminates most limitations to scalability. The Group's revenue from contracts with customers relates to the sales of goods and services connected to the AutoStore system.

ACCOUNTING POLICIES

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Sale of goods

Revenue from the sale of goods are related to products delivered as part of the AutoStore System and are recognised at the point in time when control of the goods are transferred to the customer, generally on delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., service type warranties). In determining the transaction price for the sale of a system, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and any consideration payable to the customer.

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal, in the amount of cumulative revenue recognised, will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Sale of services

Revenue from the rendering of services mainly relates to consulting services delivered in connection with the AutoStore system. Revenue from consulting services is recognised over time using an input method to measure progress towards completion of the services, because the customer simultaneously receives and consumes the benefits provided by the Group.

Warranties

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Reference to the accounting policy for provisions and disclosure of assurance-type warranties in note 7.1.

2.1 Revenue from contracts with customers

Disaggregated revenue information

The Group's revenue from contracts with customers has been disaggregated and presented in the tables below:

Revenue from contracts with customers	2018	2017
Major products and services		
AutoStore system	1 160,4	648,0
Rendering of services	3,1	0,4
Total revenue	**1 163,5**	**648,4**
Geographic information		
Nordics	177,4	183,3
Germany	308,3	187,6
Europe, excl. Nordics and Germany	179,7	91,3
USA	440,0	63,0
Asia	57,1	119,0
Other	0,9	4,2
Total revenue	**1 163,5**	**648,4**
Timing of revenue recognition		
Goods transferred at a point in time	1 160,4	648,0
Goods and services transferred over time	3,1	0,4
Total revenue	**1 163,5**	**648,4**

Performance obligations

AutoStore system:

As the products are sold to local distributors which are responsible for the installation of the system and any subsequent services, the Group's performance obligation is satisfied at a point in time, upon delivery of the products. Payment is generally due within 30 to 90 days after delivery. Some contracts provide distributors with retrospective customer bonuses which give rise to variable consideration and the recognition of a refund liability. Revenue recognised at the point of delivery is only recognised for an amount of the consideration that reflects the consideration the Group expects to ultimately be entitled to. The variable consideration is re-assessed at the end of each reporting period and recognised as (or when) the uncertainty is subsequently resolved.

Customer bonuses - Variable consideration

To estimate the variable consideration for the expected future bonuses, the Group applies the most likely amount method for contracts with a single threshold and the expected value method for contracts with more than one volume threshold. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future bonuses. The refund liability for customer bonuses is presented in note 7.1.

Rendering of consulting services

In some cases, the group may provide additional consulting services, in connection with the delivery of the AutoStore system. As such services may be purchased separately and are not closely interrelated with the goods being provided, such services are treated as a separate performance obligation. The performance obligation is satisfied over time because the customer simultaneously receives and consumes the benefits provided by the Group. The Group recognises revenue on the basis of hours incurred.

Contract balances

As the Group's revenues are recognized and invoiced upon delivery, the Group does not have any significant contract balances except for Trade Receivables. The Group presents its Trade Receivables arising from contracts with customers separately from other receivables. Accounting policies for Trade receivables are presented in note 2.6.

2.2 Other operating income

ACCOUNTING POLICIES

Other operating income is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Income is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Other operating income	**2018**	**2017**
Net gain on disposal of property, plant and equipment	0,1	-
Freight	10,3	4,8
Other operating income	0,1	0,5
Total other operating income	**10,4**	**5,3**

Other operating income mostly relates to freight income from the sale of the AutoStore system. These are considered revenue within scope of IFRS 15, however, the Group has elected to present them separately from The Group's sale of its own goods and services.

2.3 Inventories

ACCOUNTING POLICIES

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials: purchase cost on a first-in/first-out basis (FIFO)
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Inventories	31.12.2018	31.12.2017
Raw materials	91,3	52,9
Work in progress	0,1	4,7
Finished goods	52,4	30,3
Total inventories (gross)	**143,7**	**87,9**
Provision for obsolete inventories	-0,4	-
Total inventories at the lower of cost and net realisable value	**143,4**	**87,9**

During the reporting period, MNOK 0,4 was recognised as a write-down expense for inventories carried at net realisable value.

2.4 Employee benefit expenses

ACCOUNTING POLICIES

Employee benefit expenses comprise all types of remuneration to personnel employed by the Group (ie. not contracted manpower) and are expensed when earned. Ordinary salaries can be both fixed pay and hourly wages and is earned and paid periodically. Holiday pay is earned on the basis of ordinary pay and is normally paid in the holiday months of the following year. The employer's national insurance contribution (social security) is calculated and expensed for all payroll related costs including pensions. Pensions contributions are earned on a monthly basis. Other employee expenses consist of other benefits such as insurance, cars and telephones and remuneration to the Board of Directors.

Pensions

The Group has a defined contribution pension plan for its employees which satisfies the statutory requirements in the Norwegian law on required occupational pension ("lov om obligatorisk tjenestepensjon").

The scheme is a defined contribution plan. Contributions are paid to pension insurance plans and charged to the income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

Employee benefit expenses	2018	2017
Salaries	61,7	55,8
Social security costs	12,7	36,2
Pension costs	4,9	1,9
Other employee expenses	8,1	1,4
Total employee benefit expenses	**87,3**	**95,3**
Average number of full time employees (FTEs)	242	157

Management and Board remuneration

Remuneration to the CEO	Year	Salary	Other Compensation	Total remuneration
Karl Johan Lier	2018	3,2	0,4	**3,6**
	2017	3,2	0,4	**3,6**

Benefits to the Management

The Chief Executive Officer (CEO) is part of the Parent Company's ordinary bonus scheme. The Chief Sales Officer is entitled to a bonus payment if the company reaches its sales budget and the COO if the company reaches set R&D goals. Management takes part in the general pension scheme described above and participates in a share investment program in the parent company Terminator TopCo AS.

No loans or pledges have been provided to the board members or management of the Group.

Remuneration paid to the Board of Directors	2018	2017
Tore Thorstensen - Chairman of the Board	0,5	0,5
Roar Isaksen	0,3	0,3
Pål Asbjørn Vindegg	0,3	0,3
Bernd Friedrich Minning	0,3	0,2
Edward Larry Strayhorn	0,3	0,1

At the end of the reporting period, members of the Board and management owned shares in the parent company, Terminator Topco AS. Reference is made to note 4.8 for disclosures on shareholdings.

2.5 Other operating expenses

ACCOUNTING POLICIES

Other operating expenses are recognised when they occur and represent a broad range of operating expenses incurred by the Group in its day-to-day activities. Other operating expenses consist of expenses that are not classified on the lines for cost of materials, employee benefit expenses, depreciation and amortisation.

Other operating expenses	2018	2017
Meetings, travel & representation expenses	18,0	11,1
Lease expenses	0,6	10,7
Business services expenses	8,5	3,3
IT costs	17,1	10,9
Marketing and distribution expenses	20,3	12,7
Consulting expenses	40,2	75,8
Other operating expenses	18,3	14,3
Total other operating expenses	**123,0**	**138,7**

Auditor related fees	2018	2017
Audit fee	0,9	0,5
Tax advisory services	0,3	0,4
Other advisory services	4,1	2,8
Total auditor fees (excl. VAT)	**5,3**	**3,7**

2.6 Trade and other receivables

ACCOUNTING POLICIES

Trade and other receivables
The Group's trade receivables consist solely of amounts receivable from revenue contracts with customers. Trade receivables are generally on terms of 30 to 90 days. Other receivables consist mainly of VAT receivables which are expected to be realised or consumed in the normal operating cycle within twelve months after the reporting period.

Trade and other receivables are financial assets initially recognised at fair value and subsequently at amortised cost using the effective interest rate method. Trade and other receivables are subject to impairment by recognising an allowance for expected credit losses.

Expected credit losses
The Group recognises an allowance for expected credit losses (ECLs) for its financial assets. ECLs are based on the cash flows that the Group expects to receive. For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group bases the allowance of its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Trade receivables	**31.12.2018**	**31.12.2017**
Trade receivables from customers at nominal value	143,6	103,9
Allowance for expected credit losses	-0,1	-
Total trade receivables	**143,5**	**103,9**

Other recievables	**31.12.2018**	**31.12.2017**
Prepaid rent and other expenses	2,2	0,8
VAT receivable	30,5	-
Other	0,3	5,9
Total other receivables	**33,0**	**6,7**

Allowance for expected credit losses	**Financial instrument**	**31.12.2018**	**31.12.2017**
At January 1	Loans and recievables	-	-
Provision for expected credit losses	Loans and recievables	-0,1	-
At December 31	Loans and recievables	**-0,1**	**-**

The credit risk of financial assets has not increased significantly from initial recognition. The increase in loss allowance is mainly related to the increase in the gross amount of trade receivables.

As at 31 December the ageing analysis of trade receivables is, as follows:

	Trade receivables				
		Past due but not impaired			
Ageing analysis of trade receivables	**Not due**	**< 30 days**	**31-60 days**	**> 60 days**	**Total**
Trade receivables at 31.12.2018	136,5	1,9	3,6	1,6	**143,6**
Trade receivables at 31.12.2017	88,0	6,0	8,9	1,0	**103,9**

For details regarding the Group's procedures on managing credit risk, reference is made to note 4.7.

2.7 Trade and other payables

ACCOUNTING POLICIES

Trade and other payables are liabilities, i.e. present contractual obligations arising from a result of past events where settlement is expected to result in an outflow of resources (payment). Trade payables consist of invoices for goods and services where the Group has received the significant risks and rewards of ownership as of 31.12. Other payables mainly consist of VAT, withholding payroll and social security tax.

Trade and other payables are measured at fair value upon initial recognition and subsequently at amortised cost. Trade and other payables are expected to be settled within the normal operating cycle within twelve months after the reporting period.

Trade and other payables	31.12.2018	31.12.2017
Trade payables	102,9	42,3
VAT payable	6,0	-
Withholding payroll taxes and social security	8,7	-
Other payables	0,4	-
Total trade and other payables	**118,1**	**42,3**

For an overview of the term date of trade and other payables, refererence is made to note 4.3.

Section 3 - Asset base

3.1 Property, plant and equipment

ACCOUNTING POLICIES

Property, plant and equipment ("PP&E") is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the PP&E and borrowing costs for similar construction projects if they meet the recognition criteria. When significant parts of PP&E are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets. The residual values, useful lives and methods of depreciation of PP&E are reviewed at each financial year end and adjusted prospectively, if appropriate.

The Group assesses, at each reporting date, whether there is an indication that property, plant and equipment may be impaired. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. No indicators for impairment of property, plant and equipment were identified in the current or prior period.

	Fixtures and fittings	Transport-ation tools	Office machinery and equipment	Total
Acquisition cost 01.01.2017	-	-	-	-
Additions through acquisitions	17,2	2,1	4,5	**23,8**
Additions	10,2			**10,2**
Reclassifications		0,2	-0,2	**-0,0**
Acquisition cost 31.12.2017	**27,5**	**2,3**	**4,2**	**34,0**
Additions	15,8	0,1	10,2	26,1
Disposals			-0,3	-0,3
Currency translation effects	-0,1	0,0	0,1	0,1
Acquisition cost 31.12.2018	**43,2**	**2,5**	**14,2**	**59,9**
Accumulated depreciation 01.01.2017	-	-	-	-
Additions through acquisitions	11,7	0,6	1,9	14,2
Depreciation for the year	5,7	0,3	0,8	6,8
Accumulated depreciation 31.12.2017	**17,4**	**0,9**	**2,7**	**21,0**
Depreciation for the year	3,7	0,2	0,9	4,8
Disposals			-0,3	-0,3
Currency translation effects	-0,1	-0,0	-0,2	-0,4
Accumulated depreciation 31.12.2018	**21,0**	**1,0**	**3,1**	**25,1**
Carrying amount 31.12.2017	**10,1**	**1,4**	**1,5**	**13,0**
Carrying amount 31.12.2018	**22,2**	**1,4**	**11,1**	**34,8**
Economic life (years)	3-7	5	3-7	
Depreciation plan		Straight-line method		

3.2 Right-of-use assets and related lease liabilities

The Group has early adopted IFRS 16 in 2018 by applying the modified retrospective approach. The impact of changes in accounting policies and impact of the initial application is disclosed in note 8.1.

ACCOUNTING POLICIES

At inception of a contract, The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The agreement creates enforceable rights of payment and obligations
- The identified asset is physically distinct
- The supplier does not have a substantive right to substitute the asset throughout the period of use
- It has the right to obtain substantially all of the economic benefits from use of the asset
- It has the decision-making rights that are most relevant to changing how and for what purpose the asset is used throughout the contract period

Group as a lessee

At the commencement date, the Group recognises a lease liability and corresponding right-of-use asset for all lease agreements in which it is the lessee, except for the following exemptions applied:

- Short-term leases (defined as 12 months or less)
- Low value assets (with an underlying value of less than 50 thousand NOK)

For these leases, the Group recognises the lease payments as operating expenses in the consolidated statement of comprehensive income.

Measuring the lease liability

The lease liability is initially measured at the present value of the lease payments for the right to use the underlying asset during the lease term that are not paid at the commencement date. The lease term represents the non-cancellable period of the lease, together with periods covered by an option to extend the lease when the Group is reasonably certain to exercise this option, and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option.

The lease payments included in the measurement comprise:

- Fixed lease payments, less any lease incentives received
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect adjustments in lease payments due to an adjustment in and index or rate.

The Group presents its lease liabilities as separate line items in the consolidated statement of financial position.

Measuring the right-of-use asset

The right-of-use asset is initially measured at cost. The cost of the right-of-use asset includes the corresponding amount of the initial measurment of the lease liability, any lease payments made at or before the commencement date and initial direct costs incurred.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and impairment losses, applying the same policies for impairment as for property, plant and equipment (Note 3.1).
The right-of-use asset is depreciated from the commencement date to the earlier of the lease term and the remaining useful life of the right-of-use asset. Depreciation is calculated on a straight-line basis.
Group presents its right-of-use assets as separate line items in the consolidated statement of financial position.

3.2 Right-of-use assets and related lease liabilities (continued)

The Group's leased assets

The Group leases several assets, mainly office buildings and production facilities in Norway, Poland and the US. Additionally, the Group leases a small number of transportation tools (cars and trucks). The Group also leases machinery and equipment, however, these are expensed as incurred as they are either considered short term or of low value. The right-of-use assets recognised are presented in the table below:

Right-of-use assets	Transport-ation tools	Office buildings and production facilities	Total
Acquisition cost at initial application 01.01.2018	-	**135,6**	**135,6**
Addition of right-of-use assets	0,6		0,6
Currency translation effects	-0,0	-0,6	-0,6
Acquisition cost 31.12.2018	**0,6**	**135,0**	**135,6**
Accumulated depreciation 01.01.2018		-	-
Depreciation of right-of-use assets	0,1	14,5	14,6
Currency translation effects	0,0	0,0	0,0
Accumulated depreciation 31.12.2018	**0,1**	**14,5**	**14,6**
			-
Carrying amount of right-of-use assets 31.12.2018	**0,5**	**120,5**	**121,0**
Lease term or remaining useful life	3-5 years	4-11 years	
Depreciation plan	Straight-line	Straight-line	

Expenses in the period related to practical expedients and variable payments	2018
Short-term lease expenses	0,4
Low-value assets lease expenses	0,1
Variable lease expenses in the period (not included in the lease liabilities)	0,1
Total lease expenses in the period	**0,6**

The lease expenses in the period related to short-term leases, low-value assets and variable lease payments are included in other operating expenses in the consolidated statement of comprehensive income, and the payments are presented in the Group's operating activities in the consolidated statement of cash flows.

The Group's lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	Total
Less than one year	23,4
One to three years	69,7
More than three years	107,1
Total undiscounted lease liabilities at 31.12.2018	**200,2**

Summary of the lease liabilities in the financial statements	Section ref.	Total
At initial application 01.01.2018	8.1	176,4
New leases recognised during the year		0,6
Cash payments for the principal portion of the lease liability	4.2	-14,4
Cash payments for the interest portion of the lease liability	4.2	-8,2
Interest expense on lease liabilities	4.5	8,2
Currency translation effects	4.5	-0,6
Total lease liabilities at 31.12.2018		**162,0**
Current lease liabilities in the statement of financial position		**23,5**
Non-current lease liabilities in the statement of financial position		**138,5**

In addition to the lease liabilities presented above, the Group is committed to pay variable lease payments for its office buildings and manufacturing facilities mainly related to future inflation adjustments in Norway, US and Poland which is not included in the initial calculation of lease liabilities.

The Group does not have any other significant exposure related to it's leases which requires further disclosures.

3.3 Goodwill

ACCOUNTING POLICIES

Recognised goodwill in the Group is derived from the business combination of AutoStore in 2017.

Goodwill is an intangible asset which may not individually be recognised as an intangible asset due to the requirements in IAS 38. The value of goodwill is primarily related to synergies, assembled workforce and their competency to generate and commercialize new technology as well as high growth expectations. Goodwill also arises due to the requirement to recognise deferred tax liabilities for the difference between the assigned values and the tax bases of assets acquired and liabilities assumed in a business combination at amounts that do not reflect fair value.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed).

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The Goodwill from the acquisition of AutoStore in 2017 was allocated to the AutoStore system CGU. The key assumptions used to determine the recoverable amount of the CGU, including a sensitivity analysis is disclosed in Note 3.5.

	Note	Goodwill
Gross amount 01.01.2017		**-**
Additions through acquisition		2 823,0
Gross amount 31.12.2017		**2 823,0**
Gross amount 31.12.2018		**2 823,0**
Accumulated impairment 01.01.2017		**-**
Impairment for the year	3.5	-
Accumulated impairment 31.12.2017		**-**
Impairment for the year	3.5	-
Accumulated impairment 31.12.2018		**-**
Carrying amount 31.12.2017		**2 823,0**
Carrying amount 31.12.2018		**2 823,0**

3.4 Other intangible assets

Nature of the Group's intangible assets
At the acquisition of AutoStore in 2017, the Group recognised intangible assets for: software and technology, trademarks, patents and customer relations. Subsequently, the Group has recognised intangible assets comprising internal development projects related to the AutoStore system.

ACCOUNTING POLICIES
Intangible assets acquired in a business combination
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value on the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

SIGNIFICANT ACCOUNTING JUDGEMENTS
Capitalisation of internal development costs
Development expenditures on an individual project, which represents new applications/technology, are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Other costs are classified as research and are expensed as incurred.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when the asset is available for use and is amortised over the period of expected future benefit.

Initial capitalisation of direct costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. The assessment of when product development is capitalised is highly subjective, as the outcome of these projects may be uncertain.

3.4 Other intangible assets (continued)

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

Useful lives of intangibles

The useful lives of intangible assets are assessed as either finite or indefinite and may in some cases involve considerable assessments. Intangible assets with indefinite useful lives are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of comprehensive income in the line for depreciation and amortisation.

Trademarks that have existed for a long period of time and have a sound reputation at the time of acquisition are assessed as having an indefinite useful life, and are not amortised. An indefinite useful life means that it is not possible to estimate the foreseeable period over which the asset is expected to generate net cash inflows for the entity. Only trademarks that are purchased through the acquisition of companies are capitalised in the consolidated financial statements. See note 3.5 for impairment considerations and yearly testing of the Group's intangible assets with indefinite useful lives.

	Trade-marks	Software and technology	Patents rights	Customer relationships	Develop ment	Total
Acquisition cost 01.01.2017	-	-	-	-	-	-
Additions through acquisitions	13,0	969,0	211,0	241,0		**1 434,0**
Additions					25,5	**25,5**
Acquisition cost 31.12.17	**13,0**	**969,0**	**211,0**	**241,0**	**25,5**	**1 459,5**
Additions					49,7	**49,7**
Acquisition cost 31.12.18	**13,0**	**969,0**	**211,0**	**241,0**	**75,2**	**1 509,2**
Accumulated amortisation 01.01.17	-	-	-	-	-	-
Amortisation for the year		38,8	16,2	24,1	2,2	**81,3**
Impairment						-
Accumulated amortisation 31.12.18	-	**38,8**	**16,2**	**24,1**	**2,2**	**81,3**
Amortisation for the year		38,8	16,2	24,1	6,2	**85,3**
Impairment						-
Accumulated amortisation 31.12.17	-	**77,5**	**32,5**	**48,2**	**8,4**	**166,6**
Carrying amount 31.12.17	**13,0**	**930,2**	**194,8**	**216,9**	**23,3**	**1 378,2**
Carrying amount 31.12.18	**13,0**	**891,5**	**178,5**	**192,8**	**66,8**	**1 342,7**
Economic life (years)	-	25,0	13,0	10,0	5,0	
Amortisation plan	-		Straight-line			

3.5 Impairment considerations

ACCOUNTING POLICIES

The Group has goodwill and trademarks with indefinite useful lives (see note 3.3 and 3.4) which are subject to annual impairment testing. The testing is performed annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of each CGU (or group of CGUs) to which goodwill or intangible assets with indefinite useful lives relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length terms, for similar assets or observable market prices less incremental costs for disposing of the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

SIGNIFICANT ACCOUNTING JUDGEMENTS

AutoStore system - CGU

For impairment testing, goodwill acquired through the business combination of AutoStore was allocated to the CGU of the AutoStore system. Additionally, the AutoStore system is currently the smallest identifiable group of assets that generates cash inflows to the Group, and these are largely independent of the cash inflows from other assets. As the Group's trademark is an intangible asset with an indefinite useful life which does not generate largely independent cash inflows, impairment is tested based on the AutoStore system CGU and any impairment is made proportionate to the assets carrying amounts.

Basis for determining the recoverable amount

The CGU's recoverable amount has been determined based on its 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. The cash flows are derived from the detailed budget and forecast calculations for the next five years approved by the Group Management. Restructuring activities and significant future investments are excluded from the budgets. A long-term growth rate is calculated and applied to project future cash flows after the fifth year. The recoverable amount is sensitive to revenue growth in the forecast period, the discount rate, expected future cash flows and the terminal growth rate.

The table below outlines the carrying amounts of goodwill and intangible assets with indefinite useful lives allocated

AutoStore system - CGU	Carrying amount 31.12.2018	Carrying amount 31.12.2017
Goodwill	2 823,0	2 823,0
Trademarks	13,0	13,0
Total	**2 836,0**	**2 836,0**

3.5 Impairment considerations (continued)

The key assumptions used to determine the recoverable amount for the CGU is presented below:

CGU	Impairment loss recognised in the period	CAGR of sales in the forecast period	Free cash flow margin (before tax)	Terminal growth rate	Pre-tax discount rate
AutoStore system - 2017	0	23 %	37%-23%	2,0 %	12,5 %
AutoStore system - 2018	0	36 %	43%-45%	2,0 %	12,8 %

The recoverable amount of the cash generating unit is higher than its carrying amount and no impairment loss is recognised in the period. The carrying amount of the CGU includes goodwill, intangible assets and trademarks together with other non-current assets and net working capital less deferred tax from technical goodwill. Management believes that no reasonably possible change in the key assumptions above would cause the carrying

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS
Impairment testing of goodwill and trademarks

The calculation of value in use for the AutoStore system CGU is most sensitive to the following assumptions:

- Revenue growth
- Free cash flow margin (before tax)
- Pre-tax discount rate
- Terminal growth rate

Revenue growth
The expected growth in operating revenues are based on the expected high growth in the industry and AutoStore's market share. The growth forecast is based on management's expectations of future conditions in the markets, including the entry of new participants to the market.

Free cash flow margin (before tax)
The free cash flow margin is determined from an analysis of historical levels before tax, adjusted for expected changes to cost of materials, salary, other expenses, capital expenditures and changes to working capital.

Pre-tax discount rate
The discount rate reflects the current market assessment of the risks specific to the CGU. The pre-tax discount rate for the Group is estimated based on the weighted average cost of capital (WACC).

Terminal growth rate
The terminal growth rate is the estimated long-term rate of growth in the economy where the business operates, aligned with long term global inflation targets.

Section 4 - Financial instruments, risk and equity

4.1 Overview of financial instruments

ACCOUNTING POLICIES
The Group has implemented IFRS 9 from 1 January 2018. For further description of transition and related transition approach, see note 8.1

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification of financial instruments
The Group's financial instruments are grouped in the following categories:

Financial Assets
Financial assets measured subsequently at amortised cost:
Includes mainly trade recievables and cash and cash equivalents

All of the Group's financial assets are part of the Group's business model with the sole objective to collect contractual cash flows. Additionaly, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, thereby passing the "SPPI test", constituting debt instruments measured at amortised cost.

Financial Liabilities
Financial liabilities measured subsequently at amortised cost:
Represent the Group's interest-bearing liabilities as well as non-interest bearing liabilities such as trade payables.

The Group does not have derivative financial instruments.

None of the Group's financial liabilities are designated as at fair value through profit or loss, i.e. they are all measured at amortised cost.

Initial recognition and subsequent measurement
The Group's financial assets and liabilities are initially recognised at fair value plus directly attributable transaction expenses.

Subsequently, these instruments are measured at amortised cost using the effective interest method (EIR). Gains and losses are recognised in profit or loss upon impairment, when the instruments are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of comprehensive income.

Impairment of financial assets
Financial assets measured at amortised cost are considered for impairment by recognising an allowance for expected credit losses (ECLs). The Group applies a simplified approach (as applicable for trade receivables) in calculating ECLs, where the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group bases its ECLs on its historical losses, adjusted for forward-looking factors specific to the debtors and the economic environment.

Derecognition of financial instruments
A financial asset is derecognised when the rights to receive cash flows from the asset have expired, the Group has transferred its rights to receive cash flows from the asset or The Group has assumed an obligation to pay the received cash flows in full under a "pass-through" arrangement.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income the consolidated statement of comprehensive income.

4.1 Overview of financial instruments (continued)

The carrying amount of the Group's financial assets and liabilities are presented in the tables below at their gross amount unless otherwise stated:

31.12.2018	Note	Financial instruments at amortised cost	Total
Assets			
Trade receivables	2.6	143,5	**143,5**
Other receivables	2.6	33,0	**33,0**
Cash and cash equivalents	4.4	216,9	**216,9**
Other non-current assets		0,9	**0,9**
Total financial assets		**394,3**	**394,3**
Liabilities			
Interest-bearing loans and borrowings			
Non-current interest bearing liabilities	4.2	2 635,8	**2 635,8**
Current interest bearing liabilities	4.2	-	**-**
Other financial liabilities			
Trade and other payables	2.7	118,1	**118,1**
Non-current lease liabilities	3.2	138,5	**138,5**
Current lease liabilities	3.2	23,5	**23,5**
Total financial liabilities		**2 915,9**	**2 915,9**

There are no changes in classification and measurement for the Group's financial assets and liabilities.
Significant finance income and finance costs arising from the Group's financial instruments are disclosed seperatly in note 4.5.

31.12.2017		Financial instruments at amortised cost	Total
Assets			
Trade receivables	2.6	103,9	**103,9**
Other receivables	2.6	6,7	**6,7**
Cash and cash equivalents	4.4	54,3	**54,3**
Other non-current assets		0,6	**0,6**
Total financial assets		**165,5**	**165,5**
Liabilities			
Interest-bearing loans and borrowings			
Non-current interest bearing liabilities	4.2	1 219,4	**1 219,4**
Current interest bearing liabilities	4.2	50,4	**50,4**
Other financial liabilities			
Trade and other payables	2.7	42,3	**42,3**
Total financial liabilities		**1 312,1**	**1 312,1**

4.2 Interest bearing liabilities

Non-current interest bearing loans and borrowings	Maturity	Interest rate	31.12.2018	31.12.2017
Term Loan: Facility A (NOK)	Repaid**	4,61 %	-	264,0
Term Loan: Facility B (NOK)	Repaid**	5,11 %	-	990,0
Term Loan: Partisipation and agent fee			-	-34,6
Senior Facilities: Facility B1 (EUR)*	20.06.22	EURIBOR+5%	1 989,7	-
Senior Facilities: Facility B2 (USD)	20.06.22	LIBOR+5%	695,1	-
Senior Facilities: Participation and agent fee			-48,9	-
Total non-current interest bearing loans and borrowings			**2 635,8**	**1 219,4**

* The Senior Facilities has an interest rate floor of 0%, as such the base rate may not be negative.
** The Term Loans were repaid in full on the 20 June 2018.

Current interest bearing loans and borrowings	31.12.2018	31.12.2017
Overdraft facility	-	17,4
Term Loan: Facility A (NOK), within 12 months	-	33,0
Total current interest bearing loans and borrowings	**-**	**50,4**

The Senior Facilities: Facility B1 (EUR) + Facility B2 (USD) were negotiated during 2018 in connection with a recapitalisation of the Group. The Senior Facilities Agreement was signed on the 22 May 2018 and the Group received the funds at the 20 June 2018. The Group repaid the Term Loans at the same date and also paid an extraordinary dividend of MNOK 1 361 to Terminator TopCo AS. The Group has an overdraft facility in place which may be drawn at any time up to MNOK 50. The Group may further increase its short term liquidity through other incremental revolving facilities.

The Group has pledged assets as security for it's loans and borrowings, presented in the table below:

Assets pledged as security for interest bearing loans and borrowings	31.12.2018	31.12.2017
Secured balance sheet liabilities:		
Non-current interest bearing liabilities	2 635,8	1 269,8
Balance sheet value of assets pledged as security for secured liabilities:		
Property, plant and equipment	34,8	13,0
Right-of-use assets	121,0	-
Intangible assets	1 342,7	1 378,2
Other non-current assets	0,9	0,6
Inventories	143,4	87,9
Trade receivables	143,5	103,9
Other receivables	33,0	6,7
Cash and cash equivalents	216,9	54,3
Total	**2 036,1**	**1 644,7**

The Group has not given any guarantees to or on behalf of third parties in the current and previous period.

Covenant requirements

The Group is obligated to comply with it's financial covenant requirement in the Senior Facilities Agreement. The Group's *Net Debt Cover* may not exceed 10.4 in a 12 month period ending on the 31 March, 30 June, 30 September and 31 December. The Net Debt Cover being the ratio of *Consolidated Total Net Debt* to *Consolidated EBITDA* as defined in the Facilities Agreement, subject to certain events and *Cure Rights* by an *Investor*. The Group ensure that it at all times are able to meet the financial covenant requirement.

There have not been a breach in any financial covenants for the Group's interest-bearing loans and borrowing in the current or prior period.

4.3 Ageing of financial liabilities

Contractual undiscounted cash flows from financial liabilities is presented below:

31.12.2018	Less than 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total
Lease liability (Note 3.2)	11,6	11,8	69,7	107,1	**200,2**
Non-current interest-bearing loans and borrowings (Note 4.2)				2 684,7	**2 684,7**
Trade and other payables (note 2.7)	118,1				**118,1**
Total	**129,7**	**11,8**	**69,7**	**2 791,8**	**3 003,1**

31.12.2017	Less than 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total
Non-current interest-bearing loans and borrowings (Note 4.2)			90,0	1 129,4	**1 219,4**
Current interest-bearing loans and borrowings (Note 4.2)	16,5	33,9			**50,4**
Trade and other payables (note 2.7)	42,3				**42,3**
Total	**58,8**	**33,9**	**90,0**	**1 129,4**	**1 312,1**

			Non-cash changes			
Reconciliation of changes in liabilities incurred as a result of financing activities in 2018	**31.12.17**	**Cash flow effect**	**Foreign exchange movement**	**New leases recognised**	**Other changes**	**31.12.2018**
Lease liabilities (Note 3.2)*	-	-22,6	-0,6	177,1	8,2	**162,0**
Interest-bearing loans and borrowings - Facility A+B (Note 4.2)	1 252,4	-1 287,0			34,6	**0,0**
Non-current interest-bearing loans and borrowings - Facility B1+B2 (Note 4.2)	-	2 488,8	138,7		8,4	**2 635,8**
Current interest-bearing loans and borrowings - Overdraft facility (Note 4.2)	17,4	-17,4				-
Total liabilities from financing	**1 269,8**	**1 161,7**	**138,0**	**177,1**	**51,2**	**2 797,8**

* See note 8.1 for amounts recognised as lease liability 01.01.2018

			Non-cash changes			
Reconciliation of changes in liabilities incurred as a result of financing activities in 2017	**01.01.17**	**Cash flow effect**	**Foreign exchange movement**	**Acquisition**	**Other changes**	**31.12.2017**
Non-current interest-bearing loans and borrowings - Facility A (Note 4.2)	-	1 219,4				**1 219,4**
Current interest-bearing loans and borrowings - Facility A (Note 4.2)	-	50,4				**50,4**
Total liabilities from financing	-	**1 269,8**	-	-	-	**1 269,8**

4.4 Cash and cash equivalents

ACCOUNTING POLICIES

Cash and cash equivalents in the statement of financial position comprise cash at banks and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Cash and cash equivalents	**31.12.2018**	**31.12.2017**
Bank deposits, unrestricted	212,4	51,0
Bank deposits, restricted	4,5	3,3
Total in the statement of financial position	**216,9**	**54,3**
- Overdraft facility	-	-17,3
Total in the statement of cash flows	**216,9**	**37,0**

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

For more information on the Group's credit facilities see note 4.2.

4.5 Finance income and finance costs

ACCOUNTING POLICIES

Interest income and interest expenses on loans and receivables are calculated using the effective interest method. Foreign currency gains or losses are reported as agio or disagio in financial income or financial expense, except for currency translation effects from investments in foreign subsidiaries which are presented within OCI. For other accounting policies related to the underlying financial instruments, reference is made to note 4.1.

Finance income and finance costs	Class of financial instrument	2018	2017
Finance income			
Agio		-	0,9
Interest income	Financial assets	0,8	0,6
Total finance income		**0,8**	**1,4**
Finance costs			
Disagio		126,7	10,8
Interest expenses (Note 4.2)	Interest-bearing loans and borrowings	111,2	69,5
Unwinding of discount (Note 7.1)		9,6	-
Amortised cost (Note 4.2)	Interest-bearing loans and borrowings	8,4	-
Interest on lease liability (Note 3.2)	Other financial liabilities	8,2	-
Other financial expenses*	Interest-bearing loans and borrowings	35,9	6,3
Total finance costs		**299,9**	**86,6**

Other financial expenses for 2018 represents the extinguishment loss on the Group's derecognised financial liabilities, previously held at amortised cost.

4.6 Fair value measurement

ACCOUNTING POLICIES

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 on the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Fair value disclosures

Management has assessed that the fair values of cash and short-term deposits, trade and other receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments and the current risk free interest rates.

Interest-bearing loans and borrowings

The fair values of the Group's interest-bearing loans and borrowings are determined by using the DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The fair values of the Group's interest-bearing loans and borrowings are in most cases similar to carrying amount, as the interest rates are floating and as the own non-performance risk as at 31 December 2018 was assessed to be insignificant.

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments,

	Date	Carrying amount	Fair value	Level 1	Level 2	Level 3
Liabilities disclosed at fair value						
Interest-bearing loans and borrowings (Note 4.1)	31.12.2018	2 635,8	2 635,8			X
Interest-bearing loans and borrowings (Note 4.1)	31.12.2017	1 269,8	1 269,8			X

There were no transfers between the levels during the current period.

4.7 Financial risk and capital management

Overview

The Group is exposed to a range of risks affecting its financial performance, including market risk, financial risk and credit risk. The Group seeks to minimise potential adverse effects of such risks through sound business practise, risk management and hedging. At the current time the liquidity risk of the Group is assessed to be low based on the operating cash flows, scheduled repayments of debt and the availability of credit facilities.

Risk management is carried out by Group management under policies approved by the Board. The Board reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

The market risk is mainly related to availability to the market and possible changes in market prices. The AutoStore system is a patented solution with strong growth in the market and the risk is therefore regarded as small in the short term. In the long-run, the risk lies mainly in the product's market position and the ability for competitors to offer similar products. In addition, much of the company's sales are related to exports. Significant changes in export conditions, customs duties, etc. may thus adversely affect the company's access to this market.

Financial risk

The Group's main financial risk is connected to interest rates and changes in foreign exchange rates.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's Senior Facilities which have base interest rates in LIBOR and EURIBOR. The Group does not currently hedge the base interest rates. The current interest rate environment is low and the Group may enter into contracts to offset some of the risk depending on the future expected interest rates.

Interest rate sensitivity

The sensitivity to a possible change in interest rates, with all other variables held constant, on the Group's profit before tax, is illustrated below. In calculating the sensitivity analyses, the Group assumes that the sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective financial risks.

Interest rate sensitivity*	Increase / decrease in basis points	Effect on profit before tax	Effect on equity
31.12.2018	+/- 100	16,5	12,7
31.12.2017	+/- 100	4,3	3,3

*The figures given above are absolute figures

4.7 Financial risk and capital management

Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (revenue and expenses denominated in a foreign currency), external financing through interest bearing liabilities and the Group's net investments in foreign subsidiaries. A significant part of revenues are denominated in USD and EUR, with a smaller portion in NOK. The Group's interest bearing liabilities are denominated in the same foreign currencies; EUR and USD, thus, the Group has a natural hedge which reduces the impact from currency fluctuations in these currencies. The Group also limits its foreign currency exposure through having similar currencies for its revenues and operating expenses. The Group's equity and expenses are mainly denominated in NOK, EUR, USD and PLN. The Group does not hedge currency exposure with the use of financial instruments at the current time, but monitors the net exposure over time.

Foreign currency sensitivity
The following table illustrates the sensitivity for a hypothetical increase or decrease in the foreign exchange rates in the period, holding all other variables constant:

Foreign currency sensitivity*	Date	rate	before tax	equity
Increase / decrease in NOK/EUR	31.12.2017	+/- 10%	9,3	7,2
Increase / decrease in NOK/USD	31.12.2017	+/- 10%	4,6	3,5
Increase / decrease in NOK/PLN	31.12.2017	+/- 10%	8,7	6,7
Increase / decrease in NOK/EUR	31.12.2018	+/- 10%	160,5	123,6
Increase / decrease in NOK/USD	31.12.2018	+/- 10%	29,9	23,0
Increase / decrease in NOK/PLN	31.12.2018	+/- 10%	7,6	5,8

*The figures given above are absolute figures

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is mainly exposed to credit risk from its operating activities.

In order to offset the risk on trade receivables the company has entered into a credit insurance agreement. Additionally, the Group manage its credit risks by trading only with recognised, creditworthy third parties (mainly distributors/Partners). It is the Group's policy that all customers wishing to trade on credit terms are subject to credit verification procedures, which include an assessment of credit rating, short-term liquidity and financial position. The Group obtains sufficient collateral (where appropriate) from customers as a means of mitigating the risk of financial loss from defaults. In addition, receivable balances are monitored on an ongoing basis, with the result that the Group's exposure to losses has been insignificant and the overall credit risk is assessed as low.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). For an overview of the ageing of trade receivables and the expected credit losses recognised for trade receivables, refer to Note 2.6.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. The Group monitors its risk to a shortage of funds by monitoring its working capital, overdue trade receivables and establishing credit facilities.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of credit facilities and the Senior Facilities Agreement to finance working capital and investments. The Group has flexible debt financing through an Overdraft Facility as part of the Senior Facilities and may further draw funds or establish additional incremental revolving facilities if deemed necessary (see note 4.3). Additionally, the Group has a significant positive cash flow from operating activities which limits it's liquidiity risk.

4.8 Shareholders and investor information

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a healthy working capital and financial stability in order to support its growing business operatings and to maximise shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, perform prepayments of debt or draw on short term credit.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it reinvests or returns excess cash flows from operations that are not necessary to maintain a healthy operating working capital to it's investors. to it's not meets financial covenants related to the interest-bearing loans and borrowings. There have been no breaches of the financial covenants in the current or previous period. Reference is made to note 4.2.

The ultimate parent
The shares of the Company is held by Terminator TopCo AS and the ultimate parent is EQT VII ltd, managed by EQT.

Issued capital and reserves:

Share capital in Terminator Bidco at 31.12.2018	Number of shares authorised and fully paid	Par value per share (NOK)	Financial Position
At 1 January 2017	**100 000 000**	**0,001**	**0,1**
Share capital increase		2,6	259,9
At 31 December 2017	**100 000 000**	**2,6**	**260,0**
At 31 December 2018	**100 000 000**	**2,6**	**260,0**

The Group's shareholders:

Shareholders in Terminator BidCo AS at 31.12.2018	Total shares	Ownership	Voting rights
Terminator TopCo AS	100 000 000	100 %	100 %
Total at 31.12.2018	**100 000 000**	**100 %**	**100 %**

Shareholders in Terminator BidCo AS at 31.12.2017	Total shares	Ownership	Voting rights
Terminator TopCo AS	100 000 000	100 %	100 %
Total at 31.12.2017	**100 000 000**	**100 %**	**100 %**

Reconciliation of the Group's equity is presented in the statement of changes in equity.

4.8 Shareholders and investor information (Continued)

Distribution to shareholders

ACCOUNTING POLICIES
The Group recognises a liability to make distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws of Norway, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Dividends	2018	2017
Total dividends paid in the period (in MNOK)	1 360,7	-
Dividends per share in the period (in NOK)	13,6	-

In connection with the refinancing of the Group's financial position and establishment of the Senior facilities as presented in note 4.2, the Group has made distributions to its owner, Terminator TopCo AS.

At the end of the financial year, members of the Board and executive employees held shares in the parent company, Terminator TopCo AS.

Ownership interests held by Board members and Group Management:	Ownership
Executive management:	2,25 %
Board of Directors:	1,05 %
Total	**3,30 %**

Section 5 - Tax

5.1 Taxes

ACCOUNTING POLICIES

Current income tax
Current income tax is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised directly in equity is recognised in equity (OCI) and not in the statement of profit or loss.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5.1 Taxes (continued)

	2018	2017
Current income tax expense:		
Tax payable	40,6	29,8
Adjustment for income tax payable for previous years	1,2	
Change deferred tax/deferred tax assets (ex. OCI effects)	-25,9	-28,4
Currency effects	-0,3	
Total income tax expense	**15,6**	**1,4**
Total tax for the year on group level:		
Norwegian companies	-17,2	-10,9
Foreign companies	32,7	12,3
Total tax for the year	**15,6**	**1,4**

	31.12.2018	31.12.2017
Current tax liabilities consist of:		
Income tax payable for the year as above	40,6	29,8
- of which paid in fiscal year	-	-3,8
Current tax liabilities 31.12	**40,6**	**26,0**

Deferred tax assets:	31.12.2018	31.12.2017
Property, plant and equipment	-0,2	0,3
Intangible assets	-	-3,7
Other current assets	-0,4	
Liabilities	-2,1	
Losses carried forward (including tax credit)	-2,4	-10,0
Basis for deferred tax assets:	**-5,1**	**-13,4**
Calculated deferred tax assets	**1,2**	**2,9**
- Deferred tax assets not recognised		
Net deferred tax assets recognised in balance sheet	**1,2**	**2,9**

Deferred tax liabilities	31.12.2018	31.12.2017
Property, plant and equipment (including leased assets)	-31,2	-3,3
Intangible assets	1 270,0	1 341,9
Other current assets	2,8	-0,1
Liabilities	-40,4	-76,6
Untaxed profit	-	9,0
Basis for deferred tax liabilities	**1 201,2**	**1 270,9**
Calculated deferred tax liabilities	**264,6**	**292,2**
- Deferred tax not recognised	-	
Deferred tax liabilities recognised in balance sheet	**264,6**	**292,2**

5.1 Taxes (continued)

The Group's operations are subject to income tax in various foreign jurisdictions. The statutory income tax rates vary from 19% to 30%, which results in a difference between the statutory income tax rate in Norway and the average tax rate applicable to the group. The average tax rate for the group's deferred tax assets are 23,1% for 2018 and 21.9% for 2017. The average tax rate for the group's deferred tax liabilities are 22% for 2018 and 23% for 2017. A reconciliation of the differences between the theoretical tax expense under the rate applicable in Norway and the actual tax expense is as follows:

Reconciliation of income tax expense	**2018**	**2017**
Profit before taxes	**181,0**	**44,4**
Tax expense 23% (Norwegian tax rate)	41,6	10,7
Permanent differences*	-1,3	5,8
Change to prior year tax expense	0,2	
Effects of changes in tax rate**	-12,0	-12,7
Effects of foreign tax rates	-6,6	-2,4
Currency effects	-6,5	
Recognised income tax expense	**15,6**	**1,4**

* The permanent differences are related to "Skattefunn" in AutoStore AS, tax relief for research and development activities in AutoStore Sp. z o.o. and non-deductible costs among the Group's subsidiaries.
** The Norwegian Government has lowered the corporate income tax rate from 23% for the financial year 2018 to 22% from 1 January 2019. As the reduction in the corporate income tax rate was approved prior to the year ending 31 December 2018, the basis for deferred tax liabilities in Norwegian entities are recognised at 22%. Similarly, the corporate income tax rate in Norway for 2017 was 24% and amended to 23% from 1 January 2018. The reduction in corporate income tax rate resulted in a lower income tax expense for the Group in the current and prior period.

The Group has MNOK 2,4 tax losses carried forward among it's subsidiaries. The tax loss carried forward may be offset against future taxable income and will not expire.

Section 6 - Group structure
6.1 Interests in other entities

ACCOUNTING POLICIES

Basis of consolidation
The consolidated financial statements comprise the financial statements of Terminator Bidco AS and its subsidiaries as at 31 December 2018. The subsidiaries are consolidated when control is achieved as defined by IFRS 10. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. However, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee.

The Group re-assesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group does not have ownership in joint arrangements as defined by IFRS 11, other associates, interests in unconsolidated structured enities or interests in unconsolidated subsidiaries that require disclosure under IFRS 12.

The consolidated entities
The Group was established when Terminator Bidco AS acquired all shares in AutoStore AS and AutoStore Technology AS with control effective from 11 January 2017.

The subsidiaries of Terminator BidCo AS are presented below:

Consolidated entities	Office	CUR	Shareholding	Group's voting ownership share
AutoStore AS	Norway	NOK	100,0%	100,0%
AutoStore Technology AS	Norway	NOK	100,0%	100,0%
AutoStore Sp. z o.o.	Poland	PLN	100,0%	100,0%
AutoStore System Incorporated	USA	USD	100,0%	100,0%
AutoStore System Limited	UK	GBP	100,0%	100,0%
AutoStore System GmbH	Germany	EUR	100,0%	100,0%

All subsidiaries are included in the consolidated statement of financial position.

6.2 Business combinations

There have been no business combinations during 2018. In 2017, Termination Bidco acquired Autostore.

ACCOUNTING POLICIES

A business combination is as a transaction or other event in which an acquirer obtains control of one or more businesses. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. Determining whether a particular set of assets and activities is a business should be based on whether the integrated set is capable of being conducted and managed as a business by a market participant.

Business combinations are accounted for according to IFRS 3 using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value according to IFRS 13, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other operating expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss.

Goodwill arises in a business combination when the fair value of consideration transferred exceeds the fair value of identifiable assets acquired less the fair value of idenfifiable liabilities assumed. Goodwill acquired in a business combination is allocated to each of the Group's cash-generating units that are expected to benefit from the combination irrespective of whether other assets or liabilities of the acquiree are assigned to those units, and tested subsequently for impairment.

SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

In a business combination, the assets acquired and liabilities assumed are valued at fair value at the time of acquisition. The various assets and liabilities are valued on the basis of different models, requiring estimates and assumptions to be made. Goodwill is the residual in this allocation. Errors in estimates and assumptions can lead to an error in the split of the value between the various assets and liabilities incl. goodwill, but the sum of the total excess values will always be consistent with the purchase price paid.

The economic useful lives of intangible assets acquired in a business combination are assessed as either finite or indefinite. Intangible assets with indefinite useful lives are subsequently tested for impairment by assessing the recoverable amount of the CGU to which the intangible assets relates, further described in note 3.5.

Intangible assets with finite useful lives are amortised over the useful economic life and assessed for impairment or changes to the amortisation period as described in note 3.4. The assumptions applied to determining the economic useful lives in a business combination may involve considerable estimates such as future innovations and developments to software and technology.

SIGNIFICANT ACCOUNTING JUDGEMENTS

According to IFRS 3, goodwill is to be allocated at the acquisition date, to each of the acquirers CGU's, or groups of CGU's, which are expected to benefit from the business combination. This can include existing CGU's of the acquirer irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The identification of CGU's may require significant judgement from management.

6.2 Business combinations (continued)

Acquisitions in 2017

AutoStore acquisition
On 11 January 2017, Terminator Bidco AS acquired 100% of the voting shares of AutoStore AS and Autostore Technology AS (collectively "AutoStore"). The transaction was recorded as a business combination by applying the acquisition method.

The acquisition-date fair value of the total consideration transferred was MNOK 3 905 in cash. Intangible assets recognised separately is presented in note 3.4 and the goodwill from the transaction was allocated to the AutoStore system CGU, including also trademarks with indefinite useful lives. The carrying amount of goodwill is presented in note 3.3 and the disclosures related to the impairment testing of the CGU is presented in note 3.5.

The initial accounting for the business combination was complete in the consolidated financial statements for Terminator BidCo AS for the year ended 31.12.2017.

A summary of the cash flows from acquisition is presented below:

Analysis of cash flows on acquisition	**11.01.2017**
Net cash acquired (included in the cash flows from operating activities)	37,0
Cash paid (included in the cash flows from investing activities)	3 905,0
Net cash flow from acquisition	**-3 868,0**

Section 7 - Other disclosures

7.1 Provisions

ACCOUNTING POLICIES

Provisions are liabilities with uncertain timing or amount and are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits 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 expenditure required to settle the present obligation at the balance sheet date, that is, the amount that an entity would rationally pay to settle the obligation at the balance sheet date or to transfer it to a third party.

Refund liability

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer.

The group classifies provisions in the following categories:

- Assurance-type warranties: A provision for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns.
- Onerous shared cost: At the acquisition of AutoStore, a non-cancellable lease contract at unfavorable terms was identified and the fair value was recognised for the portion of the lease payments that were higher than the market rate at the acquisition date. At the initial application of IFRS 16 the carrying amount of the liability for the fixed lease payments was derecognised as it is included in the measurment of the lease liability presented in note 3.2. The remaining provision for the non-cancellable shared cost was not derecognised and was remeasured as at 31.12.2018.
- Salary related costs: Contains a provision for accrued holiday pay, unspent vacation days, accrued bonuses, restructuring and other salary related accruals
- Refund liability (customer bonus): A provision for the expected bonus to be refunded to customers (distributors) after the reporting date. The provision is recognised as variable consideration by applying the expected value method to the bonus based on historical sales and specific forward looking factors. See section 2.1 for further descriptions.

A provision is made and calculated based on management assumptions at the time the provision is made and is updated as and when new information becomes available. All provisions are reviewed at the end of the financial year.

Reconciliation of provisions:

	Assurance-type warranties	Onerous shared cost	Salary related costs	Refund liability (customer bonus)	Other short term provisions	Total
At 31 December 2017	**1,5**	**76,6**	**1,2**	**19,6**	**3,4**	**102,3**
Derecognised lease liability		-40,8				**-40,8**
Additional provisions made	4,2		14,1	40,0	2,3	**60,6**
Amounts used	-1,5	-5,1	-1,2	-19,6	-2,1	**-29,5**
Unused amounts reversed					-1,3	**-1,3**
Unwinding of discount and change in discount rate		9,6				**9,6**
At 31 December 2018	**4,2**	**40,3**	**14,1**	**40,0**	**2,3**	**100,9**
Current provisions	4,2	6,4	14,1	40,0	2,3	**66,9**
Non-current provisions		34,0				**34,0**

The reduction in provisions in the reporting period is mainly related to the implementation of IFRS 16 and derecognition of the previously recorded lease liability for unfavorable terms. The provisions for salary related costs and customer bonus have increased due to the significant increase in the Group's operating activities.

7.2 Other commitments and contingencies

ACCOUNTING POLICIES

Other commitments and contingencies

Contingent liabilities are not recognised in the annual accounts. Significant contingent liabilities are disclosed, with the exception of contingent liabilities where the possibility of an outflow of econimic resources is considered remote.

Contingent assets are not recognised in the annual accounts but are disclosed when an inflow of ecomic benefits is considered probable.

Other commitments

The Group does not have other significant commitments to disclose.

Assets pledged as security and guarantee liabilities

For assets pledged as security and guarantee liabilities, reference is made to note 4.2.

Contingent assets and liabilities

The Group has no contingent assets or liabilities that meet the criteria for disclosure.

7.3 Related party transactions

Related parties are Group companies, major shareholders, members of the board and Management in the parent company and the group subsidiaries. Note 6.1 and 4.8 provides information about the Group structure, including details of the subsidiaries and the holding company. Significant agreements and remuneration paid to the Board for the current and prior period appear in note 2.4

All transactions within the Group or with other related parties are based on the principle of arm's length.

The following table provides the total amount of transactions that have been entered into with related parties (outside the Group) for the relevant financial year:

Related party transactions 2018	Amounts recieved from related parties	Payments made to related parties	Receivable from related parties	Payable to related parties
Terminator TopCo AS		1 360,7		
Total	**-**	**1 360,7**	**-**	**-**

The Group's related party transactions in the reporting period is mainly related to the distributions paid to the Group's parent company in May 2018. See note 4.8 for additional information on the distributions.

Related party transactions 2017	Amounts recieved from related parties	Payments made to related parties	Receivable from related parties	Payable to related parties
EQT VII Limited		7,5		
Total	**-**	**7,5**	**-**	**-**

7.4 Events after the reporting period

ACCOUNTING POLICIES

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, the Group will assess if the information affects the amounts that it recognises in the Group's consolidated financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in the light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

Non-adjusting events

There have been no significant non-adjusting events subsequent to the reporting date.

Section 8 - Changes in accounting policies

8.1 Implementation of new accounting standards

New and amended standards and interpretations

The Group applied IFRS 15 and IFRS 9 for the first time in these consolidated financial statements. The Group has also early adopted IFRS 16 in these consolidated financial statements. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the consolidated financial statements of the Group.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted IFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 January 2018. The Group applied the standard to all contracts as at 1 January 2018 and comparative information has not been restated.

The changes to revenue recognition policies had no material impact for the Group and the adoption of IFRS 15 had no impact on the consolidated statement of changes in equity or any other line items.

The new disclosure requirements for revenue has been incorporated in note 2.1.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, combining all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group has applied IFRS 9 prospectively, with the initial application date as of 1 January 2018. The Group has not restated comparative information, which continues to be reported under IAS 39 (see 2017 financial statements for the related accounting policies).

The changes in classification and measurement requirements, impairment and hedge accounting in IFRS 9 did not have a significant impact on the Group's Consolidated Financial Statements. The adoption of the Expected Credit Loss model for trade receivables had an immaterial impact on the loss allowance due to the Group's creditworthy customer portfolio. The Group continues to recognise its financial assets and liabilities at fair value and subsequently at amortised cost.

The measurement categories for the Group's financial assets and liabilities did not change as a result of the application of IFRS 9, however, additional disclosure requirements have been incorporated in note 4.1.

8.1 Implementation of new accounting standards (continued)

IFRS 16 *Leases*

IFRS 16 was issued in January 2016 and it replaces IAS 17 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term ("right-of-use asset"). The standard includes a number of optional practical expedients related to recognition and initial application. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. IFRS 16 also requires more extensive disclosures than under IAS 17.

The Group early adopted IFRS 16 using the modified retrospective approach with the date of initial application of 1 January 2018 and comparative information has not been restated. The implementation did not have any effect on retained earnings as at 1 January 2018.

A summary of the changes and practical expedients applied is presented below:

Determining whether a contract is or contains a lease

On the transition to IFRS 16, the Group elected to not reassess whether a contract is, or contains a lease, as a practical expedient. The Group applied IFRS 16 only to contracts that were previously identified as leases. The Group's contracts that were not identified as leases under IAS 17, IFRIC 4 and SIC-27 were not reassessed for whether they contain a lease.

The Group as a lessee

The Group previously classified leases as operating or finance leases based on an assessment of whether the arrangement and related transactions transferred significantly all of the risks and rewards of ownership of the underlying asset to the Group. All of the Group's leases were previously classified as operating leases under IAS 17.

On the date of initial application of IFRS 16, the Group recognised a lease liability for leases previously classified as operating leases applying IAS 17, in accordance with the transition requirements. The Group measured the lease liabilities at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate on 1 January 2018.

The Group also recognised right-of-use assets for its leases at an amount equal to the lease liabilities, adusted by the amount of any prepaid or accrued lease payments.

The Group has applied the following practical expedients to leases previously classified as operating leases at the date on initial application:

- Exemption for short-term leases (defined as 12 months or less)
- Exemption for low value assets
- Excluded any initial direct costs from the measurement of the right-of-use asset
- Applied hindsight when determining the lease term for contracts containing options

The Group previously recognised a lease liability on the acquisition of AutoStore in 2017 amounting to the fair value of the unfavourable lease terms for one of its operating leases. On the date of initial application the Group has derecognised this lease liability and adjusted the carrying amount of the right-of-use asset by a corresponding amount.

8.1 Implementation of new accounting standards (continued)

Impact on the consolidated financial statements

On transition to IFRS 16, the Group recognised an additional NOK 135,6 million in right-of-use assets, mainly related to its office buildings and manufacturing facilities. NOK 176,4 million was recognised as lease liabilities. There was no effect on the Group's retained earnings.

The impact on the date of initial application is further presented below:

Reconciliation of operating lease commitments to lease liabilities	**1 January 2018**
Operating lease commitments at 31 December 2017 as disclosed	230,2
+ Extension options reasonably certain to be exercised	5,6
- Practical expedient related to short-term leases	-6,4
- Practical expedient related to low-value leases	-0,3
- Variable lease payments based on indexation or a rate	-5,3
- Discounting using the incremental borrowing rate at 01.01.2018	-47,4
Lease liabilities recognised at initial application 01.01.2018	**176,4**
The weighted average lessee's incremental borrowing rate applied to lease liabilities	5,0 %

Reconciliation of operating lease commitments to lease liabilities	**1 January 2018**
Right-of-use asset recognised: Office buildings and manufacturing facilities	176,4
Right-of-use asset adjustment: Unfavourable terms previously recognised*	-40,8
Net right-of-use assets recognised at 01.01.2018	**135,6**

* The Group has derecognised the operating lease liability for unfavorable terms previously recognised in the AutoStore acquisition with a corresponding adjustment to the right-of-use asset in accordance with the application guidance in IFRS 16. The derecognised lease liability for unfavorable terms is presented in note 7.1.

Other disclosures related to the Group's leases in the reporting period are presented in note 3.2.

Årsregnskap 2018
Terminator Bidco AS

Org.nr.: 917 968 454

Terminator Bidco AS

Resultatregnskap

Driftsinntekter og driftskostnader	**Note**	**2018**	**2017**
Lønnskostnad	4	1 958 500	1 501 158
Annen driftskostnad	4	4 994 129	28 631 201
Sum driftskostnader		6 952 629	30 132 359
Driftsresultat		**-6 952 629**	**-30 132 359**
Finansinntekter og finanskostnader			
Inntekt på investering i datterselskap	3	398 836 907	78 900 000
Annen renteinntekt		5 351	21 572
Annen finansinntekt		0	68 763
Annen rentekostnad		-110 290 084	-68 365 600
Annen finanskostnad		-185 712 175	-6 677 164
Resultat av finansposter		102 839 999	3 947 571
Ordinært resultat før skattekostnad		**95 887 369**	**-26 184 788**
Skattekostnad på ordinært resultat	7	43 096	-2 639
Årsresultat		**95 844 273**	**-26 182 149**
Overføringer			
Tilleggsutbytte		1 360 668 295	0
Avsatt konsernbidrag		135 443	0
Overført fra overkurs		-1 264 959 465	-26 182 149
Sum overføringer		**95 844 273**	**-26 182 149**

Terminator Bidco AS

Balanse

Eiendeler	Note	2018	2017
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	7	0	2 639
Sum immaterielle eiendeler		0	2 639
Finansielle anleggsmidler			
Investeringer i datterselskap	3, 6	3 904 774 710	3 904 774 710
Sum finansielle anleggsmidler		3 904 774 710	3 904 774 710
Sum anleggsmidler		**3 904 774 710**	**3 904 777 349**
Omløpsmidler			
Konsernfordringer		303 136 907	96 259 385
Sum fordringer		303 136 907	96 259 385
Bankinnskudd, kontanter o.l.		893 163	3 573 819
Sum omløpsmidler		**304 030 070**	**99 833 204**
Sum eiendeler		**4 208 804 780**	**4 004 610 553**

Terminator Bidco AS

Balanse

Egenkapital og gjeld	**Note**	**2018**	**2017**
Egenkapital			
Innskutt egenkapital			
Aksjekapital	1	260 000 000	260 000 000
Overkurs		1 126 960 841	2 391 920 306
Sum innskutt egenkapital		1 386 960 841	2 651 920 306
Opptjent egenkapital			
Annen egenkapital		23	23
Sum opptjent egenkapital		23	23
Sum egenkapital	**2**	**1 386 960 864**	**2 651 920 329**
Gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	5, 6	2 635 812 400	1 252 409 475
Sum annen langsiktig gjeld		2 635 812 400	1 252 409 475
Kortsiktig gjeld			
Gjeld til kredittinstitusjoner	6	0	16 222 582
Leverandørgjeld		40 307	1 172 615
Konserngjeld		182 275 204	82 553 325
Annen kortsiktig gjeld		3 716 004	332 226
Sum kortsiktig gjeld		186 031 516	100 280 749
Sum gjeld		**2 821 843 915**	**1 352 690 224**
Sum egenkapital og gjeld		**4 208 804 780**	**4 004 610 553**

Vindafjord, den 03.05.2019
Styret i Terminator Bidco AS

Tore Thorstensen
styreleder

Roar Isaksen
styremedlem

Anders Misund
styremedlem

Pål Asbjørn Vindegg
styremedlem

Stig Hatteland

Nils Magnus Tornling
styremedlem

Bernd Friedrich Minning
styremedlem

Karl Johan Lier
daglig leder

Terminator Bidco AS

Indirekte kontantstrøm

	Note	2018	2017
Kontantstrømmer fra operasjonelle aktiviteter			
Resultat før skattekostnad		95 887 369	-26 184 788
Endring i leverandørgjeld		-1 132 308	1 172 615
Endring i konsernmellomværende		-107 155 642	-13 706 060
Endring i andre tidsavgrensningsposter		3 383 778	332 226
Netto kontantstrøm fra operasjonelle aktiviteter		-9 016 803	-38 386 007
Kontantstrømmer fra investeringsaktiviteter			
Utbetalinger ved kjøp av aksjer og andeler i andre foı		0	-3 904 774 710
Netto kontantstrøm fra investeringsaktiviteter		0	-3 904 774 710
Kontantstrømmer fra finansieringsaktiviteter			
Innbetalinger ved opptak av ny langsiktig gjeld		1 383 402 924	1 252 409 475
Innbetalinger ved opptak av ny kortsiktig gjeld		-16 222 582	16 222 582
Innbetalinger av egenkapital		0	2 678 000 000
Utbetalinger av utbytte		-1 360 668 295	0
Utbetalinger av konsernbidrag		-175 900	0
Netto kontantstrøm fra finansieringsaktiviteter		6 336 147	3 946 632 058
Netto endring i kontanter og kontantekvivalenter		-2 680 656	3 471 341
Beh. av kont. og kontantekvivalenter ved per. begynı		3 573 819	102 478
Beh. av kont. og kontantekvivalenter ved per. slutt		893 163	3 573 819

Terminator Bidco AS

Noter til regnskapet 2018

REGNSKAPSPRINSIPPER

Årsregnskapet er satt opp i samsvar med regnskapslovens bestemmelser og god regnskapsskikk.

Valuta
Transaksjoner i utenlandsk valuta omregnes til kursen på transaksjonstidspunktet. Pengeposter i utenlandsk valuta omregnes til norske kroner ved å benytte balansedagens kurs. Ikke-pengeposter som måles til historisk kurs uttrykt i utenlandsk valuta, omregnes til norske kroner ved å benytte valutakursen på transaksjonstidspunktet. Ikke-pengeposter som måles til virkelig verdi uttrykt i utenlandsk valuta, omregnes til valutakursen fastsatt på måletidspunktet. Valutakursendringer resultatføres løpende i regnskapsperioden under andre finansposter.

Inntekter
Ved tjenestesalg:
Inntekt regnskapsføres når den er opptjent, det vil si når krav på vederlag oppstår. Dette skjer når tjenesten ytes, i takt med at arbeidet utføres. Inntektene regnskapsføres med verdien på vederlaget på transaksjonstidspunktet.

Skatt
Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22 % på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reverseres i samme periode er utlignet og nettoført. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli utnyttet.

Klassifisering og vurdering av omløpsmidler
Omløpsmidler og kortsiktig gjeld omfatter normalt poster som forfaller til betaling innen ett år etter balansedagen, samt poster som knytter seg til varekretsløpet. Omløpsmidler vurderes til laveste verdi av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på transaksjonstidspunktet.

Datterselskap og tilknyttet selskap
Datterselskap og tilknyttede selskaper vurderes etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det er foretatt nedskrivning til virkelig verdi når verdifall skyldes årsaker som ikke kan forventes å være forbigående og det må anses nødvendig etter god regnskapsskikk. Nedskrivninger er reversert når grunnlaget for nedskrivning ikke lenger er til stede.

Utbytte, konsernbidrag og andre utdelinger fra datterselskap er inntektsført samme år som det er avsatt i givers regnskap. Overstiger utbytte / konsernbidraget andelen av opptjent resultat etter anskaffelsestidspunktet, representerer den overskytende del tilbakebetaling av investert kapital, og utdelingene er fratrukket investeringens verdi i balansen til morselskapet.

Fordringer
Kundefordringer og andre fordringer oppføres til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av en individuell vurdering av de enkelte fordringene. For øvrige kundefordringer utføres en uspesifisert avsetning for å dekke forventet tap på krav.

Terminator Bidco AS

Noter til regnskapet 2018

Kontantstrømoppstilling
Kontantstrømoppstillingen er utarbeidet etter den indirekte metoden. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer.

Note 1 Aksjonærer

Aksjekapitalen i Terminator Bidco AS pr. 31.12 består av:

	Antall	Pålydende	Bokført
Ordinære aksjer	100 000 000	2,60	260 000 000
Sum	100 000 000		260 000 000

Eierstruktur
De største aksjonærene i % pr. 31.12 var:

	Ordinære	Eierandel	Stemmeandel
Terminator Topco AS	100 000 000	100,0	100,0
Totalt antall aksjer	100 000 000	100,0	100,0

Styremedlem Stig Hatteland eier indirekte 0,45% av aksjene i selskapet, mens daglig leder Karl Johan Lier eier indirekte 1% av aksjene i selskapet.

NOTE 2 EGENKAPITAL

	Aksjekapital	Overkurs	Annen egenkapital	Sum egenkapital
Egenkapital pr 01.01.2018	260 000 000	2 391 920 306	23	2 651 920 329
Årets resultat		95 844 273		95 844 273
Avgitt konsernbidrag		-135 443		-135 443
Tilleggsutbytte		-1 360 668 295		-1 360 668 295
Egenkapital pr 31.12.2018	**260 000 000**	**1 126 960 841**	**23**	**1 386 960 864**

NOTE 3 AKSJER I DATTERSELSKAP OG TILKNYTTEDE SELSKAP

Datterselskap	Forretnings-kontor	Resultat	Egenkapital	Eierandel / stemmeandel	Balanseført verdi
Autostore AS	Vindafjord	465 706 475	199 374 636	100 %	3 745 927 708
Autostore Technology AS	Vindafjord	-10 299 347	-6 456 308	100 %	158 847 002
Sum					**3 904 774 710**

Datterselskap	Inntekt
Autostore AS	398 661 007

Terminator Bidco AS

Noter til regnskapet 2018

NOTE 4 LØNNSKOSTNADER OG YTELSER, GODTGJØRELSER TIL DAGLIG LEDER, STYRET OG REVISOR

Lønnskostnader	**2018**	**2017**
Andre ytelser	1 958 500	1 501 158
Sum	1 958 500	1 501 158

Selskapet har i 2018 sysselsatt 0 årsverk.

Pensjonsforpliktelser
Selskapet har ingen ansatte og er derfor ikke pliktig til å ha tjenestepensjonsordning etter lov om obligatorisk tjenestepensjon.

Ytelser til ledende personer	**Styret**
Styrehonorar	1 734 500
Arbeidsgiveravgift	175 000
Andre kostnader styret	49 000
Sum	1 958 500

Revisor
Kostnadsført revisjonshonorar for 2018 utgjør kr 45 500 eks mva.
I tillegg kommer honorar for andre tjenester med kr 79 700 eks mva.

NOTE 5 ANNEN LANGSIKTIG GJELD

Gjeld som forfaller mer enn fem år etter regnskapsårets slutt:	**2018**	**2017**
Gjeld til kredittinstitusjoner	0	990 000 000
Sum annen langsiktig gjeld	**0**	**990 000 000**

Lånet løper i Euro og USD, og er vurdert til valutakurs ved årsskiftet.

NOTE 6 PANTSTILLELSER OG GARANTIER

Pantsikret gjeld, pantstillelser og garantier	**2018**	**2017**
Langsiktig gjeld til kredittinstitusjoner	2 684 744 644	1 287 000 000
Kortsiktig gjeld til kredittinstitusjoner	0	16 222 582
Sum	**2 684 744 644**	**1 303 222 582**
Bokført verdi av pantsikrede eiendeler		
Aksjer i datterselskap	3 904 774 710	3 904 774 710
Sum	**3 904 774 710**	**3 904 774 710**

Noter til regnskapet 2018

Note 7 Skatt

Årets skattekostnad	2018	2017
Resultatført skatt på ordinært resultat:		
Betalbar skatt	40 457	0
Endring i utsatt skattefordel	2 639	-2 639
Skattekostnad ordinært resultat	43 096	-2 639
Skattepliktig inntekt:		
Ordinært resultat før skatt	95 887 369	-26 184 788
Permanente forskjeller	-95 700 000	26 193 238
Endring i midlertidige forskjeller	3	0
Avgitt konsernbidrag	-175 900	0
Anvendelse av fremførbart underskudd	-11 472	-8 450
Skattepliktig inntekt	0	0
Betalbar skatt i balansen:		
Betalbar skatt på årets resultat	-69 681 032	-18 936 000
Betalbar skatt på avgitt konsernbidrag	-40 457	0
Betalbar skatt på mottatt konsernbidrag	69 721 489	18 936 000
Sum betalbar skatt i balansen	0	0
Beregning av effektiv skattesats:		
Resultat før skatt	95 887 369	-26 184 788
Beregnet skatt av resultat før skatt	22 054 095	-6 284 349
Skatteeffekt av permanente forskjeller	-22 011 000	6 286 377
Effekt av endring av skattesats	0	115
Sum	43 095	2 143
Effektiv skattesats	0,0 %	0,0 %

Skatteeffekten av midlertidige forskjeller og underskudd til fremføring som har gitt opphav til utsatt skatt og utsatte skattefordeler, spesifisert på typer av midlertidige forskjeller:

	2018	2017	Endring
Tilvirkningskontrakter	0	3	3
Sum	0	3	3
Akkumulert fremførbart underskudd	0	-11 472	-11 472
Grunnlag for beregning av utsatt skatt	0	-11 469	-11 469
Utsatt skattefordel (22 % / 23 %)	0	-2 638	-2 638
Effekt av endring av skattesats		115	

Deloitte.

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To the General Meeting of Terminator Bidco AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Terminator Bidco AS, which comprise:

- The financial statements of the parent company Terminator Bidco 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 Terminator Bidco AS and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2018, the income statement, 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 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

Deloitte.

obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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, the going concern assumption and the proposed allocation of the result 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.

Haugesund, 5 May 2019
Deloitte AS

Asbjørn Rogde
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

12 APR. 2018

Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jeanette Munkvold Skovholt	12.03.2018	09.04.2018
Telefon	Deres referanse	Vår referanse
90076012	Asbjørn Rogde	2018/448899

DELOITTE AS
Postboks 528
5527 HAUGESUND

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk

Vi viser til deres brev av 12. mars 2018 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for følgende selskaper:

Terminator Topco AS org.nr. 917 968 535
Terminator Bidco AS org.nr. 917 968 454

Skattedirektoratet gir på bakgrunn av en konkret vurdering de overnevnte selskaper dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen gjelder så lenge opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn
Selskapene eier Autostore AS med datterselskapet Autostore Spzoo i Polen. Autostoreselskapene produserer lagerhåndteringssystemer. Størsteparten av driften foregår hos det polske datterselskapet, med global eksport. Kundene er derfor internasjonale. Arbeidsspråket er engelsk. Selskapene er 85% eid av EQT S.A.R.L registrert i Luxembourg. I begge styrer er det utenlandske medlemmer.

Det er vurdert slik at det ikke finnes andre regnskapsbrukere som negativt vil påvirkes av at årsregnskap og årsberetning utarbeides på engelsk språk. En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering
Etter regnskapsloven § 3-4 tredje ledd skal *"årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."*

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

> *"Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som*

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tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon."

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *"informative regnskaper for ulike grupper av regnskapsbrukere"*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapene har utenlandsk majoritetsaksjonær, og at flere av styremedlemmene er utenlandske. Den operative virksomheten foregår i det utenlandske datterselskapet, og kundene og bransjen er internasjonal.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer