IMPORTANT NOTICE

THE PROSPECTUS IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QIBS (AS DEFINED HEREIN) IN RELIANCE ON RULE 144A OR (2) PERSONS OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to the prospectus (the "**Prospectus**") following this page, and you are therefore advised to read this page carefully before reading, accessing or making any other use of the Prospectus. In accessing the Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from the Company or any Manager (each as defined in the Prospectus) as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached Prospectus is intended for you only and you agree you will not forward this electronic transmission or the attached Prospectus to any other person.

The Prospectus has been prepared solely in connection with the proposed offering to certain institutional and professional investors of the Offer Shares (as defined in the Prospectus).

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN AUSTRALIA, CANADA, THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA, JAPAN, SOUTH AFRICA OR THE UNITED STATES, OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO, IN EACH CASE, SUBJECT TO CERTAIN EXCEPTIONS. THE OFFER SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, (THE "**SECURITIES ACT**"), OR UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE OFFER SHARES MAY ONLY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE OFFER SHARES BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES ARE BEING OFFERED PURSUANT TO, AND IN ACCORDANCE WITH, REGULATION S UNDER THE SECURITIES ACT AND APPLICABLE SECURITIES REGULATIONS IN EACH JURISDICTION IN WHICH THE OFFER SHARES ARE OFFERED. PROSPECTIVE INVESTORS IN THE OFFER SHARES ARE HEREBY NOTIFIED THAT SELLERS OF THE OFFER SHARES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A, OR ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE ATTACHED PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED TO ACCESS THE ATTACHED PROSPECTUS OR USE IT FOR ANY PURPOSE AND WILL NOT BE ABLE TO PURCHASE ANY OFFER SHARES.

Confirmation of your representation: In order to be eligible to view the attached Prospectus or make an investment decision with respect to the Offer Shares, prospective investors must be either (1) qualified institutional buyers ("**QIBs**") (within the meaning of Rule 144A as defined herein), or in a transaction not subject to, the registration requirements of the U.S. Securities Act or (2) located outside the United States in compliance with Rule 903 of Regulation S. The Prospectus is being sent to you at your request, and by accessing the Prospectus you shall be deemed to have represented to the Company and Managers that (1) you and any customers you represent are either (a) QIBs, (b) located outside of the United States (and, if the latter, the electronic mail address that you have provided and to which this e-mail has been delivered is not located in the United States, its territories and possessions, any state of the United States or the District of Columbia), (c) if you are in the United Kingdom, are a Relevant Person, and if you are acting on behalf of persons or entities in the United Kingdom, you are acting solely on behalf of persons who are

Relevant Persons, (d) if you are in any member state of the EEA other than Norway, Sweden, Denmark and Finland, are a Qualified Investor and, such persons are solely Qualified Investors to the extent that you are acting on behalf of persons or entities in the EEA or (e) are an institutional investor that is otherwise eligible to receive the Prospectus, and (2) you consent to delivery of such Prospectus by electronic transmission.

The Prospectus is only being distributed to and is only directed at, and any investment or investment activity to which the document relates is available only to, and will be engaged in only with (i) persons falling within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) high net worth bodies, corporate, unincorporated associations and partnerships and trustees of high value trusts falling within Article 49(2)(a) to (d) of the Order, (iii) are outside of the United Kingdom and/or (iv) other persons to whom such investment or investment activity may lawfully be communicated or caused to be communicated (all such persons together being referred to as "**Relevant Persons**"). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on the Prospectus or any of its contents.

In addition, this electronic transmission and the attached Prospectus are directed only at persons in member states of the European Economic Area, other than Norway, Sweden, Denmark and Finland, who are "**Qualified Investors**" within the meaning of Article 2(e) of the EU Prospectus Regulation. "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended, and includes any relevant implementing measure in each relevant member state of the European Economic Area.

You are reminded that the Prospectus has been delivered to you on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Prospectus to any other person.

The materials relating to this offering do not constitute and may be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer, and the Managers or any affiliate of the Managers is a licensed broker or dealer in the relevant jurisdiction, the offering shall be deemed to be made by the Managers or such affiliate on behalf of the Company in such jurisdiction.

The attached Prospectus has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, any Manager, any person who controls any of them or any director, officer, employee or agent of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you.

None of the Managers, or any of their respective affiliates, or any of its or their respective directors, officers, employees or agents accepts any responsibility whatsoever for the contents of the Prospectus or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the offering of the Offer Shares. The Managers and any of their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such Prospectus or any such statement.

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PROSPECTUS

AutoStore Holdings Ltd.

(An exempted company limited by shares incorporated under the laws of Bermuda)

Initial public offering of shares with an indicative price range of NOK 27 to NOK 31 per share

Listing of the Company's shares on the Oslo Stock Exchange

This prospectus (the "**Prospectus**") has been prepared in connection with the initial public offering (the "**Offering**") of shares in AutoStore Holdings Ltd., an exempted company limited by shares incorporated under the laws of Bermuda (the "**Company**"), and the related listing (the "**Listing**") on Oslo Børs, a stock exchange being part of Euronext and operated by Oslo Børs ASA (the "**Oslo Stock Exchange**") of the Company's shares, each with a par value of USD 0.01 (the "**Shares**"). The Offering comprises such number of treasury Shares to be sold by the Company as will raise gross proceeds to the Company of approximately NOK 2.7 billion, equal to approximately USD 315 million (the "**New Shares**") and existing shares (the "**Sale Shares**") offered by existing shareholders of the Company, including the Option Selling Shareholders (as defined in Section 13.3 "Option Selling Shareholders") (the "**Selling Shareholders**") as described in Section 13 "The Selling Shareholders" for an amount expected to be between NOK 10.8 billion and NOK 12.8 billion. The Company and the Lead Selling Shareholders (as defined in Section 13 "The Selling Shareholders") reserve the right, in consultation with the Joint Global Coordinators (as defined below), to set the final number of New Shares and Sale Shares outside these ranges. The New Shares, the Sale Shares and, unless the context indicates otherwise, the Additional Shares (as defined in below) are referred to herein as the "**Offer Shares**".

The Offering consists of: (i) a private placement to (a) institutional and other professional investors in Norway, Sweden, Denmark and Finland (b) investors outside Norway, Sweden, Denmark and Finland and the United States of America (the "**U.S.**" or the "**United States**"), subject to applicable exemptions from applicable prospectus and registration requirements, and (c) "qualified institutional buyers" ("**QIBs**") in the United States as defined in, and in reliance on, Rule 144A ("**Rule 144A**") or another available exemption under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") (the "**Institutional Offering**") and (ii) a retail offering to the public in Norway, Sweden, Denmark and Finland (the "**Retail Offering**"). All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another available exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in compliance with Regulation S under the U.S. Securities Act ("**Regulation S**").

The Joint Global Coordinators may elect to over-allot a number of additional Shares equaling up to 15% of the aggregate number of the New Shares and Sale Shares sold in the Offering (the "**Additional Shares**"). In this respect, the Selling Shareholders are expected to grant Carnegie AS (the "**Stabilization Manager**"), on behalf of the Managers, an option to borrow a number of Shares equal to the number of Additional Shares in order to facilitate such over-allotment (the "**Borrowing Option**"). The Stabilization Manager, on behalf of the Managers, is expected to be granted an option by the Selling Shareholders to purchase a number of Shares equal to the number of Additional Shares at a price per Share equal to the Offer Price (the "**Greenshoe Option**"), exercisable, in whole or in part, within a 30-day period commencing at the time at which "if sold" trading in the Shares commences on the Oslo Stock Exchange, expected to be on or about 20 October 2021, on the terms and subject to the conditions described in this Prospectus.

The price at which the Offer Shares will be sold in the Institutional Offering and the Retail Offering (the "**Offer Price**") is expected to be between NOK 27 and NOK 31 per Offer Share (the "**Indicative Price Range**"). The Offer Price may be set within, below or above the Indicative Price Range. The Offer Price and the final number of Sale Shares will be determined following a bookbuilding process and will be set by the Company and the Lead Selling Shareholders, in consultation with the Joint Global Coordinators.

See Section 17 "The terms of the Offering" for further information on how the Offer Price is set. The Offer Price, and the number of Offer Shares sold in the Offering, is expected to be announced through a stock exchange notice on or about 19 October 2021. The offer period for the Institutional Offering (the "**Bookbuilding Period**") will commence at 09:00 hours (Central European Summer Time, "**CEST**") on 11 October 2021, and close at 14:00 hours (CEST) on 19 October 2021. The application period for the Retail Offering (the "**Application Period**") will commence at 09:00 hours (CEST) on 11 October 2021 and close at 12:00 hours (CEST) on 19 October 2021. The Bookbuilding Period and the Application Period may, at the Company's and the Selling Shareholders' sole discretion, in consultation with the Managers and for any reason, be shortened or extended beyond the set times, but will in no event be shortened to expire prior to 16:30 hours (CEST) on 18 October 2021 or extended beyond 14:00 hours (CEST) on 26 October 2021.

The Shares will be secondary recorded in the Norwegian Central Securities Depository (the "**VPS**") in book-entry form upon Listing. The Company's primary central security depository is The Depository Trust Company ("**DTC**"). All references to "Shares" in the Prospectus refer to the securities recorded in the VPS. See Section 14.9 "VPS registration of the Shares" for further information. All Shares rank in parity with one another and carry one vote.

Investing in the Offer Shares involves a high degree of risk. Prospective investors should read the entire Prospectus and, in particular, consider Section 2 "Risk factors" beginning on page 8 when considering an investment in the Company.

The Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and are being offered and sold: (i) in the United States only to persons who are QIBs in reliance on Rule 144A or another available exemption from registration requirements under the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S. Prospective investors are hereby notified that any seller of the Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. The distribution of this Prospectus and the offer and sale of the Offer Shares may be restricted by law in certain jurisdictions. Persons in possession of this Prospectus are required by the Company, the Selling Shareholders and the Managers to inform themselves about and to observe any such restrictions. Any failure to comply with these regulations may constitute a violation of the securities law of any such jurisdiction. See Section 18 "Selling and transfer restrictions".

Prior to the Offering, the Shares have not been publicly traded. The Company will on or about 11 October 2021 apply for the Shares to be admitted for trading and listing on the Oslo Stock Exchange and completion of the Offering is subject to the approval of the listing application by the Oslo Stock Exchange, the satisfaction of the listing conditions set by the Oslo Stock Exchange and certain other conditions as further elaborated in Section 17.15 "Conditions for completion of the Offering – Listing and trading of the Offer Shares". The Company expects that the Oslo Stock Exchange will grant an exemption from the 25% free float requirement, provided that the free float at the first day of trading of the Shares on an " if sold" basis is at least 10% and that the value of the free float is at least NOK 10 billion based on the Offer Price. The Shares will be eligible for clearing through the facilities of the Oslo Stock Exchange.

The due date for the payment of the Offer Shares in the Retail Offering and the Institutional Offering is expected to be on or about 21 October 2021 and 22 October 2021, respectively. Delivery of the Offer Shares is expected to take place on or about 22 October 2021 through the facilities of the VPS. Trading in the Shares on the Oslo Stock Exchange on an " if sold" basis is expected to commence on or about 20 October 2021, under the ticker code "AUTO". If closing of the Offering does not take place on such date or at all, the Offering may be withdrawn, resulting in all applications for Offer Shares being disregarded, any allocations made being deemed not to have been made and any payments made being returned without any interest or other compensation. All dealings in the Shares prior to settlement and delivery are at the sole risk of the parties concerned.

Joint Global Coordinators and Joint Bookrunners

Carnegie AS | J.P. Morgan AG | Morgan Stanley & Co. International plc

Joint Bookrunners

ABG Sundal Collier ASA | Citigroup | Jefferies

Co-Lead Managers

Mizuho Securities Europe GmbH | SpareBank 1 Markets

Financial Advisor

Moelis & Company UK LLP

The date of this Prospectus is 8 October 2021

IMPORTANT INFORMATION

This Prospectus has been prepared in connection with the Offering of the Offer Shares and the Listing of the Shares on the Oslo Stock Exchange.

This Prospectus has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended (the "**Norwegian Securities Trading Act**") and related secondary legislation, including Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC[1], as amended, and as implemented in Norway in accordance with Section 7-1 of the Norwegian Securities Trading Act (the "**EU Prospectus Regulation**"). This Prospectus has been prepared solely in the English language. This Prospectus has been approved by the Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*) (the "**Norwegian FSA**"), as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

For the purposes of this Prospectus, the capitalized terms "Group" and "AutoStore" are, unless otherwise stated or the context otherwise requires, used to describe AutoStore AS together with its parent holding companies and its and their subsidiaries. For definitions of certain other terms used throughout this Prospectus, see Section 21 "Definitions and glossary"

The Company has engaged Carnegie AS ("**Carnegie**"), J.P. Morgan AG ("**J.P. Morgan**") and Morgan Stanley & Co. International plc ("**Morgan Stanley**") to act as joint global coordinators and joint bookrunners in the Offering (together, the "**Joint Global Coordinators**"). ABG Sundal Collier ASA ("**ABGSC**"), Citigroup Global Markets Limited ("**Citi**") and Jefferies GmbH ("**Jefferies**") are acting as joint bookrunners in the Offering (together, the "**Joint Bookrunners**") and Mizuho Securities Europe GmbH ("**Mizuho**") and SpareBank 1 Markets AS ("**SB1**") are acting as co-lead managers (together with the Joint Global Coordinators and the Joint Bookrunners, the "**Managers**"). Moelis & Company UK LLP has been engaged to act as financial advisor to AutoStore in relation to the Offering (the "**Financial Advisor**").

The information contained herein is current as at the date hereof and is subject to change, completion and amendment without notice. In accordance with Article 23 of the EU Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Offer Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on the Oslo Stock Exchange, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus, nor the sale of any Offer Share, shall under any circumstances imply that there has been no change in the Group's affairs or that the information herein is correct as at any date subsequent to the date of this Prospectus.

No person is authorized to give information or to make any representation concerning the Group or the Selling Shareholders or in connection with the Offering or the sale of the Offer Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company, the Selling Shareholders, the Managers or the Financial Advisor or by any of the affiliates, representatives, advisors or selling agents of any of the foregoing.

The distribution of this Prospectus and the offer and sale of the Offer Shares in certain jurisdictions may be restricted by law. This Prospectus does not constitute an offer of, or an invitation to purchase, any of the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. Neither this Prospectus nor any advertisement or any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with applicable laws and regulations. Persons in possession of this Prospectus are required to inform themselves about and to observe any such restrictions. In addition, the Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. See Section 18 "Selling and transfer restrictions".

This Prospectus and the terms and conditions of the Offering as set out herein and any sale and purchase of Offer Shares hereunder shall be governed by and construed in accordance with Norwegian law. The courts of Norway, with Oslo as legal venue, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Offering or this Prospectus.

In making an investment decision, prospective investors must rely on their own examination, and analysis of, and enquiry into the Group and the terms of the Offering, including the merits and risks involved. None of the Company, the Selling Shareholders, the Manager or the Financial Advisor, or any of their respective representatives or advisers, is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

All Sections of the Prospectus should be read in context with the information included in Section 4 "General Information".

EXCHANGE CONTROL

The Bermuda Monetary Authority (the "**BMA**") must approve all issues and transfers of shares of a Bermuda exempted company under the Exchange Control Act 1972 (and its related regulations) (the "**ECA**"). The BMA has given a general permission which will permit the issue of the Shares and their free transferability under the ECA for so long as the Shares remain listed on an appointed stock exchange (as such term is defined in the Companies Act 1981 of Bermuda, as amended (the "**Bermuda Companies Act**") (an "**Appointed Stock Exchange**")), which includes the Oslo Stock Exchange. In granting such consent, the BMA accepts no responsibility for the financial soundness of the Company or the correctness of any of the statements made or opinions expressed in this Prospectus.

NOTICE TO INVESTORS IN THE UNITED STATES

The Offer Shares have not been recommended by any United States federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not passed upon the merits of the Offering or confirmed the accuracy or determined the adequacy of this Prospectus. Any representation to the contrary is a criminal offense under the laws of the United States.

The Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority of any state or other jurisdiction in the United States for offer or sale as part of their distribution and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws.

[1] Means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC.

Accordingly, the Offer Shares are being offered and sold: (i) in the United States only to QIBs in reliance on Rule 144A or pursuant to another available exemption from the registration requirements of the U.S. Securities Act and (ii) outside the United States in compliance with Regulation S. For certain restrictions on the sale and transfer of the Offer Shares, see Section 18.2.1 "United States".

Prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares, and are hereby notified that sellers of Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities. See Section 18 "Selling and transfer restrictions"

In the United States, this Prospectus is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the particular securities described herein. The information contained in this Prospectus has been provided by the Company and other sources identified herein. Distribution of this Prospectus to any person other than the offeree specified by the Managers or their representatives, and those persons, if any, retained to advise such offeree with respect thereto, is unauthorized and any disclosure of its contents, without prior written consent of the Company, is prohibited. Any reproduction or distribution of this Prospectus in the United States, in whole or in part, and any disclosure of its contents to any other person is prohibited. This Prospectus is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase Offer Shares or subscribe for or otherwise acquire any Shares.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

Offers of Offer Shares pursuant to the Offering are only being made to persons in the United Kingdom who are "qualified investors" within the meaning of section 86 of the Financial Services and Markets Act 2000 ("**FSMA**") or otherwise in circumstances which do not require publication by the Company of a prospectus pursuant to section 85(1) of the FSMA.

This Prospectus is only being distributed to and is only directed at, and any investment or investment activity to which the document relates is available only to, and will be engaged in only with (i) persons falling within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) high net worth bodies, corporate, unincorporated associations and partnerships and trustees of high value trusts falling within Article 49(2)(a) to (d) of the Order, (iii) are outside of the United Kingdom and/or (iv) other persons to whom such investment or investment activity may lawfully be communicated or caused to be communicated (all such persons together being referred to as "**Relevant Persons**"). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

NOTICE TO INVESTORS IN THE EEA

In any member state of the European Economic Area (the "**EEA**"), other than Norway, Sweden, Denmark and Finland (each a "**Relevant Member State**"), this communication is only addressed to and is only directed at persons who are "qualified investors" within the meaning of Article 2(e) of the EU Prospectus Regulation. The Prospectus has been prepared on the basis that all offers of Offer Shares outside Norway will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to produce a prospectus for offer of shares. Accordingly, any person making or intending to make any offer of Offer Shares which is the subject of the Offering contemplated in this Prospectus within any Relevant Member State should only do so in circumstances in which no obligation arises for the Company or any of the Managers to publish a prospectus or pursuant to Article 1 of the EU Prospectus Regulation or a supplement prospectus pursuant to Article 23 of the EU Prospectus Regulation, in each case, in relation to such offer. Neither the Company, the Selling Shareholders nor the Managers have authorized, nor do they authorize, the making of any offer of Shares through any financial intermediary, other than offers made by Managers which constitute the final placement of Offer Shares contemplated in this Prospectus.

Each person in a Relevant Member State other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway, Sweden, Denmark and Finland who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with the Managers and the Company that:

a) it is a "qualified investor" within the meaning of Article 2(e) of the EU Prospectus Regulation; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in the EU Prospectus Regulation, (i) such Offer Shares acquired by it in the Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

See Section 18 "Selling and transfer restrictions" for certain other notices to investors.

NOTICE TO INVESTORS IN BERMUDA

The Shares may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act 2003 of Bermuda, the ECA and the Bermuda Companies Act. Additionally, non–Bermudian persons may not carry on or engage in any trade or business in Bermuda unless such persons are authorized to do so under applicable Bermuda legislation. Engaging in the activity of offering or marketing the Shares in Bermuda to persons in Bermuda may be deemed to be carrying on business in Bermuda.

INFORMATION TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

STABILIZATION

In connection with the Offering, the Stabilization Manager (Carnegie), or its agents, on behalf of the Managers, may, in the event of over-allotment of Additional Shares, engage in transactions that stabilize, maintain or otherwise affect the price of the Shares for up to 30 days from the commencement of "if sold" trading of the Shares on the Oslo Stock Exchange. Specifically, the Stabilization Manager may effect transactions with a view to supporting the market price of the Offer Shares at a level higher than that which might otherwise prevail (provided that the aggregate number of Shares allotted does not exceed 15% of the aggregate number of New Shares and Sale Shares sold in the Offering), through buying Shares in the open market at prices equal to or lower than the Offer Price. However, stabilization action may not necessarily occur and may cease at any time. The Stabilization Manager and its agents are not required to engage in any of these activities and, as such, there is no assurance that these activities will be undertaken; if undertaken, the Stabilization Manager or its agents may end any of these activities at any time and they must be brought to an end at the end of the 30-day period mentioned above. Any stabilization action or over-allotment must be conducted by the Stabilization Manager in accordance with all applicable laws and rules and can be undertaken at the offices of the Stabilization Manager and on the Oslo Stock Exchange. Stabilization may result in an exchange or market price of the Shares that is higher than might otherwise prevail, and the exchange or market price may reach a level that cannot be maintained on a permanent basis. Any stabilization activities will be conducted in accordance with Article 5 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse ("**MAR**") and the Commission Delegated Regulation 2016/1052 of 8 March 2016 as implemented into Norwegian law by Section 3-1 of the Norwegian Securities Trading Act regarding buy-back programs and stabilization of financial instruments. Save as required by law or regulation, the Stabilization Manager does not intend to disclose the extent of any stabilization transactions under the Offering.

ENFORCEMENT OF CIVIL LIABILITIES

The Company is an exempted company limited by shares incorporated under the laws of Bermuda. As a result, the rights of holders of the Shares will be governed by Bermuda law, the Company's memorandum of association (the "**Memorandum of Association**") and bye-laws (the "**Bye-Laws**"). The rights of shareholders under Bermuda law may differ from the rights of shareholders of companies incorporated in other jurisdictions.

With three exemptions, the members of the Company's board of directors (the "**Board Members**" and the "**Board of Directors**", respectively) and the members of the Group's executive management team (the "**Management**") are not residents of the United States, and virtually all of the Company's assets are located outside the United States. As a result, it may be very difficult for investors in the United States to effect service of process on the Company, the Board Members and members of Management in the United States or to enforce judgments obtained in U.S. courts against the Company or those persons, whether predicated upon civil liability provisions of federal securities laws or other laws of the United Stated (including any State or territory within the United States).

The United States does not currently have a treaty providing for reciprocal recognition and enforcement of judgements (other than arbitral awards) in civil and commercial matters with either Norway or Bermuda. Uncertainty exists as to whether courts in Norway or Bermuda will enforce judgments obtained in other jurisdictions, including the United States, against the Company or the Board Members or members of Management under the securities laws of those jurisdictions or entertain actions in Norway or Bermuda against the Company or its Board Members or members of Management under the securities laws of other jurisdictions. In addition, awards of punitive damages in actions brought in the United States or elsewhere may not be enforceable in Norway or Bermuda.

Similar restrictions may apply in other jurisdictions.

AVAILABLE INFORMATION

The Company has agreed that, for so long as any of the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will during any period in which it is neither subject to Sections 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from such reporting requirements by complying with the information furnishing requirements of Rule 12g3-2(b) under the U.S. Exchange Act, provide to any holder or beneficial owners of Shares, or to any prospective purchaser designated by any such registered holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act. The Company is not currently subject to the periodic reporting and other information requirements of the U.S. Exchange Act.

TABLE OF CONTENTS

APPENDICES

1 SUMMARY

Introduction

Warning	This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. An investment in the Shares involves inherent risk and the investor could lose all or part of its invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
Securities	The Company has one class of shares in issue. The existing Shares will be secondary recorded in book-entry form with the VPS and have ISIN BMG0670A1099.
Issuer	The Company's registration number in the Bermuda Registrar of Companies is 202100333 and its LEI code is 549300KYN3M0LSM5A413. The Company's registered office is located at Park Place, 55 Par La Ville Road, Third Floor, Hamilton HM11, Bermuda. The Group's corporate headquarters are located at Stokkastrandvegen 85, 5578 Nedre Vats, Norway, its main telephone number at that address is +47 52 76 35 00 and its e-mail is contact@autostoresystem.com. The Group's investor website can be found at www.autostoresystem.com. The Company is considered an offeror under the Prospectus Regulation, in addition to the offerors set out below.
Offeror	

Name	LEI
THL Equity Fund VIII Investors (Automate), L.P.	549300FZIHXZSP3F9T81
Thomas H. Lee (Alternative) Parallel Fund VIII, L.P.	549300GDWNGNLLF30K22
Thomas H. Lee (Alternative) FUND VIII, L.P.	5493002IYY0KMNFJ8D54
THL Fund VIII (Alternative) Coinvestment Partners, L.P.	5493006Z4N8VYYLXKW43
THL (Alternative) Executive Fund VIII, L.P.	5493000UD2YI4ON41F11
Terminator Holding S.à r.l.	213800COXHXIP7PBP729
Automate Investment II AS...	549300PD6EUZNVK1NY23
Automate Investment AS	49300HVXC6IW5H7UO22

Competent authority	The Financial Supervisory Authority of Norway (the Norwegian FSA), with registration number 840 747 972 and registered address at Revierstredet 3, 0151 Oslo, Norway, and telephone number +47 22 93 98 00 has reviewed and, on 8 October 2021, approved this Prospectus.

Key information on the issuer

Who is the issuer?

Corporate information ...	The Company is an exempted company organized and existing under the laws of Bermuda pursuant to the Bermuda Companies Act. The Company was incorporated in Bermuda on 31 August 2021 as a holding company for AutoStore, its registration number in the Bermuda Registrar of Companies is 202100333 and its LEI code is 549300KYN3M0LSM5A413. The Company is intended to be resident in Norway for tax purposes by virtue of having its place of effective management in Norway.
Principal activities	AutoStore is a robot technology company and believes it is a leading provider of automated storage and retrieval systems (the "**AS/RS**") and warehouse management and control systems (the "**WMS/WCS**") through third-party distributors.
Major Shareholders	Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. Immediately following the Reorganization, THL, SoftBank and EQT (as defined herein) are the only shareholders owning 5% or more of the Shares:

#	Shareholder name	No. of shares	Percentage
1	THL[1]	1,638,390,532	50.73%
2	SoftBank[2]	1,314,076,591	40.69%
3	EQT[3]	179,213,747	5.55%
	Total	**3,131,680 870**	**96.97**

1 Shares held through THL Equity Fund VIII Investors (Automate), L.P., Thomas H. Lee (Alternative) Parallel Fund VIII, L.P., Thomas H. Lee (Alternative) FUND VIII, L.P., THL Fund VIII (Alternative) Coinvestment Partners, L.P. and THL (Alternative) Executive Fund VIII, L.P.

2 Shares held through Alpha L.P.

3 Shares held through Terminator Holding S.à r.l.

Key managing directors .... The Group's Management consists of 6 individuals. The Group's CEO & President and the CFO are employed by the Company. The rest of the Management is employed by the Company's wholly-owned subsidiary, AutoStore AS. The names of the members of the Management and their respective positions are presented in the table below.

Name	Position
Karl Johan Lier	CEO & President
Mats Hovland Vikse	Chief Revenue Officer
Bent Skisaker	Chief Financial Officer
Jone Gjerde	Chief Operating Officer
Anette Matre	Chief People & Information Officer
Carlos Fernandez	Chief Product Officer

Statutory auditor .... The Company's independent auditor is Deloitte AS with company registration number 980 211 282, and its business address at Dronning Eufemias gate 14, 0191 Oslo, Norway. Automate Holding S.à r.l.'s ("**Automate LuxCo**") independent auditor is Deloitte Audit S.à r.l., with business registration number B67895 and registered business address at 20 Boulevard de Kockelscheuer, L-1821, Luxembourg, Luxembourg.

What is the key financial information regarding the issuer?

The Company was incorporated on 31 August 2021 and has not prepared any annual financial statements as at the date of this Prospectus. The financial information related to the Group for the financial year ended 31 December 2020 included in this Prospectus has therefore been derived from the financial statements of the Company's wholly owned subsidiary, Automate LuxCo. As the Group (through Automate Bidco AS) acquired Terminator BidCo AS ("**Terminator**", being the predecessor holding company of the Group) on 31 July 2019, the comparable financial figures for Automate LuxCo for the year ended 31 December 2019 only include the results of the underlying acquired business with effect from 31 July 2019 to and as of 31 December 2019. To provide comparable figures for the Group's operation, the Prospectus therefore presents consolidated financial information for the two years ended 31 December 2019 and 2018 for Terminator. Additionally, interim financial statements for the three and six months ended 30 June 2021 have been prepared by Automate LuxCo and are presented in this Prospectus. Please note that the Company uses APMs to communicate its financial performance.

Consolidated income statement

In USD million	**Three months ended 30 June**		**Six months ended 30 June**		**Year ended 31 December**		
	Automate LuxCo		**Automate LuxCo**		**Automate LuxCo**	**Terminator**	
	2021 *IAS 34* *(unaudited)*	**2020** *IAS 34* *(unaudited)*	**2021** *IAS 34* *(unaudited)*	**2020** *IAS 34* *(unaudited)*	**2020[1]** *IFRS* *(unaudited)*	**2019[2]** *IFRS* *(audited)*	**2018[2]** *IFRS* *(unaudited)*
Total revenue and other operating income	85.5	42.0	149.6	79.8	182.1	194.6	143.9
Operating profit (loss)	9.3	7.3	(16.3)	6.7	24.6	88.3	58.9
Net profit (loss)	(1.7)	35.8	(17.3)	(56.5)	(21.1)	55.8	20.3

1 The 2020 Financial Statements (as defined herein) were prepared and audited with EUR as presentation currency. The Group changed to USD as presentation currency with effect from and including the first half of 2021. On this basis, the financial figures extracted from the 2020 Financial Statements and presented in this Prospectus have been recalculated from EUR to USD as set out in Appendix C.

2 Figures derived from the consolidated income statement of Terminator in the 2019 Financial Statements (as defined herein) and do not reflect the Group's financing arrangements associated with the acquisition of Terminator in July 2019. The principal line items impacted for the consolidated income statement are "other operating expenses", "depreciation and amortization", "total finance income (expense)" and "income tax". As such, the consolidated income statements of Terminator and Automate Luxco are not comparable.

In 2019, Terminator changed its presentation currency from NOK to USD, and as such, the 2018 figures were restated. Income and expenses were translated to USD at the respective average exchange rates prevailing for the relevant period. The 2018 figures have been derived from the unaudited consolidated financial information for the comparative period in the 2019 Financial Statements.

Consolidated statement of financial position

In USD million	As at 30 June	As at 31 December			
	Automate LuxCo	Automate LuxCo		Terminator	
	2021	2020[1]	2019[1]	2019[2]	2018[2]
	IAS 34	*IFRS*	*IFRS*	*IFRS*	*IFRS*
	(unaudited)	*(unaudited)*	*(unaudited)*	*(audited)*	*(unaudited)*
Total assets	2,059.6	2,054.2	2,010.1	616.7	559.4
Total equity	1,149.9	1,157.1	1,142.9	229.8	177.0
Total liabilities..............	909.6	897.0	867.2	387.0	382.4

1 The 2020 Financial Statements were prepared and audited with EUR as presentation currency. The Group changed to USD as presentation currency with effect from and including the first half of 2021. On this basis, the financial figures extracted from the 2020 Financial Statements and presented in this Prospectus have been recalculated from EUR to USD as set out in Appendix C.

2 Figures derived from the consolidated statement of financial position of Terminator in the 2019 Financial Statements and do not reflect the Group's financing arrangements associated with the acquisition of Terminator in July 2019. The principal line items impacted for the consolidated statement of financial position are: "goodwill", "intangible assets", and "non-current interest bearing liabilities".

In 2019, Terminator changed its presentation currency from NOK to USD, and as such, the 2018 figures were restated. Assets, liabilities and total equity were translated to USD at closing exchange rates prevailing on the balance sheet date. Share capital and share premium were translated to USD with historical rates. The 2018 figures have been derived from the unaudited consolidated financial information for the comparative period in the 2019 Financial Statements.

Consolidated cash flow statement

In USD million	Three months ended 30 June		Six months ended 30 June		Year ended 31 December		
	Automate LuxCo		Automate LuxCo		Automate LuxCo	Terminator	
	2021	2020	2021	2020	2020[1]	2019[2]	2018[2]
	IAS 34	*IAS 34*	*IAS 34*	*IAS 34*	*IFRS*	*IFRS*	*IFRS*
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(audited)*	*(unaudited)*
Net Cash flows provided by operating activities..	18.0	16.0	26.0	52.0	83.5	39.5	67.3
Net Cash flows used in investing activities.......	(7.9)	(4.5)	(18.0)	(7.9)	(19.3)	(12.7)	(9.2)
Net Cash flows provided by / (used in) financing activities	(9.5)	(12.1)	(7.4)	45.0	(40.1)	(32.1)	(37.8)

1 The 2020 Financial Statements were prepared and audited with EUR as presentation currency. The Group changed to USD as presentation currency with effect from and including the first half of 2021. On this basis, the financial figures extracted from the 2020 Financial Statements and presented in this Prospectus have been recalculated from EUR to USD as set out in Appendix C.

2 Figures derived from the consolidated cash flow statements of Terminator in the 2019 Financial Statements and do not reflect the Group's financing arrangements associated with the acquisition of Terminator in July 2019. The principal line items impacted in the consolidated cash flow statement are: "proceeds from issuance of debt", "repayment of long term debt" and "interest paid" (all three items under "net cash flows used in financing activities").

In 2019, Terminator changed its presentation currency from NOK to USD, and as such, the 2018 figures were restated. Income and expenses were translated to USD at the respective average exchange rates prevailing for the relevant period. The 2018 figures have been derived from the unaudited consolidated financial information for the comparative period in the 2019 Financial Statements.

What are the key risks that are specific to the issuer?

Material risk factors	• The Group is exposed to risks related to the quality, design and assembly of its products. • The Group is exposed to risks related to the Group's research and development ("**R&D**") activities, and to the development of and economic lifecycle of the Group's products.

- The Group depends on the continuous efficient performance of its IT systems.
- If the Group is unable to protect its IT environment from cyberthreats, this could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and prospects.
- The Group relies on the logistics integrators that distribute and/or sell the Group's AS/RS and has built strong and longstanding partnerships with certain key distribution partners (the "**Distribution Partners**").
- The Group's failure in any way to maintain its competitive position in the AS/RS market may have a material adverse effect on the Group's business, result of operations, financial condition, cash flows and prospects.
- The Group has some operations in emerging markets, which makes it difficult to predict market trends and market drivers, and to evaluate the Group's business and future prospects.
- The Group's success depends, in large part, on its ability to protect its intellectual property and other proprietary rights. The Group may be unable to adequately protect and defend its IP and know-how or may infringe on third-party IP rights.
- The Company is incorporated in Bermuda under Bermuda law, but is intended to be resident in Norway for tax purposes by virtue of having its place of effective management in Norway. There is a risk that Norwegian tax authorities or tax authorities in other jurisdictions may challenge the Company's status as tax resident in Norway and this could potentially increase the tax burden of the Group and the shareholders in the Company.
- The Group may not be able to obtain sufficient financing in the future or financing at favorable terms.
- The Group may suffer from exchange rate fluctuations. The Group's risk of changes in foreign exchange rates relates primarily to the Group's operating activities (revenues and expenses denominated in a foreign currency), external financing through interest bearing liabilities and the Group's net investment in foreign subsidiaries.

Key information on the securities

What are the main features of the securities?

Type, class and ISIN	All of the Shares are common shares in the Company and have been created under the Bermuda Companies Act. The Shares will be secondary recorded in book-entry form with the VPS in connection with the Listing and have ISIN BMG0670A1099.
Currency, par value and number of securities	The Shares will be traded in NOK on the Oslo Stock Exchange. As of the date of this Prospectus, the Company's authorized share capital is USD 42,500,000, consisting of 4,250,000,000 Shares, each with a par value of USD 0.01, of which 10,000 Shares have been issued and fully paid.
Rights attached to the securities.......................	The Company has one class of shares in issue and all shares in that class provide equal rights in the Company, including rights to dividend and voting rights. Each of the Shares carries one vote.
Transfer restrictions........	The Shares are freely transferable. The Company, the Selling Shareholders (except for those described in Section 13.3 "Option Selling Shareholders") and SoftBank are expected to enter into customary lock-up undertakings with the Managers for a period of 180 days after commencement of "if sold" trading of the Shares on the Oslo Stock Exchange. The members of Management, the Board Members, and other primary insiders of the Company who purchase Shares in the Offering are expected to enter into customary lock-up undertakings with the Managers for a period of 12 months after commencement of "if sold" trading of the Shares on the Oslo Stock Exchange, subject to certain customary exemptions. In addition, the Management, as well as a group of 16 persons in the mid-level management of the Group, have entered into lock-up undertakings with the Company for a period of 12 months and six months after the IPO. Further, SoftBank and EQT (both defined herein), have agreed with THL (defined herein) to certain limitations on the transfer of their Shares for a period following the Listing.

Dividend and dividend policy	The Company will consider dividend distributions in the future in the context of its medium-term leverage policy not to exceed two times the Net Debt divided by Adjusted EBITDA (both terms as defined herein) and investment opportunities at hand. In addition to legal requirements, the Board of Directors will, when deciding the annual dividend levels, take into consideration investment plans, capital expenditure plans, restrictions under the Group's debt facilities, financing requirements and maintaining the appropriate strategic flexibility.

Where will the securities be traded?

The Company will on or about 11 October 2021 apply for Listing of its Shares on the Oslo Stock Exchange. The Company currently expects commencement of trading in the Shares on the Oslo Stock Exchange on or about 20 October 2021 on an " if sold" basis (conditional trading) and on or about 22 October 2021 on an unconditional basis. The Company has not applied for admission to trading of the Shares on any other stock exchange, regulated market or a multilateral trading facility (MTF).

What are the key risks that are specific to the securities?

Material risk factors	• Sales of substantial amounts of the Shares in the public market following the Offering, including by the Selling Shareholders, or the perception that such sales could occur, could adversely affect the market price of the Shares and make it more difficult for holders to sell their Shares at a time and price that they deem appropriate. • The Company expects that the Oslo Stock Exchange will grant an exemption from the free float requirement of 25% subject to the conditions that the free float at the first day of trading of the Shares on an "if sold" basis is at least 10% and that the value of the free float is at least NOK 10 billion based on the Offer Price. The limited free float may have a negative impact on the price of the Shares and result in low trading volumes.

Key information on the offer of securities to the public and/or the admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

Terms and conditions of the offering	The Offering consists of: • An Institutional Offering, in which Offer Shares are being offered to (a) institutional and professional investors in Norway, Sweden, Denmark and Finland (b) investors outside Norway, Sweden, Denmark, Finland and the United States, subject to applicable exemptions from any prospectus and registration requirements, and (c) investors in the United States who are QIBs in transactions exempt from registration requirements under the U.S. Securities Act. The Institutional Offering is subject to a lower limit per application of NOK 2,000,000. • A Retail Offering, in which Offer Shares are being offered to the public in Norway, Sweden, Denmark and Finland subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit. All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be made in compliance with Regulation S. The Managers may elect to over-allot a number of Additional Shares equaling up to 15% of the aggregate number of New Shares and Sale Shares sold in the Offering. In this respect, the Selling Shareholders are expected to grant to the Stabilization Manager (Carnegie), on behalf of the Managers, a Borrowing Option to borrow a number of Shares equal to the number of Additional Shares in order to facilitate such over-allotment. Further, the Selling Shareholders are expected to grant to the Stabilization Manager, on behalf of the Managers, a Greenshoe Option to purchase a number of Shares up to the number of Additional Shares at a price per Share equal to the Offer Price in order to facilitate re-delivery of the borrowed Shares.

	The Company and the Selling Shareholders have, in consultation with the Managers, set an Indicative Price Range for the Offering from NOK 27 to NOK 31 per Offer Share. Assuming that the Offer Price is set at the low-end of the Indicative Price Range, the maximum number of Sale Shares are sold in the Offering and the Greenshoe Option is exercised in full, a total of 577,262,219 Offer Shares will be sold, representing 17.25% of the Shares in issue following the Offering.
Timetable in the offering.	The key dates in the Offering are set out below. Please note that the Company and the Selling Shareholders, in consultation with the Managers, reserve the right to shorten or extend the Bookbuilding Period for the Institutional Offering and Application Period for the Retail Offering at any time and at their sole discretion.

Bookbuilding Period commences.............................	11 October 2021 at 09:00 hours (CEST)
Bookbuilding Period ends.......................................	19 October 2021 at 14:00 hours (CEST)
Application Period commences	11 October 2021 at 09:00 hours (CEST)
Application Period ends	19 October 2021 at 12:00 hours (CEST)
Allocation and pricing of the Offer Shares	On or about 19 October 2021
Publication of the results of the Offering	On or about 19 October 2021
Distribution of allocation notes	On or about 20 October 2021
Commencement of conditional trading in the Shares	On or about 20 October 2021 at 09:00 hours (CEST)
Accounts from which payment will be debited in the Retail Offering to be sufficiently funded	On or about 20 October 2021
Payment date in the Retail Offering	On or about 21 October 2021
Delivery of the Offer Shares in the Retail Offering......	On or about 22 October 2021
Payment date in the Institutional Offering	On or about 22 October 2021
Delivery of the Offer Shares in the Institutional Offering...	On or about 22 October 2021
Commencement of unconditional trading in the Shares	On or about 22 October 2021 at 09:00 hours (CEST)

Admission to trading	The Company will on or about 11 October 2021 apply for admission to trading of its Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange will approve the listing application of the Company on 14 October 2021, conditional upon the Company obtaining a minimum of 500 shareholders, each holding Shares with a value of more than NOK 10,000 and the Company satisfying the minimum free float requirement of the Shares set by the Oslo Stock Exchange. The Company expects that these conditions will be fulfilled through the Offering and that the Oslo Stock Exchange will grant an exemption from the 25% free float requirement, provided that the free float at the first day of trading of the Shares on an "if sold" basis is at least 10% and that the value of the free float is at least NOK 10 billion based on the Offer Price. The Company currently expects commencement of trading in the Shares on the Oslo Stock Exchange on or about 20 October 2021 on an "if sold" basis (conditional) and on an unconditional basis on or about 22 October 2021.
Distribution plan	In the Institutional Offering, the Company and the Selling Shareholders, in consultation with the Managers, will determine the allocation of Offer Shares based on certain allocation principles. In the Retail Offering, allocation will be made on a pro rata basis using the VPS automated simulation procedures, provided, however, that the Company, the Selling Shareholders and the Managers reserve the right, at their sole discretion, to give full allocation to employees of the Group and members of the Board of Directors of the Company having applied for Offer Shares in the Retail Offering. The Company, the Selling Shareholders and the Managers reserve the right to limit the total number of applicants to whom Offer Shares are allocated in order to keep the number of shareholders at an appropriate level, in which case the applicants to whom Offer Shares are allocated will be determined on a random basis by using the VPS automated simulation procedures and/or other random allocation mechanism.

Dilution	Assuming that the Offer Price is set at the mid-point of the Indicative Price Range, and that none of the existing Shareholders subscribes for any Shares in the Offering, the immediate dilution for the existing Shareholders is expected to be approximately 2.8%.
Total expenses of the issue/offer	The Company's total costs and expenses of, and incidental to, the Listing and the Offering are estimated to amount to approximately USD 39.0 million. No expenses or taxes will be charged by the Company or the Managers to the applicants in the Offering.

Who is the offeror and/or the person asking for admission to trading?

Brief description of the offeror(s)	The Company is the offeror of the New Shares in the primary Offering. The offerors of Sale Shares in the secondary Offering are the Selling Shareholders. Reference is made to "Issuer" and "Offeror(s)" under the introduction above for corporate details about the offerors in the Offering.

Why is this Prospectus being produced?

Reasons for the offer/admission to trading	The Group believes that the Offering and the Listing will: • allow to optimize the Company's capital structure; • enable the Selling Shareholders to partially monetize its shareholding in the Company, and allow for a liquid market for the Shares; • diversify the shareholder base and enable other investors to take part in the Group's future growth and value creation; • enhance the Group's profile with investors, business partners, suppliers and customers; and • further improve the ability of the Group to attract and retain key management and employees.
Use of proceeds............	The Company expects to receive net proceeds of approximately NOK 2,37 billion, equal to approximately USD 276 million from the sale of New Shares, assuming that the Company's expenses in the Offering amount to approximately USD 39.0 million. The Company intends to use approximately USD 236.6 million of the net proceeds to reduce the financial leverage of the Group. The remaining net proceeds will be used for other corporate purposes.
Underwriting	The Company expects that it will, on or about 19 October 2021, together with the Selling Shareholders (except for those described in Section 13.3 "Option Selling Shareholders"), enter into an underwriting agreement (the "**Underwriting Agreement**") with the Managers with respect to the Offering of the Offer Shares. On the terms and subject to the conditions set forth in the Underwriting Agreement and provided that the Offering has not been terminated prior thereto in accordance with the terms of the Underwriting Agreement, the Managers are expected to agree to procure purchasers for the Offer Shares or, failing which, to purchase the Offer Shares themselves, and the Company and the Selling Shareholders are expected to agree to sell the Offer Shares to purchasers procured by the Managers or, failing which, to the Managers themselves.
Conflicts of interest........	The Managers or their affiliates have provided from time to time, and may provide in the future, financial advisory, investment and commercial banking services, as well as financing, to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers will receive a success fee in connection with the Offering and, as such, have an interest in the Offering. In addition, the Selling Shareholders may, at their sole and absolute discretion, pay to the Managers an additional discretionary fee in connection with the Offering. The Selling Shareholders will receive the proceeds from the sale of Sale Shares and the proceeds from the sale of any Shares sold pursuant to the Greenshoe Option.

2 RISK FACTORS

An investment in the Company and the Shares involves inherent risk. Investors should carefully consider the risk factors and all information contained in this Prospectus, including the financial statements and related notes. The risks and uncertainties described in this Section 2 "Risk factors" are the material known risks and uncertainties faced by the Group as of the date hereof that the Company believes are the material risks relevant to an investment in the Shares. An investment in the Shares is suitable only for investors who understand the risks associated with this type of investment and who can afford to lose all or part of their investment.

The risk factors included in this Section 2 are presented in a limited number of categories, where each risk factor is placed in the most appropriate category based on the nature of the risk it represents. Within each category the risk factors deemed most material for the Group, taking into account their potential negative affect for the Company and its subsidiaries and the probability of their occurrence, are set out first. This does not mean that the remaining risk factors are ranked in order of their materiality or comprehensibility, nor based on a probability of their occurrence. The absence of negative past experience associated with a given risk factor does not mean that the risks and uncertainties in that risk factor are not genuine and potential threats. Accordingly, they should therefore be considered prior to making an investment decision. If any of the following risks were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Group and/or its business, results of operations, cash flows, financial condition and/or prospects, which may cause a decline in the value and trading price of the Shares, resulting in loss of all or part of an investment in the Offer Shares. Additional factors of which the Company is unaware, or which it currently deems not to be risks, may also have corresponding negative effects.

2.1 Risks related to the business of the Group

2.1.1 Risks related to product quality, product performance and liability claims

The Group is exposed to risks related to the quality, design and assembly of its products. If the Group's products, solutions and services fail to meet specifications as agreed with customers or Distribution Partners (as defined below) or other technical or regulatory requirements for its products, solutions or services, the Group may be exposed to legal claims. The Group may also be exposed to legal claims following any injuries or accidents that may occur as a result of defects in the assembly, design or quality of its products. Any such legal actions could have a material adverse effect on the Group's business, operating income and overall financial position, as well as damage the reputation of the Group. Damage to the Group's reputation could cause the Group's sales to existing customers to decrease, and the Group may fail to attract new customers, which again could have a material adverse effect on the Group's business, operating income and overall financial position.

Actual and alleged accidents on projects, in respect of safety defects, defective performance, quality defects or environmental damage resulting therefrom could affect the demand for the Group's products, solutions and services as well as have adverse financial consequences, including, among others, a loss of business or heightened liability. Accidents occurring during the execution of major projects or performances of customer services can cause serious injuries to persons and significant damage to property, and could do lasting damage to the Group's reputation among customers and the general public, irrespective of whether or not the Group is responsible for causing such damage. The Group has not experienced any such actual or alleged accidents in the past. However, there can be no assurance that such accidents will not occur in the future.

The Group's business may also be negatively impacted should any of its customers experience interruptions in their operations due to the performance of the Group's products or defects in the Group's products. As a result, the Group's business, results of operations, financial condition, cash flow and prospects may be adversely affected. The Group's warranty period for the quality of its products is 24 months as from the delivery date from AutoStore to the relevant Distribution Partner. All of the Group's products are under warranty. To this effect, the Group has made warranty provisions in the amount of USD 0.4 million as of 30 June 2021. The Group's product warranty does not cover installations.

2.1.2 Risks related to the Group's R&D activities, and to the development of and economic lifecycle of the Group's products

The Group's R&D activities require significant investments. For the year ended 31 December 2020, the Group's spend in R&D amounted to USD 18.9 million. Future increases in spend and personnel dedicated to R&D functions may be necessary, for example through the set-up of additional R&D operations. The Group may also need to invest in external innovation or R&D partnerships, including cooperation with, or acquisition of, complementary businesses or start-ups which drive forward new technologies and business models that may be relevant for its customers in the future. Such combined businesses may, however, be difficult to integrate. In particular, it may be difficult to integrate the operations, technologies, products, existing contracts, accounting and personnel and realize anticipated synergies. If the Group is not able to realize anticipated synergies, including not onboarding new technologies and products as expected, the Group may experience reduction in sales, increase in costs and impairment of capital expenditure, which may again reduce the equity of the Group.

As commitments to developing new products must be made well in advance of resulting sales, it is possible that the Group's product development efforts might not translate into sales of new products to its customers, either because the products no longer meet its customer's needs, or the products are introduced to the market after those of a competitor. Furthermore, the rapid pace of technological advancement and change in the AS/RS market may also result in the economic lifecycle of certain of the Group's products being shorter than anticipated and potentially render the Group's products obsolete before their introduction, resulting in a partial or total loss of the Group's investment. As the Group's re-occurring revenues to a large extent depend on its existing customer base, early replacement by more advanced products may also erode the base of the Group's future re-occurring revenues.

As of 30 June 2021, the Group had USD 437.6 million in capitalized software and technology. The Group considers its capitalized software and technology to have an economic lifetime of 25 years and it is therefore amortized over 25 years, as the software and technology combine with the physical, installed systems to provide for very high switching costs for the Group's customers. However, other and any new technological solutions from third parties may reduce the economic lifetime of the Group's capitalized software and technology, which may result in an acceleration of amortization or impairment of the Group's carrying values of software and technology, which may again reduce the equity of the Group.

2.1.3 The Group depends on the continuous efficient performance of its IT systems

Information technologies ("**IT**"), networks to support business processes, as well as internal and external communication systems are crucial to the Group's business activities and offerings, and the Group heavily depends on their uninterrupted and efficient functioning.

Most of the Group's material IT operations services are cloud based on services delivered by, inter alia, Exchange and O365, managed by Microsoft's data center. Further, the Group's IT infrastructure and IT network are sourced from Jakob Hatteland Solutions AS ("**Jakob Hatteland Solutions**"), a company which was formerly part of the Group until 2017. The services sourced from Jakob Hatteland Solutions includes hosting and operational, maintenance and support services relating to the Group's IT environment and applications. These services, including the Group's IT infrastructure, are centralized and used by all the companies in the Group. Jakob Hatteland Solutions also operates several on-premises servers used in development projects for the Group, and operates as a configuration partner for the Group towards Microsoft. Consequently, the Group is vulnerable to malfunctions and disruptions of the Group's IT infrastructure.

In addition to the administrative IT services sourced from Jakob Hatteland Solutions, the Group licenses certain off-the-shelf IT applications for internal use, such as Salesforce, Microsoft Azure and Workday, from third-party suppliers.

The failure of the hardware or software that supports the Group's IT systems, the loss of data in the systems (including in case of data migration) or the inability to electronically access, or to electronically interact with, its customers and suppliers could significantly disrupt workflows for both the Group and its customers. Any significant disruptions or system failures, errors of defects could compromise the Group's attraction as a reliable and attractive provider of its products and services, and could ultimately result in loss of customers. The Group is similarly exposed to reputational damage and loss of customers where it does not use its own IT systems but relies on third-party IT service providers to provide services to its customers.

In addition, there is a risk that confidential or private information, including third-party information, may be leaked, stolen, manipulated or compromised in other ways, including due to any of the events mentioned above. Leakage or theft of information about the Group's intellectual property rights could affect its competitive position and results of operations. If confidential or private information is compromised, the Group may also be subject to contractual penalties or claims for damages, including consequential damages, administrative fines or other sanctions under secrecy, confidentiality, or data protection laws and regulations.

2.1.4 The Group is exposed to risks related to cybersecurity threats

As a robotic and software technology developer, the Group is subject to cyberattacks from cybercriminals, hackers or other parties. The Group has observed a global increase of cybersecurity threats and higher levels of sophistication in cybercrime, which pose a risk to the security of the Group's products, systems, networks and intellectual property rights and the confidentiality, availability and integrity of its data. The Group performs frequent on-site security and vulnerability assessments by third-party security specialists, and conducts annual penetration tests on the Group's IT infrastructure with a focus on cybersecurity. However, the Group's IT environment (as further described in Section 8.5.10 "The Group's IT infrastructure and IT network") could still be compromised, e.g. by attacks on its own or its IT service providers' networks that may also include cloud services, social engineering, data manipulations in critical applications and a loss of critical resources. IT security breaches could lead to shutdowns or disruptions of the Group's systems and potential unauthorized disclosure or theft of confidential information or data, including personal data, or other proprietary business information. The Group could suffer materially from any such attacks, which could also result in the Group incurring significant additional costs to modify its protective measures or to investigate and remediate vulnerabilities, and result in significant losses, reputational harm, competitive disadvantage and even physical damage. Furthermore, the Group may be subject to related litigation and financial losses that are either not insured against or not fully covered through the Groups' insurance policies. If the Group is unable to protect its IT environment from cyberthreats, this could have a material adverse effect on the Group's business, results of operations, financial condition, cash flows and prospects.

2.1.5 The Group is dependent on Distribution Partners and their ability to ensure sales growth

The Group relies on the logistics integrators that distribute and/or sell the Group's AS/RS and has built strong and longstanding partnerships with its Distribution Partners. The Group's Distribution Partners include some of the largest players in the automated warehousing market including, among others, Swisslog, Bastian Solutions, Element Logic, Dematic, Fortna, Okamura and SoftBank Robotics. In addition to handling all commercial sales of the Group's AS/RS, the Distribution Partners handle promotion, installation, maintenance and support services to the Group's end customers. The sale of the Group's products to the end customers is thus dependent on the sale growth, reputation and market strategy of such Distribution Partners. The Group typically manages shipping to the end customers at the cost of its Distribution Partners who again invoice the end customers. The Group is thus also dependent on its continued good relations with the Distribution Partners, and the Distribution Partners' ability to fulfil their contractual obligations and payments to the Group. The risk for lack of payment from the Distribution Partners is mitigated somewhat by both the Group's and its Distribution Partners' credit insurance, but there can be no assurance that such insurance would cover the actual losses incurred.

The Group's business and ability to ensure sales growth is, in addition to its own marketing activities and the use of Business Development Managers ("**BDM**", as further described in Section 8.2.3 "Highly scalable, global distribution model driving rapid growth and high margins" below), generally dependent on having a sufficient number of partners with skilled personnel and capacity in key markets. Thus, the Group continuously seeks to build new strong and longstanding partnerships. In 2020, Swisslog and Element Logic collectively represented more than 50% of the Group's total revenues. Consequently, the Group's business and ability to ensure sales growth is, in particular, dependent on sales of Swisslog and Element Logic, and on the Group's continued good relations with these Distribution Partners.

The Distribution Partners are generally granted a non-exclusive right to distribute the Group's AS/RS within a specific geographic area. Any Distribution Partner's decision to cease distribution of the Group's products, to prioritize selling other similar products to the Group's end customers or any damage to a Distribution Partner's reputation or brand, may result in a material adverse effect on the Group's revenues, financial condition and future prospects.

As the Group's products are also installed and serviced by certain of its Distribution Partners, the Group's reputation is dependent in part on the quality of the service provided by such third parties. The Distribution Partners participate in comprehensive training with the AutoStore academy, an international tool for training purposes, manuals and training sessions (the "**AutoStore Academy**"), but may still fail to deliver the expected quality in their installations and in the service provided in connection with the Group's products. If any Distribution Partner is not able to install and service the Group's products in accordance with the Group's standards of customer service or in accordance with specifications agreed with the Group's customers, the Group's reputation may suffer and the Group may be exposed to claims from customers and/or Distribution Partners, among other matters, each of which could have an adverse effect on the Group's business, results of operations, financial condition, cash flow and prospects. Installation of the Group's products is typically a well-organized and standardized process, aimed to avoid any disruption to customer's ongoing mission-critical operations. To date, the Group has not had any complaints from customers related to the installations made by its Distribution Partners beyond ordinary course of business. However, there can be no reassurance that the Group will not receive such complaints in the future if any Distribution Partner fails to deliver the expected quality in their installations and in the service provided in connection with the Group's products.

Furthermore, the Group is liable for liquidated damages in case of delayed deliveries to the Distribution Partners, provided that the Distribution Partner's liability towards the relevant end customer include consequential losses. Pursuant to the Group's standard distribution agreement, liquidated damages amount to 0.05% of the total contract price of the delivery agreed between the Group and the Distribution Partner per working day. Liquidated damages are calculated from the tenth working day after the agreed date of delivery and the Group's liability for delays is limited to 100 working days. The Group has never paid such liquidated damages, however there is no guarantee that the Group will not incur such liquidated damages in the future in case of delayed deliveries to the Distribution Partners.

2.1.6 The Group relies on a limited number of third-party suppliers and manufacturers for key elements of its operations

The Group's manufacturing strategy is to outsource non-core activities, such as the production of the AutoStore system components, to third-party entities skilled in manufacturing. By relying on the outsourced manufacture of the Group's products, the Group can focus its engineering expertise on the design of its Robots. However, as a result, the Group relies on a limited number of third-party suppliers and manufacturers, who are primarily located in Poland, Germany, Estonia, Sweden and Norway, for key elements of its operations. Timely and cost efficient delivery of components to the AS/RS, as well as assembly of such is dependent on the Group maintaining good relationships with its third-party suppliers and manufacturers, as well as maintaining a competitive position and negotiating power compared to its peers. If the Group does not maintain good relationships with its third-party suppliers and manufacturers, the Group risks that such third-parties prioritize other customers than the Group which can lead to the Group losing access to supply of components that are critical to the AS/RS. As such, the Group may experience disruptions in its assembly and the delivery of its products. Not maintaining good relationships with its third-party suppliers may also lead to increased prices as the third-party suppliers may reduce their focus on securing cost efficient procurement of the components needed to supply to the Group, which may lead to an increase in cost of goods sold and a reduction in operating profit margins for the Group.

The assembly of modules and parts used in the Group's AS/RS is mainly done by AutoStore Poland, and therefore most of the Group's supply agreements are entered into by AutoStore Poland. In addition, Autostore AS has entered into agreements for manufacturing of certain components of the AS/RS, in particular production of bins. AutoStore Poland's supplier contracts relating to components used in the AS/RS are typically based on (i) fixed prices based on various volume commitments (subject to yearly re-negotiation) or (ii) a simple framework for quotations with no minimum volumes or fixed prices. The pricing terms and the negotiation power can often be determined by the volume of products ordered per supplier. Competitors of the Group could have more established relationships with suppliers, or be better positioned to negotiate favorable terms and conditions, e.g., because of larger volumes committed compared to the Group. As a consequence, the Group's competitors could obtain lower prices and preferential access to materials, parts and components. Deterioration in the Group's relationship with its suppliers, or other competitors having a stronger relationship with the suppliers, could have a material adverse impact on the Group's competitive positions, including its sales volumes and margins.

Furthermore, if any of the Group's third-party suppliers or manufacturers materially and adversely changes the terms of their services or products, any such action could have a material adverse effect on the Group's business, prospects, results of operations, cash flows and financial position. For instance, if a supplier materially increases their prices, the Group may in the short run not be able to fully pass down such price increase to its customers based on the prevailing sales terms with the customer, thereby lowering its margin.

The Group's ability to replace such third-party suppliers or manufacturers may be limited and, as a result, the Group's business, prospects, results of operations, cash flows and financial position could be materially adversely affected. Given the above, in particular the limited number of suppliers that the Group relies on for key elements of its operations, this risk is material and of specific importance to the Group.

2.1.7 Risks related to facility disruptions

The assembly of modules and parts used in the AS/RS is mainly done by the Group's wholly owned Polish subsidiary AutoStore Sp. Z o.o ("**AutoStore Poland**"). Hence, any significant facility disruptions in Poland could have an adverse effect on the proper functioning of the Group's operations, as a disruption could prevent the Group from being able to produce enough modules to meet the order intake from its customers. This could again lead to loss of revenues for the Group and unsatisfied end-customers, which may risk the future relationship and contract loyalty between end-customers and Distribution Partners and between the Distribution Partners and the Group. This may have a material adverse effect on the Group's business, operating income and overall financial position. No particular measures have been put in place to mitigate such risk to date. However, the Group seeks to establish facilities in other regions in the coming years and thereby also mitigate risks associated with facility disruptions in Poland.

2.1.8 The Group may be unable to retain or replace key executives, key employees and enough qualified employees

The Group is dependent upon senior management personnel who have extensive experience and knowledge of the industry in which the Group operates and diverse skills, including engineers, digital talents, software developers, software management, embedded systems and other R&D services. Retention of senior management is important in the Group's business due to the limited availability of experienced and talented executives. In addition, competition for diverse and highly qualified personnel remains intense in the industry fields and regions in which the Group operates, and the Group's senior executives and key employees are instrumental in implementing the Group's strategic direction, operating its business, recruiting and training other key personnel, identifying expansion opportunities and arranging necessary financing. If the Group were to lose the services of members of its senior management team and were unable to employ suitable replacements in a timely manner, the Group's business, results of operations and financial condition could be materially adversely affected.

The Group's ability to anticipate and effectively respond to changing customer preferences and demands depends, in part, on the Group attracting and retaining key personnel in the Group's buying, design, marketing and other functions. In addition, the Group has a constant need to enhance the diversity of its workforce.

Due to the intense competition for talent in the industry, inadequate or inconsistent personnel planning and development (e.g., professional training with respect to new technologies, markets or customer requirements), the Group may be unable to find or retain suitable and qualified employees. At the same time, the Group may lose candidates, executives or key employees to competitors. Such losses could have a material adverse effect on the Group's market position and prospects.

2.1.9 The Group is exposed to risks relating to the availability of certain goods and materials

The Group's supply chain is primarily handled through supplier contracts and its operations are highly dependent on the availability and quality of certain materials, parts and components used in its AS/RS. The financial performance of the Group's operating units therefore relies on effective supply chain management in the way that the Group must maintain continuity of supply of critical components and adapt and develop alternative supply arrangements as needed. Further, the Group is currently expecting significant growth in the short term, leading to a high estimated backlog. If the Group does not gain access to necessary materials, parts and components from its external suppliers, there is a risk that the Group may not be able to meet the expected growth and realize its backlog and pipeline. In particular, the Group's business is dependent on aluminum and profile printing, electric and lithium-ion batteries for its robots and access to containers for shipping, all of which are in high demand in several other industries in addition to the robot technology business in which the Group operates. As an example, the electric and lithium-ion batteries used to run the Group's robots are also in high demand in the automotive industry as a result of the e-drive trend. The high demand for such goods and materials may result in increased costs or delayed deliveries, meaning a risk of lower margins and potential penalty payments or termination of contract.

Furthermore, the Group depends on machining capacity suppliers that are able to tailor the rails to the grids on the Group's warehouse constructions. The market for machining capacity suppliers is competitive, putting the Group at risk of not being able to engage the necessary suppliers or having to pay more for their services. In terms of aluminum profiles and machining capacity, the Group has experienced certain delays in H1 2021 due to general macroeconomic conditions resulting in extended lead times for new orders of the Group's products. As an example, delivery times for aluminum profiles recently increased from approximately 12 weeks to approximately 25 weeks. However, the Group expects that the aforementioned delivery times will be back to normal levels in the near term future, and already sees that the development is moving towards normal delivery times. Although to date such delays have not materially impacted the Group's business, if such delays continue, the Group may not be able to produce and assemble its products in a timely manner or at the planned cost, which may lead to delayed deliveries and/or lower profit margins. To date, the Group has not lost any projects due to extended lead times. However, capacity constraints and supply shortages resulting from disruptions in its supply chain may also lead to production bottlenecks, additional costs and detrimental effects on its cash flow and reputation. This may have a materially adverse effect on the Group's business, results of operations or financial conditions. To mitigate such risks, the Group has, *inter alia*, entered into additional supplier contracts with new suppliers allowing it to increase its capacity going forward.

2.1.10 Risks related to Group not being able to manage its growth and meet its strategic imperatives

The future growth of the Group is dependent on the successful implementation of the Group's business strategy, which is described in Section 8.3 "Strategy", which includes the expansion into new markets. The Group's primary market segments comprise apparel and sports, electronics, third-party logistic ("**3PL**"), industrial and retail and grocery, in Europe, the United States and Asia-Pacific ("**APAC**").

The Group's growth to date has placed, and it is expected that the Group's future growth will place, significant demands on Management and other resources within the Group, and will require the Group to continuously develop and improve its operations and business model.

In particular, the Group's continued growth will increase the challenges involved in:

(i) recruiting, training and retaining personnel and consultants with the knowledge, skills and experience that the Group's business model requires;

(ii) developing the Group's IP to ensure that the products and services delivered by the Group are attractive and up to date;

(iii) maintaining high levels of customer satisfaction;

(iv) developing and improving the Group's internal infrastructure, particularly the Group's financial, operational, communication and other internal systems;

(v) managing operating costs and remaining cost effective;

(vi) achieving and maintaining economies of scale;

(vii) preserving the Group's culture, values and performance-focused environment; and

(viii) effectively managing the Group's personnel and operations and effectively communicating to the Group's personnel the Group's core values, strategies and goals.

The Group's failure to manage its growth effectively and thereby meet its strategic imperatives could adversely affect the Group's business, prospects, financial condition and results of operations. In addition, there can be no guarantee that even if the Group successfully implements the Group's strategy, it will result in an improvement of the Group's results of operations. Furthermore, the Group may decide to alter or discontinue aspects of the Group's business strategy and may adopt alternative or additional strategies in response to the Group's operating environment or competitive situation or factors or events beyond the Group's control.

2.1.11 The Group is exposed to economic downturns in Europe and the U.S.

The Group generates a large part of its revenue from sales in Europe and the United States, which makes it particularly exposed to economic downturns in these regions. For the years ended 31 December 2020 and 2019, the Group's sales in Europe and the United States generated 84.9% and 89.8% of its total revenue, respectively. There are many factors which can affect the spending and investments made by the Distribution Partners and the Group's end customers. Especially the state of the economy as a whole, changes in stock market performance, interest rates, currency exchange rates, recession, political uncertainty, taxation, debt levels and also consumer spending, which in turn are affected by the availability of consumer credit, unemployment and changes in the retail market. Developments relating to COVID-19 and the United Kingdom's exit from the EU ("**Brexit**") may have significant impacts on the market in Europe and the United States. The risk related to Brexit may be mitigated by the post-Brexit trade agreement Norway and the UK has entered into. Further, the Group's sales to the UK in 2020 represented approximately 6% of the Group's total sales, and so far, the Group has not experienced any changes in its sales to the UK before Brexit and after Brexit. However, there is no assurance that the larger impacts on the European and American markets resulting from Brexit and COVID-19 will not have a material adverse effect on the Group's business, financial position and prospects. Such negative effects may be more significant to the Group than to the Group's competitors.

2.2 Risks related to the industry in which the Group operates

2.2.1 The Group operates in a competitive market, and may be affected by new entrants to the AS/RS market

The Group operates in the AS/RS market, which is competitive both domestically and internationally, rapidly evolving and subject to changing technologies, shifting customer needs and expectations, and the likely increased introduction of new products. The efforts of businesses to increase the efficiency of their warehousing activities and to reduce the capital spent on labor has resulted in the increasing adoption of warehouse automation in a global supply chain scenario. This trend toward automated warehousing has affected and will continue to affect the Group's competitive landscape. Given the increased customer driven appetite for AS/RS solutions and increasing technological advancements along each point of the value chain, competitors are entering the AS/RS market.

There are currently four main light AS/RS competitive solutions that can help automate the storage and picking process in fulfilment operations: Cubic Storage, Shuttle, autonomous mobile robots ("**AMR**") and Mini Load (as defined below). AutoStore believes it is differentiated from its competitors on the basis that the it considers the Group to be a scaled, IP-protected and commercially available provider within the fast growing Cubic Storage market. To maintain its competitive position in the AS/RS market, the Group also seeks to gain market share from other AS/RS competitive solutions such as Shuttle, AMR and Mini Load, as further described in Section 7.4 "Competitive positioning" below.

In addition to new entrants, the Group expects increased competition from existing competitors, including Daifuku, Knapp, Vanderlande and TGW, among others. Certain of the Group's competitors may have advantages such as the ability to handle larger and heavier goods, more favorable utilization rate of their capacities and/or more aggressive pricing policies. Generally, the Group has experienced more competition in the United States relating to large customers with potential multi-site rollouts, which have put pressure on prices. An increase in the competitive situation in this region could drive down margins as this may lead to the Group having to give more discounts to match the offering from competitors. In addition, competitors may be more innovative or their products and services may be more appealing to customers or certain competitors may benefit from superior brand recognition as a result of successful marketing strategies.

The Group's failure in any way to maintain its competitive position in the AS/RS market may have a material adverse effect on the Group's business, result of operations, financial condition, cash flows and prospects. The Group's ability to remain competitive will depend to a great extent upon, among others, the Group's ongoing performance in the areas of product development and customer support. The Company cannot ensure that the Group's AS/RS solutions will continue to compete favorably or that the Group will be successful in the face of increasing competition from new products and enhancements introduced by existing competitors or new competitors entering the market in which the Group provides its AS/RS solutions. The Group's failure to compete successfully could cause its revenue and market share to decline, which would negatively impact its results of operations and financial condition.

2.2.2 Risks relating to operating in an emerging market

The Group has some operations emerging markets where market trends are increasingly driving warehouse owners to automate their facilities and adopt AS/RS technologies. In turn, the AS/RS market is highly susceptible to enhancements of solutions and technological developments. A consequence of operating in an emerging market is that the Group may have difficulties in evaluating its business and its future prospects and to successfully implement its business plan.

More specifically, the Group may fail to predict market trends and market drivers and the general development of the emerging AS/RS market. Key market drivers in the AS/RS market include, *inter alia*, megatrends like eCommerce growth, omni-channeling, an increasing global warehouse stock, faster delivery requirements and labor challenges with respect to labor shortages that require automation of still manual tasks in industrialized as well as in emerging countries, rising labor costs and more severe health and safety regulations. Any failure by the Group to predict any of these market drivers going forward can lead to inaccurate evaluations of the development and growth of the Group's business. As a result, the Group may fail to invest in the right technology and personnel for future growth, and may fail to utilize its technology and personnel in a cost efficient manner. These factors may have an adverse impact on the Group's business, financial position and prospects.

2.2.3 Risks related to economic downturns, the impact of COVID-19 and changes in consumer behavior

The Group's operations are affected by the global economic conditions of the markets in which it operates. The COVID-19 pandemic has negatively impacted the global economy, disrupted consumer spending and global supply chains, and created significant volatility and disruption of financial markets. Downturns in economic conditions or uncertainties regarding future economic prospects might impact the Group's operative markets negatively, as well as its suppliers and their production. Due to uncertainty in the markets and businesses being unwilling to commit investments, the Group experienced a negative short term order intake in Q2 and Q3 2020. The Group was also affected by temporary practical difficulties related to installing certain projects and to organize customer meetings due to travel restrictions amongst other things.

There are many factors which can affect consumer behavior, especially the state of the economy as a whole. One of the key market drivers for the AS/RS market is the growth of eCommerce. Whereas traditional shopping in physical stores have decreased significantly due to the COVID-19 restrictions, eCommerce has accelerated and experienced strong growth. As a result, an increasing amount of eCommerce businesses seek to improve efficiency and increase volumes by investing in more complex logistics solutions for their warehouses, including increased automation which the Group offers. However, there is a risk that this increase will not continue in a post COVID-19 world if consumer behavior and preferences shift back from eCommerce to more traditional shopping. If such changes in behavior and preferences were to materialize, it may result in lower sales volumes for the Group and materially affect the Group's results of operations, financial condition and prospects.

Although the Group's business and financial performance has not been negatively affected by the COVID-19 pandemic in any significant way, no assurance can be given that the impact of COVID-19 will not increase as the pandemic continues to cause economic and social disruptions. The full extent of the impact of the COVID-19 pandemic on the Group's business and financial performance, including its ability to execute its near-term and long-term business strategies and initiatives in the expected time frame, will depend on future developments, including the duration and severity of the pandemic, the national and international rollout of vaccines and new strains or variants of the disease, all of which are uncertain and cannot be predicted.

2.2.4 Risks related to trade relations and the political situation in countries in which the Group's suppliers and customers have operations

The imposition of new barriers to free trade would negatively impact production, costs of production and sales along the Group's value chains. The Group's international operations depend upon favorable trade relations and the countries in which its customers and suppliers have operations. A protectionist trade environment in countries in which the Group does business, has assembly facilities, sources supplies or sells products, services and solutions, such as trade wars, punitive tariffs, sanctions, protectionist measures, boycotts, export compliance, government subsidies or other trade policies, could materially and adversely affect the Group's ability to operate in foreign markets, including its ability to adequately ship and transport its products, or increase its costs. For example, if the current U.S. administration is not able to successfully reduce the protective or punitive measures which the former U.S. administration implemented into the intralogistics area, companies based in Europe or certain other countries or companies with a particular shareholder structure may be significantly affected.

As the Group operates internationally and in countries in which the political situation is or may become unstable or uncertain, it is also exposed to, for example, risks of unexpected or unfavorable government intervention, changes to applicable rules, capital controls, expropriations or even social unrest and civil war. In such countries, the Group may also face financial markets risks, for example higher risk premiums, which could make it more difficult to finance capital expenditure which could have an adverse effect on the Group's business, results of operations, financial condition, cash flow and prospects.

2.3 Risks related to laws and regulation

2.3.1 The Group may be unable to adequately protect and defend its IP and know-how or may infringe on third-party IP rights

The Group's success depends, in large part, on its ability to protect its intellectual property and other proprietary rights. The Group relies primarily on patents, trademarks, copyrights and trade secrets, as well as license agreements, confidentiality agreements and other contractual provisions, to protect its intellectual property and other proprietary rights. Moreover, existing domestic and international legal standards relating to the validity, enforceability and scope of protection of intellectual property rights offer only limited protection, may not provide the Group with any competitive advantages, and may be challenged by third parties. In addition, the laws of the countries in which the Group sells its products may afford little or no effective protection of the Group's intellectual property. Accordingly, despite its efforts, the Group may be unable to prevent third parties from infringing upon or misappropriating the Group's intellectual property or otherwise gaining access to the Group's technology. In some instances, the Group's intellectual property is not protected by registered rights, as the Group considers the disclosure of trade secrets connected with a registration to be more harmful to it than the risk of secrecy violations. Unauthorized third parties may try to copy or reverse engineer the Group's products or portions of the Group's products or otherwise obtain and use the Group's intellectual property. In this respect, the Group is currently involved in an infringement case with Ocado (as defined herein), as further described in the risk factor in Section 2.3.4 "Litigation risk". In addition, defending the Group's intellectual property rights may entail significant expense. The Group believes that certain products in the marketplace may infringe its existing intellectual property rights. The Group may be required to expend significant resources to monitor and protect its intellectual property rights. Any of the intellectual property rights may be challenged by others or invalidated through administrative processes or litigation. If the Group resorts to legal proceedings to enforce its intellectual property rights or to determine the validity and scope of the intellectual property or other proprietary rights of others, the proceedings could result in significant expense to the Group and divert the attention and efforts of management and technical employees, even if the Group were to prevail.

Unauthorized parties may attempt to copy or otherwise obtain and use the Group's technology. Third parties may also design around AutoStore's proprietary rights, which may render its protected products less valuable, if the design around is favorably received in the marketplace. If substantial unauthorized use of its IP occurs, the Group may incur significant costs in prosecuting actions for infringement of its rights, as well as the loss of employee time devoted to these matters. Depending on the respective circumstances, the Group may pursue a selective strategy when filing for new patents, i.e., in order to reduce costs while at the same time adequately protecting its innovations. Such an approach may result in an increase of efforts required to defend against third-party IP rights and other measures to mitigate risks relating to IP rights. If the Group fails to strike an adequate balance between adequately protecting its IP and managing the costs of protecting IP, it might not have the portfolio of IP rights required to be competitive. It is also possible that the Group may not obtain issued patents for its pending patent applications or other inventions AutoStore seeks to protect. In that regard, the Group sometimes permits certain intellectual property to lapse or go abandoned under appropriate circumstances and due to uncertainties inherent in prosecuting patent applications, sometimes patent applications are rejected and the Group subsequently abandons them. It is also possible that the Group may not develop proprietary products or technologies in the future that are patentable, or that any patent issued to AutoStore may not provide it with any competitive advantages, or that the patents of others will harm or altogether preclude the Group's ability to do business.

The Group is a party to a number of license agreements that grant the Group rights to IP that is necessary or useful to its business. Its success depends in part on the ability of the Group and its licensors to obtain, maintain and sufficiently enforce its and the licensed IP rights the Group has commercialized. Without protection for the IP rights the Group has filed with the respective patent office and license, other companies might be able to offer substantially identical products, which could adversely affect sales of the Group's products and, ultimately, of its competitive position. Also, there can be no assurance that the Group will be able to obtain or renew from third parties the licenses to IP rights it needs in the future, and there is no assurance that such licenses can be obtained on reasonable terms.

There is a potential risk that the Group could infringe the IP rights of third parties, due to the fact that it is not always possible to determine when a party, such as the Group's competitors, suppliers or customers, currently has an effective and enforceable intellectual property right to certain processes, methods or applications. Accordingly, third parties could assert infringements of IP rights, including illegitimate ones, against the Group. As a result, the Group could be required to cease assembly of its products, using or marketing certain technologies or products in certain countries or be forced to incur licensing costs or make changes to assembly processes and/or products, or litigate the scope or validity of patents in order to be permitted to sell its products. In addition, the Group could be liable to pay compensation for infringements or could be forced to purchase licenses in order to make use of technology from third parties.

In order to mitigate the above mentioned risks, the Group pursues an IP strategy that includes surveillance of third-parties' IP registrations and takes action to challenge the validity of such IP registrations when necessary to secure 'Freedom to Operate' for their products. Additionally, the Group has an active filing strategy to register own IP in order to prevent third-parties from exploiting the Group's investments in developments and goodwill.

If the Group fails to protect its intellectual property and other proprietary rights, the Group's business, results of operations or financial condition could be materially harmed.

2.3.2 Risks related to the Company's tax residency

The Company is incorporated in Bermuda under Bermuda law, but is intended to be resident in Norway for tax purposes by virtue of having its place of effective management in Norway. This means that the Company will be subject to Norwegian taxation and tax filing obligations and treated equally to a Norwegian public limited liability company (Nw: *"Allmennaksjeselskap"*) for Norwegian tax purposes.

Under Norwegian tax law, the determination of the place of effective management of a company is based on an overall assessment of where the actual management of the company takes place, as set out in the Norwegian Tax Act § 2-2. The assessment is mainly based on where the board level management, and to some extent the actual C-level management, actually takes place and goes further than merely assessing formalities (such as the formal place of board meetings). Other factors such as where general meetings take place and where company headquarters are located may also be taken into account in certain circumstances. As a majority of the members of the Board of Directors of the Company are resident in other jurisdictions than Norway, the Company has established governance principles and routines in order to substantiate that the actual effective management takes place in Norway and thereby to maintain its status as resident in Norway for tax purposes.

However, the overall assessment of Norwegian tax residency is of a discretionary nature. There is a risk that Norwegian tax authorities or tax authorities in other jurisdictions may challenge the Company's status as tax resident in Norway and this could potentially increase the tax burden of the Group and the shareholders in the Company. If Norwegian tax authorities were to conclude that the Company is not resident in Norway for tax purposes, this could lead to withholding taxes being imposed on upstream dividends to the Company from the operating subsidiaries of the Group. If the Company is initially deemed to be tax resident in Norway but this status later changes, such transfer of tax residency may give rise to adverse tax consequences both for the Company and its shareholders both in Norway and in other jurisdictions, depending on the facts and circumstances at the time Norwegian tax residency ceases. Also, if Norwegian tax authorities were to conclude that the Company is not resident in Norway for tax purposes, this may have adverse tax consequences for Norwegian shareholders, cf. Section 16.2 "Norwegian taxation" below.

2.3.3 Use of open source licensed software components

The Group's use of open source licensed software is generally limited to permissive licenses, which will not adversely affect the Group's ability to use or modify the software for commercial purposes. Use of non-permissive open source licensed software is banned internally within the Group. However, the Group has previously relied on a limited number of non-permissive open source licensed software, albeit limited to non-commercial purposes and separate from the Group's commercial offerings. The Group's ability to fully realize the commercial benefits of software containing non-permissive open source licensed materials may be restricted. Depending on the actual use, non-permissive open source licensed software may impose obligations on the Group to disclose proprietary software to third parties and to permit them to use the software free of charge. Open source licenses may also present onerous compliance risks, and failure to observe these may result in litigation or the loss of the right to use the software which may have an adverse effect on the Group's business, results of operations, financial condition, cash flow and prospects.

2.3.4 Litigation risk

The Group may be involved in various legal proceedings and subject to claims that arise in the ordinary course of business. Although the results of litigation and claims are inherently unpredictable and uncertain, and with the exception of the legal proceedings described below, the Group is not currently involved in any legal proceedings the outcome of which, if determined adversely to the Group, are believed to, either individually or taken together, have a material adverse effect on the Group's business, operating results, cash flows or financial condition. Regardless of the outcome, litigation has the potential to have an adverse impact on the Group because of defense and settlement costs, diversion of management resources, and other factors. The Group's operations are subject to a variety of risks and disputes normally incident to the Group's business.

On 1 October 2020, the Group filed multiple, separate actions in different jurisdictions against Ocado Group plc, Ocado Solutions Ltd., Ocado Solutions USA Inc., Ocado Innovation Ltd., Ocado Operating Ltd., Ocado Retail Limited, and Ocado Central Services Ltd. (collectively "**Ocado**"). These actions include (i) an exclusion order sought from the International Trade Commission (the "**ITC**") in Washington, D.C. prohibiting Ocado from importing its robots and components of its "Smart Platform" to the United States because the Group believes that Ocado's robots infringe on certain of the Group's patents; (ii) patent infringement claims filed with the U.S. District Court for the Eastern District of Virginia seeking damages (including compensatory damages, interest and potentially treble damages) for Ocado's willful infringement of five of the Group's U.S. patents; and (iii) patent infringement claims filed with the High Court of Justice in London, United Kingdom for which the Group is seeking an injunction and damages or an account of profits. The Group has also commenced two entitlement actions against Ocado Innovation Limited ("**OIL**") before the United Kingdom Intellectual Property Office and High Court regarding OIL patents for which the Group believe it is the true owner. These proceedings are in various stages of progress. In particular, the Group does not expect the final determination from the ITC until March 2022.

Additionally, Ocado filed (i) various patent infringement claims in the U.S. District Court for the District of New Hampshire on 17 January 2021 alleging that the Group's Red Line and Black Line systems, including its robots and Router software, infringe on certain of Ocado's patents and patent applications and (ii) an antitrust violation claim in the U.S. District Court for the Eastern District of Virginia on 2 February 2021, alleging that the Group violated antitrust regulations as a result of its patent filing and assertion in the U.S. and claiming tortious interference with Ocado's relationship with the Kroger Company; and (iii) intellectual property infringement claims in the Mannheim Regional Court and the Munich Regional Court, Germany related to utility models and directed to the Black Line robots. For further information, see Section 8.11 "Legal proceedings" below.

If the Group is not successful in its assertion that the patents filed and technology used by Ocado infringes its patents, the Group will have to continue to compete with Ocado systems designed by Ocado that are similar to its systems. If the technology contained in the Group's robots are deemed to infringe patents held by Ocado, the Group may have to install earlier versions of its Router software in certain AutoStore Systems and/or halt sales of its Black Line robots in the United States while it researches and develops alternative technologies. The Group may also be subject to financial penalties for infringing Ocado's patents. If the Group is found to have breached antitrust laws in the United States as a result of its patent infringement actions against Ocado, the Group may be subject to damages and court-ordered penalties. Additionally, if the Group is unsuccessful in its infringement case in the United Kingdom, it would likely be liable to pay the other side's legal costs as agreed or assessed. As of the date of this Prospectus, the Group has made provisions only for expected litigation costs.

2.3.5 Risks related to Regulatory Requirements applicable to the Group's products and business operations

As a group with international business operations, the Group is subject to various regulations, laws and policies ("**Regulatory Requirements**") that govern its operations and influence its business activities and processes as well as its reputation. The Group has since 2017 established sales offices through local entities in the United Kingdom, the United States, Germany, Austria, Switzerland, France, Japan, South Korea, Spain and Italy. These entities, which are acting as agents on behalf of the Group in their respective geographical areas, are subject to the local laws and regulations in their respective areas. Observing all Regulatory Requirements at any given point in time requires constant monitoring of such requirements, which may be manifold, complex and subject to changes, as well as the ability to fulfil them as and when required. In addition, the Group is inherently subject to risks related to differences in regulatory environments. On a country-by-country basis, the pace and direction, of regulatory reforms vary, making the Group and its customers' regulatory environment even more complex. There is considerable uncertainty about the extent and shape of future Regulatory Requirements. There can be no assurance that the Group is and will always be successful in developing and implementing policies and strategies that ensure a full and timely observation of each Regulatory Requirement in each location where the Group does business. Failure to comply with Regulatory Requirements in each location where the Group does business may result in civil liability claims, fines or penalties as well as criminal sanctions being enforced against the Group. The Group may also be required to cancel operations in case of failures to comply with relevant Regulatory Requirements, which could materially affect the Group's reputation, results of operation, financial condition and prospects.

Furthermore, the Group's products are subject to various Regulatory Requirements. For instance, certain rules apply to their technical design, such as product safety regulations. Failure to comply with such safety regulations could result in claims being brought against the Group and constitute a significant risk of liability. To ensure compliance, all AutoStore products are evaluated and certified by external, independent organizations with strong track records in their respective fields of expertise. As at the date of this Prospectus, the Group has an approval process covering multiple facets of its product portfolio in more than 50 countries. It is imperative that the Group's product approvals are tested, accepted and certified before entering into new jurisdictions. In order to comply with the specific Regulatory Requirements in general and product safety regulations in the different jurisdictions the Group operates specifically, the Group adjusts and adapts its products accordingly. The adjustments and adaptations are made to the Group's global modules and not on a jurisdiction by jurisdiction basis, ensuring conformity in the Group's products. However, there can be no assurance that the Group will not encounter issues with conflicting local requirements going forward.

Moreover, certain eco-design regulations may apply to the Group's products. Additionally, the Group's products are subject to regulations that govern electronic equipment and electronic waste. Furthermore, there is a growing worldwide trend towards restricting the use of hazardous substances. To the extent the Group's products contain hazardous substances or electronic waste such as e.g., electric and lithium-ion batteries used to run the Group's robots, the Group may be required to find substitutes, which might cause significant costs. Any obligation to monitor and limit hazardous substances may also apply to the Group's suppliers and, in the future, the Group may be required to collect information regarding hazardous substances from its suppliers and provide such information to its customers. Due to the Group's global supply chains, any potential requirement to monitor the hazardous substances in products of its suppliers may incur significant costs and, to some extent, be practically impossible. Likewise, restrictions to use materials from certain conflict regions might require the Group to search for substitutes. Notwithstanding any statutory Regulatory Requirements imposed by governmental or regulatory bodies, the Group's customers might require the Group to implement even higher product safety and environmental standards which could significantly increase the Group's production costs. If the Group is not able to find cost efficient ways to adapt to higher product safety and environmental standards or adjust prices to address any increased production costs accordingly, the Group's margins will decrease.

In particular, any environmental, health and safety ("**EHS**") violations may expose the Group to liability, penalties, fines, reputational damage or loss of licenses or permits that are important to its business operations. The Group may also suffer a downgrade of its environmental, social and governance ("**ESG**") ratings, which may have a detrimental impact on the market value of its shares, as some investors may decide to stop investing as a result of any ESG rating downgrade. The Group could also face liability for damage or remediation for environmental contamination at the facilities it owns, leases, designs or operates. Due to the Group's operational risk profile, there may be a risk of serious and/or fatal accidents. Considering that there is only assembly at the Group's facilities, this risk is however considered fairly limited. Furthermore, the Group may also be inadequately prepared to respond to unexpected regulatory enforcement actions. Increased EHS enforcement actions may also affect the Group's ability to secure adequate financing. Increasingly, compliance and enforcement of EHS standards is becoming part of the financing terms for projects. If the Group fails to accurately interpret and apply these standards, it may breach or default under certain agreements and jeopardize the financing of future projects.

In addition, the implementation of the Paris agreement adopted under the United Nations Framework Convention on Climate Change in December 2015, could also tighten the climate change laws in different countries and regions, including the EU where the Group operates. Existing and possible new regulations regarding carbon dioxide and other greenhouse gas emissions, such as any future federal actions in the U.S. as well as emission trading systems or energy-saving targets in connection with market-based mechanisms in various countries worldwide or any comparable measures in other countries in which the Group operates, could significantly increase the Group's production costs. If the Group is not able to increase its energy efficiency or adjust prices to address any increased production costs accordingly, the Group's margins will decrease.

2.3.6 Risk related to the Group obtaining permits, licenses, approvals and certifications

Certain of the Group's business activities depend on permits, licenses, approvals, certifications and/or exemptions in different jurisdictions. For example, the Group is exposed to risks associated with approvals when building and operating assembly facilities and requires certain permits in order to operate its plants. These approvals may be suspended, revoked or made subject to conditions by public authorities. The relevant regulatory authorities may not grant licenses, approvals, certifications, exemptions and dispensations as quickly as anticipated, which may result in project delays or unused capacities. If the Group loses or fails to obtain necessary permits, licenses, approvals, certifications and/or exemptions, the Group may be prevented from selling or distributing its AS/RS in the relevant jurisdictions, which could materially affect the Group's reputation, results of operation, financial condition and prospects.

Furthermore, the Group's customers are increasingly requiring that the Group obtains additional certifications before customers are willing to engage in business activities with the Group. The necessary validation and certification processes to obtain these certifications may be complex, time-consuming and costly, and may be influenced by factors that are beyond the Group's control.

The Group possesses approximately 700 tests and certifications related to the different components of the AS/RS. Furthermore, both AutoStore AS and AutoStore Poland have been awarded ISO 9001:2015 (CE) certification regarding quality management systems. Failure to obtain certifications, e.g., for environmental management systems according to ISO 14001, as and when required by the Group's customers may result in a loss of revenue and harm the Group's reputation. There are several directives for the European market, such as the Low Voltage Directive (LVD), Electromagnetic Compatibility Directive (EMC), the Radio Equipment Directive (RED), and the EU Machinery Directive. These are an important part of the safety due diligence process and are also grouped together under the auspices of CE mark. There can be no assurance that the Group will be able to comply with all Regulatory Requirements, and renew all permits, licenses, approvals, certifications, exemptions and dispensations upon their expiration within the required timeframe or at all.

2.3.7 Risks related to preventing and detecting compliance risks and business risks for the Group

As of 30 June 2021, the Group operated in 8 countries with 13 consolidated subsidiaries, 2 subsidiaries under establishment and approximately 463 employees. As a result of the Group's supply chain and global distribution network, the Group has limited influence over and insight in the day-to-day operations of its customers, suppliers and Distribution Partners.

The Group's existing compliance and control system and organization, including its codes of conduct and regular training efforts aimed at ensuring compliance with anti-corruption, anti-bribery, antitrust, fair competition, anti-money laundering, data privacy, human rights, sanctions and other forms of export control regimes, including customs regulations and other legislation such as data protection regulations (see Section 8.9 "Regulatory overview" for further information), regulatory security requirements or capital markets laws, may not be sufficient to prevent violations of applicable legislation and regulations. There is no guarantee that the Group's employees, customers, suppliers and other partners will always act in compliance with applicable statutory provisions and internal guidelines or process descriptions, including those relating to procurement, production, proposals and sales. For example, due to the Group's international operations, it is difficult to continually monitor compliance with export control regimes and sanctions.

As a result, the Group is at risk of sanctioned parties becoming directly or indirectly involved with the Group's business or the business of its suppliers or customers. High levels of pressure as a result of a fast changing, more complex and at times harsh business environment, as well as ambitious target setting may unintentionally foster non-compliant behavior of the Group's employees. The Group faces the risk that, as a result of any violations of relevant laws and regulations, penalties, liabilities, fines or investigations may be imposed on the Group or that its business may be adversely affected. In addition, the Group's compliance system and monitoring capabilities may not be sufficient to promptly detect current compliance issues, identify past violations or prevent damage from fraud or similar crimes.

Inappropriate behavior or any compliance breaches could lead to legal proceedings against the Group, and may include criminal, regulatory and/or other fines, sanctions, court orders affecting future conduct, forfeiture of profits, rescission of existing contracts, exclusion from certain businesses (so-called "blacklisting"), potential damages, loss of licenses and certifications or other restrictions. As a result, the Group may lose the ability to pursue certain strategic projects and transactions that may be important for its business. Involvement in potential non-compliance proceedings and investigations could harm the Group's reputation and that of its management, lead to the loss of customers and have a negative impact on its brands and on its efforts to compete for new customers and new orders. Customers and/or third parties could also initiate legal proceedings against the Group for substantial financial sums.

2.3.8 Risks related to European Privacy Laws

The Group has access to a variety of customer and employee personal data, and AutoStore's cubic solutions lines will process customer personal data on behalf of its solutions partners. As such the Group is subject to data privacy laws, including the General Data Protection Regulation (EU) 2016/679 (the "**EU GDPR**"), and, in respect of any personal data relating to UK-based employees or processed on behalf of UK-based customers, the EU GDPR as it forms part of the laws of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 (the "**UK GDPR**") (together, "**European Privacy Laws**"). European Privacy Laws impose stringent legal and operational obligations on businesses, as well as the potential for fines, sanctions, or other penalties, which could materially and adversely affect the result of operations and overall business, as well as have an impact on the reputation, of the Group. Failure to comply with the EU GDPR and the UK GDPR, depending on the nature and severity of the breach, could attract regulatory penalties of up to the greater of: (i) EUR 20 million in respect of the EU GDPR; and (ii) GBP 17.5 million in respect of each of the UK GDPR, or, in each case, 4% of an entire group's total annual worldwide turnover, as well as the possibility of other enforcement actions (such as suspension of processing activities and audits), liabilities from third-party claims and reputational damage. Notably, European Privacy Laws have extra-territorial reach and governs the processing of personal data by businesses with an establishment in the EU, as well as those which offer goods or services to EU/UK data subjects or which monitor EU/UK data subjects' behavior within the EU/UK. For further information on the steps taken by the Group to comply with European Privacy Laws, see Section 8.9 "Regulatory overview" below.

Additionally, as a result of recent case law and regulatory guidance in Europe, organizations with a nexus to the UK and/or EU which export personal data outside the EEA or the UK will likely need to dedicate compliance costs and resources to implement appropriate legitimizing mechanisms and safeguards (e.g., standard contractual clauses, pseudonymization techniques, encryption, transfer impact assessments) in respect of transfers of personal data from the EU and the UK.

2.3.9 The Group's tax burden could increase due to changes in tax laws and regulations or as a result of current or future tax audits

The Group operates in many countries and is therefore subject to many different tax regulations. Its tax burden could increase due to changes in tax laws or their application or interpretation, or as a result of current or future tax audits. Changes in tax laws or regulations, tax treaties or any change in position by the relevant authorities regarding the application, administration and interpretation (including any form of administrative guidance or through the interpretation by courts) in any applicable jurisdiction, could result in higher tax expenses and increased tax payments (prospectively or retrospectively). In particular, these changes could impact the Group's tax receivables and tax liabilities as well as deferred tax assets and deferred tax liabilities. In addition, the uncertain legal environment in some countries in which the Group operates could limit the Group's ability to enforce its rights. The Group is regularly audited by tax authorities in various jurisdictions and it continuously identifies and assesses relevant risks. If the tax authorities in any of the jurisdictions decide to assess the Group that could lead to additional tax burdens or other detrimental consequences. As a result of current or future tax audits or other reviews by tax authorities or tax disputes, material additional taxes could be imposed on the Group's companies exceeding the provisions reflected in its financial statements. For instance, the original treatment of a tax-relevant matter in a tax return, tax assessment or otherwise could later be found incorrect, the establishment of the Group's tax groups for past and current periods could be challenged, and additional taxes, interest, penalty payments and/or social security payments could be assessed on any of the Group's companies. Such (re-)assessment may be due to an interpretation of laws and/or facts by tax authorities that differs from the Group's view and may emerge as a result of tax audits or other review actions by the relevant tax authorities or tax disputes pending before the tax courts.

2.4 Risks related to financial matters

2.4.1 The Group may not be able to obtain sufficient financing in the future or financing at favorable terms

Even if the Group is able to find adequate sources of financing, there can be no guarantee that such financing could be secured on acceptable terms, if at all. The Group's business requires access to significant credit and guarantee lines and other financing instruments. Its business could be negatively affected if the Group is unable to meet its capital requirements in the future, for example as a result of weak financial market environments, a significant deterioration of its credit standing, a breach of or default under a credit facility agreement, or if access to capital becomes cost prohibitive. The Group's business activities could also be negatively affected if its customers or suppliers do not have access to financing on economically viable terms.

The Group's ability to obtain debt financing, guarantees or derivative or hedging lines from financial institutions at commercially acceptable terms, including volume and costs, depends on several factors, some of which are beyond its control. These factors include but are not limited to, general economic conditions, the availability of credit from financial institutions, market interest rates and global and EU monetary policy and financial markets regulation. In addition, any deterioration in the Group's business results, financial position or credit ratings could lead to higher financing and hedging costs, reduced availability of credit, hedging and guarantee lines, reduced access to capital markets, other commercially unfavorable terms, an acceleration of loans or the need to provide additional security.

Without sufficient future cash flows and available financing, the Group may not be able to adequately finance its ordinary business activities and continue its daily operations, or to realize new investments and acquisitions, which could in turn have a material adverse effect on its growth prospects, its competitive and financial positions as well as its results of operations. The Group's business activities could also be negatively affected if its customers or suppliers do not have access to financing on economically viable terms or if they or their lenders downgrade its ability to execute projects due to a deterioration of its financial position, results of operation or credit ratings.

2.4.2 The Group may suffer from exchange rate fluctuations

The Group's international business activities, supply chain and global distribution network expose it to foreign exchange transaction risk and translation risk. The Group's risk of changes in foreign exchange rates relates primarily to the Group's operating activities (revenues and expenses denominated in a foreign currency), external financing through interest bearing liabilities and the Group's net investment in foreign subsidiaries. The Group's presentation currency is USD and the Group's primary exposure is to USD and EUR currencies as those currencies make up a significant portion of revenues. The Group has no material revenues in NOK. Transactional risk arises when the Group’s entities enter into transactions in currencies different than the entities’ functional currencies.

Furthermore, a significant amount of the materials used in the Group's production are sourced from suppliers located in countries that have adopted Zloty ("**PLN**") and EUR. The Group's suppliers are generally paid in EUR in addition to PLN, as such the Group has significant costs in EUR and PLN. A large portion of the Group’s operations are conducted in Norway, where transactions to a large extent is made in NOK and as such the Group has significant costs in NOK.

In case of unfavorable exchange rate fluctuations, such as a strong currency in the country of a supplier, and the Group due to competitive pressure being unable to raise its prices, the Group may face reduced gross margins leading to a decline in net results and a competitive disadvantage. Products and services provided and invoiced to the Group in markets with weaker local currencies may also lead to lower profit margins which could have an adverse effect on the Group's business, results of operations, financial condition, cash flow and prospects.

2.5 Risks related to the Listing and the Shares

2.5.1 Future sales of the Shares after the Offering may affect the market price of the Shares

In connection with the Offering, the Company, the Selling Shareholders (except for those described in Section 13.3 "Option Selling Shareholders") and SoftBank are expected to enter into customary lock-up undertakings with the Managers for a period of 180 days after commencement of " if sold" trading of the Shares on the Oslo Stock Exchange, as further described in Section 17.18 "Lock-up". The members of Management, the Board Members, and other primary insiders of the Company who purchase Shares in the Offering are expected to enter into customary lock-up undertakings with the Managers for a period of 12 months after commencement of "if sold" trading of the Shares on the Oslo Stock Exchange. In addition, the Management, as well as a group of 16 persons in the mid-level management of the Group, have entered into lock-up undertakings with the Company for a period of 12 months and six months, respectively, after the IPO. As further described in Section 14.11 "Shareholders' agreements ", SoftBank (as defined herein) and EQT (as defined herein) are also subject to certain transfer restrictions as agreed with THL (as defined herein) for a period after the Listing.. When these lock-up arrangements and/or transfer restrictions expire, or if they are waived or terminated by the Managers or THL or the Company, as applicable, the Shares that are subject to the lock-up arrangements and transfer restrictions may become available for sale in the public market or otherwise. Sales of substantial amounts of the Shares in the public market following the Offering, including by the Selling Shareholders, or the perception that such sales could occur, could adversely affect the market price of the Shares and make it more difficult for holders to sell their Shares at a time and price that they deem appropriate.

The Selling Shareholders may also have interests that are different from the other shareholders regarding the timing or amounts of Shares that may be sold. After the lock-up arrangements expire, or if they are waived or terminated by the Managers, no assurance can be given whether future sales of Shares will be made or as to the timing or amounts of Shares that may be sold.

2.5.2 The limited free float of the Shares may have a negative impact on the liquidity of and market price for the Shares

It is expected that the free float of the Shares following completion of the Offering will be approximately 15%, depending on the final Offer Price and assuming the Greenshoe Option is not exercised. If the Greenshoe Option is exercised in full, the free float is expected to be between approximately 17.25%. The Company expects that the Oslo Stock Exchange will grant an exemption from the free float requirement of 25% subject to the conditions that the free float at the first day of trading of the Shares on an "if sold" basis is at least 10% and that the value of the free float is at least NOK 10 billion based on the Offer Price. The limited free float may have a negative impact on the price of the Shares and result in low trading volumes. The degree of liquidity of the securities may negatively impact the price at which an investor can dispose of the securities where the investor is seeking to achieve a sale within a short timeframe.

2.5.3 The price of the Shares may fluctuate

The trading price of the Shares may be subject to wide fluctuations in response to many factors, including those referred to in this section, as well as stock market fluctuations and general economic conditions that may adversely affect the market price of the Shares. Publicly traded shares from time to time experience significant price and volume fluctuations that may be unrelated to the operating performance of the companies that have issued them. In addition, the market price of the Shares may prove to be highly volatile. The market price of the Shares may fluctuate significantly in response to a number of factors, some of which are not specific to the Company and beyond the Company's control, including:

- changes in financial estimates by securities analysts;
- changes in market valuations of similar companies;
- variations in operating results in the Group's reporting periods;

- any shortfall in revenue or net profit or any increase in losses from levels expected by market commentators;
- increases in capital expenditures compared to expectations;
- announcements by the Group of significant contract gains or losses, acquisitions, strategic alliances, joint ventures, new initiatives, new products or new product ranges;
- regulatory matters;
- additions or departures of key personnel; and
- future issues or sales of Shares.

2.5.4 Future issues of Shares may dilute the holdings of Shareholders

The Company may decide to offer additional Shares in the future, to finance new capital-intensive projects, to pursue merger and acquisition ("**M&A**") opportunities, in connection with unanticipated liabilities of expenses, for the purpose of delivering shares under employee incentive programs or for any other purposes. As the Company is a Bermuda limited company, shareholders do not have the same preferential rights in a future offering in the Company as shareholders in Norwegian limited liability companies listed on the Oslo Stock Exchange normally have. Depending on the structure of any future offering, certain existing shareholders may therefore not be able to purchase additional equity securities, meaning that these shareholders' holding and voting interest may be diluted. An additional offering may also have an adverse effect on the market price of the Shares as a whole.

2.5.5 There can be no assurance that an active and liquid market for the Company's shares will develop, and the price of the Shares may be volatile

The Company's shares have prior to the Offering been held by a limited number of shareholders, and there has been no public market for the Shares. The Offer Price is being determined through a bookbuilding process. There can be no assurance that the Offer Price will correspond to the price at which the Shares will be traded on the Oslo Stock Exchange after the Offering and that, following the Listing, liquid trading in the Shares will develop and become established. Investors may not be in a position to sell their Shares quickly or even at the market price if there is no active trading in the Shares. The Norwegian stock market has historically been subject to volatility. After the Offering, the price of the Shares may be subject to considerable fluctuation. The price for the Company's shares may be affected by supply and demand for the Shares, fluctuations in actual or projected results, changes in earnings forecasts, failure to meet stock analysts' earnings expectations, dividend earnings on the Shares, changes in general economic conditions, including in relation to the coronavirus pandemic, and yield on alternative investments.

2.5.6 THL and SoftBank will have significant voting power and the ability to influence matters requiring shareholder approval

Upon the completion of the Offering, funds affiliated with Thomas H. Lee Partners, L.P. ("**THL**") and SoftBank Group Corp. ("**SoftBank**") are expected to remain the largest shareholders of the Company, respectively controlling approximately 39% and 39% of the Shares if the Greenshoe Option is not exercised and if all Sale Shares are sold, and 37% and 39% of the Shares if the Greenshoe Option is exercised in full and if all Sale Shares are sold. Through its shareholdings, THL and SoftBank will have the ability to, to a significant extent, control the outcome of matters submitted for consideration at General Meetings, including the election of Board Members to the Board of Directors. The commercial interests of THL and SoftBank may not always be in the best interest of the Company's other shareholders. The ownership structure of the Company could also have material adverse effect on the market value for the Shares.

2.5.7 The Shares are listed on an "if sold" basis until delivery of the Shares, which could result in all conditional trades being reversed

The Shares are expected to be listed on the Oslo Stock Exchange on a conditional (i.e., an "if sold") basis. Therefore, the Shares will be tradable on the Oslo Stock Exchange before the Shares are delivered to each investor. If certain force majeure events occur as set out in the Placement Agreement, or if there is a default by Managers in certain circumstances, the Shares will not be delivered to the investors. All prior trades with the Shares will be cancelled and reversed, and any payments made will be returned without interest or other compensation. Such events could adversely affect participants in the Offering and those who trade in the Shares during the period of conditional trading.

2.5.8 Risks relating to the VPS registration

As further described in Section 14.9 "VPS registration of the Shares" the Shares will be secondary recorded in the VPS in book-entry from Listing meaning that VPS will record dematerialized book entry interests. The dematerialized book entry interests recorded in the VPS and listed on the Oslo Stock Exchange will be regarded as the "Shares" in accordance with applicable EU regulations, and accordingly be referred to as Shares in the Prospectus. However, and as described in Section 14.12.6 "Voting rights" the holders of Shares will not have direct shareholder rights towards the Company. There is no assurance that holders of Shares will receive the notice of shareholder meetings, receive the required information in time to maintain shareholder rights or be able to exercise shareholder rights towards the Company.

3 RESPONSIBILITY FOR THE PROSPECTUS

This Prospectus has been prepared in connection with the Offering described herein and the listing of the Shares on the Oslo Stock Exchange.

The board of directors of AutoStore Holdings Ltd. accepts responsibility for the information contained in this Prospectus. The members of the Board of Directors confirm that to the best of their knowledge, the information contained in this Prospectus is in accordance with the facts and that the Prospectus makes no omission likely to affect its import.

Oslo, 8 October 2021

The Board of Directors of AutoStore Holdings Ltd.

James C. Carlisle *Chair*	Michael K. Kaczmarek *Board member*	Nils Magnus Tornling *Board member*
Samuel Merksamer *Board member*	Andreas Hansson *Board member*	Ram Trichur *Board member*

4 GENERAL INFORMATION

4.1 Other important investor information

This Prospectus has been approved by the Norwegian FSA, as competent authority under the EU Prospectus Regulation. The Norwegian FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation, and such approval should not be considered as an endorsement of the issuer or the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The Company has furnished the information in this Prospectus. The Managers and the Financial Advisor make no representation or warranty, express or implied, as to the accuracy, completeness or verification of the information set forth herein, and nothing contained in this Prospectus is, or shall be relied upon, as a promise or representation in this respect, whether as to the past or the future. The Managers and the Financial Advisor disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise, which they might otherwise be found to have in respect of this Prospectus or any such statement.

The Managers are acting exclusively for the Company and the Selling Shareholders and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of this document) as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company and the Selling Shareholders for providing the protections afforded to their respective clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to herein. The Financial Advisor is acting exclusively for Autostore and no one else in connection with the Offering. The Financial Advisor will not regard any other person (whether or not a recipient of this document) as its client in relation to the Offering and will not be responsible to anyone other than Autostore for providing the protections afforded to its clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to herein

The information contained herein is current as of the date hereof and subject to change, completion and amendment without notice. In accordance with Article 23 of the Prospectus Regulation, significant new factors, material mistakes or material inaccuracies relating to the information included in this Prospectus, which may affect the assessment of the Offer Shares and which arises or is noted between the time when the Prospectus is approved by the Norwegian FSA and the listing of the Shares on the Oslo Stock Exchange, will be mentioned in a supplement to this Prospectus without undue delay. Neither the publication nor distribution of this Prospectus, nor the sale of any Offer Shares, shall under any circumstance imply that there has not been any change in the Group's affairs or that the information herein is correct as of any date subsequent to the date of this Prospectus.

No person is authorized to give information or to make any representation concerning the Group or in connection with the Offering or the sale of the Offer Shares other than as contained in this Prospectus. If any such information is given or made, it must not be relied upon as having been authorized by the Company, the Selling Shareholders or the Managers or by any of the affiliates, representatives, advisers or selling agents of any of the foregoing.

Neither the Company, the Selling Shareholders or the Managers or the Financial Advisor, or any of their respective affiliates, representatives, advisers or selling agents, is making any representation, express or implied, to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

Investing in the Shares involves a high degree of risk. See Section 2 "Risk factors" beginning on page 8 and Section 15.2 "Market value of the Shares".

In connection with the Offering, each of the Managers and any of their respective affiliates, acting as an investor for its own account, may take up Offer Shares in the Offering and in that capacity may retain, purchase or sell for its own account such Offer Shares or related investments and may offer or sell such Offer Shares or other investments otherwise than in connection with the Offering. Accordingly, references in the Prospectus to Offer Shares being offered or placed should be read as including any offering or placement of Offer Shares to any of the Managers or any of their respective affiliates acting in such capacity. In addition, certain of the Managers or their affiliates may enter into financing arrangements (including swaps) with investors in connection with which such Managers (or their affiliates) may from time to time acquire, hold or dispose of Shares. None of the Managers intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

4.2 Presentation of financial and other information

4.2.1 Historical financial information

The business of the Group has existed since 1996. On 31 July 2019, THL acquired Terminator, which at the time was the holding company of the Group. Hence, historically the underlying business of the Group has been held by two different legal entities for the three year financial history presented in this Prospectus. These two legal entities are Terminator (until 31 July 2019) and Automate LuxCo (with effect from 31 July 2019), which became the new holding company when THL acquired and took control over the business. Section 11.24 "Acquisition by THL" sets out additional details about the THL acquisition.

The Company was incorporated on 31 August 2021 as a new holding company of the Group, as part of the process to list the Group. The Company has not prepared any annual financial statements as at the date of this Prospectus. The financial information related to the Group for the financial year ended 31 December 2020 included in this Prospectus has therefore been derived from the financial statements of the Company's wholly owned subsidiary, Automate Holding S.à r.l. (Automate LuxCo).

Automate LuxCo has prepared consolidated financial statements for the financial year ended 31 December 2020 in accordance with International Financial Reporting Standards and interpretations determined by the International Accounting Standards Board ("**IASB**") as adopted by the EU ("**IFRS**"), with comparable financial figures for the period from its incorporation on 28 May 2019 until 31 December 2019 (the "**2020 Financial Statements**"). The 2020 Financial Statements are included in Appendix B.

The comparable financial figures for Automate LuxCo for the financial year ended 31 December 2019 (as included in the 2020 Financial Statements) only include the results of the underlying acquired business with effect from 31 July 2019, when the Group (through its wholly-owned subsidiary, Automate Bidco AS) obtained control over Terminator (the predecessor holding company of the Group). The comparable financial figures for Automate LuxCo for the financial year ended 31 December 2019 is thus of less relevance. As such, consolidated financial statements for Terminator for the financial year ended 31 December 2019 have also been prepared as set out below.

For the purpose of this Prospectus, Terminator (the predecessor holding company of the Group) has prepared consolidated financial statements for the financial year ended 31 December 2019 in accordance with IFRS and with comparable figures for the financial year ended 31 December 2018 (the "**2019 Financial Statements**"). The 2019 Financial Statements are included in Appendix D.

Section 4.2.4 "Limitation on comparability of results – Automate LuxCo versus Terminator" below sets out the limitation of the comparability of the 2020 Financial Statements vis-à-vis the 2019 Financial Statements. The Company has not identified any differences regarding the use of specific IFRS standards (policy choices) for Automate LuxCo's 2020 Financial Statements compared to Terminator's 2019 Financial Statements.

In addition, Terminator has prepared consolidated financial statements for the financial year ended 31 December 2018 in accordance with IFRS and with comparable figures for the financial year ended 31 December 2017 (the "**2018 Financial Statements**"). The 2018 Financial Statements are included in Appendix E.

Further, also for the purpose of this Prospectus, the Company has prepared stand-alone financial statements for the period from its incorporation on 31 August 2021 until 3 September 2021 in accordance with IFRS (the "**Parent Financial Statements**"). The Parent Financial Statements are included in Appendix F. The Parent Financial Statements do not reflect the Reorganization (as defined below) which will take place immediately prior to the Listing or any operations of the Group. For further information about the Reorganization, see Section 4.3 "The Reorganization" below.

The 2020 Financial Statements, the 2019 Financial Statements, the 2018 Financial Statements and the Parent Financial Statements are referred to herein as the "**Financial Statements**".

Additionally, unaudited interim condensed consolidated financial statements for the three and six months ended 30 June 2021, with comparable figures for 2020 (the "**Interim Financial Statements**"), have been prepared by Automate LuxCo in accordance with IAS 34 in connection with the Listing. The Interim Financial Statements are included as Appendix G.

The Financial Statements and the Interim Financial Statements are collectively referred to herein as the "**Financial Information**".

The 2020 Financial Statements have been audited by Deloitte Luxembourg (as defined herein), whereas the 2019 Financial Statements, the 2018 Financial Statements and the Parent Financial Statements have been audited by Deloitte Norway (as defined herein). Deloitte Luxembourg and Deloitte Norway have provided unqualified audit opinions for the Financial Statements as set forth in their respective auditor's reports included therein. The Interim Financial Statements have been subject to an interim review under ISRE 2410 by Deloitte Luxembourg as set out in their review report included therein. Deloitte Luxembourg and Deloitte Norway have not audited, reviewed or produced any report on any other information provided in this Prospectus.

4.2.2 Impact on financial statements from the Reorganization

The Reorganization (as further described in Section 4.3 "The Reorganization" below) is considered to be a capital reorganization from an accounting perspective, with no change of control. As such, the existing carrying values of assets and liabilities of Automate LuxCo will be recognised at the level of the Company, in line with predecessor accounting and with no fair value adjustments and no new goodwill. As a result, the Company's future consolidated financial statements will be comparable to the historical consolidated financial statements of Automate LuxCo, as both the historical consolidated financial statements (for Automate LuxCo) and the future consolidated financial statements will reflect the same operating activities and with no fair value adjustments or goodwill from the Reorganization. The Group's consolidated financial statements will be reported at the level of the Company following Listing.

4.2.3 Presentation and functional currencies for the Group

The 2020 Financial Statements were prepared and audited with EUR as presentation currency. The Group changed to USD as presentation currency with effect from and including the first half of 2021. On this basis, the financial figures in the 2020 Financial Statements have, for the purpose of this Prospectus, been recalculated from EUR to USD. Income and expenses as well as other comprehensive income were translated to USD at the respective average exchange rates (EUR/USD) prevailing for the relevant period. Assets, liabilities and total equity were translated at closing exchange rates (EUR/USD) prevailing on the balance sheet date. Share capital and share premium were translated with historical rates. For further details on the currency conversions applied to the 2020 Financial Statements, see Appendix C to this Prospectus.

Terminator (the predecessor holding company of the Group) has had USD as presentation currency since 2019. The 2019 Financial Statements are as such reported in USD.

The 2018 Financial Statements are presented in NOK and are therefore not directly comparable with the 2019 Financial Statements and the 2020 Financial Statements. In 2019, Terminator changed its presentation currency from NOK to USD, and as such, the 2018 figures were restated in line with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, from 13 October 2016, representing the date of incorporation of Terminator. Income and expenses as well as other comprehensive income were translated to USD at the respective average exchange rates (NOK/USD) prevailing for the relevant period. Assets, liabilities and total equity were translated at closing exchange rates (NOK/USD) prevailing on the balance sheet date. Share capital and share premium were translated with historical rates. For the sake of comparability, and as the financial information presented in this Prospectus is in USD, the financial information for the financial year ended 31 December 2018 is extracted from the 2019 Financial Statements.

For each entity of the Group, the Group determines the functional currency based on the currency within the entity's primary economic environment. Items included in the financial statements of each entity are measured using that functional currency.

4.2.4 Limitation on comparability of results – Automate LuxCo versus Terminator

The 2019 Financial Statements only reflect the results and operations from 31 July 2019 when Automate Luxco obtained control of Terminator (the predecessor holding company of the Group). As such, the 2019 Financial Statements do not reflect the results and operations for a complete financial year.

The consolidated statement of comprehensive income for the financial year ended 31 December 2020 in the 2020 Financial Statements (prepared for Automate LuxCo) is to a large extent comparable to the consolidated statement of comprehensive income in the 2019 Financial Statements (prepared for Terminator). These figures are very identical with regards to operational activities. Furthermore, revenue and cost of goods sold are exactly the same.

The acquisition by THL of Terminator in 2019 (the "**Acquisition**") was accounted for in accordance with IFRS 3 – Business acquisitions. As such, the Acquisition was recorded as a business combination, with a purchase price allocation reflecting fair values and goodwill from the agreed consideration. See section 11.24 "Acquisition by THL" for further details.

Due to the higher fair values recognized with the acquisition of Terminator in July 2019, the 2020 Financial Statements reflect higher depreciation costs compared to the 2019 Financial Statements. The 2020 Financial Statements also reflect certain additional transaction costs from the acquisition of Terminator in July 2019.

Likewise, with the additional debt taken on by the Group in connection with the acquisition of Terminator in July 2019, the consolidated statement of comprehensive income for the financial year ended 31 December 2020 in the 2020 Financial Statements (prepared for Automate LuxCo) reflect higher interest costs than the 2019 Financial Statements (prepared for Terminator). The principal line items impacted are "other operating expenses", "depreciation and amortization", "total finance income (expense)" and "income tax".

The table below quantifies the differences between Automate LuxCo's and Terminator's statements of profit and loss for the financial year ended 31 December 2019.

In USD million	**Year ended 31 December 2019**		
	Automate LuxCo[1]	**Terminator[2]**	**Variance**
Revenue	102.1	193.3	(91.2)
Other operating income	1.6	1.3	0.3
Total revenue and other operating income	**103.7**	**194.6**	**(90.9)**
Cost of materials	(32.0)	(62.8)	30.8
Employee benefit expenses	(5.9)	(13.5)	7.6
Other operating expenses	(41.5)	(15.7)	(25.8)
Depreciation and amortization	(20.7)	(14.3)	(6.3)
Operating profit (loss)	**3.6**	**88.3**	**(84.7)**
Finance income	0.1	0.2	(0.1)
Finance cost	(22.8)	(20.2)	(2.6)
Profit (loss) before tax	**(19.1)**	**68.3**	**(85.4)**
Income tax expenses	(2.0)	(12.5)	10.5
Profit (loss) for the period	**(21.1)**	**55.8**	**(76.9)**

1 As Automate LuxCo acquired Terminator on 31 July 2019, Automate LuxCo's results for 2019 only reflect the results and operations for the period from 31 July 2020 to 31 December 2020.

The financial figures presented in the table above for Automate LuxCo have been extracted from the 2020 Financial Statements and recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and set out in Appendix C.

2 Figures derived from the consolidated statement of profit or loss of Terminator in the 2019 Financial Statements and do not reflect the Group's financing arrangements associated with the acquisition of Terminator in July 2019. The principal line items impacted for the consolidated income statement are "other operating expenses", "depreciation and amortization", "total finance income (expense)" and "income tax". As such, the consolidated income statements of Terminator and Automate Luxco are not comparable.

In 2019, Terminator changed its presentation currency from NOK to USD, and as such, the 2018 figures were restated. Income and expenses were translated to USD at the respective average exchange rates prevailing for the relevant period. The 2018 figures have been derived from the unaudited consolidated financial information for the comparative period in the 2019 Financial Statements.

Furthermore, figures derived from the consolidated statement of financial position as at 31 December 2020 in the 2020 Financial Statements (prepared for Automate LuxCo) are not directly comparable to the consolidated statement of financial position as at 31 December 2019 in the 2019 Financial Statements (prepared for Terminator), as the 2019 Financial Statements do not reflect the Group's financing arrangements and the associated increase in goodwill and fair values associated with the acquisition of Terminator in July 2019. The principal line items impacted are "goodwill and intangible assets" and "non-current interest bearing liabilities".

The table below quantifies the differences between Automate LuxCo's and Terminator's statements of financial position for the financial year ended 31 December 2019.

In USD million	As at 31 December 2019		
	Automate LuxCo[1]	**Terminator[2]**	**Variance**
ASSETS			
Non-current assets			
Property, plant and equipment	5.8	5.8	-
Right-of-use assets	11.1	12.1	(1.0)
Goodwill	1,220.5	321.6	898.9
Intangible assets	661.1	151.0	510.1
Deferred tax assets	0.3	0.3	-
Other non-current assets	0.1	0.1	-
Total non-current assets.......................	**1,898.9**	**490.8**	**1,408.1**
Current assets			
Inventories	22.2	22.2	-
Trade receivables	60.5	60.6	(0.1)
Other receivables	5.5	23.5	(18.0)
Cash and cash equivalents	22.9	19.7	3.2
Total current assets.............................	**111.2**	**126.0**	**(14.8)**
TOTAL ASSETS	**2,010.1**	**616.7**	**1,393.4**
EQUITY AND LIABILITIES			
Equity			
Share capital...	35.2	30.7	4.5
Share premium	1,139.1	119.6	1,019.5
Other equity	(31.4)	79.4	(110.8)
Total equity	**1,142.9**	**229.8**	**913.1**
Non-current liabilities			
Non-current interest bearing liabilities	661.1	293.6	367.5
Non-current lease liabilities	13.7	13.9	(0.2)
Deferred tax liabilities	140.3	32.1	108.2
Non-current provisions	5.0	4.2	0.8
Total non-current liabilities	**820.1**	**343.8**	**476.3**
Current liabilities			
Trade and other payables	20.4	20.3	0.1
Interest bearing liabilities	3.5	-	3.5
Lease liabilities	2.7	2.7	-
Income tax payable	11.5	11.5	-
Provisions	9.0	8.7	0.3
Total current liabilities	**47.1**	**43.2**	**3.9**
Total liabilities......................................	**867.2**	**387.0**	**480.2**
TOTAL EQUITY AND LIABILITIES	**2,010.1**	**616.7**	**1,393.4**

In USD million	As at 31 December 2019		
	Automate LuxCo[1]	**Terminator[2]**	**Variance**

1 The 2020 Financial Statements were prepared and audited with EUR as presentation currency. The Group changed to USD as presentation currency with effect from and including the first half of 2021. On this basis, the financial figures extracted from the 2020 Financial Statements and presented in this Prospectus have been recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and set out in Appendix C.

2 Figures derived from the consolidated statement of financial position of Terminator in the 2019 Financial Statements and do not reflect the Group's financing arrangements associated with the acquisition of Terminator in July 2019. The principal line items impacted for the consolidated statement of financial position are: "goodwill", "intangible assets", and "non-current interest bearing liabilities".

In 2019, Terminator changed its presentation currency from NOK to USD, and as such, the 2018 figures were restated. Assets, liabilities and total equity were translated to USD at closing exchange rates prevailing on the balance sheet date. Share capital and share premium were translated to USD with historical rates. The 2018 figures have been derived from the unaudited consolidated financial information for the comparative period in the 2019 Financial Statements.

Finally, when comparing the consolidated statements of cash flow for the financial year ended 31 December 2020 in the 2020 Financial Statements (prepared for Automate Luxco) with the consolidated statements of cash flow for the financial year ended 31 December 2019 in the 2019 Financial Statements (prepared for Terminator), Automate LuxCo's consolidated statements of cash flow reflect higher interest costs from the acquisition financing as well as the refinancing of Terminator upon acquisitions. The principal line items impacted are "proceeds from issuance of debt", "repayment of long term debt" and "interest paid" (all three items under "net cash flows used in financing activities").

The table below quantifies the differences between Automate LuxCo's and Terminator's statements of cash flow for the financial year ended 31 December 2019.

In USD million	Year ended 31 December 2019		
	Automate LuxCo[1]	**Terminator[2]**	**Variance**
Cash flows from operating activities			
Profit (loss) before tax	(19.1)	68.3	(87.4)
Adjustments to reconcile profit (loss) before tax net cash flow:			
Depreciation and amortization	20.7	14.3	6.4
Share-based payment expenses	-	-	-
Net finance income and costs	22.7	20.0	2.7
Working capital adjustments:			
Changes in inventories	2.1	(5.7)	7.8
Changes in trade and other receivables	(40.8)	(62.7)	21.9
Changes in trade and other payables...	11.6	8.2	3.4
Changes in provisions	6.9	1.8	5.1
Other items:			
Tax paid	-	(4.7)	4.7
Net cash flows provided by operating activities..	**4.1**	**39.5**	**(35.4)**
Cash flows from investing activities			
Proceed from sale of property, plant and equipment	-	1.4	(1.4)
Purchase of property, plant and equipment	(2.9)	(4.9)	2.0
Purchase of shares in subsidiaries, net of cash acquired..	(1,482.7)	0	(1,482.7)
Development expenditures	(4.4)	(9.4)	5.0
Interest received	0.1	0.2	(0.1)

In USD million	Year ended 31 December 2019		
	Automate LuxCo[1]	**Terminator[2]**	**Variance**
Net cash flows used in investing activities..	**(1,489.8)**	**(12.7)**	**(1,477.1)**
Cash flows from financing activities			
Proceed from issuance of equity	1,178.4	-	1,178.4
Proceed from issuance of debt.................	659.7	286.7	373.0
Repayment of revolving credit facility........	(16.0)	-	(16.0)
Repayment of long-term debt	(297.2)	(305.2)	8.0
Repayment of short-term debt	(0.2)	-	(0.2)
Payments for the principal portion of the lease liability...	(0.7)	(2.6)	1.9
Payments for the interest portion of the lease liability...	(0.3)	(0.9)	0.6
Interest paid...	(14.5)	(10.1)	(4.4)
Dividends paid	-	-	-
Group contribution paid..........................	-	-	-
Net cash flows used in financing activities...	**1,509.2**	**(32.1)**	**1,541.3**
Net change in cash and cash equivalents...	23.5	(5.2)	28.7
Effect of change in exchange rate	(0.6)	-	(0.6)
Cash and cash equivalents, beginning of period	-	25.0	(25.0)
Cash and cash equivalents, end of period..	**22.9**	**19.7**	**3.2**

1 The 2020 Financial Statements were prepared and audited with EUR as presentation currency. The Group changed to USD as presentation currency with effect from and including the first half of 2021. On this basis, the financial figures extracted from the 2020 Financial Statements and presented in this Prospectus have been recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and set out in Appendix C.

2 Figures derived from the consolidated cash flow statements of Terminator in the 2019 Financial Statements and do not reflect the Group's financing arrangements associated with the acquisition of Terminator in July 2019. The principal line items impacted in the consolidated cash flow statement are: "proceeds from issuance of debt", "repayment of long term debt" and "interest paid" (all three items under "net cash flows used in financing activities").

Undue reliance should not be placed on the comparability of the above mentioned line items in the Prospectus.

4.2.5 Alternative performance measures (APMs)

In order to enhance investors' understanding of the Group's performance and liquidity, the Company presents in this Prospectus certain alternative performance measures ("**APMs**") as defined by the European Securities and Markets Authority ("**ESMA**") in the ESMA Guidelines on Alternative Performance Measures 2015/1057.

An APM is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specific in the applicable financial reporting framework (IFRS). The Company uses APMs to measure operating performance and is of the view that the APMs provide investors with relevant and specific operating figures which may enhance their understanding of the Group's performance and liquidity. The APMs presented herein have been used in the Prospectus, as well as in marketing material presented to prospective institutional investors and analysts in connection with the Offering and the Listing, and it is the Management's opinion that the APMs presented herein are relevant for reporting purposes after the Company is listed on the Oslo Stock Exchange. The Company uses the APMs: Adjusted EBIT, Adjusted EBITDA, Adjusted EBIT Margin, Adjusted EBITDA Margin, EBIT, EBITDA, EBITDA Margin, Net Debt divided by Adjusted EBITDA, Revenue From Existing Customers, Adjusted Return on Capital Employed (Adjusted ROCE) and Simplified Free Cash Flow Conversion, as further defined below.

The APMs presented herein are not measurements of performance or liquidity under IFRS or other generally accepted accounting principles and investors should not consider any such measures to be an alternative to: (a) operating revenues or operating profit (as determined in accordance with IFRS or other generally accepted accounting principles), as a measure of the Group's operating performance; or (b) any other measures of performance under generally accepted accounting principles. The APMs presented herein may not be indicative of the Group's historical operating results, nor are such measures meant to be predictive of the Group's future results. The Company believes that the APMs presented herein are commonly reported by companies in the markets in which the Group competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation, amortization and impairment, which can vary significantly depending upon accounting measures (in particular when acquisitions have occurred), business practice or non-operating factors. Accordingly, the Group discloses the APMs presented herein to permit a more complete and comprehensive analysis of its operating performance relative to other companies across periods, and of the Group's ability to service its debt. Because companies calculate the APMs presented herein differently, the Group's presentation of these APMs may not be comparable to similarly titled measures used by other companies.

In particular, Adjusted EBITDA and Adjusted EBITDA Margin are measures used by Management to assess the Group's operating performance. Nonetheless, Adjusted EBITDA and, therefore, Adjusted EBITDA Margin have limitations as analytical tools, including the following:

- They do not reflect the Group's cash expenditures or future requirements for capital expenditure or contractual commitments;
- They do not reflect changes in, or cash requirements for, the Group's working capital needs;
- They do not reflect interest expense, or the cash requirements necessary to service interest or principal payments, on the Group's debt;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements;
- They are not adjusted for all non-cash income or expense items that are reflected in the Group's statements of cash flows; and
- The further adjustments made in calculating Adjusted EBITDA are those that management consider are not representative of the underlying operations of the Group and, therefore, are subjective in nature.

The APMs used by the Group are set out below (presented in alphabetical order):

- **Adjusted EBIT;** Is defined as the profit/(loss) for the year/period before net financial income (expenses) and income tax expense (EBIT) adjusted for certain items affecting comparability and include adjustments for share-based compensation expenses and related payroll taxes, costs incurred in connection with sale and purchase of the Group's shares, litigation costs incurred in connection with the Ocado litigation proceedings which mainly are due to the Company's use of external legal counsel, fees paid to majority private equity owner for consultation and advice regarding strategic and growth initiatives launched following completion of acquisition, cost to external advisors associated with refinancing of the Group's debt facilities and amortization of assets recognized as part of the purchase price allocation ("**PPA**") made when THL acquired the group from EQT. Adjusted EBIT is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.
- **Adjusted EBITDA;** Is defined as the profit/(loss) for the year/period before net financial income (expenses), income tax expense, depreciation and amortization (EBITDA) adjusted for certain items affecting comparability and include adjustments for share-based compensation expenses and related payroll taxes, costs incurred in connection with sale and purchase of the Group's shares, litigation costs incurred in connection with the Ocado litigation proceedings which mainly are due to the Company's use of external legal counsel , fees paid to majority private equity owner for consultation and advice regarding strategic and growth initiatives launched following completion of acquisition and cost to external advisors associated with

refinancing of the Group's debt facilities. Adjusted EBITDA is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

- **Adjusted EBIT Margin;** Is defined as Adjusted EBIT as a percentage of revenues. Adjusted EBIT Margin is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

- **Adjusted EBITDA Margin;** Is defined as Adjusted EBITDA as a percentage of revenues. Adjusted EBITDA Margin is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

- **EBIT;** Is defined as the profit/(loss) for the year/period before net financial income (expenses) and income tax expense. EBIT is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

- **EBITDA;** Is defined as the profit/(loss) for the year/period before net financial income (expenses), income tax expense, depreciation and amortization. EBITDA is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

- **EBITDA Margin;** Is defined as EBITDA as a percentage of revenues. EBITDA Margin is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

- **Net Debt divided by Adjusted EBITDA**; Is defined as the Group's interest-bearing debt less cash and cash equivalents (the net among being "**Net Debt**") divided by Adjusted EBITDA (as defined above). Net Debt divided by Adjusted EBITDA is a non-IFRS measure for the financial leverage of the Group, a financial APM the Company intends to apply in relation to its capacity for dividend distribution and/or for doing investments, when and if the Company will be able to carry out its dividend distribution and/or investments policy.

- **Revenue from Existing Customers;** Is defined as total sales less sales for new customers. New customers are defined as customers without sales in previous periods. Revenue from Existing Customers is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of revenue generation in the Group's operating activities

- **Adjusted Return on Capital Employed ("Adjusted ROCE");** Is defined as a numerator divided by a denominator. Numerator, which also equals Adjusted EBIT less amortization of IFRS 16 right-of-use assets and the actual lease cash cost (payments for lease principal and interest costs) related to the lease agreements recognized as IFRS 16 leases, divided by Capital Employed. The denominator (also defined as "**Capital Employed**") is total assets less cash and cash equivalents, trade and other payables, income tax payable, provisions, PPA values and right-of-use assets. The numerator is the profit/(loss) for the year/period before net financial income (expenses) and income tax expense adjusted for certain items affecting comparability and include adjustments for share-based compensation expenses and related payroll taxes, costs incurred in connection with sale and purchase of the Group's shares, litigation costs incurred in connection with the Ocado litigation proceedings which mainly are due to the Company's use of external legal counsel, fees paid to majority private equity owner for consultation and advice regarding strategic and growth initiatives launched following completion of acquisition, cost to external advisors associated with refinancing of the Group's debt facilities and amortization of assets recognized as part of the PPA made when THL acquired the group from EQT (Adjusted EBIT) less, depreciation of right-of-use assets and lease cash payments added back. ROCE is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the Group's profitability of its capital employed.

- **Simplified Free Cash Flow Conversion;** Is defined as Adjusted EBITDA less Cash CAPEX, divided by Adjusted EBIDA. Cash CAPEX used herein is cash flow used in purchase of property plant and equipment and development expenditures. Simplified Free Cash Flow Conversion is a non-IFRS financial measure that the Group considers to be an APM, and this measure should not be viewed as a substitute for any IFRS financial measure. The Group has presented this APM because it considers it to be an important supplemental measure for prospective investors to understand the overall picture of profit generation in the Group's operating activities.

4.2.6 Calculations and reconciliations of APMs

The tables below set out certain APMs presented by the Group in this Prospectus and other marketing material on a historical interim and annual basis. The tables below show the relevant APMs on a reconciled basis, to provide investors with an overview of the basis of calculation of such APMs. See Section 4.2.5 "Alternative performance measures (APMs)" above for a further description of the APMs presented below.

The calculation of the APMs in this Prospectus is based on the statement of profit and loss and the statement of financial position for the year ended 31 December 2019 as derived from the 2019 Financial Statements (prepared by Terminator). The figures presented in the respective reconciliation tables below are, for the year ended 31 December 2019 and 31 December 2018, derived from the 2019 Financial Statements, for the year ended 31 December 2020 derived from the 2020 Financial Statements, and for the six months ended 30 June 2020 and 2021 derived from the Interim Financial Statements. The financial figures extracted from the 2020 Financial Statements and presented in this Prospectus have been recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and as set out in Appendix C.

The table below sets forth reconciliation of EBIT, EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin.

In USD million	**Six months ended 30 June**		**Year ended 31 December**		
	2021	**2020**	**2020**	**2019**	**2018**
(Loss)/profit for the period	(17.3)	(56.5)	(21.1)	55.8	20.3
Income tax expense	(4.5)	(14.8)	(5.5)	12.5	1.9
Net financial income/(expenses)	5.5	77.9	51.1	20.0	36.7
EBIT	**(16.3)**	**6.6**	**24.5**	**88.3**	**58.9**
Depreciation and amortization	29.3	23.7	50.2	14.3	12.8
(a) EBITDA	**13.0**	**30.3**	**74.7**	**102.6**	**71.7**
Litigation costs[1]	15.3	2.6	8.2	0.9	1.5
Transaction cost[2]	11.5	0.1	0.2	1.2	-
Option costs[3]	34.5	4.7	7.5	-	-
Management fees[4]	0.6	0.9	2.3	0.3	-
Refinancing cost[5]	-	0.5	0.6	-	0.5
(b) Adjusted EBITDA	**74.9**	**39.1**	**93.5**	**105.0**	**73.7**
(c)Total revenue	149.6	79.8	182.1	194.6	143.9
EBITDA Margin (a/c)	**8.7%**	**38.0%**	**41.0%**	**52.7%**	**49.8%**
Adjusted EBITDA Margin (b/c)	**50.1%**	**49.0%**	**51.3%**	**54.0%**	**51.2%**

1 Comprise costs incurred in connection with the Ocado litigation proceedings, costs which mainly are due to the Company's use of external legal counsel.

In USD million	Six months ended 30 June		Year ended 31 December		
	2021	**2020**	**2020**	**2019**	**2018**

2 Comprise of external costs incurred in connection with sale and purchase of the Group's shares.

3 Comprise costs incurred in connection with the Group's stock option scheme. The expenses in Q1 2021 are due to accelerated vesting of a large proportion of the stock options in addition to a provision made for social security tax based on revaluation of the underlying shares in 2021.

4 Comprise fees paid to majority private equity owner for consultation and advice regarding strategic and growth initiatives launched following completion of acquisition.

5 Comprise external legal costs incurred in connection with the refinancing of the Group's debt facilities.

The table below sets fort reconciliation of Simplified Free Cash Flow Conversions.

In USD million	Six months ended 30 June		Year ended 31 December		
	2021	**2020**	**2020**	**2019**	**2018**
Cash flow used in operating activities					
Purchase of property plant and equipment	1.4	2.8	6.0	4.9	3.2
Development expenditures	11.6	5.1	13.6	9.4	6.1
(a) Cash CAPEX	13.0	7.9	19.6	14.3	9.3
(b)Adjusted EBITDA	74.9	39.1	93.5	105.0	73.7
(c) b - a	61.9	31.2	73.9	90.7	64.4
Simplified Free Cash Flow Conversion (c/b)	**82.6%**	**79.8%**	**79.0%**	**86.4%**	**87.4%**

The purchase of shares in the six months ended 30 June 2021 relates to business acquisitions. See Section 11.26 "Acquisition by the Group" for further details.

The table below sets forth reconciliation of Adjusted EBIT and Adjusted EBIT Margin.

In USD million	Six months ended 30 June		Year ended 31 December		
	2021	**2020**	**2020**	**2019**	**2018**
EBIT	(16.3)	6.6	24.5	88.3	58.9
Litigation costs[1]	15.3	2.6	8.2	0.9	1.5
Transaction costs[2]	11.5	0.1	0.2	1.2	-
Option costs[3]	34.5	4.7	7.5	-	-
Management fees[4]	0.6	0.9	2.3	0.3	-
Refinancing cost[5]	-	0.5	0.6	-	0.5
PPA amortizations[6]	25.0	21.7	45.3	9.0	9.7
(a) Adjusted EBIT	70.6	37.1	88.6	99.7	70.6
(b) Total revenue	149.6	79.8	182.1	194.6	143.9
Adjusted EBIT Margin (a/b)	**47.2%**	**46.5%**	**48.7%**	**51.2%**	**49.1%**

1 Comprise costs incurred in connection with the Ocado litigation proceedings, costs which mainly are due to the Company's use of external legal counsel.

2 Comprise of external costs incurred in connection with sale and purchase of the Group's shares.

3 Comprise costs incurred in connection with the Group's stock option scheme. The expenses in Q1 2021 are due to accelerated vesting of a large proportion of the stock options in addition to a provision made for social security tax based on revaluation of the underlying shares in 2021.

4 Comprise fees paid to majority private equity owner for consultation and advice regarding strategic and growth initiatives launched following completion of acquisition.

5 Comprise costs incurred in connection with the refinancing of the Group's debt facilities.

6 Represents amortization of assets recognized as part of the purchase price allocation made when THL acquired the group from EQT.

The table below sets forth reconciliation of Adjusted ROCE.

In USD million	Year ended 31 December		
	2020	2019	2018
Capital employed			
Total assets	2,054.2	616.7	559.4
Cash and cash equivalents	(50.1)	(19.7)	(25.0)
Trade and other payables	(28.5)	(20.3)	(13.6)
Income tax payable	(0.1)	(11.5)	(4.7)
Current provisions	(11.5)	(8.7)	(7.7)
PPA values[1]	(1,882.5)	(457.8)	(471.7)
Right-of-use assets[2]	(13.2)	(12.1)	(13.9)
(a) Denominator (also defined as Capital Employed)	68.3	86.6	22.8
Adjusted EBIT	88.6	99.7	70.6
IFRS 16 lease depreciation[3]	1.8	1.7	1.8
Lease cash cost[4]	(2.9)	(2.7)	(2.8)
(b) Numerator	87.5	98.7	69.6
Adjusted ROCE (b/a)	**128.1%**	**114.0%**	**305.3%**

1 Represents the excess value of assets (goodwill, trademark, patent rights, customer relationship and software and technology) recognized as part of the purchase price allocation made when THL acquired the group from EQT.

2 Represents IFRS 16 right-of-use assets.

3 Represents depreciation of IFRS 16 right-of-use assets.

4 Represents the actual lease cash cost (payments for lease principal and interest costs) related to the lease agreements recognised as IFRS 16 leases.

Adjusted ROCE is adjusted for the effects from increased book values due to previous acquisitions of AutoStore and the effects for IFRS 16 implementation. "**PPA**" refers to purchase price allocations, being the fair value adjustments resulting from business acquisitions when fair values are higher than the carrying values of the acquired company. Adjusted ROCE divides numbers derived from the statement of profit and loss with numbers derived from the statements of financial position.

The Company believes reporting Adjusted ROCE on interim periods will not provide comparable information across periods since the denominator will not include a full year of operation for interim periods. The Company will therefore present Adjusted ROCE on an annual basis.

The table below sets forth reconciliation of Revenue From Existing Customers.

In USD million	Six months ended 30 June		Year ended 31 December		
	2021	2020	2020	2019	2018
Total revenue	149.6	79.8	182.1	194.6	143.9
Revenue from new customers	(85.3)	(42.0)	(87.2)	(93.7)	(88.3)
Revenue From Existing Customers	**64.3**	**37.8**	**94.9**	**100.9**	**55.6**

4.2.7 Financial information presented for the twelve months ended 30 June 2021

The financial information for the last twelve months ("**LTM**") ended 30 June 2021 set forth in this Prospectus has been derived by adding the Company's financial information for the year ended 31 December 2020 to its interim financial information for the six months ended 30 June 2021 and subtracting its financial information for the six months ended 30 June 2020. The basis for the calculations of the LTMs used in this Prospectus is included in Appendix I. The financial information for the twelve months ended 30 June 2021 has not been audited or reviewed by auditors and is not required by, or presented in accordance with, IFRS or any other generally accepted accounting principles and has been prepared for illustrative purposes only. This information is not necessarily representative of the Group's results of operations for such period or any future period or any financial position at any past or future date.

4.2.8 Industry and market data

This Prospectus contains statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data pertaining to the Group's business and the industries and markets in which it operates. Unless otherwise indicated, such information reflects the Company's estimates based on analysis, research and surveys of multiple sources, including data compiled from professional organizations and analysts and information otherwise derived from other third-party sources, such as annual financial statements and other presentations published by listed companies operating within the same industry as the Company. The Boston Consulting Group has provided management consulting services to the Company in connection with the Offering. Any information the Group has received as a result of these consulting services is not publicly available information. Unless otherwise indicated in the Prospectus, the basis for any statements regarding the Company's competitive position in the future is based on the Company's own assessment and knowledge of the potential market in which it may operate. The relevant information and data is sourced herein as "**Company estimate**".

The Company confirms that where information has been sourced from a third-party, such information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by that third-party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where information sourced from third parties has been presented, the source of such information has been identified, however, source references to websites shall not be deemed as incorporated by reference to this Prospectus.

Industry publications or reports generally state that the information they contain has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. The Company has not independently verified and neither the Company nor any third party can give any assurances as to the accuracy or completeness of market data contained in this Prospectus. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market.

The Company cautions prospective investors not to place undue reliance on the above mentioned data. Unless otherwise indicated in the Prospectus, any statements regarding the Group's competitive position are based on the Company's own assessment and knowledge of the market in which it operates.

As a result, prospective investors should be aware that statistics, data, statements and other information relating to markets, market sizes, market shares, market positions and other industry data in this Prospectus (and projections, assumptions and estimates based on such information) may not be reliable indicators of the Company's future performance and the future performance of the industry in which it operates. Such indicators are necessarily subject to a high degree of uncertainty and risk due to the limitations described above and to a variety of other factors, including those described in Section 2 "Risk factors" and elsewhere in this Prospectus.

4.2.9 Other information

In this Prospectus, all references to "**NOK**" are to the lawful currency of Norway, all references to "**EUR**" are to the lawful currency of the European Union, all references to "**GBP**" are to the lawful currency of the United Kingdom, and all references to "**USD**" are to the lawful currency of the United States. No representation is made that the NOK, EUR, GBP or USD amounts referred to herein could have been or could be converted into NOK, EUR, GBP or USD, as the case may be, at any particular rate, or at all. The Financial Information is presented in USD.

4.2.10 Rounding

Certain figures included in this Prospectus have been subject to rounding adjustments (by rounding to the nearest whole number or decimal or fraction, as the case may be). Accordingly, figures shown for the same category presented in different tables may vary slightly. As a result of rounding adjustments, the figures presented may not add up to the total amount presented.

4.2.11 Exchange rates

The following table sets forth, for the previous five years as indicated, information regarding the average, high and low, reference rates for NOK, expressed in NOK per USD, in each case rounded to the nearest four decimal places, based on the daily exchange rate announced by the Central Bank of Norway:

Fiscal year	Average	High	Low	Period end
2016	8.3987	8.9578	7.9766	8.6200
2017	8.2630	8.6781	7.7121	8.2050
2018	8.1338	8.7631	7.6579	8.6885
2019	8.8037	9.2607	8.4108	8.7803
2020	9.4003	11.4031	8.5326	8.5326
Q2 2020	10.0023	10.7458	9.2644	9.7466
Q2 2021	8.3697	8.6458	8.1742	8.5592

The following table sets forth, for the previous five years as indicated, information regarding the average, high and low, reference rates for NOK, expressed in NOK per EUR, in each case rounded to the nearest four decimal places, based on the daily exchange rate announced by the Central Bank of Norway:

Fiscal year	Average	High	Low	Period end
2016	9.2899	9.7085	8.9175	9.0863
2017	9.3271	9.9738	8.8070	9.8403
2018	9.5962	9.9738	9.4145	9.9483
2019	9.8527	10.2748	9.5578	9,8638
2020	10.7207	12.3165	9.8315	10.4703
Q2 2020	11.0102	11.6775	10.4603	10.9120
Q2 2021	10.0922	10.2868	9.9145	10.1717

The following table sets forth, for the previous five years as indicated, information regarding the average, high and low, reference rates for NOK, expressed in NOK per GBP, in each case rounded to the nearest four decimal places, based on the daily exchange rate announced by the Central Bank of Norway:

Fiscal year	Average	High	Low	Period end
2016	11.3725	13.1030	9.9620	10.6130
2017	10.6386	11.2474	9.9946	11.0910
2018	10.8463	11.1242	10.5792	11.1213
2019	11.2307	12.1113	10.6235	11.5936
2020	12.0513	13.3162	11.5332	11.6462
Q2 2020	12.4148	13.2820	11.7303	11.9593
Q2 2021	11.7051	11.9914	11.4078	11.8544

Please see section 4.2.3 "Presentation and functional currencies for the Group" for details regarding presentation and functional currencies for the Group. Details of the currency conversion applied when recalculation the 2020 Financial Statements from EUR to USD are set out in Appendix C to the Prospectus.

4.3 The Reorganization

The Group will conduct an internal reorganization to facilitate the Listing of the Company immediately prior to the Listing. The Company is a newly established exempted company under Bermuda law which through the following steps becomes the ultimate parent company of the Group (the "**Reorganization**"):

(i) a new Norwegian holding company named Automate Investment II AS, has been established ("**NewCo**") and all of the existing shareholders in Automate LuxCo, except Terminator Holdings S.à r.l., will contribute their shares in Automate LuxCo to NewCo against issuance of the same number of new shares in NewCo (exchange 1:1);

(ii) NewCo and Terminator Holdings S.à r.l. will contribute their shares in Automate LuxCo to the Company in exchange for the same number of shares in the Company (exchange 1:1); and

(iii) The shares in NewCo, except those held by employee shareholders, will thereafter be redeemed so that the shareholders will hold shares in the Company directly.

The Reorganization will be carried out immediately prior to the Listing and is expected to be completed on or about 18 October 2021, and thus at the date of the Prospectus, the Company will not be the parent company of the Group. Following the Reorganization there will be 3,228,540,429 issued shares in the Company, i.e. the same number of shares as in Automate LuxCo at the date of this Prospectus with the exception that 1,200,000 treasury shares held by Automate LuxCo will be cancelled in connection with the Reorganization. In addition, the Company will hold 200,000,000 Shares in treasury as further described in Section 14.3 "Authorized and issued share capital" and Section 17.3 "Resolution relating to the Offering and the issue of New Shares".

The Reorganization is considered to be a transaction under common control, as the Reorganization does not result in any change of control of the Group. From an accounting perspective the carrying values of assets and liabilities in Automate LuxCo are recognised in the Group (with the Company as the new parent company) with the same carrying values as in Automate LuxCo, i.e., in line with predecessor accounting (to continuity) and with no fair value adjustments and no new goodwill. Furthermore, as the Reorganization is considered to be a capital reorganization, Automate LuxCo's 2020 historical consolidated financial statements represent the Group's historical financial information going forward, and as such these financial statements (as well as the consolidated financial statements for Terminator) reflect the Group's historical activities.

The Reorganization is not expected to have any significant adverse tax consequences for the Company or the Group.

4.4 Cautionary note regarding Forward-looking Statements

This Prospectus includes Forward-looking Statements that reflect the Company's current views with respect to future events and financial and operational performance. These Forward-looking Statements may be identified by the use of forward-looking terminology, such as the terms "anticipates", "assumes", "believes", "can", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "should", "projects", "will", "would" or, in each case, their negative, or other variations or comparable terminology. These Forward-looking Statements as a general matter are all statements other than statements as to historic facts or present facts and circumstances. They appear in the following Sections in this Prospectus, Section 6 "Dividends and dividend policy", Section 7 "Industry and market overview", Section 8 "Business of the Group", Section 10 "Selected financial and other information" and Section 11 "Operating and financial review", and include statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Group's financial strength and position, backlog, pipeline, operating results, liquidity, prospects, growth, the implementation of strategic initiatives, as well as other statements relating to the Group's future business development and financial performance, and the industry in which the Group operates, such as but not limited to the Group's expansion in existing and entry into new markets in the future.

In this Prospectus, the Group includes information about its expected revenue for 2021 and 2022 based on its current backlog and estimated pipeline contribution. Backlog as of a given date is defined as projects where a Distribution Partner or AutoStore has received a purchase order or verbal confirmation but the ordered goods have not yet been shipped. Pipeline is defined as probable projects as a result of concrete discussions in connection with plans of installation and estimated delivery in the next two to three years. The revenue projection based on current backlog, pipeline and other data may be affected by, among other things, unexpected cancellations or renegotiations between AutoStore's Distribution Partners and their respective customers. In addition, pipeline is based on the Group's historical success rates and does not represent contractual commitments; accordingly, these orders may not materialize. Revenue backlog and pipeline contribution are not necessarily indicative of future earnings or revenues and the Group may not ultimately realize its committed revenue backlog.

In addition, in this Prospectus, the Group also includes information about its targeted medium-term revenue growth. However, this is as an internal target and is not intended to be a forecast of the actual revenue growth that the Group will achieve in the future. A number of factors may impact the ability to achieve the Group's estimated growth, including competition, market conditions and other factors that are outside the Group's control. The Group cannot ensure it will realize its targeted medium-term revenue growth as presented in this Prospectus.

Prospective investors in the Shares are cautioned that Forward-looking Statements are not guarantees of future performance and that the Group's actual financial position, operating results and liquidity, and the development of the industry and potential market in which the Group may operate in the future, may differ materially from those made in, or suggested by, the Forward-looking Statements contained in this Prospectus. The Company cannot guarantee that the intentions, beliefs or current expectations upon which its forward-looking statements are based will occur.

By their nature, Forward-looking Statements involve, and are subject to, known and unknown risks, uncertainties and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties and assumptions, the outcome may differ materially from those set out in the Forward-looking Statements. Important factors that could cause those differences include, but are not limited to:

- Product quality, product performance and liability claims;
- The Group's R&D activities and the development and economic lifecycle of the Group's products;
- Dependency on IT systems;
- The Distribution Partners ability to ensure sales growth and the Group's ability to maintain good relations with the Distributions Partners;
- The competitive nature of the market in which the Group operates and the enhancements of solutions and technological developments in the AS/RS market;
- The Group's ability to protect its intellectual property and other proprietary rights;
- The Group's tax residency;
- Access to sufficient financing or financing at favorable terms;
- Trends within the retail, logistics and automated storage industries;
- General economic conditions in the countries in which the Group operates and the customers' willingness to purchase products in these jurisdictions;
- The Group's ability to gain market access and convert customers; and
- Changes in production costs or operating expenses.

The risks that are currently known to the Company and which could affect the Group's future results and could cause results to differ materially from those expressed in the Forward-looking Statements are discussed in Section 2 "Risk factors".

The information contained in this Prospectus identifies additional factors that could affect the Group's financial position, operating results, cash flows, liquidity and performance. Prospective investors in the Shares are urged to read all Sections of this Prospectus for a more complete discussion of the factors that could affect the Group's future performance and the industry in which the Group operates when considering an investment in the Company.

These Forward-looking Statements speak only as at the date on which they are made. The Company undertakes no obligation to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Prospectus.

5 REASON FOR THE OFFERING AND THE LISTING

The Group believes the Offering and the Listing will:

- allow to optimize the Company's capital structure;
- enable the Selling Shareholders to partially monetize its shareholding in the Company, and allow for a liquid market for the Shares;
- diversify the shareholder base and enable other investors to take part in the Group's future growth and value creation;
- enhance the Group's profile with investors, business partners, suppliers and customers; and
- further improve the ability of the Group to attract and retain key management and employees.

The gross proceeds from the sale of the New Shares in the Offering are expected to amount to approximately NOK 2.7 billion, equal to approximately USD 315 million. The net proceeds from the sale of New Shares are expected to amount to NOK 2.37 billion, equal to approximately USD 276 million, based on estimated total transaction costs of USD 39.0 million related to the New Shares and other directly attributable costs in connection with the Listing and the Offering to be paid by the Company. See Section 17.17 "Expenses of the Offering and the Listing" for more information.

The Company intends to use approximately USD 236.6 million of the net proceeds to reduce the financial leverage of the Group. The remaining net proceeds will be used for other corporate purposes.

The Company will not receive any proceeds from the sale of the Sale Shares or any Additional Shares.

6 DIVIDENDS AND DIVIDEND POLICY

6.1 Dividend policy

Any future proposal by the Board of Directors to declare dividends will be subject to applicable laws and will be dependent on a number of factors, including the Company's financial condition, results of operations, capital requirements, contractual restrictions, general business conditions and other factors that the Board of Directors may deem relevant. See Section 6.2 "Legal constraints on the distribution of dividends" below for more information.

The Company will consider dividend distributions in the future in the context of its medium-term leverage policy not to exceed two times the Net Debt divided by Adjusted EBITDA and investment opportunities at hand.

In addition to legal requirements, the Board of Directors will, when deciding the annual dividend levels, take into consideration investment plans, capital expenditure plans, restrictions under the Group's debt facilities, financing requirements and maintaining the appropriate strategic flexibility.

No dividends have been distributed to the shareholders of the Company from its incorporation until the date of this Prospectus.

6.2 Legal constraints on the distribution of dividends

A Bermuda company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of the company's assets would thereby be less than its liabilities. "Contributed surplus" is defined for purposes of section 54 of the Bermuda Companies Act to include the proceeds arising from donated shares, credits resulting from the redemption or conversion of shares at less than the amount set up as nominal capital and donations of cash and other assets to a Bermuda company. Further, the Company's subsidiaries may be subject to applicable legal constraints on the distribution of dividends in the jurisdiction in which they are incorporated, such as sufficiency of distributable reserves.

Under the Bye-Laws, the Board of Directors may declare dividends to be paid to the shareholders in proportion to the number of shares held by them.

6.3 Manner of dividend payments

The Company's equity capital is denominated in USD and all dividends on the Shares will therefore be declared in USD. As such, investors whose reference currency is a currency other than USD may be affected by currency fluctuations in the value of USD relative to such investor's reference currency in connection with a dividend distribution by the Company. Any future payments of dividends on the Shares will be denominated in the currency of the bank account of the relevant shareholder and will be paid to the shareholders through the VPS Registrar (as defined herein). Shareholders registered in the VPS who have not provided the VPS Registrar with details of their bank account, will not receive payment of dividends unless they register their bank account details with the VPS Registrar. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or *in lieu* of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares. Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

7 INDUSTRY AND MARKET OVERVIEW

This Section discusses the industry in which the Group operates. Certain parts of the information in this Section relating to market environment, market developments, growth rates, market trends, industry trends, competition and similar information are estimates based market data from external and publicly available sources, and the Company's knowledge of the markets, see Section 4.2.8 "Industry and market data". The following discussion contains forward-looking statements, see Section 4.4 "Cautionary note regarding Forward-looking Statements". Any forecast information and other forward-looking statements in this Section are not guarantees of future outcomes and these future outcomes could differ materially from current expectations. Numerous factors could cause or contribute to such differences, see Section 2 "Risk factors".

7.1 AutoStore's industry

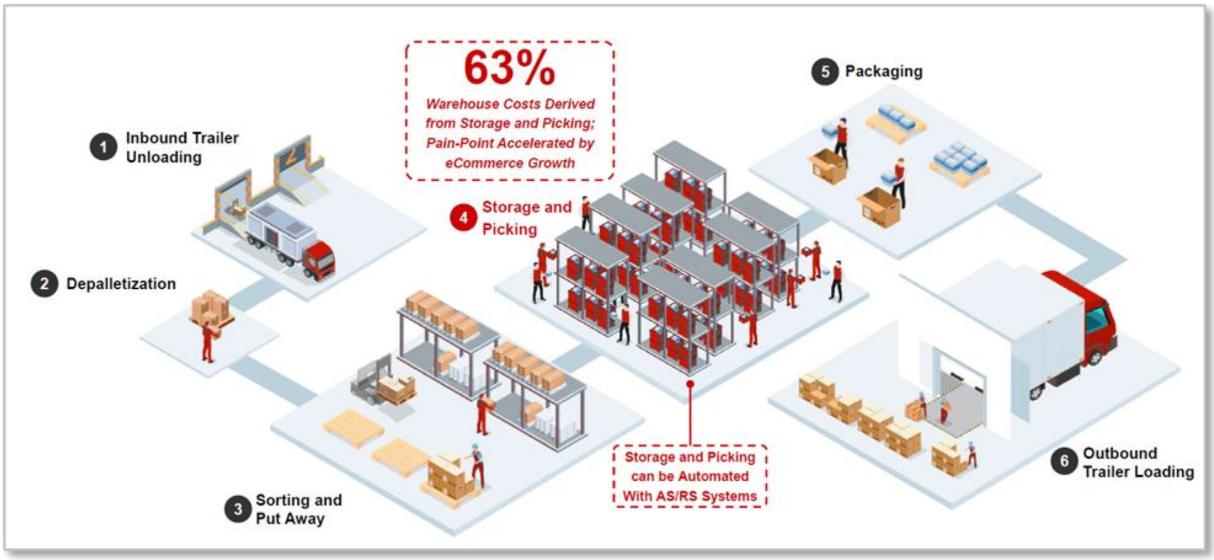
AutoStore believes it is a leading provider[2] in the AS/RS market, offering warehouse automation solutions to a wide range of customers, including companies in the global eCommerce industry as well as various other businesses and institutions. The Group operates in the rapidly growing warehouse and fulfilment operations industry and considers the Group a pioneer in cubic storage automation, [3] which is the densest warehouse order-fulfilment solution available today.

7.1.1 Understanding fulfilment operations

Fulfilment operations within warehouses consist of six main activities:

1. Inbound Trailer Unloading: goods are received at the warehouse site;
2. Depalletization: goods are unpacked and depalletized from trailers;
3. Sorting and Put Away: goods are organized and placed accordingly in the warehouse;
4. Storage and Picking: goods are stored and gradually picked for shipment;
5. Packaging: goods are prepared to be shipped; and
6. Outbound Trailer Loading: goods are loaded into the trailer to be shipped.

Simplified overview of warehouse fulfilment operations(1)



(1) Source: Company estimates, see Section 4.2.8

[2] Source: Company estimates, see Section 4.2.8.

[3] Source: Company estimates, see Section 4.2.8.

The main warehouse fulfilment activities are primarily manual and labor intensive processes as of today. The core operation and largest cost driver is represented by storage and picking activities, together these activities on average account for approximately 63% of total warehouse costs. This pain-point is further accelerated by the ever increasing demands on fulfilment operation in terms of efficiency and throughput. In particular, changing consumer demands and the proliferation of eCommerce raise the bar for fulfilment operations and therefore the need for automation. The second and third largest cost drivers are depalletizing and packaging, each accounting for approximately 14% of the total cost.[4]

7.1.2 Storage and picking

Storage and picking is the most labor and cost intensive step of the fulfilment process, accounting for approximately 63% of average total warehouse costs.[5] This specific step in the process can be automated by AS/RS, which are computer-controlled systems that enable automatic placing and retrieving of goods in the warehouse.

AS/RS solutions typically enable close to a 55% total cost reduction, with the vast majority of that reduction coming from labor cost savings. On top of labor cost savings, there are also cost savings better space utilization and from non-labor activities such as shrink savings, reduction in damaged goods and reduction in inaccurate orders. Cost savings associated with AS/RS systems are to a minor extent offset by incremental costs for maintenance technicians & operators, automation parts and replacement components.[6]

Further, AS/RS solutions not only generate cost savings, but they also act as growth drivers as they allow companies to scale without being dependent on labor. The modularity of AutoStore's solution allows customers to scale up gradually as they grow. This also means it is not necessary to invest heavily upfront in the system, which is a key strength to win new customers.

Additionally, automated solutions can enable growth by mitigating the impact of existing labor shortages. Labor availability is becoming increasingly constrained. The workforce is aging, employee health focus is increasing and manual labor is becoming scarce in both industrialized and emerging countries.[7] By implementing AS/RS solutions to automate warehouse operations, companies can better meet fluctuations in demand with limited or no additional labor due to flexibility of automated systems to increase or decrease throughput as needed. It also increases effectiveness of available labor and improves attraction and retention of talent due to increase of higher skilled jobs and automation of repetitive or dangerous tasks.

7.1.3 Overview of automated storage & retrieval (AS/RS) solutions

There are currently four main light AS/RS competitive solutions that can help automate the storage and picking process in fulfilment operations: cubic storage, shuttle, AMR and mini load. AutoStore believes it offers the only commercially available proven cubic storage solution.[8]

7.1.3.1 Cubic storage

In cubic storage, products are stored in containers stacked in a cube of up to 18 feet in height, with mini robots moving atop the cube retrieving containers with goods ("**Cubic Storage**"). This flexible and very precise solution is particularly well-suited for high-throughput demands and space constrained warehouses. It is the densest solution on the market and, given its modularity, it is very easy to scale after installation.[9]

Cubic Storage currently has close to a 11% market share within the broader AS/RS market[10] and is expected to gain significant market share from other solutions due to its technological advantages and expanding use-cases.[11] Increase in market share is primarily driven by increased 'at bats'. 'At bats' rates show how often a supplier gets to pitch for a solution. AutoStore's Cubic Storage 'at bat' rate is expected to increase significantly in the coming years,

[4] Source: Company estimates, see Section 4.2.8.
[5] Source: Company estimates, see Section 4.2.8.
[6] Source: Company estimates, see Section 4.2.8.
[7] Source: Company estimates, see Section 4.2.8.
[8] Source: Company estimates, see Section 4.2.8.
[9] Source: Company estimates, see Section 4.2.8.
[10] Source: Company estimates, see Section 4.2.8.
[11] Source: Company estimates, see Section 4.2.8.

while win rates are expected to increase slightly.[12] These factors combined drive a significant increased market share for Cubic Storage solutions in the coming years.

7.1.3.2 Shuttle

In the shuttle solution, products are stored in containers in racks with more than 15 shuttles per aisle retrieving containers ("**Shuttle**"). It is well-suited for high-throughput demands due to its high retrieval speed but requires considerable vertical space in the warehouse and is the most expensive solution. Shuttle currently has close to a 72% market share within the broader AS/RS market[13] and is expected to lose market share to Cubic Storage due to higher cost and lower flexibility. Shuttle has a large market share due to legacy reasons – it was one of the first commercial solutions widely available. It is less flexible than Cubic Storage and performs inferior to Cubic Storage on a range of operating metrics.

7.1.3.3 AMR

AMR features ground-bound robots that transport pods/racks to picking stations. Stock keeping units ("**SKUs**") are stored up to 8-feet-high shelving pods. The solution is best suited for small warehouses with limited vertical space and small capital expenditure budgets given its low upfront cost. AMR currently has approximately 11% market share within the broader AS/RS market[14] and is expected to gain some market share going forward due to higher adoption by small customers given the low capital expenditure requirements.

7.1.3.4 Mini Load

In mini load, products are stored in containers in racks with one stacker crane moving up and down each aisle retrieving containers ("**Mini Load**"). It is best suited for slow-moving and heavy products and low-throughput applications. It requires considerable vertical warehouse space. Mini Load currently has close to a 6% market share[15] within the broader AS/RS market and is expected to lose market share to other solutions due to low throughput capabilities going forward.

7.2 Powerful global megatrends driving the industry

AutoStore provides products and services for the AS/RS market, which is rapidly growing as a result of several underlying global megatrends that are ultimately driving warehouse owners to increasingly automate their facilities. The main favorable megatrends driving the growth of AutoStore's market include growing eCommerce, increasing automation, changing customer demand and enhanced focus on sustainability.

7.2.1 Rapidly growing eCommerce industry

ECommerce, which is growing strongly on a global basis (compound annual growth rate ("**CAGR**") of 16% from USD 2.3 trillion in 2017 to USD 7.4 trillion in 2025E), is one of the main drivers of AS/RS adoption as eCommerce players typically seek to achieve best in class delivery speed, diversity of orders, traceability and visibility. From 2014 to 2019, eCommerce as a percentage of total retail sales grew from 6% to 14% and is expected to continue to grow to approximately 25% by 2025E, with the majority of customers (72%) planning to shop online as or more frequently in the future.[16] The COVID-19 pandemic has further enhanced the evolution of the already high-growth eCommerce market: eCommerce sales in the U.S. increased by 52% in June 2020 compared with early March 2020, as of May 2020 there was a 51% increase in subscription purchasing[17] and companies like Target and Best Buy saw online sales growing by more than 100%.[18]

[12] Source: Company estimates, see Section 4.2.8.

[13] Source: Company estimates, see Section 4.2.8.

[14] Source: Company estimates, see Section 4.2.8.

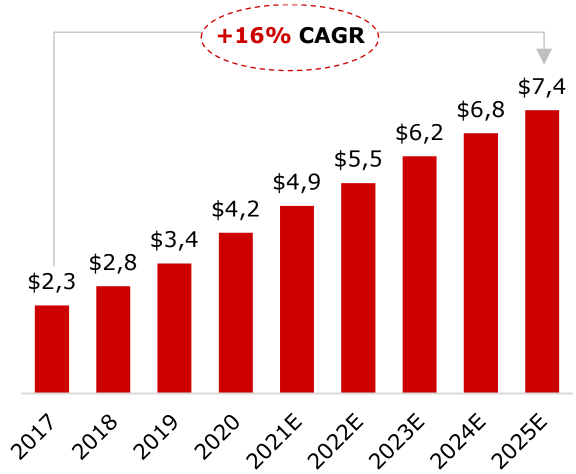
[15] Source: Company estimates, see Section 4.2.8.

[16] Source: Company estimates, see Section 4.2.8.

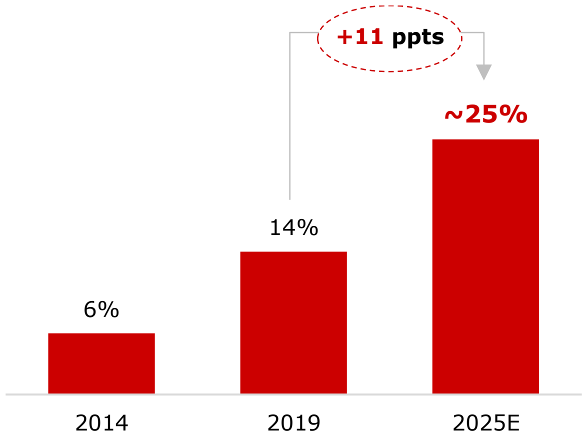
[17] Source: Company estimates, see Section 4.2.8.

[18] Source: eMarketer, U.S. Ecommerce Growth Jumps to More than 30%, Accelerating Online Shopping Shift by Nearly 2 Years, https://www.emarketer.com/content/us-ecommerce-growth-jumps-more-than-30-accelerating-online-shopping-shift-by-nearly-2-years.

eCommerce market(1)
$ in trillions



eCommerce penetration(1)
Global eCommerce share of total retail (%)

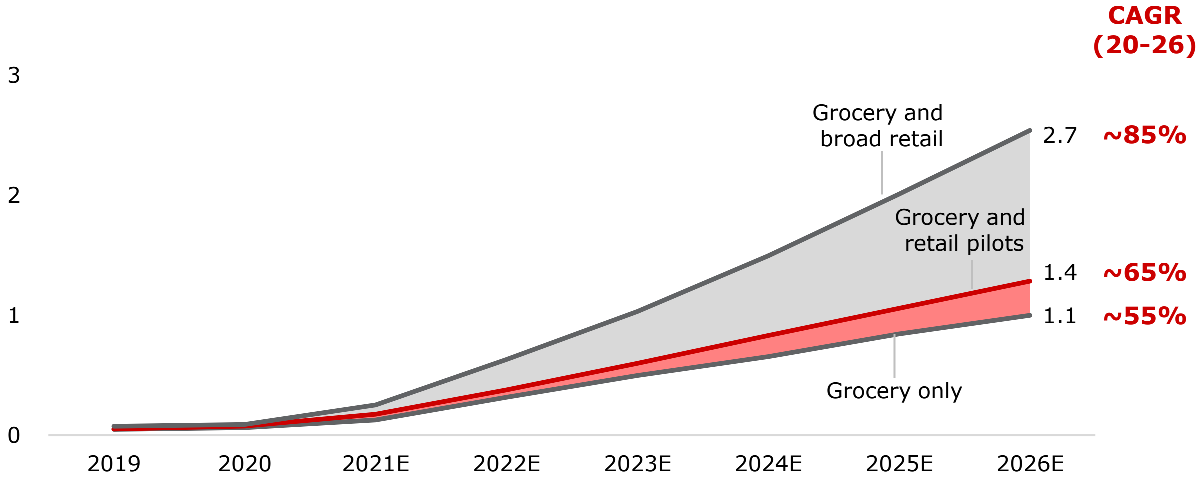


(1) Source: eMarketer, Global Ecommerce Forecast 2021, https://www.emarketer.com/content/global-ecommerce-forecast-2021.

*7.2.2 Changing consumer demands & emergence of micro-fulfillment centers ("**MFCs**")*

AutoStore directly addresses the evolving needs and demands of the eCommerce industry and its customers, specifically the desire for more rapid order fulfilment and delivery. While, historically, consumers typically expected their purchased products to be delivered within 3 to 5 days, today consumers expect delivery within 1 to 2 days. With this trend continuing, consumers are likely to expect same-day delivery of their goods in the near future. Emerging MFCs in close proximity of urban areas are playing an increasingly important role as a result of same-day delivery demands, and are expected to grow at more than 50% annually between 2020 and 2026E, representing an increasing share of the served global warehouse AS/RS market (representing US, Europe and Asia) from approximately 3% in 2021E to approximately 16% in 2031E.[19] The global MFC served addressable market ("**SAM**") today is at approximately USD 0.2 billion but is expected to grow to between USD 1.1 and USD 2.7 billion by 2026E.[20]

MFC SAM ($Bn)(1)



(1) Source: Company estimates, see Section 4.2.8.

7.2.3 Increased demand for automation

The Group believes it is well-positioned to capitalize on these changing consumer needs as its products and services facilitate rapid delivery times through increased efficiency of the storage and retrieval aspects of the order fulfilment and delivery process. As a result of automation being the key to alleviate supply chain constraints and labor shortage,

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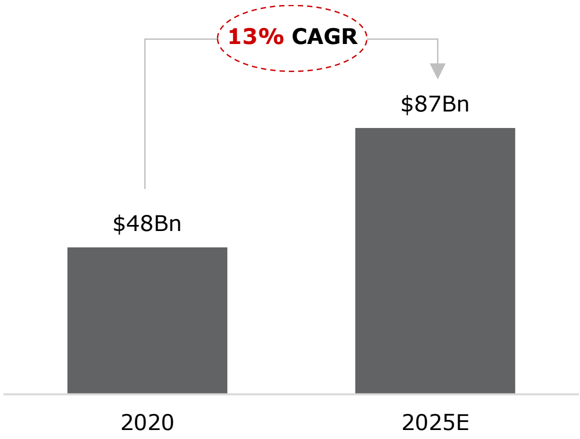
[19] Source: Company estimates, see Section 4.2.8.

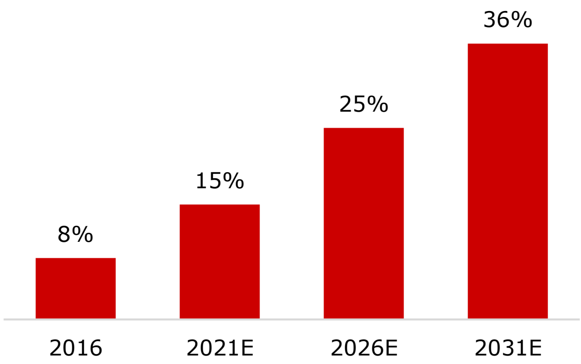
[20] Source: Company estimates, see Section 4.2.8.

to meet increasing customer demands and to improve operational ESG footprint, the robotic automation market is expected to grow at 13% CAGR from USD 48 billion in 2020 to USD 87 billion in 2025E.[21] Furthermore, the Group believes it is well-positioned to capitalize on the significant increase in warehouse automation penetration, expected to more than double from 15% in 2021E to 36% in 2031E.

Industrial robotic automation market[(1)]
($Bn)



Warehouse automation penetration[(1)]
AS/RS market penetration (%)



(1) Source: Company estimates, see Section 4.2.8.

7.2.4 Sustainable & efficient solutions

AutoStore's technology also helps customers to meet ESG goals through reduced physical footprints and improved energy efficiency. Nowadays, ESG is becoming increasingly important across industries and environmentally friendly and energy efficient solutions are a strong focus for companies and investors globally. It has been proven that better ESG performance is strictly linked to higher returns and lower volatility, as 63% of 2,200 studies found a positive ESG-corporate finance performance relationship.[22] To highlight this increasing relevance globally, 120 countries and the European Union are now aiming to be carbon neutral by 2050, consequentially increasing regulations and pressure on companies to meet these targets through a variety of mechanisms, including lowering existing energy consumption. Additionally, a resolution recently adopted by the European Parliament sets out principles for proposed new legislation on corporate due diligence and accountability for human rights, environmental and governance impacts within businesses' operations and through value chains. This lays the foundation for companies being required to diligence their supply chains ensuring not only their own operations but also those of supplier and fulfilment partners for compliance with ESG standards.

Other ESG aspects that AutoStore's technology helps include workers safety. Working in picking and storing can be a dangerous job, as falling goods or technical malfeasance in equipment can cause accidents for employees manually handling this activity. Automation is addressing this by taking manual labor out of the core activities.

7.3 Addressable market

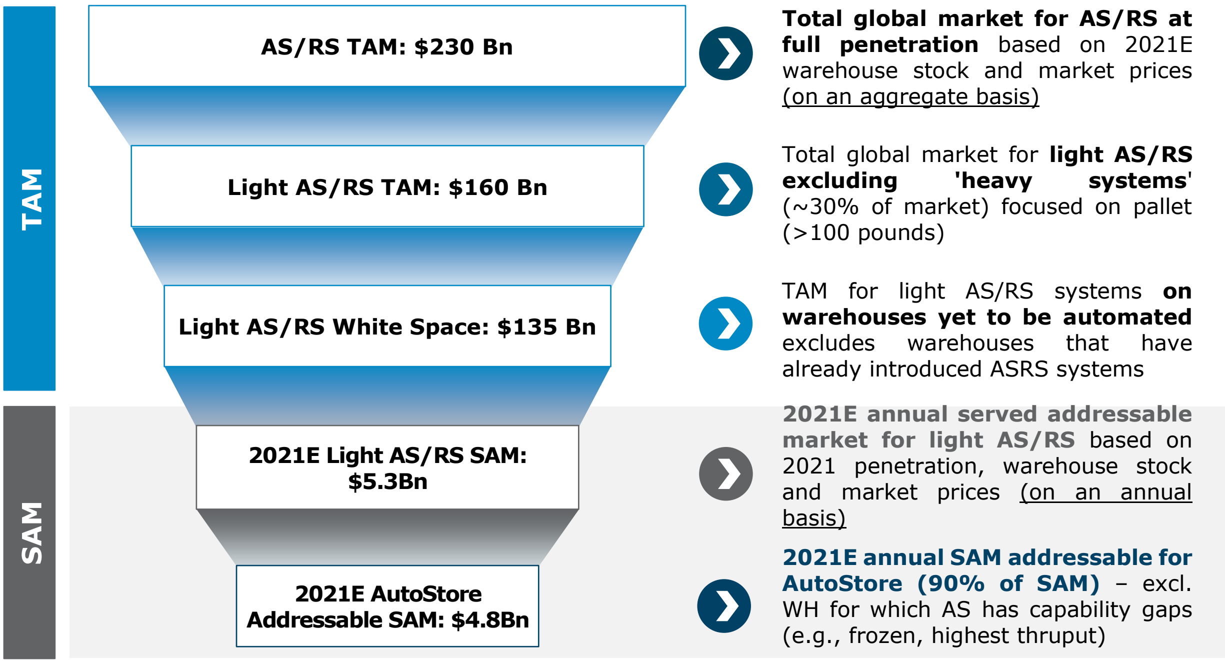
7.3.1 USD 230 billion AS/RS warehouse automation TAM

The Group believes it is a leading provider[23] in the massive AS/RS market, with what the Group considers to be the only proven and scalable Cubic Storage technology solution. The AS/RS theoretical addressable market ("**TAM**") is approximately USD 230 billion today[24] (on an aggregate basis), of which approximately USD 160 billion is addressable for light AS/RS systems that AutoStore competes with today. Of the addressable light AS/RS market, approximately 85% (USD 135 billion) is composed of warehouses that have yet to be automated, implying significant white space and room for growth for AutoStore given only close to 15% of the market is currently addressed and automated. SAM for AutoStore is approximately USD 5 billion (on an annual basis) based on 2021E penetration, warehouse stock

[21] Source: Company estimates, see Section 4.2.8.
[22] Source: Company estimates, see Section 4.2.8.
[23] Source: Company estimates, see Section 4.2.8.
[24] Source: Company estimates, see Section 4.2.8.

and market prices, of which close to 90% is addressable by AutoStore today. The Cubic Storage share of the total SAM is approximately USD 600 million in 2021E. AutoStore estimates total revenue of approximately USD 300 million in 2021E. The remaining gap (approximately USD 300 million) relates to AutoStore's Distribution Partners and is explained through the margins and scope of the Distribution Partners relative to AutoStore delivery (AutoStore holds more than 95% market share of this segment).

AutoStore's market is part of a broader USD 230 billion AS/RS warehouse automation TAM[(1)]



(1) Source: Company estimates, see Section 4.2.8.

AS/RS TAM is expected to grow at approximately 7% CAGR from 2021E to 2026E, with light AS/RS TAM growing above market and expected to take market share due to increasing eCommerce penetration and sophisticated replenishment for retailers. AS/RS SAM is expected to grow at approximately 15% CAGR from 2021E to 2026E, with Cubic Storage AS/RS SAM growing above market at approximately 37% CAGR from 2016 to 2026E and expected to take market share due to its technological advantages and expanding use-cases compared to other AS/RS solutions.

Cubic storage outgrowing overall light AS/RS SAM[(1)]

		Market Size ($Bn)			CAGR %		
		2016	2021E	2026E	16-21E	21E-26E	Description
Including both equipment and integrator margin							
TAM	**AS/RS TAM**	~160	~230	~320	~7%	~7%	*Total addressable market growing at warehouse stock growth and AS/RS price*
TAM	**Light AS/RS TAM**	~110	~160	~240	~8%	~8%	*Constant 70% of applications are light industrial, likely upside through eCommerce*
SAM	**Light AS/RS SAM**	2.7	5.3	10.5	~14%	~15%	*Light AS/RS market driven by high MFC growth and Asia*
SAM	**Cubic Storage SAM**	0.1	0.6	2.3	~49%	~33%	*Cubic Storage market including integrator margins growing at significantly higher rates than Light ASR SAM*

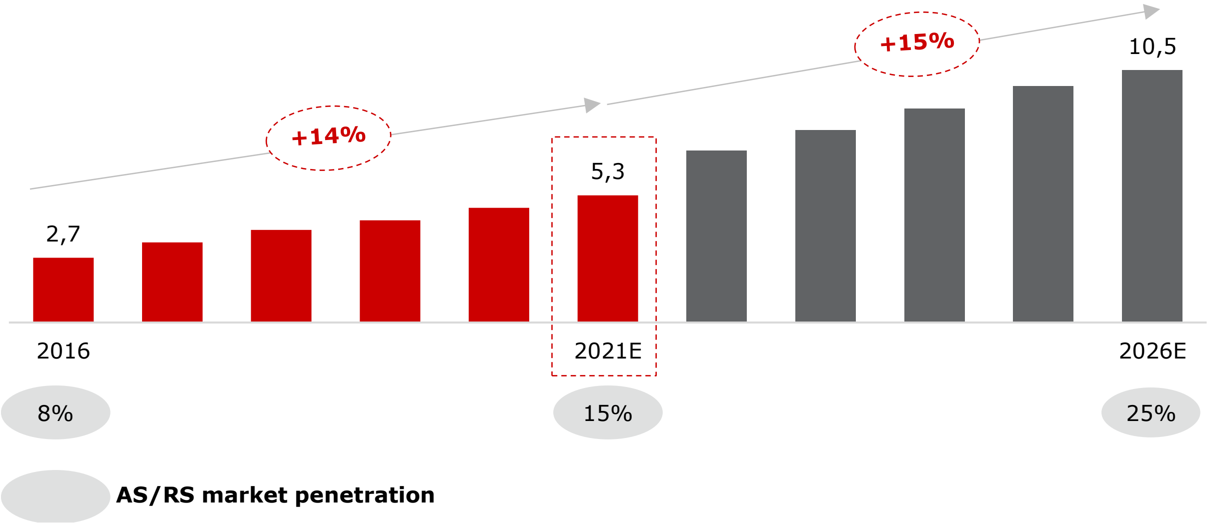
(1) Source: Company estimates, see Section 4.2.8.

7.3.2 USD 5 billion AS/RS warehouse automation SAM

The AS/RS SAM is approximately USD 5 billion today and is expected to grow at higher rates compared to the broader theoretical addressable market, mainly driven by increasing automation and adoption of AS/RS technologies, supported by strong macro tailwinds including eCommerce growth, faster delivery requirements and labor challenges (shortages and rising costs).[25] AS/RS SAM is expected to grow at approximately 15% CAGR from 2021E to 2026E, reaching approximately USD 10.5 billion in 2026E. Increasing but still relatively modest penetration rates, reaching 25% in 2026E from 15% in 2021E, represent significant long-term white space and potential room for further growth.

AS/RS SAM expected to continue double-digit growth reaching more than USD 10 billion by 2026E long-term potential with ~75% whitespace in 2026E[(1)]

Global AS/RS market size($Bn)[(2)]



(1) Source: Company estimates, see Section 4.2.8.
(2) Represents US, Europe, Asia

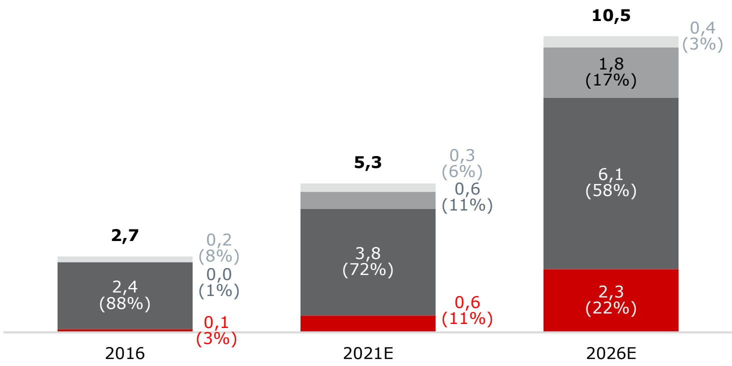
Within the AS/RS SAM, following a significant growth in past years (49% CAGR from 2016 to 2021E), Cubic Storage is expected to significantly increase its share from 11% in 2021E to 22% in 2026E, growing at higher rates (close to 33% CAGR) compared to other warehouse solutions due to its technological advantage, expanding use-cases and increasing 'at bats' driven by market awareness and competitive pricing combined with strong win rates driven by proven track record.

[25] Source: Company estimates, see Section 4.2.8.

Cubic storage expected growth at 33% per annum and increasing market share from 11% to 22%(1)

AS/RS SAM by technology ($Bn)

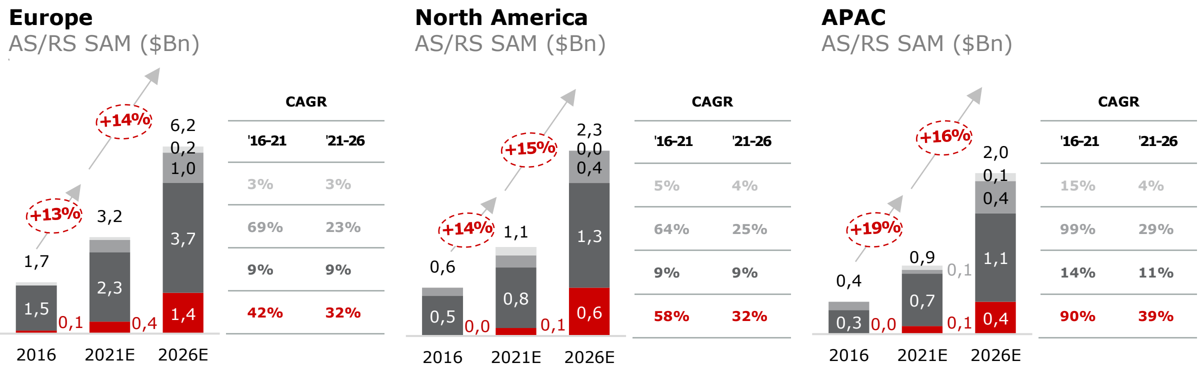
AS/RS Solution	CAGR '16 – '21E	CAGR '21E-26E
Mini Load	**9%**	**3%**
AMR	**72%**	**25%**
Shuttle	**10%**	**10%**
Cubic Storage	**49%**	**33%**



(1) Source: Company estimates, see Section 4.2.8.

From a geographical stand point, APAC is the smallest market but has the highest AS/RS SAM CAGR from 2021E to 2026E at 16%, mainly driven by the underlying growing economy, with North America and Europe slightly behind at 15% and 14%, respectively, driven by continued penetration growth and aggressive investment into automation.

APAC highest 2021E-26E CAGR at 16% with North America and Europe slightly behind(1)



(1) Source: Company estimates, see Section 4.2.8.

7.3.3 *Warehouse types and MFCs deep dive*

The served AS/RS warehouse automation addressable market consists of four main warehouse types, MFCs, high throughput warehouses ("**HTP**"), standard warehouses and small warehouses ("**SMB**"), as described below. AutoStore's cubic solution can serve all four warehouse types.

MFCs

MFCs are localized bespoke facilities in near proximity to the end-customer, often located in urban areas, with average facilities size of less than 20 thousand square feet. MFCs are particularly well-suited for grocery customers and are expected to be the fastest growing of the four warehouse types and a key segment for AutoStore going forward. The

Company expects the annual market to be close to 55% from 2021E to 2026E, mainly driven by emerging online grocery uptake.

HTPs

HTPs are large and centralized hub facilities that process more than 10 thousand units per hour, with an average facilities size of more than 100 thousand square feet. HTPs are particularly well suited for large eCommerce. Annual market growth is expected to be approximately 9% from 2021E to 2026E, with growth to tail off relative to historic periods driven by price growth normalization and penetration growth from a larger base.

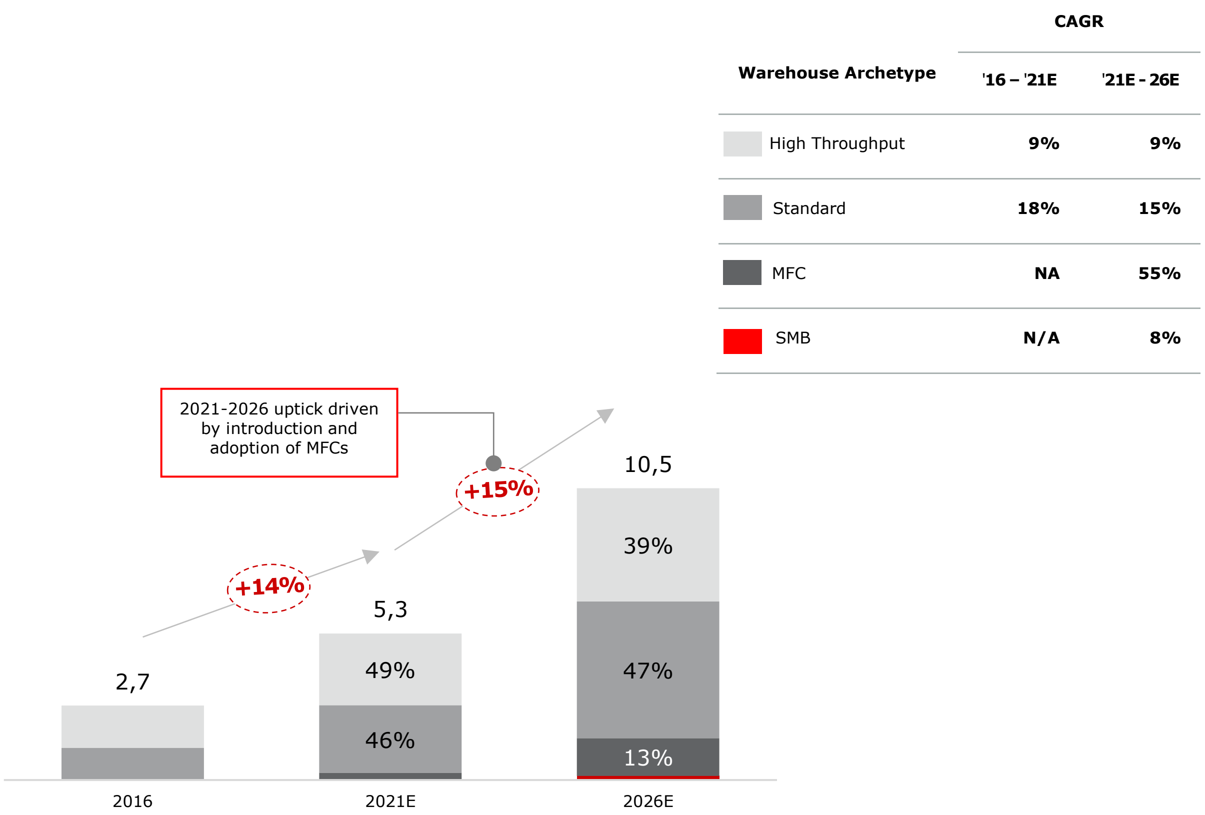
Standard warehouses

Standard warehouses process less than 10 thousand units per hour, with an average facilities size of 20 to 100 thousand square feet. Standard warehouses are used broadly, both within medium eCommerce, industrial and 3PLs. Annual market growth is expected to be approximately 15% from 2021E to 2026E.

SMBs

SMBs are designed for lower throughput use cases, with average facilities size of less than 20 thousand square feet. Small warehouses are typically used for small eCommerce. Annual market growth is expected to be close to 8% from 2021E to 2026E. There is potential for SMBs to drive demand through 3PLs by outsourcing eCommerce fulfilment.

MFC emerging as a key growth driver of light AS/RS SAM(1)
Warehouse AS/RS SAM by warehouse archetype ($Bn)



(1) Source: Company estimates, see Section 4.2.8.

The MFC market is nascent but is expected to grow at approximately 55% CAGR from 2021E to 2026E, driven by eCommerce, accelerated delivery expectations and lack of alternative options to meet increasing customer requirements. The grocery end-market has experienced the fastest adoption with many grocery players already running operational pilots. AutoStore's solution is well-suited for the grocery end-market, and it already holds a strong position in this segment.[26] Non-grocery eCommerce is also a large and rapidly growing market with key

[26] Source: Company estimates, see Section 4.2.8.

players considering MFCs. Similarly to grocery eCommerce, AutoStore believes it is the clear leader in non-grocery MFCs.[27]

There are four key purchase criteria ("**KPC**") for MFC customers:

- Track record: proven history of product performance. Automation is a significant investment decision, hence customers are unlikely to be willing to invest in unproven solutions or companies.
- Scalability: the ability to offer a compelling solution at multiple facility sizes. Retailers typically have multiple store sizes, so suppliers must offer a solution that can play in all.
- Modularity: the ability to fit a solution into a variety of building types. MFCs are frequently attached to existing buildings so systems must fit into brownfield installations.
- Turnkey solution: the solution must include all elements (hardware and software) to limit barriers to implementation for customers. Retailers have little experience with automation implementation, so suppliers must provide a solution that limits work for customers new to the space.

AutoStore believes it is well-positioned to capitalize on the market trend given it has what it considers to be a best-in-class solution that satisfies customer KPCs.[28] AutoStore believes it offers the leading solution across scalability, modularity and turnkey criteria.[29]

7.4 Competitive positioning

7.4.1 AutoStore competitive advantage and cubic storage leadership

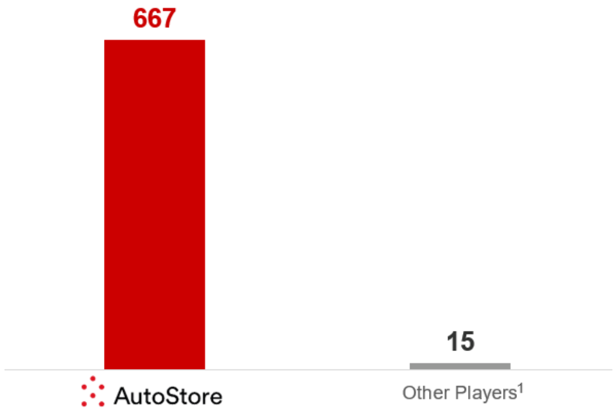
There are several technologies (i.e., cubic storage, shuttle, AMR and mini load) that address the automation of warehouses and in particular the process of storage and picking of goods. While some of those technologies in the AS/RS space are offered by a range of companies, the Cubic Storage solution is almost exclusively offered by AutoStore. The Group believes it is a scaled, IP-protected and commercially available provider of this technology.[30] Therefore, AutoStore believes it currently holds a clear leadership position in the Cubic Storage market and benefits uniquely from this fast growing sub-segment in the broader AS/RS market. AutoStore considers itself the undisputed leader in the Cubic Storage market based on the number of installations, with 667 installations as of June 2021 compared to 15 installations by other leading players in the market, namely Ocado and Attabotics, as of April 2021.[31]

The Group believes AutoStore's Cubic Storage solution is the preferred choice of customers and is rapidly gaining market share compared to the other AS/RS solutions (i.e., shuttle, AMR and mini load). However, existing competitors like Daifuku, Knapp, Vanderlande and TGW, among others, continue to apply and develop their AS/RS technologies to address some specific customer needs like the ability to handle larger and heavier goods or the ability to offer more favorable utilization rate and more aggressive pricing. This increases the overall competition in the broader AS/RS market, which also affects AutoStore.

[27] Source: Company estimates, see Section 4.2.8.
[28] Source: Company estimates, see Section 4.2.8.
[29] Source: Company estimates, see Section 4.2.8.
[30] Source: Company estimates, see Section 4.2.8.
[31] Source: Company estimates, see Section 4.2.8.

Cubic storage positioning(1)

Total installations (#)



(1) "Other players" includes installed base of Ocado and Attabotics as of 16 April 2021; source: Company estimates, see Section 4.2.8.

The modular and software-based Cubic Storage solution allow for best-in-class operating metrics for customers.[32] AS/RS solutions can best be characterized by the following six performance criteria: (i) throughput rate, (ii) SKU count (number of different SKUs against bins in warehouse), (iii) density against space constraints, (iv) scalability against modularity, (v) SKU size against shape range and (vi) reliability. The Group believes that AutoStore's Cubic Storage has the aggregate superior solution across these performance criteria, with particularly strong performance in density against space constraints, scalability against modularity and reliability.[33]

The Group believes AutoStore's Cubic Storage solution is gaining market share from other AS/RS solutions due what the Group considers superior performance across key selection criteria, its execution track-record (it has doubled total installations since 2018) and the increasing customer awareness.[34] The performance of the solution allows for industry-leading payback times in the Group's view and high customer return on investment ("**ROI**").[35] In addition to capturing market share in today's prevalent warehouse types, the Group also believes it is particularly well-positioned to capture a large majority of future growth pockets in the market such as MFCs.[36]

Performance across key performance criteria(1)

(1) Source: Company estimates, see Section 4.2.8.

[32] Source: Company estimates, see Section 4.2.8.

[33] Source: Company estimates, see Section 4.2.8.

[34] Source: Company estimates, see Section 4.2.8.

[35] Source: Company estimates, see Section 4.2.8

[36] Source: Company estimates, see Section 4.2.8.

8 BUSINESS OF THE GROUP

8.1 Introduction to the Group

Founded in 1996, AutoStore is an innovative robotic and software technology company as well as the pioneer of cubic storage automation, the densest warehouse order-fulfillment solution available today. The Group operates in the rapidly growing warehouse automation industry, and in the even faster growing cube storage segment. AutoStore benefits from a large addressable market of which only 15% of the addressable market is currently being served by automated storage and retrieval solutions.[37] As of 14 June 2021, AutoStore had operations and installations in over 35 countries around the world with an installed or contracted base of 667 systems.

The Group believes its products and services have transformed the automated warehouse sector and defined the automated cube storage segment. In particular, through the products and services AutoStore provides, the Group seeks to directly address the challenges facing the rapidly growing eCommerce, retail and logistics industries where the need to automate picking and to streamline processes is critical and 90% of this work is currently done manually.[38] Over the course of 25 years of dedicated research and development of standardized modular products, AutoStore has developed proprietary technology incorporating advanced concepts in artificial intelligence, mobility, navigation and storage to build what it believes to be industry-leading cube storage solutions.[39] AutoStore's current suite of products for both its Red Line and Black Line systems comprise a complete goods-to-person system and forms the core of AutoStore's product offering. In addition to revenue generated by installations of AutoStore's systems to new customers, the Group generates repeat revenue from the sale of additional systems to existing customers, extension of systems to existing sites, licensing of AutoStore's proprietary technology, sale of spare parts and the provision of consulting services to customers seeking to maximize the benefits of their AutoStore systems.

The Group believes the AutoStore system provides a significant ROI for customers by reducing personnel needs and enabling space saving. Typically, an AutoStore solution provides a payback period of one to three years, calculated based on initial capital expenditure, yearly maintenance fees, expected throughput and yearly labor savings. Certain customers have effectively a zero payback period as a result of the significant space saving the system can provide. This payback period is faster than a typical shuttle system that has a payback period of approximately four to five years. The faster payback primarily results from the fact that AutoStore systems require lower initial capital expenditure and yearly maintenance capital expenditure compared to typical shuttle systems[40]. The ROI calculations do not include the benefits of easy scalability or flexibility of AutoStore systems which results in greater ROI compared to typical shuttle systems in warehouses with complex layouts or those planning to expand.

For the year ended 31 December 2020, AutoStore generated net revenue of USD 182.1 million and had Adjusted EBITDA of USD 93.5 million, and for the six months ended 30 June 2021, AutoStore generated net revenue of USD 149.6 million and had Adjusted EBITDA of USD 74.9 million.

8.2 Competitive strengths

The Group believes that it has many competitive strengths that differentiate it from its competitors and will enable it to execute its growth strategy as described below. These key competitive strengths include:

8.2.1 A proven global leader in a massive unpenetrated market driven by powerful megatrends

The Group believes that it is a proven global leader in the AS/RS market, and the clear market leader within the cubic storage segment.[41] The Group believes that cubic storage automation technology, pioneered by AutoStore in 1996, is one of the leading technologies used to automate warehouse operations.[42] The global AS/RS market is rapidly growing as a result of numerous favorable macrotrends. According to Company estimates, the AS/RS TAM is USD 230 billion based on 2021 warehouse stock and market prices. Approximately USD 160 billion of this USD 230 billion market is addressable for light AS/RS systems that AutoStore competes with today. Currently, only approximately 15% of warehouses addressable by light AS/RS systems are automated, implying significant room for growth. Through its highly flexible, modular, cubic store solutions the Group believes it is ideally positioned to capture

[37] Source: Company estimate, see Section 4.2.8.

[38] Source: Company estimate, see Section 4.2.8.

[39] Source: Company estimate, see Section 4.2.8

[40] Source: Company estimate, see Section 4.2.8.

[41] Source: Company estimate, see Section 4.2.8.

[42] Source: Company estimate, see Section 4.2.8

white space and market share across all end markets and all types of warehouses, addressing the entire light AS/RS market.

The main trends driving the growth of the AS/RS light market include an increasing rate of eCommerce, changing consumer demands and the increased industrial use of robotic automation, as further set out below.

Rapidly growing eCommerce industry

ECommerce, which globally has grown at a CAGR of approximately 16% since 2017, is a key driver of AS/RS adoption as eCommerce businesses typically seek to achieve best in class delivery speeds, diversity of orders and traceability. From 2014 to 2019, eCommerce, as a percentage of total retail sales, grew from 6% to 14%, and is expected to continue to grow to approximately 25% by 2025.[43] The COVID-19 pandemic has accelerated the growth of eCommerce, and eCommerce sales in the U.S. increased by 52% in June 2020 compared to early March 2020. As of May 2020, 72% of customers plan to shop online as frequently, or more frequently, in the future. Additionally, as of May 2020, Subscription purchasing has increased by 51%, and stores like Target and Best Buy have experienced a 100% increase in online sales. For the six months ended 30 June 2021, approximately 68% of the Group's order intake was related to eCommerce, underpinning the Group's strong value proposition to customers who operate in the high-growth eCommerce channel.

Changing consumer demands and emergence of MFCs

The Group's products and services directly address the evolving demands of the eCommerce industry; specifically, the desire for more rapid order fulfilment and delivery. While historically, consumers typically expected their purchased products to be delivered within 3 to 5 days, today consumers expect delivery within 1-2 days. In the near future, many eCommerce sellers will seek to provide delivery to consumers within hours of an order. As a result, MFCs, are, according to Company estimates, expected to experience significant growth (CAGR of approximately 55% between 2020 and 2026.). The Group believes it is well-positioned to capitalize on these changing consumer demands as its products and services facilitate rapid delivery times through increased efficiency of the storage and retrieval process, and the system is the clear market leader for automation of smaller warehouses because its density and modularity allow for very high space utilization.

Increasing demand for automation

Automation allows businesses to alleviate supply chain constraints, meet increasing consumer demands and improve their operational ESG footprint. Fulfilment operations are generally centered around six core activities: covering inbound, depalletization, sorting, storage and picking, packaging, and outbound. Currently, all of these activities are typically manual processes. Currently, order fulfillment activities are primarily manual processes and according to Company estimates, the storage and picking process typically accounts for more than 60% of warehouse process costs due to its high labor intensity. Cubic storage solutions by AutoStore, however, enable AutoStore's customers to fully automate the picking process, increasing performance and efficiency and allowing businesses to substantially reduce costs.

With an accelerating shift to online distribution channels and due to underlying high competition, companies with fulfilment operations are increasingly looking to automation technologies to improve efficiency and reduce costs in order to stay competitive and improve margins. Together with a rapidly developing industrial automation technology supply side, the benefits which can be extracted from automation are increasing as automation systems can be further broadened and integrated. As a result, the global robotics market is expected to continue to grow by a CAGR of 13% from 2020 to 2025, meaning anticipated growth from a USD 48 billion industry in 2020 to a USD 87 billion industry by 2025.[44] The Group believes it is well-positioned to capitalize on the significant growth opportunities arising from increasing demand for automation through its current offering, extensive experience, and know-how.

The demand for automation is also driven by environmental, social and governance (ESG) initiatives which are a central focus for the Group and many of its customers. The Group's solutions help customers meet ESG goals through reduced physical footprints and improved energy efficiency. According to customers and Distribution Partners, AutoStore solutions can use 85-90% less energy than competing light AS/RS solutions and manual handling. The Group's system can reduce a customer's storage footprint up to 75% compared to traditional storage systems, reducing emissions from electricity, heating and construction. Moreover, 100% of the Group's bins and materials are

[43] Source: Company estimate, see Section 4.2.8.

[44] Source: Company estimate, see Section 4.2.8.

recyclable at end-of-life, and the system reduces waste from damaged goods as items are handled without being damaged.

8.2.2 Software powered warehouse automation technology with a unique value proposition to customers

Integrated warehouse automation solutions marrying software, hardware, and human ability

The Group's easy-to-use software powered cubic AS/RS solution offers superior value across operating metrics, customer economics and sustainability. Due to its continuously upgraded modular system design based on bins, grid, ports, robots, and software, the Group's solution offers high flexibility to customers and is able to automate almost any type of warehouse across any end-market.

At the heart of the Group's modular system is its in-house developed, patent protected, proprietary software that powers the system's storage and picking operations. The software drives system efficiency through task planning, scheduling, and robot routing, acting as an advanced traffic control center. Continuous software upgrades, deployed remotely, drive improvements in physical performance (such as throughput rate and system uptime, amongst others). In addition, the intelligent multi-robot scheduling system leverages artificial intelligence and machine learning to optimize operations through self-correction and self-diagnosis. As the system is based on open Application Programming Interface ("**API**"), it can be integrated with any WMS.

On top of its software driven cubic AS/RS solution, the Group offers sophisticated WMS/WCS providing customers with a complete, fully integrated warehouse software stack that integrates into their enterprise resource planning systems. The WMS/WCS are cloud native, multi-tenant platforms based on modern and scalable API-driven architecture. The systems drive value for customers through ease-of-use and integrated order consolidation-, inventory- and labor management tools.

Software powered cubic solution offering unmatched customer value

The Group's system offers high value to customers and the agile and state-of-the-art software creates an efficient, modular and easy to use approach to warehouse automation. In particular, the system provides customers with efficient storage and order fulfilment solutions as the systems facilitate up to 650 picks of inventory per workstation, correctly picking the requested inventory 99.9% of the time with an uptime of 99.7%. Compared to other AS/RS solutions such as shuttle systems, autonomous mobile robots (AMRs) and miniload systems, the Group believes that its system provides industry leading reliability, scalability and modularity, ability to address density and space constraints (allowing over 90% of space utilization and thus reducing costs), and over 1 million maximum SKU count (number of different SKUs or bins in the warehouse) and throughput rates.[45]

AutoStore's rapidly growing installed base enables a large amount of data gathering which enables AutoStore to offer smart analytics through Artificial Intelligence and Machine Learning ("**AI/ML**") to its customers to improve and optimize their operations. These include among others: (a) smart staffing of the AutoStore system to efficiently pick at different times, (b) SKU allocation inside the system based on historical order data, (c) mix and match SKUs inside the same bin based on historical order data to minimize bin presentations, (d) batching of orders to minimize travel time and bin presentations and (e) last-minute order sequence to match delivery routes. The modular design of the Group's system means it is easily scalable without stopping existing operations and allows for an agile response to customer growth. The system can be fitted within any warehouse layout allowing customers to capture growth opportunities, and is well-suited for handling large inventory levels and a broad range of SKUs (the Group estimates it can serve up to 90% of products sold online), driving adaptability and unconstrained warehouse expansion for customers as they broaden their offering. Standardized system components also mean that the Group can deliver new systems and extensions to existing sites rapidly as components are kept at stock or manufactured efficiently.

Solutions addressing all end markets and all types of warehouses

Due to its modularity, space density, throughput rate and SKU flexibility, the Group's system can serve all end-markets and all types of warehouses, including high-throughput warehouses, standard warehouses, micro-fulfillment centers and small warehouses. Through continuous innovation the Group is able to expand its addressable market by increasing throughput performance, SKU range and capacity, and system performance in different operating environments (e.g., ambient and chilled warehouses). A key feature of the Group's system is its density, typically allowing 90% utilization of available warehouse space. As such, the Group is positioned with a unique ability to

[45] Source: Company estimate, see Section 4.2.8

provide systems to serve space constrained warehouses, brownfield installations and the rapidly growing micro-fulfillment center segment.

The Group's broad end-market reach is evidenced by its large and diversified customer base comprising 512 unique customers which integrate AutoStore systems into their mission-critical supply chains across all types of end-markets. AutoStore is significantly weighted towards eCommerce-related customers, as evidenced by the fact that 68% of its order intake for the six months ended 30 June 2021 was derived from this type of customers. The Group serves, among others, end-markets such as apparel and sports equipment, electronics, 3PL, retail and grocery, luxury and personal care, industrial, automotive, and building and construction. Across these markets, the Group has a large number of blue-chip customers, including inter alia Puma, Best Buy, UPS, Gucci, Siemens, and Ikea.

Over the twelve months ended 30 June 2021, 48% of the Group's revenue was generated from existing customers, and repeat purchases are a key element of the Group's business model. After installation of an initial AutoStore system, the majority of customers make repeat purchases in the form of extensions of existing sites, installation of new systems at new sites/locations, source consultancy services and spare parts, in addition to making recurring payments for software and bin royalties. Approximately 70% of the Group's customers on-boarded before 2017 have returned to place a new order and the Group has never lost a customer. Revenue From Existing Customers is expected to further increase due to a large expansion in the Group's customer base in recent years, and new customers will likely make repeat purchases in the future. As the Group's installed base continues to grow, the Group believes that the high rate of repeat purchases over time will help drive the Group's revenue growth.

Delivering superior customer ROI

As the Group's systems enable high space utilization, high throughput, cost reduction from automating labor-intensive activities and has the capacity to enable growth, the Group is able to provide its customers with a strong ROI. Typically, the Group's customers realize a payback on their investment in AutoStore systems within 1 to 3 years, compared to 4 to 5 years for shuttle systems which address a selection of similar use-cases. The high return for the Group's customers is driven by lower customer capital expenditure and yearly maintenance cost, while still being able to deliver the same or higher throughput rates and yearly labor savings than shuttle systems across both standard and high throughput facilities.

8.2.3 Highly scalable, global distribution model driving rapid growth and high margins

The Group has a highly scalable, global go-to-market model through its broad network of distribution and installation Distribution Partners, which provide both unique access to customers and capacity to install and integrate AutoStore systems. The Distribution Partners are supported by the Group's in-house BDMs which generate additional leads and support the sales process.

Global partnership network

The Group uses its well-established and extensive network of partnerships to sell AutoStore systems globally. As a result, the Group's partners are key enablers of high growth and rapid roll-out globally as they generate leads (as of June 2021, 94% of all sales for 2021 were generated by Distribution Partner leads) and provide full project execution, combining in-house and third-party hardware and software to offer high value to customers. Across its 21 Distribution Partners located across the globe (with seven new Distribution Partners added since January 2021 to date), the Group's sales efforts are executed by more than 1,500 global representatives. Distribution Partners include, amongst others, Swisslog, Bastian Solutions, Element Logic, Dematic, Fortna, Okamura and SoftBank Robotics. The partnership model allows the Group to benefit from a highly scalable sales force, installation capacity and local service, maintenance and aftermarket support, which together support rapid global growth and enable high margins as the Group only employs a small support team. The partnership model uses a mutually beneficial incentive structure that allows the Group to leverage the unique strengths of each Distribution Partner and enables Distribution Partners to make attractive margins. The Group's superior value proposition and high win rates create a strong incentive for Distribution Partners to partner with the Group. The Group's Distribution Partner network is geographically diverse, spanning North America, Europe, Middle East and Africa ("**EMEA**") region and Asia, thus providing it access to a large share of the global addressable market. The Group has recently added more sales partners in APAC, including the recent investment from and partnership with SoftBank. To ensure the highest win rates, the Group provides proprietary design and simulation tools to enable partners to efficiently deliver excellent customer experience during the proposal and design phase. Additionally, the Group has developed extensive training materials and courses available to Distribution Partners through the AutoStore Academy. The AutoStore Academy helps to provide Distribution Partners with a deep knowledge of AutoStore's solutions. The program offers classroom training, practical training and e-learning across all disciplines. To date, over 2,200 participants have completed courses on AutoStore Academy.

AutoStore business development managers (BDMs)

The Group's global Distribution Partner network is supported by a dedicated AutoStore business development team comprised of 24 BDMs (North America (8), EMEA (13), APAC (2), global (1)) who support lead generation, increase win rates by supporting customers through the sales process and drive new business. As the number of BDMs increased from 5 in 2018 to 24 as of 30 June 2021, the amount of BDM leads simultaneously increased from 18 to 179. Similarly, revenue contribution from BDM generated leads increased from approximately USD 5 million in 2019 to approximately USD 13 million over the last twelve months as of 30 June 2021, representing a CAGR of 89%. In addition to generating complementary leads, BDMs manage incoming requests to AutoStore, execute marketing initiatives and build relationships across the industry. Through having its own Business Development team, the Group can qualify leads with the highest win rates and build strong relationships directly with customers.

8.2.4 Lean operational platform focused on high value additive activities as R&D and innovation

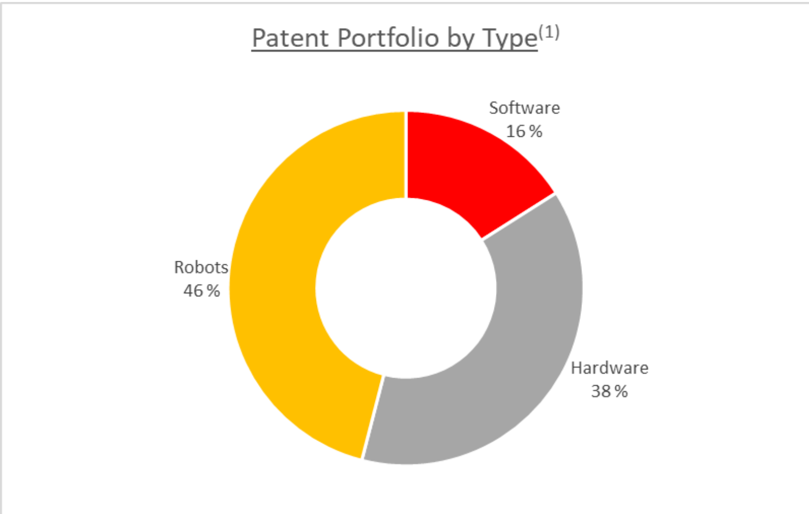
The Group has invested significantly in R&D personnel and resources recently, growing from 49 employees in 2017 to 149 employees (72% of which are full-time equivalents in software) as of June 30, 2021. In addition, the Group has increased its capitalized research and development expenses by 123% from USD 6.1 million in 2018 to USD 13.6 million in 2020. The Group continuously seeks to refine its existing solutions and innovate, including by continuing to develop its software solutions.

To support its commitment to continued innovation and provision of high-quality solutions, the Group has constructed an innovation hub covering a combination of robotic technology and infrastructure for supply chain and retail facilities that cannot be found anywhere else in the world. By leveraging access to industry data, proprietary technology and an extensive IP portfolio, the Group believes it is well positioned to continue developing solutions that will redefine inventory management and retail.

Additionally, the Group is currently establishing a software center of excellence in the U.S. to expand access to the software talent pool and to increase AI capabilities.

IP ownership

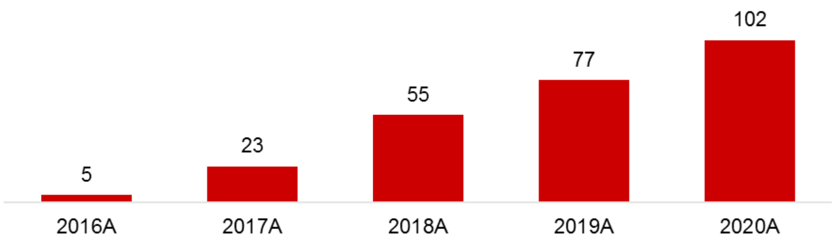
The Group's IP portfolio comprises 559 patent applications, 295 total granted patents (with an average expiration of 2038 and 200 patent families, and is well diversified. The following chart shows our patent portfolio by type (robots, software and hardware) as of July 1, 2021:



(1) Classification: Robots, IT/Controls/Communication, Hardware (ports, grids, bins), Software (system layout, drone concept)

The Group's average number of patents granted per year increased from five in 2016 to 102 in 2020, and the Group currently averages one new first patent application being filed per week.

Patents Granted Per Year(1)



(1) Active patents only.

The Group's strong patent strategy ensures that its R&D and innovation efforts which underpin its competitive advantage are protected.

Standardization driving scale and efficiency in operations

The modularity of the Group's system means that standardized system components can be used across any end-market and warehouse type, driving scalability and efficiency across the Group's operational platform. Input components can be sourced in larger quantities reducing cost, while assembly activities executed by the Group experience scale and efficiency benefits. As grids and bins are produced and delivered by third parties, the Group's production related operations are capital light, being primarily centered around the assembly of robots, ports, and controllers. In addition to advantages in production, modularity and standardization drives benefits in R&D as innovation typically has broad market roll-out potential and reduces complexity in the installation and integration phase.

8.2.5 Resilient business model driving strong financial performance

High revenue growth, margins and cash conversion at scale

The strength of the Group's resilient business model lies in what the Group considers to be market-leading modular solutions, extensive Distribution Partner network, dedicated salesforce and global customer reach[46]. The Group has experienced a decade of high revenue growth with revenue increasing from USD 3.8 million in 2010 to USD 182.1 million in 2020, at 47% CAGR. For the six months ended 30 June 2021, the Group experienced an 87.5% increase in revenue from USD 79.8 million for 30 June 2020 compared to USD 149.6 million for 30 June 2021. In addition, Adjusted EBITDA for the six months ended 30 June 2021 was USD 74.9 million, a 91.6% increase from USD 39.1 million for the six months ended 30 June 2020. The Group has also consistently achieved an attractive Adjusted EBITDA Margin of greater than 49.0% between 2018 and 2020 and believes this margin will be sustained in the medium term as the Group grows and its operational leverage increases. In the short term, the Adjusted EBITDA Margin may be subject to smaller fluctuations due to pricing, revenue mix, COGS price movements and operating leverage effects. The Adjusted EBITDA margin for 2020 was relatively lower than the previous year due to significant investments in employees and product development in anticipation of strong growth in 2021. However, the Group experienced a slight increase in Adjusted EBITDA Margin for the six months ended 30 June 2021 to 50.1% from 49.0% for the six months ended 30 June 2020. Through operating a capital light business model, the Group is able to deliver high cash conversion and its Simplified Free Cash Flow Conversion rate was above 79.0% from 2018 to the first half of 2021 (as defined in Section 4.2.5 "Alternative performance measures (APMs)" above). AutoStore also maintains an efficient business and realizes a high rate of return on the capital it employs (Adjusted ROCE) (as defined in Section 4.2.5 "Alternative performance measures (APMs)" above), with an adjusted return on capital employed of 128.1% in 2020. The Group has also been able to maintain a high and stable Gross Profit Margin of approximately 70%, with gross profits of USD 97.5 million in 2018, USD 131.8 million in 2019, and USD 130.0 million in 2020. AutoStore also has limited seasonality and limited working capital needs, with LTM adjusted net working capital averaging 15.4% of revenue at a normalized level between December 2019 and the first six months of 2021.

The Group's business model is strengthened by its diversified exposure to geographies, warehouse types, end-markets, customers and Distribution Partners. During 2020, 60.7% of the Group's revenue was derived from EMEA, 24.1% from North America, and 14.2% from APAC. Moreover, 79% of the Group's revenue was derived from standard

[46] Source: Company estimate, see Section 4.2.8.

warehouse systems, 12% from MFCs and 9% from HTP in the year ended 31 December 2020. 43% of revenue was derived from existing customers for the six months ended 30 June 2021.

Clear revenue visibility

The Group had, as of June 2021, a USD 3.4 billion tangible project pipeline which comprised over 2,000 projects across 1,800 unique potential and existing customers. Tracking and analyzing the pipeline development over several years provides the Group with significant revenue visibility. Over the past three years, the Group has had a pipeline conversion rate of over 10%, and the Group's pipeline as of June 2021 represents a 31% CAGR from its pipeline as of 31 December 2019. The Group has benefitted from the significant growth in eCommerce in 2020 and its quarterly order intake grew 25% from USD 70 million in the fourth quarter of 2019 to USD 88 million in the fourth quarter of 2020, grew 145% from USD 50 million in the first quarter of 2020 to USD 121 million in the first quarter of 2021, and grew 209% from USD 52 million in the second quarter of 2020 to USD 161 million in the second quarter of 2021. Furthermore, the Group experienced accelerated revenue growth from USD 182.1 million in 2020 to an expected approximately USD 300 million (based on achieved revenue and current backlog) for 2021, representing a growth rate of 65%. The Group is currently targeting a medium-term revenue growth of approximately 40% per year, which would allow it to reach revenues of more than USD 500 million in 2022 based on the sum of (i) its order book (defined as received purchase order or verbal confirmation) of approximately USD 135 million as of June 30, 2021, (ii) its estimated 2022 pipeline contribution of approximately USD 370 million and (iii) approximately 5% of expected revenue derived from sales of software, spare parts, bin royalties and consulting. The Group is targeting this rate of growth, which is above estimated market growth rates, on the basis of its strategic initiatives, including the Group’s plan to strengthen its micro fulfilment offering and expand further throughout the APAC and North American regions, and its global scale. In addition, Softbank’s acquisition provided the Group with access to SoftBank’s broad ecosystem and, in particular, with an opportunity to expand into the APAC region, which the Group believes will drive stronger growth in the medium-term.

As of 30 June 2021, the Group had 512 unique customers, after on-boarding more than 120 customers since 31 December 2020, and these new customers are expected to drive strong revenue growth going forward. Further, the pipeline consisted of USD 400 million from existing customers as of 31 December 2019 and has since increased to USD 700 million from existing customers as of 30 June 2021. The Group's land and expand business model supports strong revenue growth visibility, evidenced by the fact that more than 50% of the Group's year-on-year pipeline growth was driven by existing customers.

8.3 Strategy

AutoStore's strategy builds on its competitive strengths and provides the framework for it to achieve strong growth over the coming years. The Group intends to rapidly invent, design, market and support innovative technologies and software that will expand the usage of the AutoStore system in existing and newly addressable markets. The Group expects that these strategies will bring further growth capacity, shorter delivery times and increased supplier diversification. Key elements of the Group's strategy to achieve these objectives include:

8.3.1 Penetrate new markets – including MFCs

The Group is focused on strengthening its micro fulfilment offering, which represents a central area of growth in the industry the Group serves. MFCs currently occupy 4% of the warehouse market, with a size of USD 5.3 billion, while standard warehouses occupy 46% and high throughput warehouses occupy 49%. The Group believes this presents a significant opportunity for growth as the global micro fulfilment center SAM is approximately USD 0.2 billion, but is expected to grow to roughly between USD 1.1 billion and USD 2.7 billion by 2026. According to Company estimates, MFCs are expected to grow at a CAGR of 55% between 2019 and 2026 (for grocery only), and the MFC segment is expected to be the faster growing segment in AS/AR within the next five to ten years.

AutoStore believes its technology is well-suited for these fulfillment centers given that its systems significantly increase the storage area and reduce retrieval times involved with each delivery, offering a full end-to-end solution. The Group believes that its WMS software provides the best solution particularly for customers in the grocery micro fulfilment center segment, including multi warehouse management and integration of MFCs with centralized fulfilment operations. For example, under AutoStore's systems, associates can consolidate ecommerce orders in less than ten minutes and decide to put them back in the system for customers to collect them at any time. AutoStore's offering also provides fully customizable solutions based on standard blocks, helps maximize inventory at hand while saving floor space, increases display of fresh products and reduces the need for aisles even though it allows for an increased assortment of products. As a result, AutoStore believes it is well positioned to capitalize on the growth of the micro fulfilment segment and is taking active steps to strengthen its MFCs offering. AutoStore is focused on further development of its automated solutions, including with respect to efficient storage of pre-picked orders and customer facing ports for self-collection of online orders. In addition, the Group has invested R&D resources in WMS feature development. Further to its innovation and development efforts, the Group has increased its numbers of BDMs in order to address specific commercial capacity needs and expertise required to solve problems unique to the MFC segment. Finally, in further efforts to strengthen its MFC offering, the Group has created a separate MFC business unit to allow for end-to-end customer journey as well as established dedicated client managers who will continue to maintain customer relationships post-sale as an integral part of the MFC offering. AutoStore expects that as its micro fulfilment center customer base increases, Revenue from Existing Customers will also grow.

AutoStore's plan to strengthen its micro fulfillment offering is subject to certain challenges. For instance, although continued expansion within MFCs remains central to the strategic growth plan of AutoStore, due to the continued and rapid evolution of new markets and the competitive dynamics of the MFC space, it is difficult to predict the efficacy of AutoStore's growth plan. Competition may increase as the segment continues to grow and the number of new market entrants increases. Furthermore, AutoStore's ability to successfully compete will be driven by technology, innovation and cost. In addition, external factors, such as changes in consumer behavior and expectations or level of eCommerce penetration, may impact AutoStore customers' future demand for solutions offered by the Group. Despite the challenges of an evolving market and competitive landscape, the modularity and flexibility of AutoStore solutions remains widely applicable across markets. As a result, AutoStore believes its ability to expand in the MFC market, is supported by its established track-record, as well as its current strategy, of innovation.

8.3.2 Expand in APAC and North America

AutoStore is rapidly growing throughout APAC and North America regions, and plans to pursue a continued expansion of its operations and customer base within these regions. According to Company estimates, APAC is expected to have the highest compound annual growth rate within the AS/RS light market between 2021 and 2026, with North America and Europe slightly behind, making these areas ideal geographic regions for AutoStore's continued expansion. Using its organisation in the EMEA region as a roadmap, the Group ramped up the organisation of its North American expansion efforts in 2020 while it ramped up expansion efforts in APAC in 2021. In each region, the Group is focused on right sizing the local go-to-market strategy as well as adding local supply capacity. The growth experienced by the Group to date has been driven by the increasing number of partners and BDMs. The Group currently has 21 Distribution Partners with 91% of all sales for 2021 (as of June 2021) generated by partner leads. In addition to increasing the number of Distribution Partners, the Group continues to strengthen its BDM program. AutoStore's business development team currently is comprised of 24 BDMs (North America (8), EMEA (13), APAC (2), global (1)), increasing from 5 BDMs in 2018. As a result of this BDM expansion focus, internal leads generated from the BDM team, which accounted for 7% of new leads in 2020, accounted for 10% of new leads as of June 30, 2021. AutoStore also benefits from its relationship with SoftBank, one of its largest shareholders. SoftBank has over 200 portfolio companies and has a strong presence in the APAC region, generating approximately 79% of its revenues there.[47] The Group's relationship with SoftBank provides a significant opportunity to increase access to Asia-Pacific customers. In addition, SoftBank Robotics is a leading service robotics company and the Group's global partnership with this company presents an opportunity for significant synergies on robotic products and AI/ML solutions. To allow for further growth in North America and APAC, the Group intends to leverage a diversified base of suppliers and its asset-light assembly model, which requires limited investment to increase capacity, to expand its local assembly footprints, increase purchase capacity of aluminum and bins, and grow its local supplier base in targeted regions.

There are various risks associated with geographic expansion, including but not limited to currency exposure, cost of compliance with local rules and regulations. While AutoStore is already established in the North American and APAC markets and has numerous existing customer relationships in these markets, further expansion introduces increased exposure to these risks. In particular, as AutoStore's cost base centers mainly on EUR, PLN and NOK, an increase in the Group's sales in APAC and North America would lead to increased exposure to currency fluctuations in USD, which the Group may seek to offset with debt financing in USD and other currency hedging. In addition, while in North America the Group is familiar with the region’s regulations and does not expect these to materially change, in APAC the Group has a presence in many different countries, such as Japan, South Korea, Singapore, and Australia, and accordingly must ensure that it complies with all current and new regulations in the various APAC countries in which it has a presence. The Group believes that this presents a risk in this region given that more

[47] Source: SoftBank 2020 Annual Report. https://group.softbank/system/files/pdf/ir/financials/annual_reports/annual-report_fy2020_01_en.pdf

stringent regulations could be introduced in these countries. The Group believes that doing business in APAC can also be more challenging than in North America and Europe due to language barriers, especially in countries such as Japan and South Korea where it is essential to have local presence and people in order to address this barrier. However, AutoStore believes its expansion in these regions is firmly underpinned by the same structural trends that drive the need for automation and AutoStore's solutions in other markets where the Group has an established presence.

8.3.3 New product innovation

In addition to geographic expansion, the Group plans to continue expanding its R&D operations in order to further develop and optimize of new product innovation and desire to provide world-class solutions. The Group believes that continuous product development and innovation has been central to AutoStore's historical growth and will continue to be essential in the future. For example, the Group's focus on R&D has driven the Red Line to now be in its 5th generation, and has led to various software breakthroughs, such as the AutoStore Router, the Cloud Simulator, and the expansion of WMS capabilities. In August 2021, the Group launched CarouselPort 4.0, an upgrade of CarouselPort 3.0. CarouselPort 4.0 enables lower operating costs by reducing maintenance and service requirements, including re-assembly in the factory for a faster installation, new furniture to support CarouselPort 4.0 providing the customer with a cleaner design, and reduced parts. In addition, CarouselPort 4.0 has increased labor efficiency through an improved user experience for warehouse staff, from better visuals on labeling outline operations, to the port controller that is fastened on the back side of the front cover for a more intuitive experience. The Group is preparing to launch Bin Lift 2.0 in 2021 which would upgrade high-volume selling products. In addition, the Red Line and Black Line receive three software updates per year, improving performance, stability and reliability. In addition to the Group's recent R&D spending and hiring of R&D employees, AutoStore intends to further increase the amount of money spent for R&D and the number of R&D employees hired. The Group intends to continue to improve and invest in R&D to make its products more compelling.

Innovation and product improvement are central to AutoStore's strategy. In the Group's pursuit of driving industry innovation, it faces the challenge of consistently producing innovative products and achieving successful product launches. However, with a strong track-record of innovation and leadership, AutoStore believes it will continue to innovate and develop further improved solutions going forward. For instance, in September 2020, AutoStore launched a new productivity software called "Router" aimed at increasing efficiency and accuracy in eCommerce order fulfillment. The software uses sophisticated computer algorithms to continuously calculate and recalculate, in real time, the most efficient paths for Robots to move across the Grid. The software also accounts for certain changes that are made such as new orders coming in, order cancellations or the movement of fulfillment personnel on the floor. Integrating Router with existing AutoStore products results in increased Robot performance up to 40% and enhances total system throughput by 400%.[48]

There are risks associated with new product innovation. Past successful innovations and new product launches do not guarantee future success. Innovation relies on ensuring that the right talent is retained and that the Company invests sufficiently in new solutions. There is also a timing risk such that the innovations in development are finalized and released at the right time when the market demands the solution. This is challenging in a fast growing and evolving market.

8.3.4 Increase WMS revenues

The Group believes that its WMS provides users with market-leading capabilities. AutoStore's WMS, which was recently added to the Group’s portfolio, provides users with a cloud native, multi-tenant platform, modern and scalable application programming interface-driven architecture and order consolidation, inventory and labor management tools. AutoStore WMS, in combination with AutoStore's cubic storage solution, provides the best end-to-end user experience and functionality. The Group believes that these unique features will allow AutoStore to increase its WMS revenues in the future, as the MFC/WMS market segment is expected to keep growing and potentially reach an approximately USD 500 million annual market size by 2026. The largest WMS customer as of June 2021 is H-Mart and the Group is working on developing other relationships. The Group also believes that the AutoStore WMS can result in several benefits, including opening up access to additional data to allow for further innovation, further increasing customer stickiness and layering in additional recurring revenues. The Group intends to start by focusing on WMS for grocery MFC first, given it is the fastest growing section, as well as the most nuanced

[48] Source: Based on extensive simulations of possible system and site setups from the Company.

and technically complex WMS. In the future, the Group intends to then adapt its WMS to other end-markets in order to make AutoStore WMS the industry standard across all end-markets.

The primary challenge to AutoStore's strategy to successfully increase its revenues from its WMS offering is the prevailing competitive nature of the WMS market. Moreover, the MFC market is growing rapidly as a result of increased demand. As there are more competitors in the market offering various MFC services, there are risks relating to the competitive advantages of AutoStore's WMS offering. Additionally, there is typically a larger degree of uncertainty when assessing future performance for newer offerings compared to more established products. AutoStore's technical team expects that the uptake of AutoStore's WMS offering will be strong due to the numerous technical benefits of the system compared to its competitors. In addition, in combination with the core AutoStore offering, the company believes its WMS offering provides unique competitive advantage over its competitors, despite the integration risk with other systems.

8.3.5 Increase offerings through M&A (software/product additions)

For proprietary products that the Group cannot, or has yet to, produce on its own, the Group believes that strategic acquisitions serve as a method of improving its product offering and expanding its TAM. The Group assesses M&A opportunities based on a set of M&A criteria, which includes whether (i) such opportunity expands TAM and use-cases or strengthens its existing proposition, (ii) it integrates with its existing offering and (iii) the in-house development of such product would be more costly and time-consuming. The Group continually assesses the market for innovative players and services and will seek to enhance innovation through the purchase of desirable software and technologies, or businesses which own the rights to those technologies. The Group anticipates any horizontal expansion to be for both software and hardware technology for AutoStore AS/RS systems or AutoStore WMS. Additionally, the Group believes that a vertical expansion would mainly be for Software, or potentially Hardware products that are not currently part of its systems and can provide differentiation.

The Group's M&A strategy is subject to certain risks. While strategic acquisitions may provide incremental upside to the business, the success of M&A as a strategic driver for further growth is highly dependent on the nature of the opportunities that are available and whether the Group is able to realize expected synergies and successfully integrate newly acquired assets. There is no guarantee that the Group will be able to successfully execute M&A transactions and there is a risk that acquired targets do not provide the expected accretive value or synergies. There is also a risk that the Group fails to successfully integrate acquired targets therefore failing to realize expected synergies and growth opportunities. As with M&A in general, there is a chance that issues with a target are only identified following completion of a transaction. AutoStore expects to benefit from targeted and value accretive acquisitions and intends to continue to selectively identify and target enhancing, value accretive, highly synergistic acquisitions.

8.4 History and important events

8.4.1 Establishment of the Group

AutoStore was founded in 1996 by Ingvar Hognaland, the inventor of the concept of cube storage automation. In 2000, AutoStore began to commercialize its cube storage automation system, starting in the Nordics and then expanding to other parts of Europe and eventually the United States and Asia. In 2016, AutoStore was acquired by EQT and then sold in 2019 to THL, and in 2021, SoftBank acquired 40.77% of AutoStore as of the acquisition date on the basis of outstanding shares.

8.4.2 Historic development and key milestones

The table below shows the Group's key milestones from its inception and up to the date of this Prospectus:

Year	Event
1996	AutoStore's founder, Ingvar Hognaland (Hatteland group) invented the concept of cube storage automation and AutoStore was founded.
2000	Arrow Electronics acquired Hatteland Electronic and AutoStore began commercializing its cube storage automation system as a stand-alone business.
2002	AutoStore developed its first robot prototype for Hatteland Logistics.
2004	AutoStore began to manufacture commercialized products and established its distributor in the Nordics.
2005	AutoStore's business grew to two total installations in one country.
2009	AutoStore expanded its distribution network from being in exclusively the Nordics to across Europe.

2009	AutoStore established its first assembly plant in Poland.
2010	AutoStore business grew to ten installations in three countries.
2012	AutoStore expanded its distribution network to be global and AutoStore's robot won "Best Product" at LogiMat.
2016	AutoStore surpassed 100 total customers.
2017	EQT acquired AutoStore AS and AutoStore Technology AS.
2019	THL acquired Terminator, the former parent entity of the Group, from EQT.
2019	AutoStore launched the Black Line Robot (as defined herein).
2021	SoftBank acquired 40.77% of Automate LuxCo (as of the acquisition date on the basis of outstanding shares); The Group's business grew to 667 installed or contracted systems in over 35 countries, with 512 unique customers as of 30 June 2021.

8.5 The Group's business activity

AutoStore generates revenue from selling AutoStore's systems to the end customers through its Distribution Partners. The revenue is derived from three main categories: (1) sales of the products that builds a warehouse automation solution, (2) sales of software that runs the AutoStore system and (3) ancillary sales and aftermarket revenue. For further information on the Group's product types, such as Grid, Bins, Controllers, Robots, and Workstations, see Section 8.5.1 "AutoStore's system products". For further information on the Group's software, see Section 8.5.2 "Software". For further information on the Group’s ancillary sales and aftermarket revenue, see Section 8.5.3 "Ancillary sales and aftermarket revenue".

The table below sets out the revenue from different categories of products and services performed for each of the financial years covered in Section 4.2.1 "Historical financial information".

	Automate LuxCo	**Automate LuxCo**	**Terminator**	**Terminator**
Product type	Six Months Ended 30 June 2021	Year Ended 31 December 2020	Year Ended 31 December 2019	Year Ended 31 December 2018
Robots (Red Line and Black Line)	62.1	78.7	84.4	63.9
Grid	35.8	42.6	49.7	35.5
Controller and Other Parts	16.5	17.6	18.3	12.2
Workstations	15.0	15.7	17.9	11.5
Software	7.6	11.2	11.0	8.8
Software licenses	6.1	4.1	3.2	3.7
Spareparts	2.8	5.1	3.8	3.4
Bin Royalties	2.6	5.6	5.1	3.6
Revenue	**148.4**	**180.6**	**193.3**	**142.6**

8.5.1 AutoStore's system products

The core of the Group's business is developing technology that is then globally brought to market by the Distribution Partner network. While the Group generally sells products together as a warehouse automation solution, AutoStore also sells modules individually, based on a customer's specific needs, such as when the customer is expanding an existing system or is looking to purchase spare parts. In addition to generating revenue from selling AutoStore systems to new customers, AutoStore generates revenue from follow-on sales to existing customers as well as licensing agreements for its software and technology. Revenue generated from existing customers who over time have expanded existing sites or roll out additional warehouse sites has grown over the last few years, and represented approximately 48% of the Group's revenue over the last twelve months ended 30 June 2021. AutoStore pioneered the cubic storage technology, one of four main light AS/RS technologies that automate the 'picking' operation in warehouses and which it believes to be the only proven cubic storage technology with broad end-market use.[49] The

[49] Source: Company estimate, see Section 4.2.8.

Group believes its system products outperform those of its competitors, are competitively priced and provide significant labor and rent savings to its customers.

For each of the financial years covered in Section 4.2.1 "Historical financial information", the Group has sold the following main categories of products. See below for further information on each AutoStore product.

<u>The Basics</u>

AutoStore Grid

AutoStore Bins

AutoStore Controller

<u>The Robots</u>

Red Line

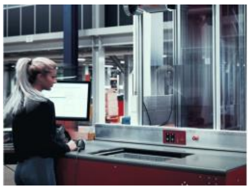
Black Line

<u>The Workstations</u>

AutoStore ConveyorPort

AutoStore CarouselPort

AutoStore SwingPort



AutoStore RelayPort

8.5.1.1 The basics

The AutoStore system is comprised of Grids, Bins, Robots, Workstations and Controllers (all as defined below), the functions of which are fully integrated (at the site of the client's premises) to provide customers with efficient and accurate automated cube warehouse solutions. In 2020, the Group generated approximately 48% of its revenue from selling installations to new customers and approximately 30% from new sites to existing customers.

Grids

"Grids" are the base system on which Bins are stored and moved, and on which AutoStore Robots move. AutoStore Grids are thin, light and robust, made from pressed aluminum and Computer Numerical Control ("**CNC**") machined top tracks. The aluminum metal composition also ensures the Grids are durable and built for long-term use. The Grid serves both as storage and a means of conveyance for Robots to deliver any Bin to any Port, eliminating the need for additional conveyor technology common in other AS/RS technologies. Because the Grids do not use a conveyor system, the working area is significantly less noisy than traditional, manual systems. In addition, AutoStore's Grid solutions are differentiated from available alternatives by their easy to assemble nature with fixtures that quickly snap into place. Depending on the customer's project, the typical construction of a complete Grid, which contains only 17 unique standardized parts, takes between three to six weeks, which the Company estimates is one of the fastest construction times in the industry.[50] The Grid system is fully customizable, permitting AutoStore customers to build Grids in any shape and size as required by the specific dimensions of their facilities. For instance, a Grid can be configured to fit multiple levels, different building heights and even permanent obstacles like pillars. Each grid can be further customized to meet the customer's business needs, including increased throughputs. A Grid has minimum impact on buildings and is ideally suited for both brownfield and greenfield sites.

[50] Source: Company estimates, see Section 4.2.8.

Grids are easily expandable in all directions. If a customer needs to change or grow, extensions can be easily added to increase storage space. Grid performance can be easily monitored and the system performance can be enhanced by adding Robots and/or Ports.

BinLift is an alternative modularity of the Grid that allows the Grid to vertically extend bins to reach up to 16 meters (52.5 feet) below the Grid top. This configuration provides customers with the ability to have many layers of AutoStore infrastructure and inventory across several floors.

Bins

"Bins" are the core storage units that hold AutoStore's customers' products and they are handled and stacked by AutoStore Robots. Bins are standardized, fit for purpose containers stored in the Grid. The Bin is offered in three different heights (220mm, 330mm and 425mm), all with the same width (403mm/15.9in) and length (603mm/23.7in). Bins are stackable up to 5.4 meters (17.7 feet) in height (14 bin stack for 425mm, 16 bin stack for 330mm, and 24 bin stack for 220mm), and they are engineered to withstand years of service with hundreds of thousands of movements. Each Bin is compatible with all other AutoStore modules. While each Bin comes with 20 divider slots all Bins can be divided into smaller compartments to adapt to the size, volume and number of items which need to be stored inside, as required by the customer's specifications. These dividers allow for multi-SKU bins which provide customers with more efficient cubic utilization. AutoStore's bins are designed with four specialized gripper holes and open corners for optimal grip alignment and balance and they have been optimized to easily stack on top of each other for streamlined handling by Robots. AutoStore's standard Bin is made of high-density polyethylene plastic or anti-static polypropylene ESD which is durable and long-lasting as well as 100% recyclable.

Controller

The "Controller" is the command center unit that connects and coordinates AutoStore's Grids, Bins and Robots and the primary objective of the Controller is efficiency. Designed and upgraded over the course of 20 years, the Controller is a state of the art traffic system, designed to be sophisticated yet stable. The Controller uses proprietary software to carry out the following tasks: advanced traffic control; planning and scheduling of tasks; logging Bin and Robot positions in real time; acting as an interface network connection to the operator; providing service and support functionality; and providing advanced access control for service personnel.

Each Controller comes with hardware that complements AutoStore's other products on the Grid. Controllers feature standard industrial racking as well as AutoStore-specific enhancements such as "AutoStore Input and Output system", or ASIO, that allows safety equipment to directly connect to the Controller and "AutoStore Access Point", or ASAP, that houses the 2.4 Ghz proprietary wireless communication system that allows Robots to communicate with the Controller. All Controllers come fully-backed with a 2-hour uninterruptible power supply, or UPS, in order to ensure a controlled shutdown in case of any power failures. In order to ensure that operations run as efficiency as possible, in the rare instances that there may be problems with hardware, each standard setup of the Controller comes with an extra Controller to be kept on site and used as a backup when necessary.

8.5.1.2 The Robots

Each AutoStore installation comes with purpose-built robots ("**Robots**") that work seamlessly with AutoStore's Grids, Bins, Controller and proprietary software. Generally, Robots spend their working time driving and retrieving Bins from top layers of stacks. Robots have been programmed to follow the commands from the Controller, which ensures they choose the shortest path to complete a given task. When a Robot approaches a Bin it needs to access, it will lower a gripper plate onto a stack, grab a nearby Bin with its grippers and then lift the Bin onto the plate. A gripper plate can also be lowered all the way to the bottom of a particular stack as required. When accessing lower Bins in a stack, a Robot will dig out Bins and place them on top of nearby stacks, using the space as a temporary placeholder. Once the Bin retrieval process is completed, another Robot will clean up and return all Bins back to the same order they were in prior to retrieval. The Robot that originally accessed the Bin will then drive the Bin to the port or to a top location in the Grid where the Bin is ready to be deployed at a later stage at the Port, making the flow of Bins to Ports efficient and fast. After the Bin is presented at the ports to human operators, it will be placed back to the top of a stack of Bins. AutoStore's natural slotting ensures that the stacking and re-stacking process is as efficient as possible. Accordingly, if a Bin is highly requested at the Port because it holds a high running SKU, it will stay at the top of the stack and if a Bin is not frequently requested it will be stacked over by more highly-running Bins and eventually sink to the bottom of a stack. Orders are prepped prior being presented at Ports. Typically, AutoStore will work with a queue representing 30 minutes of activity but can also react to urgent requests if needed. As a result, operators never have to wait for products in Bins to arrive for their inspection and will never have to worry about whether a particular Bin has been appropriately retrieved.

AutoStore Robots are characterized by the following:

- AutoStore Robots have a 99.9% picking accuracy;
- Robots can work 24/7 and process orders non-stop, breaking only to re-charge their batteries. This allows for a 99.7% up-time making them highly reliable for mission critical operations and inventory access;
- Robots are agile. They come with two sets of wheels that allow them to seamlessly move vertically and horizontally along the X and Y axis of the Grid. They can access any Bin stored at any level, eliminating the need to put human workers in unsafe conditions trying to access multi-level storage spaces;
- Robots can easily and quickly communicate with each other via wireless controls and AutoStore's standard application interface (API) as housed in AutoStore's Controller;
- the use of multiple Robots helps ensure system resilience; and
- through optimized and efficient operations, AutoStore's Robots offer customers a sustainable solution for warehouse storage.

Robot models

AutoStore's traditional Red Line system and the more recently released Black Line system comprise AutoStore's Robot model offerings. Each of AutoStore's Robots has a sophisticated "nervous system" that continuously diagnoses the Robot's performance and health and logs and stores such information. Employees who oversee the warehouse floor are quickly notified of any Robot maintenance needs and can prevent work stoppages before they happen. If any Robot needs maintenance or temporarily goes offline, others are available to quickly fill in and ensure that order fulfillment is not disrupted. Accordingly, there is no single point of failure as multiple Robots work simultaneously on tasks and AutoStore's Black Line and Red Line Robots work together seamlessly. The lifetime of both Red Line and Black Line robots is typically ten to 15 years although to date, AutoStore has not needed to replace a Robot from any of the initial installations deployed. AutoStore has developed maintenance requirements that allows its customers to continue use their systems even beyond this lifetime.

<u>Red Line System - "R5"</u>

The R5 is the fifth generation of the original, prototype Robot AutoStore created over 15 years ago. A team of R5 Robots working together provides a customer with a highly efficient and accurate group of warehouse workers. R5s have sophisticated control systems that monitor their own batteries and send and receive messages in small packages in order to avoid signal disruption. With energy efficient motors and regenerating power, the R5 uses approximately 100 W (approximately 1/10 the wattage of a toaster) per hour. Its maximum load while holding a Bin is 35 kg and its top speed is 3.1 m/sec. The Red Line System accounts for greater than 90% of Group sales.

<u>Black Line System - "B1"</u>

Launched in 2019, the B1 is the first generation of AutoStore's new Black Line system of Robots with state of the art upgrades, including an exchangeable BattPack Lithium-ion battery technology and direct drive wheels. AutoStore's Black Line system was designed specifically for high demand systems with very high throughput requirements. The B1 is a slimmed down, light Robot with a cavity design that allows it to carry and retrieve taller bins than the R5. Additionally, its sleeker design is ideal for busier Robot clusters or for warehouses with limited space and with a top storage layer for digging and sorting, no bins block the grid, allowing for more sophisticated driving patterns and higher speeds.

AutoStore's Black Line Robot never requires rest, not even for charging. AutoStore's patented BattPack technology that allows B1 Robots to pick up a fully charged battery when needed. When a B1 Robot needs to charge, the BattPack ejection tray drops and picks up battery units at designated BattPack stations placed strategically around the Grid. Once ready, B1 Robots can pick up refreshed batteries for use. This clever battery management keeps B1 Robot battery power high and helps controls Robots movements.

In order to ensure that the B1 Robot can travel not only at higher speeds but that the B1 Robots can reach these speeds faster than before, AutoStore incorporated direct drive technology. For instance, the B1's top speed is 4 m/sec. By having individual direct drive motors in each wheel base and by removing the need for drive belts, the B1 Robot's acceleration is 75% higher than that of the R5 Robot. Accordingly, the B1's drive is more balanced and delivery performance is 20% better than that of the R5. This upgrade is particularly useful for large grid designs where there are long driving distances. The Black Line System accounts for approximately 4% of Group sales for both the twelve months ended 30 June 2021 and the year ended 31 December 2020.

8.5.1.3 The workstations

AutoStore's systems provide a variety of workstations, where operators interact with the AutoStore system to place retrieved products into batched order, following which the robot leaves for its next assignment.

ConveyorPort

The ConveyorPort is a simplified workstation, ideal for customers who simply need a conveyor to move Bins to an operator. Bins are dropped on a conveyor and then moved to an opening outside of the Grid for human processing. The ConveyorPort is useful for smaller operations or for storage that is located inside of retail operations. It also functions as a Robot buffer; while one Bin is being presented to an operator, the second Bin is being held in place above the port by a Robot. The ConveyorPort is made with aluminum and composite material and outfitted with sensors to maintain the safety of operations.

CarouselPort

The CarouselPort is a workstation designed to facilitate the transitions when Bins are ported and presented to the operator. It works in conjunction with robots so that Bins are always kept full and human operators never have to wait on Bins to be presented to them. It consists of three rotating arms, each holding one Bin. A typical configuration is for two arms to be positioned in the back of the Port where Robots can place or retrieve two Bins simultaneously. The third arm is in the front position where the operator can easily access the goods inside of the Bin that's being presented. Once the front Bin is emptied, the other arms rotate to present the backup Bins. The CarouselPort has been ergonomically designed with the human figure and human movements in mind. AutoStore recently redesigned the workstation in 2021 from front to end to better adapt to operator use. For example, the CarouselPort's vital gap design offers better and more stable feet position together with a three-way slidable safety plate to reduce worker fatigue.

SwingPort

The SwingPort is a supplemental workstation designed for operators working with materials of high durability stored in places where Robots do not typically reach. It consists of a rotating arm that moves Bins to the operator. The SwingPort links to a BinLift, an integral part of the SwingPort, and extends Bin reachability outside of the Grid while still being adjacent and connected to the Grid. The BinLift connects two Grids to each other; when a Bin leaves one Grid via the BinLift, it is removed from the originating Grid's database and is inserted into the database of the second Grid upon entry. Designed with safety in mind, the SwingPort is made with Kerrock top plate and aluminum furniture. The SwingPort has been ergonomically designed; the opening of Bins are shielded from the user via a hatch to avoid items inside from falling out and causing possibly injury. Further, the hatch assists with noise reduction.

RelayPort

The RelayPort was introduced as part of the Black Line. The RelayPort was introduced as a solution that could significantly increase Bin presentation in direct response to the need for a high capacity, more flexible Port solution. The RelayPort is a modular workstation outfitted with both a picking module and a buffer module that increases Bin presentation, ideal for storage areas that need high capacity and high flexibility. Each picking station can have from three to six buffer modules installed and both the B1 and R5 Robots are able to reach the put positions from any direction. With the introduction of the buffering system, Robots are able to retrieve a Bin going back to the Grid every time a Bin is dropped off, ensuring that a Bin will always be available for pickup. Further, RelayPort is accessible from all sides so that service personnel can easily access the Bins in the port from any convenient angle. The minimum exchange time for the RelayPort is 1.5 seconds and with 6 buffer modules in place, the RelayPort can handle up to 650 Bins per hour.

8.5.2 Software

AutoStore's cubic storage solution runs on proprietary software critical to the proper functioning of the AutoStore system. AutoStore's easy to use software creates a modular and flexible solution that can automate any warehouse. The software AutoStore utilizes is generally developed in-house.

The Group's software modules include the following:

- **Router** - "Router" is AutoStore's software that runs overhead traffic planning and administration and has the capacity to handle an installation with over 1,000 Robots. In September 2020, AutoStore launched Router to enhance eCommerce order fulfillment. The software uses sophisticated computer algorithms to continuously calculate and recalculate, in real time, the most efficient paths for Robots to move across the Grid. Integrating Router with existing AutoStore products results in increased Robot performance up to 40% and boosts total system throughput by up to 400%.[51] The majority of new installation contracts in the six months ended 30 June 2021 were related to systems that use the Router. Given the improved performance of the Router, the pricing of the Router is three to four times higher than that of the Planner, which drives higher software license revenue for AutoStore.

- **Planner** - "Planner" is AutoStore's software that runs overhead traffic planning and administration. It takes into consideration certain factors like battery statuses, directional setup, order queues and priorities, port activity, planning of bin preparation (dig up) processes, etc. and makes the best choices to maximize Robot utilization. It assists the Robots with calculating the most efficient future routes. Planner also ensures that Bins, wherever they are on the Grid, get delivered to the ports in a steady, non-interrupted stream.

- **Driver** - "Driver" is AutoStore's communication software. All radio communication and guidance of the Robots goes through Driver. Driver is integral in keeping all physical components safe, functioning and backed up.

- **XHandler** - "XHandler" is AutoStore's software that handles any specific error exceptions that may occur in the AutoStore system. XHandler troubleshoots in real time, reducing the need to stop or shut down operations. For example, if a Robot temporarily loses its position, XHandler will block a safe area around the Robot and help determine its location by identifying the nearby Bin pattern.

- **Logging** - Every action that happens within one of AutoStore's systems is recorded and logged for future review, if necessary. Therefore, all actions and locations of certain components can be traced. The system cannot lose a Bin, unlike with traditional warehousing.

- **WMS/WCS** - AutoStore's warehouse management and control systems software acts as the IT-backbone, supporting execution of core warehouse operations. AutoStore's WMS provides users with a cloud native, multi-tenant platform, modern and scalable application programming interface-driven architecture and order consolidation, inventory and labor management tools.

- **Design Tools** - AutoStore develops different tools in-house for its extended network of partners to design and effectively simulate complete AutoStore solutions. The grid designer tool provides a user-friendly interface to design a system including all its modules and components. The tool automatically generates 3D views of the system as well as a complete bill of material to generate customer quotations. In addition, it has built-in connectivity to the Group's customer relationship management platform. The simulator tool allows customers to verify performance on any design and is used to determine the best AutoStore configuration to meet the customer's requirements. The simulator tool is cloud based and runs on the same software used on any AutoStore installation, which ensures high accuracy.

8.5.3 Ancillary sales and aftermarket revenue

In addition to initial installations of AutoStore's system, the Group makes complimentary sales based on its aftermarket offerings. The Group's aftermarket revenue consists of system extensions, recurring software licenses and other repeating offerings such as spare parts, bin royalties and consulting fees. For the year ended 31 December

[51] Source: Based on extensive simulations of possible system and site setups from the Company.

2020, recurring and repeating aftermarket sales made up approximately 22% of AutoStore's revenue. This is in addition to repeating sales of new sites to existing customers, a revenue stream which generated approximately 30% of 2020 revenue, resulting in a total of 52.1% of revenue from existing customers for the year ended 31 December 2020. For the six months ended 30 June 2021, recurring and repeating aftermarket sales made up approximately 22% of AutoStore's revenue. For the six months ended 30 June 2021, repeating sales of new sites to existing customers generated approximately 21%, resulting in a total of 43% of revenue from existing customers for the six months ended 30 June 2021.

8.5.3.1 Extensions

Extensions are incremental component sales to an existing site (e.g., incremental robots, grids, bins) made after an initial installation. They can accommodate a customer's volume growth or need to increase throughput. Sales of extensions have grown from approximately USD 22.4 million in 2018 to approximately USD 45.5 million, or 18% of all revenue for the twelve-month period ended 30 June 2021.

8.5.3.2 Software licenses

The Group's customers pay a mandatory annual subscription fee for either the Planner or Router control software in order to operate an AutoStore system. Both Planner and Router are priced based on the installation's number of robots and capped after a certain number of robots, with the Router being three to four times more expensive than the Planner software due to its greater functionality and performance. For the control software, AutoStore invoices the Distribution Partner who then invoices the end-customer of the AutoStore installation. It is currently optional for the Distribution Partner to choose monthly or annual billing plan (annual billings are charged in advance in January each year). In addition to AS/RS technology, AutoStore's Warehouse Management System (WMS) software acts as the IT-backbone supporting execution of core warehouse operations. AutoStore's WMS provides users with a cloud native, multi-tenant platform, modern and scalable application programming interface-driven architecture and order consolidation, inventory and labor management tools. The Group believes that these unique features will allow AutoStore to increase its WMS revenues in the future. The Group believes that AutoStore's WMS benefits from a competitive advantage due to its full integration and compatibility with the AutoStore system and its ability to manage inventory and supply chains across different warehouses. Revenue from Existing Customers from software licenses comprised approximately 2% - 3% of the Group's historical revenue but the Group expects these figures to grow to double digits as the Router and WMS offering continues to roll out through its markets and end-customers. In the medium term the Group expects the Router and Planner control software to be the largest part of the Group's software, while long-term the Group sees a strong potential in the untapped WMS TAM of USD 500 million. In addition, different monetization models are currently being explored for the WMS and WCS offerings. Over time the Group expects the Router software to be the standard choice of software for its customers. The majority of contracted new installations during the six months ended June 2021 were with the Router software.

8.5.3.3 Spare parts, bin royalties, consulting and other revenue

Spare parts are standalone parts that AutoStore sells to replace old or broken Robot components. The Group believes this is a unique aftermarket opportunity exclusive to AutoStore because all of its system components are proprietary, as are the spare parts that go with them. Spare parts have accounted for approximately 2%-3% of total AutoStore revenue for the financial years ended 2018, 2019 and for the six months ended 30 June 2021.. Typically, the demand for spare parts increases over the lifetime of an installation, starting at approximately 1% of initial install cost for the initial years, then approximately 2% for years three and four, and then increasing approximately 1% per year thereafter.

The Group earns bin royalty fees charged to producers of AutoStore's Bins based on the numbers of Bins sold. AutoStore also provides consulting services to certain of the Group's end customers with respect to how they can best maximize their AutoStore system. For consulting services, AutoStore charges a handling fee for any installation-related consulting. As the number of new installations continues to grow, the Group expects to continue to grow its bin royalties and consulting business as well.

For the year ended 31 December 2020, the Group booked less than 5% of its total revenue from other repeating revenue streams such as spare parts, bin royalties, consulting fees and other revenue.

8.5.4 Distribution Partners

AutoStore has built strong and longstanding partnerships with its Distribution Partners. All sales of products are tailored to meet the specific warehouse design and needs of AutoStore's customers, and are distributed, installed and serviced by the continually growing network of qualified system partners that AutoStore calls its Distribution Partners. AutoStore goes to market primarily through Distribution Partners who help customers find and deploy an AS/RS solution, and the Distribution Partners are supported with leads from the Group's BDM force. AutoStore, as of September 2021, maintains relationships with 21 Distribution Partners which have in the aggregate over 1,500 global representatives across all major economic hubs. AutoStore's number of Distribution Partners have steadily increased since 2016. AutoStore provides Distribution Partners with specific marketing guidelines and then its Distribution Partners help drive the market awareness of AutoStore's brand in their various markets to attract potential end-customers. Distribution Partners have access to a proprietary grid designer tool, which allows a Distribution Partner to easily and effectively design complete AutoStore solutions. Distribution Partners also have access to simulators which allow them to accurately dimension the system and verify throughput rates. Such tools maximize Distribution Partners' ability to win projects. The modularity of AutoStore's systems enables rapid roll-out and easy scalability for its end customers (through its Distribution Partners) without stopping existing operations. An initial installation takes roughly 15 to 40 weeks and an extension typically takes 1 to 25 weeks, which includes the entire process of system specification and design, assembly, shipping, installation and testing. Installation of AutoStore's systems is a well-organized process, and avoids any disruption to customer's ongoing mission-critical operations. AutoStore believes that its standardized installation and integration of hardware and software drives efficiency.

The Group's Distribution Partners include some of the largest players in the automated warehousing market including, among others, Swisslog, Bastian Solutions, Element Logic, Dematic, Okamura and SoftBank Robotics. Distribution Partner concentration has declined over time, with the top three Distribution Partners generating 66% of revenue for 2020 compared to 75% in 2018 (the largest Distribution Partner was associated with 29% of revenue for 2020 compared to 34% in 2018), and no single Distribution Partner has an exclusivity in any geography or market. The strong partnerships in Europe and the U.S. cover a roughly 30% share of AutoStore's key markets, and the Group is continuing to develop regional partnerships that make up approximately 5-10% of key markets. Through existing partnerships, AutoStore has strong geographic coverage of the global light AS/RS market, covering all key AS/RS market regions including APAC, with higher access in Europe and the U.S. The Group's global partnerships are crucial as Europe has the largest global market, while APAC has demonstrated the fastest growth driven by the large underlying economy and automation penetration, and also represents a significant growth opportunity with capacity yet to be addressed representing approximately 90% of the total market in that region.

AutoStore's 21 Distribution Partners, by region, consist of:

- Global Distribution Partners: Swisslog, Dematic, SoftBank Robotics, Bastian Solutions, Kardex and Fortna;
- EMEA Distribution Partners: Element Logic, Hörmann Logistik, Reesink Logistic Solutions, SmartLOG, Alstef, AM Logistic Solutions, StrongPoint, Adameo and Fives;
- North America Distribution Partners: Kuecker Logistics Group and Pulse Integration; and
- APAC Distribution Partners: LG, Asetec, Okamura and Samsung.

The Group's go-to-market model allows it to leverage multiple sales teams to provide significant market coverage, thus enhancing scalability. Since 2018, AutoStore has enhanced its Distribution Partners' capabilities by providing salesforce training and deploying demo grids. In addition, the Group provides its Distribution Partners with the resources to increase pitch frequency through continued support and investment in training, education, and tools. For example, AutoStore developed the training platform, AutoStore Academy. Through AutoStore Academy, know-how and practical knowledge are shared internally as well as with Distribution Partners and end-customers.

AutoStore has entered into distribution agreements with several Distribution Partners granting non-exclusive rights to distribute its products within specific geographic areas. Given that AutoStore standard distribution agreements include non-exclusivity clauses, Distribution Partners are not prohibited from offering customers products and systems similar to those of AutoStore. However, the Group believes selling AutoStore systems provides Distribution Partners with higher profitability, therefore incentivizing Distribution Partners to sell AutoStore systems compared to other technologies. Pursuant to the standard distribution agreement, AutoStore is contractually prohibited from selling its products directly to end customers in the geographic areas covered by the various distribution agreements. Exceptions can in some cases be made for certain "reference projects", which can be sold by AutoStore directly to end customers subject to AutoStore's prior notification to the Distribution Partner in the relevant area, e.g., for development or piloting purposes. AutoStore amends the terms of its distribution agreements from time to time so the terms may vary in the future.

In August, 2021, the Group announced a 7.5% price increase to its Distribution Partners affecting all modules and spare parts, effective from 1 December 2021. The Group made this decision after careful assessment of the competitiveness of its solutions compared to other technologies in the market since the prices of the Group's solutions have been remained at the same level for several years. The Group did not increase prices for initial software cost, monthly software licenses and bin royalty. As of the date of this Prospectus, the Group has not seen any negativeimpact to its order intake following the communication of price increase to its Distribution Partners.

Pursuant to letters of guarantee and comfort letters, AutoStore and AutoStore Technology have undertaken on behalf of certain of their Distribution Partners to fulfil such Distribution Partners' obligations toward certain of their customers relating to AutoStore in the event that the relevant Distribution Partner discontinues its services. In the event of such an occurrence, AutoStore would normally replace the existing Distribution Partner with a new Distribution Partner.

AutoStore has used a standard distribution contract since 2009. Since 2016, AutoStore has operated with an updated standard distribution agreement. The agreements with LG CNS Co Ltd, Dematic Corp, Pulse Integration, Kuecker Logistics Group Inc., Fortna Inc. and StrongPoint ASA are based on the new standard form while all remaining distribution agreements are based on the original form. The following amendments are made in the new version: (i) extension of the length of the warranty period; (ii) provisions regarding purchase of component parts; (iii) and provisions intended to maintain the integrity of AutoStore systems.

8.5.5 Customers

End-market	Number of robots[1]	Share of revenue[2]	Selected blue chip customers	eCommerce related
Apparel & Sports Equipment	5,029	14%	PUMA, AFG, XXL, Lids, Boozt, Bergfreunde.eu	✓
Electronics[3]	3,140	11%	Best Buy, Brack.ch, EET Europarts, Komplett.no	✓
3PL	2,544	14%	UPS, DB Schenker, DHL, Swiss Post, Kuehne+Nagel, DSV	✓
Retail & Grocery	2,302	10%	H-E-B, E-Mart, EHEIM, Peapod, Ahold Delhaize, ASDA	✓
Luxury & Personal Care	609	6%	GUCCI, LONGINES, THG, ETON, MANOR	✓
Industrial	2,389	14%	ABB, SIEMENS, BOSCH, DeLonghi, Texas Instruments, John Deere	
Automotive	892	3%	Federal-Mogul Motorparts, Continental, Bildeler, AGCO	
Building & Construction	241	2%	onninen, Elektroskandia, swedol	
Other	6,063	26%	IKEA, Lufthansa Technik, Embraer, STIHL, Avnet, Medline	

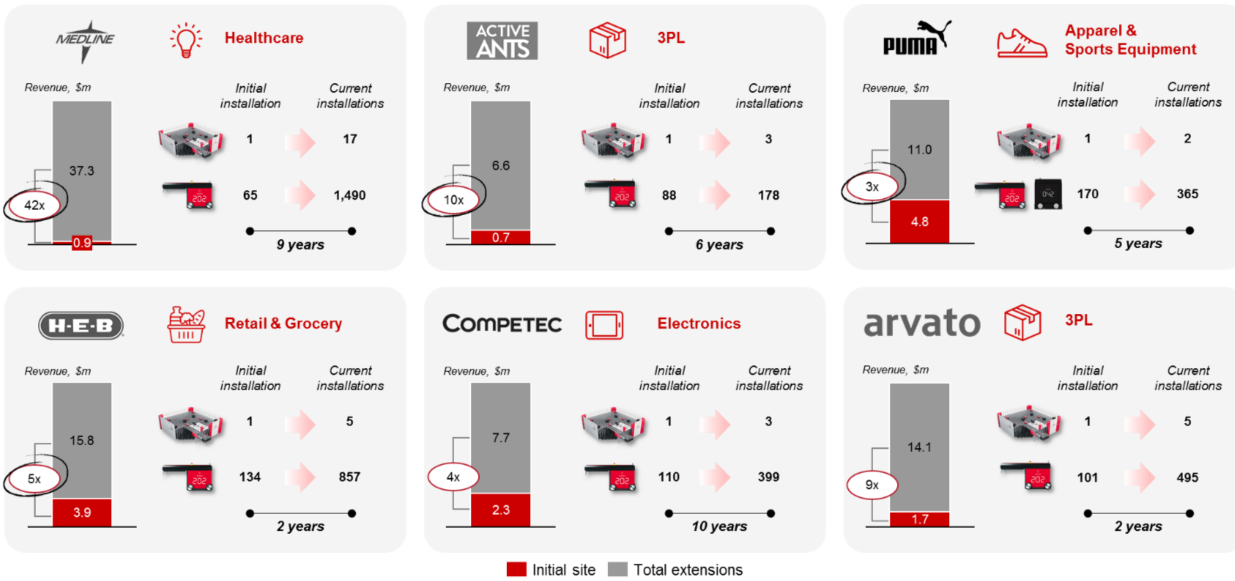
1 Number of cumulative robots sold as of Q2 2021.
2 Revenue split as of Q2 2021 LTM.
3 Includes consumer electronics (1,733 robots) and electronic components (1,407 robots).

As of June 2021, AutoStore has installed or contracted over 667 installations globally for 512 unique end-customers (through its Distribution Partners) across various end-markets and fulfilment strategies, an increase from 12 customers in 2011. The Cubic Storage installed base has grown by 45% CAGR between 2011, when 13 systems were installed, and June 2021. The majority of the Group's 667 installations or contracts are based in EMEA (71%), with Germany alone accounting for 26% of the installations. AutoStore also has a significant number of end customers in the United States, comprising 18% of its installed base.

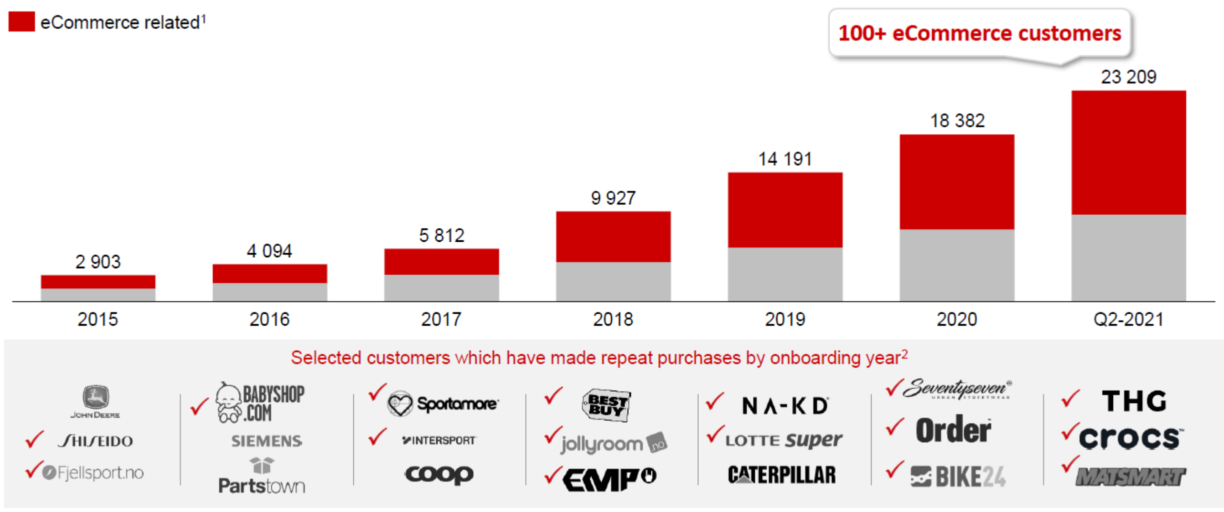
As of June 2021, the Group's total pipeline value of its customers was USD 3.4 billion, of which approximately USD 700 million represents existing customers. AutoStore's pipeline of customers only reflects projects that are currently in process through the sales funnel and does not capture a large quantity of longer-term projects within the customer base. In fiscal year 2020, the Group experienced a 23% year-on-year growth in its pipeline from its existing customer base. AutoStore's end-customer base through its Distribution Partners continues to grow, and as of 30 June 2021 AutoStore had 512 customers, an increase from 386 in 2020, 305 in 2019, and 229 in 2018.

AutoStore has delivered solutions to solve for an array of fulfillment strategies: MFCs, HTP and standard warehouses. Between 2020 and the June 2021 LTM period, order intake grew from USD 171 million to USD 270 million for standard warehouses, USD 19 million to USD 96 million for HTP, and USD 29 million to USD 39 million for MFCs, excluding aftermarket services as spare parts, bin royalties and software licenses.

Currently, the industries AutoStore services most include apparel and sports, consumer electronics, industrial, third-party logistics and food retail and processing, which the Group believes demonstrates AutoStore's solution works across all type of end-markets. The below chart shows selected examples of the Group's customers for the end-markets presented below, including the number of initial installations and the number of current installations (including Red Line and Black Line Robots).



The Group has experienced strong growth across all end-markets, with eCommerce as the fastest growing channel. As of 30 June 2021, the Group has sold a cumulative total of 23,209 robots to end-customers (through its Distribution Partners) in eCommerce related end-markets. Group has over 150 eCommerce end-customers, many of which are repeat customers, and 68% of AutoStore's order intake in the first half of 2021 related to eCommerce businesses. The Group believes AutoStore's diverse and robust pipeline reflects the broad demand in the market for its products. It also demonstrates the wide applicability of AutoStore's solutions, and as the Group targets a variety of end customers from different markets, the Group is able to ensure that its business is not dependent on the success of only one or two industries. The Group expects to continue to grow its pipeline through AutoStore's business development management (BDM) efforts, a thoughtful pipeline registration process which provides strong visibility into top-of-the-funnel opportunities and through the constant evolution of new partnerships to increase sales capacity and address product and service gaps across multiple industries. The Group also aims to address any white spaces across end markets and geographies.



Customers with repeat purchase defined as customers who have placed an order in a year after placing the first order. Customers onboarded in H1 2021 have as such not made a repeat purchase.

8.5.5.1 eCommerce

Growth in eCommerce across different retail sectors has been significant. For the first half of 2021, over 68% of the Group's order intake was related to eCommerce. This reflects a shift towards direct-to-consumer shipping that the Group expects to continue to grow. AutoStore's goal is to help its end-customers with eCommerce operations through facilitating near real-time order fulfillment after an order is placed. The use of automation, robots and algorithms allows customers with online operations to meet the market trend towards faster delivery times. Installing and using AutoStore systems also makes it easier for customers to provide incentives like free shipping or returns, both of which are made easier when warehousing tasks are streamlined and automated.

8.5.5.2 Apparel and sports

AutoStore helps apparel and sports businesses grow at scale as customers increasingly turn to purchasing online and expect deliveries of their purchases as soon as possible. The Group's customers in this space include Hat World and Puma in the United States, Global Fashion Group in Brazil, NA-KD in Sweden, L-Shop in Germany and XXL in Norway, among others. For the June 2021 LTM period, customers in the apparel and sports end-market accounted for 14% of AutoStore's revenue.

8.5.5.3 Consumer electronics

The Group believes the AutoStore system is ideal for consumer electronics where SKUs are always changing and increasing, and where products are of high value requiring minimization of mistakes during order fulfillment. AutoStore's customers in this space include, among others, Best Buy and Komplett. Customers in the consumer electronics end-market accounted for 11% of AutoStore's revenue in the June 2021 LTM period.

8.5.5.4 Third-party logistics (3PL)

The Group has installed AutoStore systems with some of the largest 3PL companies across the world, including UPS in the Netherlands, DHL in the United States, Yusen Logistics in Singapore, DB Schenker in Germany and Swiss Port in Switzerland. Logistics companies typically use AutoStore's system to further enhance their existing services. For 3PL businesses, speed and order-picking quality is of the utmost importance. Customers in the 3PL end-market accounted for 14% of AutoStore's revenue in the June 2021 LTM period.

8.5.5.5 Food retail and processing

Some of the largest grocery and food retail companies depend on AutoStore's systems. For example, AutoStore has installed a total of two installations for ASDA, a UK public company that offers automated fulfillment of online grocery orders and arranges deliveries. Other well-known grocery clients include LOTTE Super, Peapod, HEB, Co-Op, HelloFresh and H Mart.

For the Group's food retail and processing customers, AutoStore offers flexible storage and fulfillment solutions to address different food products. For example, AutoStore can provide customers with ambient and chilled sections of the Grid, and the Group is also working on dedicated R&D projects for frozen zones. Similarly, robots can be deployed to pick from certain segments of the Grid, while the remainder can be left to be manually picked by humans. As "e-Grocery" continues to grow and customers increasingly shop online for food, the Group expects to continue to grow in this sector and release new offerings for e-Grocery, including frozen and multi-temperature capabilities. Customers in the food retail and food processing end-market accounted for 10% of AutoStore's total revenue for June 2021 LTM period.

8.5.5.6 Industrial

Industrial work is increasingly moving towards automation and there is an increasing trend of companies in the industrial and manufacturing space investing in software and AI. Specifically, customers in this end market have a growing need for flexible, efficient production. AutoStore's industrial industry customers include, among others, John Deere and Radwell in the United States, ABB in Switzerland, IMA in Italy and Bosch, Ludwig Meister and Siemens in Germany. Customers in the industrial end-market accounted for 14% of AutoStore's revenue in the June 2021 LTM period.

8.5.5.7 Select case studies

Included below are a variety of case studies that show the Group's ability to add significant value to its customers, across a variety of industries, by providing mission-critical warehouse and storage systems.

Best Buy

The Group began working with Best Buy, an American-based multinational consumer electronics retailer in 2018 with the sale of a single system. Best Buy needed higher throughput due to their growth in eCommerce and an increased number of SKUs necessitated Best Buy's investment in eight AutoStore systems. Since increasing their Robot usage, Best Buy has made significant strides with its order fulfillment time and the company has shrunk its shipping time by an average of three days. The new logistics network with AutoStore as a key component now allows Best Buy to offer next-day delivery to 50 million people.

Puma

In 2017, the Group began working with Puma, a German-based multinational clothing brand that designs and manufactures athletic wear and footwear. In 2020, Puma opened a new fulfillment center aimed at addressing their need to improve delivery times as a result of growth in both retail locations and eCommerce, primarily in the Midwestern United States. AutoStore deployed a team of Black Line Robots capable of processing more than 5,000 Bins per hour and 40,000 online orders a day. AutoStore's systems increased Puma's Bin utilization on footwear and allowed Puma to reduce its footprint while keeping up with a large volume of orders. Puma initially had 170 Robots at a single site, but, with the assistance of the Group, this number has since grown to 365 Robots across 2 different sites. The initial horizon of Puma's investment and ROI was five years, but the customer saw this pay off after only twelve months, showcasing the strong customer payback time of the AutoStore solution.

IKEA

In 2019, IKEA, the world's largest furniture retailer based in Sweden, was looking for a high throughput solution that could fit inside its existing, already well-established store infrastructures. The solution needed to be substantial enough to keep up with growing eCommerce orders, but flexible to work inside a permanent footprint. In 2021 the Group provided IKEA with AutoStore products, including the Black Line system which allows a higher density of Robots, and after installation IKEA was able to achieve their throughput goals without having to further invest or lease new facilities.

Boozt

The Group began working with Boozt, a Swedish online fashion retailer, in 2017. Boozt needed higher throughput due to their fast-growing eCommerce presence. Boozt was also in the process of continuously expanding existing sites to keep up with their growing business. In response, the Group provided Boozt with an increased number of Robots to assist with Boozt's order fulfillment, and all extensions were successfully delivered without interfering with Boozt's operations. Growing from 21 robots initially acquired in 2017, Boozt now deploys a total of 470 robots at its Swedish site. The Group also has an R&D cooperation agreement with Boozt, which has allowed the Group to provide

Boozt with a customer-centric product development process by giving Boozt the ability to influence AutoStore's products and shape the future of their technology. All IP derived from such R&D cooperation belongs to AutoStore.

HEB

In 2019, the Group began working with HEB, a regional supermarket chain in Texas and Mexico, to support HEB's eCommerce growth. HEB was in the process of expanding its operations, primarily throughout the state of Texas. HEB needed a system that could expand with them across their newly installed sites. In response, AutoStore quickly and efficiently deployed a team of Robots that could be utilized at these new sites to meet the growing needs of HEB. HEB initially had 134 Robots at single site, but, with the assistance of the Group, this number has since grown to 857 Robots across 5 different sites.

Texas Instruments

In 2013, the Group began working with Texas Instruments ("**TI**"). TI designs and manufactures semiconductors and various integrated circuits, and previously held operations in Singapore, Hong Kong and Taiwan. TI began its warehouse transformation with a warehouse capacity of 500 million units. With its AutoStore installation of 1 system in the Singapore facility, which included 68,000 bins, 36 robots, and 11 ports, TI's capacity increased inventory capacity by 4 times to 2,000 million units. This allowed TI to merge its three warehouse sites into one, resulting in a quick ROI. The transition did not require the need to move as it had a fast build time. It demonstrated great performance gain, few man-hours and full control of valuable stock and award winning technology.

XXL

In 2011, the Group began working with XXL, a Norwegian sporting goods retailer with a large eCommerce business. When AutoStore began working with XXL, XXL only had 41 robots in operation. Since the inception of the relationship, this number has increased to 215 robots across 3 different sites in Norway, Sweden and Austria, respectively. The flexibility and modularity of the AutoStore system enabled XXL to invest in its warehouse capabilities as its sales grew, instead of incurring large upfront capital expenditure with uncertainty with regards to future scale. The modularity of the system also ensured that all of XXL's extensions were delivered without interfering with its mission-critical operations.

Caterpillar

In 2019, the Group began working with Caterpillar, a global manufacturer of construction equipment. Following the first installation in the United States with a site deploying 80 robots, AutoStore has expanded its relationship with this blue chip customer across continents. Three additional sites have been delivered or are currently under delivery in the U.S., followed by one in Belgium and one in Australia. In total, AutoStore has sold 597 robots to Caterpillar.

H Mart

In 2021, the Group began working with H Mart, the largest Asian supermarket chain in America. In addition to investing in AutoStore's AS/RS, H Mart also invested in AutoStore's proprietary WMS/WCS. The Group believes having a full end-to-end solution from AutoStore has enabled H Mart to meet the demand from eCommerce in a more efficient and more profitable way.

8.5.6 Market opportunities

The Group believes that there is significant growth opportunity across AutoStore's customers' end markets and ample room for its business to continue to grow at a rapid pace. AutoStore benefits from a large addressable market where only 8% and 24% of warehouses in the U.S. and Europe, respectively, are currently automated. Moreover, the Group believes AutoStore is well-positioned to capture market opportunities as the Group operates within the cube storage segment which is growing at a rate that is 2 times faster than the wider AS/RS market. In addition, customers are increasingly turning to robots and AI to assist with critical business functions, and the Group believes automated storage systems will soon become industry standard. In the near term, the Group expects to grow its market share by focusing on improving its business development management, expanding further into the food retail and grocery market, gaining share in the HTP market and entering into new, key partnerships with distributors.

The Group believes cube storage's market share will only increase due to technology improvements. The cubic SAM has grown at a 49% CAGR between 2016 and 2021, and is predicted to grow at a 33% CAGR between 2021 and 2026. Shuttle has grown by 10% CAGR between 2016 and 2021, and is predicted to remain at this same rate between 2021 and 2026. AMR and automated guided vehicles ("**AGV**") market grew at a 72% CAGR between 2016 and 2021 and is expected to grow at a 25% CAGR between 2021 and 2026. In addition, mini load grew at a 9% CAGR and is expected to grow at a 3% CAGR between 2021 and 2026. Further, cubic storage is growing at impressive rates across all regions. Europe is currently the most mature AS/RS market which is demonstrated by cubic storage's growth of 42% CAGR from 2016 to 2021. Europe is expected to continue aggressively investing in automation and European cubic storage is expected to grow by a 32% CAGR between 2021 and 2026. Cubic storage in the U.S. grew at a CAGR of 58% between 2016 and 2021 and is expected to grow by 32% between 2021 and 2026, as it is driven by continued penetration. APAC is expected to grow even faster than Europe and the U.S. Between 2016 and 2021 cubic storage grew by a 90% CAGR in APAC, and is expected to grow by a 39% CAGR over the next five years. These impressive growth rates are driven by growing eCommerce, increasing labor costs and low penetration of new technologies and superior value proposition of cubic solutions relative to other technologies. Since AutoStore is the only commercially available cubic storage technology provider of scale, there is great potential for the Group to profit from this growing market.

8.5.6.1 Expansion of grocery market and MFCs

For the June 2021 LTM period, food retail and grocery stores made up 10% of the Group's total revenue. AutoStore's customers in this sector include, ASDA, LOTTE Super, HEB and H Mart, among others. The Group expects the grocery end market will continue to grow as consumers increasingly shop online for groceries, driven by a significant increase in 2020 as food retailers urgently invested in eCommerce and order fulfillment solutions to meet the demand created by COVID-19. Automation in the grocery space is now critical to the industry's success and the Group believes it will become the norm and replace manual order fulfillment. Despite customers in other industries generally pausing and delaying their capital expenditures as a result of the pandemic, the Group continues to enter into new agreements with major food retailers, including HEB and Peapod.

In September 2020, AutoStore entered into an agreement with HEB, a Texas-based food retail chain, to deploy a number of automated micro-fulfillment centers across their areas of operation to support the chain's growing curbside pick-up and delivery business. AutoStore's micro-fulfillment centers will allow the chain to efficiently meet the demand of such services while not disrupting the in-store shopping experience of customers who prefer to shop in-store.

In February 2021, AutoStore entered into an agreement to develop a new pilot program with Swisslog and Peapod Digital Labs to create an eCommerce fulfillment center. The program combines AutoStore's automated technology with Swisslog's SynQ software and will be used to distribute Peapod and the GIANT company's products throughout the Philadelphia area. The 124,000 square foot fulfillment center is expected to open in November 2021.

8.5.6.2 Rollout of "Router" software

In September 2020, AutoStore launched a new productivity software called "Router" aimed at increasing efficiency and accuracy in eCommerce order fulfillment. The software uses sophisticated computer algorithms to continuously calculate and recalculate, in real time, the most efficient paths for Robots to move across the Grid. The software also accounts for certain changes that are made such as new orders coming in, order cancellations or the movement of fulfillment personnel on the floor.

The advanced technological capabilities of Black Line and Router software position AutoStore to take advantage of the opportunities for expansion in the HTP market which is almost 50% of the total automated storage market. Integrating Router with existing AutoStore products results in increased Robot performance up to 40% and enhances total system throughput by 400%.[52] Prior to Router, if too many Robots were added on a system, there would eventually be a limit to how effective the Robots could be. With Router, the system can evaluate and redirect Robots with a high level of traffic control, allowing up to twice as many Robots to work together without losing efficiency. As of 30 June 2021, after introducing Router to the market in fall 2020, the Group has sold 50 systems with Router.

8.5.6.3 Business development management (BDM) and new distribution partnerships

AutoStore's BDM team sources additional leads directly, supporting latent demand and helping to fill gaps in Distribution Partners' sales capacity. AutoStore has invested into 24 BDMs as of June 2021, growing from five BDMs in 2018. Auto Store has also increased revenue contribution from BDM generated leads from approximately USD 5

[52] Source: Based on extensive simulations of possible system and site setups from the Company

million to approximately USD 13 million, a CAGR of more than 89%, between 2019 and the twelve months period ended 30 June 2021.

The Group plans on growing its network of Distribution Partners as they handle the bulk of its sales and marketing efforts across the 35 countries in which AutoStore operates. In order to continue to increase market access and build capacity to facilitate continued growth, it needs to establish relationships with new Distribution Partners. In 2021, the Group signed global agreements with several leading distributors, including Kardex, Adameo and Samsung SDS.

Kardex

In February 2021, the Group signed a global partnership with Kardex Holding AG pursuant to which Kardex will sell, project-manage and install AutoStore's solutions worldwide. Through Kardex, the Group expects to reach smaller and medium-sized companies in a wide range of industry and customer segments.

Adameo

In February 2021, the Group signed a partnership with Adameo, a supply chain consulting firm based in France.

SoftBank Robotics

In May 2021, the Group signed a global partnership with SoftBank Robotics. AutoStore expects to play a significant role in meeting SoftBank Robotics' strongly growing 3PL business.

Samsung SDS

In March 2021, the Group signed a partnership agreement with Samsung SDS with the aim of creating a stronger foothold and market access in Korea. In addition, the partnership agreement provides for the opportunity for Samsung SDS to install AutoStore for other Samsung affiliates globally.

SmartLOG

SmartLOG was signed March 2021, a regional focused integrator with the goal to accelerate AutoStore market presence in Spain and Italy, and longer-term into South America.

8.5.7 Competition

The Group believes that participants in its industry compete on the basis of customer relationships, price, service, delivery and installation speed, benefits and quality of technology and additional services offered. There are several technologies (i.e., cubic storage, shuttle, AMR and mini load) that address the automation of warehouses and in particular the process of storage and picking of goods. While some of those technologies in the AS/RS space are offered by a range of companies, AutoStore is of the opinion that it offers one of the leading Cubic Storage solutions. The Group believes that it is the leading scaled, IP-protected and commercially available provider in the Cubic Storage market and benefits uniquely from this fast growing sub-segment in the broader AS/RS market. AutoStore believes that it is the undisputed leader in the Cubic Storage market based on the number of installations, with 667 installations as of June 2021 compared to 15 installations by other players in the market, namely Ocado and Attabotics, as of April 2021.[53]

The Group believes that AutoStore's Cubic Storage solution is the preferred choice of customers and is rapidly gaining market share compared to the other AS/RS solutions (i.e. shuttle, AMR and mini load). However, companies like Daifuku, Knapp, Vanderlande and TGW, among others, continue to apply and develop their AS/RS technologies to address some specific customer needs like the ability to handle larger and heavier goods or the ability to offer more favorable utilization rates and more aggressive pricing. This increases the overall competition in the broader AS/RS market, which also affects AutoStore.

The modular and software-based cubic storage solution allow for realization of best-in-class operating metrics for customers. The Group believes that AutoStore's cubic storage system offers a leading solution across the following six performance criteria:[54] (i) throughput rate, (ii) SKU count (number of different SKUs against bins in warehouse), (iii) density against space constraints, (iv) scalability against modularity, (v) SKU size against shape range and (vi) reliability, with particularly strong performance in density against space constraints, scalability against modularity

[53] Source: Company estimates, see Section 4.2.8.

[54] Source: Company estimates, see Section 4.2.8.

and reliability. Although AutoStore's competition varies from market to market, the AutoStore cubic storage system continues to increase its market share and the Company believes that it provides features that are unmatched by the Group's competitors.[55]

8.5.8 Manufacturing

The Group's core competencies are the design, development and sale of robots. AutoStore's manufacturing strategy is to outsource non-core activities, such as the production of parts used to assemble the AutoStore modules, to third-party entities skilled in manufacturing. AutoStore operates an in-house assembly facility of robots, ports and controllers in Poland, while grid columns, track profiles and bins are directly delivered by third-party manufacturers without any assembly process. By relying on the outsourced manufacture of the Group's products, the Group can focus its engineering expertise on the design of its modules, such as Robots, ports and controllers.

Using its R&D product management team of approximately 140 professionals (as of June 2021), AutoStore can rapidly prototype design concepts and products to achieve optimal value, produce products at lower cost points and optimize AutoStore's designs for manufacturing requirements, size and functionality.

Manufacturing a new product requires a close relationship between the Group's product designers and the manufacturing organizations. Using multiple engineering techniques, AutoStore's products are introduced to the selected production facility at an early-development stage and the feedback provided by manufacturing is incorporated into the design before tooling is finalized and mass production begins. As a result, AutoStore can significantly reduce the time required to move a product from its design phase to mass production deliveries, with improved quality and yields.

Most of the AutoStore components are sourced from multiple suppliers. The Group elects to conduct in-house final assembly of these components. AutoStore's standardized modules and components enable efficient assembly and procurement at scale, reducing cost. The asset light assembly process and testing of robots, ports and controllers takes place at AutoStore's Polish assembly plant. The current capacity of this facility is 14,000 robots, but is expected to increase to 26,000 by 2022 due to a ramp-up coming from new assembly stations at a low cost. AutoStore estimates assembly of 11,000 robots at its Polish factory in 2021. AutoStore's assembly capacity is built with very low fixed asset investments, estimating a total cost of USD 3-4 million to build a similar new site, and is a fit-for-purpose asset base with the ability to scale up quickly and efficiently as needed. Furthermore, AutoStore typically manages shipping to customers at cost of Distribution Partners. In September 2021, AutoStore also entered into an agreement with a U.S. manufacturer of bins to produce bins in the United States and sell bins to Distribution Partners in North America. AutoStore has no major dependencies on a single supplier. AutoStore's top supplier, a supplier of aluminum profiles for grids, holds a 21% share of AutoStore's total invoice amount, while the next closest supplier only holds an 8% share. AutoStore maintains a dual supply for critical components to mitigate the risk of price increase at renegotiation, and has long standing relationships with each of its suppliers. Similarly, procurement spend by product type is very evenly distributed across AutoStore's total invoice amount.

AutoStore is currently working on constructing new assembly facilities.

8.5.9 Intellectual property

The Group believes that its continued success depends in large part on its proprietary technology, the intellectual skills of its employees and the ability of employees to continue to innovate. AutoStore relies on a combination of patent, copyright, trademark and trade secret laws, as well as confidentiality agreements, to establish and protect its proprietary rights.

As of 1 July 2021, the Group held 295 granted patents and more than 559 pending patent applications. In addition to the Group's Red Line and Black Line solution lines, for which AutoStore holds six and 14 patent families, respectively, AutoStore also holds 27 patent families that protect its software and prospective software developments. Additionally, the Group's patent portfolio protects prospective product developments (comprising 180 patent families) and AutoStore holds 29 patent families related to strategic growth innovation initiatives across grocery and MFC applications. Accordingly, the Group's patent portfolio has rapidly expanded, growing from 27 patent families in 2016 to over 200 patent families. AutoStore's patent portfolio protects all aspects of its product developments with patents related to Robots representing 46% of its portfolio, Software representing 16% and

[55] Source: Company estimates, see Section 4.2.8.

Hardware representing 38% of its overall portfolio. The Group owns hardware patents on all core modules, ranging from technical details around the design of the modules to specific working elements of the solutions. The average expiration of the Group's patents is 2035.

The Group files patent or design applications when and where applicable in order to protect its rights in its proprietary technologies, and encourages employees to continue to invent and develop new technologies so as to maintain its competitiveness in the marketplace. For instance, the Group believes the extensive nature of its patent portfolio in particular positions AutoStore well against new market entrants.

As of 1 July 2021, AutoStore Technology owns 39 trademark families, filed in the Group's key-markets, and they include 393 trademark applications/registrations. The Group has been focused on registering "AutoStore" (device+word) with a wider geographical scope to ensure the exclusivity, Freedom-to-Operate and goodwill connected to the brand of "AutoStore."

As of 1 July 2021, AutoStore Technology owns six design families, which include 79 design applications/registrations. Such design applications supplement the patent portfolio for AutoStore products where a technical effect may not present but have unique shape that could be protected with design registration.

AutoStore also takes measures to protect its unregistered IP. The Group uses non-disclosure agreements with external cooperation parties and all Group employees have a non-disclosure clause in their contract with the applicable Group entity, in addition to an IPR clause and an additional and separate IPR declaration, declaring that AutoStore Technology AS, or the applicable Group entity, is the owner of the IPR. In order to record internal creation of IP, AutoStore has an internal policy that encourages employees to note down new developments on invention disclosure forms. The invention disclosure forms serve as an internal record of inventions and also as decision support for whether to register the IP or not. The value of unregistered IP such as know-how and trade secrets, is stressed in internal IP-workshops annually. Special emphasis is further placed on identifying and keeping know-how confidential and reducing the risk for competitors acquiring essential knowledge of AutoStore Technology AS' know-how.

The Group's use of open source licensed software is generally limited to permissive licenses, which will not adversely affect the Group's ability to use or modify the software for commercial purposes. Use of non-permissive open source licensed software is banned internally within the Group. The Group has a white-list of acceptable permissive open source licensed software. Previously the Group has relied on a limited number of non-permissive open source licensed software, albeit limited to non-commercial purposes and separate from the Group's commercial offerings. Measures are applied internally to restrict the disclosure of proprietary source code. The source code is stored in the Group's corporate Git repositories with access restricted to those within the Group's private network. External consultants with access to the source code have signed a non-disclosure agreement. The source code is never disclosed to external parties in other cases. The Group's internal policy requires that all use of open software is disclosed.

8.5.10 The Group's IT infrastructure and IT network

Most of the Group's material IT operations services are cloud-based services delivered by, *inter alia*, Exchange and O365, and managed by Microsoft's data center. The Group's IT infrastructure and IT network are sourced from Jakob Hatteland Solutions AS, a company which was formerly part of the Group until 2017. AutoStore and Jakob Hatteland Solutions AS have entered into three separate agreements whereby AutoStore has agreed to source IT services from Jakob Hatteland Solutions AS, including hosting and operational, maintenance and support services relating to the Group's IT environment and applications. These services, including the Group's IT infrastructure, are centralized and used by all the companies in the Group. Further, Jakob Hatteland Computer AS also provides RamBase licenses and operational, maintenance and support services relating to the RamBase ERP system. Jakob Hatteland Solutions also operates several on-premises servers used in development projects for the Group, and operates as a configuration partner for the Group towards Microsoft. In addition to the administrative IT services sourced from Jakob Hatteland Solutions, the Group licenses certain off-the-shelf IT applications for internal use, such as Salesforce, Microsoft Azure and Workday, from third-party suppliers.

AutoStore performs frequent on-site security and vulnerability assessments by third party security consultants. In December 2018, AutoStore partnered with CYE Cybersecurity to ensure satisfactory levels of cybersecurity safeguards in the Group’s network. The partnership includes continuous test activities covering AutoStore's operational environment hosted by Jakob Hatteland Solutions AS, emergency capacity in case of cyber-attacks, as well as training for all employees, such as e-learning, workshops, phishing simulations etc.

8.5.11 The Group's employees

As of 30 June 2021, AutoStore had 463 employees. The Group has continued to steadily grow its workforce to address the high demand for its solutions. The following table shows the Group's number of employees by region for the six months ended 30 June 2021 and the year ended 31 December 2020, 2019 and 2018. By function, 46% are in Operations, 32% in R&D, 14% in Sales and 8% Corporate. The Group does not employ a significant number of temporary employees.

	30 June	**31 December**		
Category	**2021**	**2020**	**2019**	**2018**
Norway	190	143	108	86
Poland	190	171	170	142
United States	52	28	12	10
Other[1]	31	15	12	4
Total	**463**	**357**	**296**	**242**

1 Other includes Austria, France, Germany, Italy, Japan, South Korea, Spain and the UK.

8.6 Sustainability

The Group is dedicated to improving sustainability and working conditions for customers across any industry as ESG is engrained in AutoStore's DNA. AutoStore is continuously working towards improving sustainability and is focused on providing environmentally friendly and energy efficient solutions. The Group's ESG initiatives are also focused on employee wellbeing, health and safety, and ensuring AutoStore's corporate governance encapsulates its core values of integrity and responsibility.

The Group is continuously working to reduce the overall environmental footprint of both itself and its customers. AutoStore's systems are highly energy efficient and the bins and materials from the AutoStore systems are all recyclable at the end of life. Additionally, the density of AutoStore's product allows up to a 75% reduction in storage space, reducing emissions from electricity, heating and construction. AutoStore's systems consume 85-90% less energy than competing solutions and manual handling. Further, each of the AutoStore products is made of durable materials ensuring a long lifespan, as evidenced by the fact that none of the AutoStore systems has been removed from production to date. As a testament to the Group's commitment to sustainability, AutoStore received the Supply & Demand Chain Executive Green Supply Chain Award three years in a row, from 2018 to 2020, which recognizes companies that strive to ensure sustainability is a core part of their supply chain strategies. The Group also received the Food Logistics Top Green Providers Award in 2021.

The Group is continuously looking for ways to improve its environmental impact. This year, the Group intends to further develop the energy efficiency of its products and solutions and reduce the environmental footprint of its office locations. The Group also hopes to make itself accountable for energy consumption that occurs outside of the organization, and thus enable itself to report on energy consuming activities occurring up and downstream. Finally, AutoStore plans to initiate climate accounting on direct and indirect emissions, and source sustainable materials for AutoStore production to further minimize waste and material use.

The Group is also focused on providing a welcoming and productive working environment for its employees, as AutoStore employees are key to delivering excellent results. AutoStore utilizes a Working Environment Committee (WEC), which is responsible for ensuring satisfactory health, safety and environment working conditions and employee welfare. The Group also issues an annual workforce environment survey in order to continuously monitor and improve working conditions. A 2021 AutoStore Employee Engagement Survey found AutoStore employees to be highly satisfied and driven. This survey was set on a scale of 1-6, and produced scores ranging from 4.95 to 5.42, for work environment aspects such as job satisfaction, growth and belonging, control of work environment, and management. The results of this survey also produced an overall "Excellent" (Net Promoter Score) score of 79 (on a scale of 1-100), indicating AutoStore is highly promoted by engaged and motivated employees. The Group also dedicates itself to knowing and understanding the health and safety status of its employees and customers by setting and diligently following up on yearly targets. Finally, the Group is actively working towards emphasizing diversity and non-discrimination in its work environment. In Norway, AutoStore's 2020 labor turnover rate was only 1.8%. This impressively low labor turnover rate is reflective of AutoStore's high employee engagement and superior working conditions.

AutoStore works to incorporate its core values of responsibility and integrity into its corporate governance. The Group has a clear and dedicated focus on mitigating indirect and direct ethical risks throughout its global operations. AutoStore is enabled by a strong corporate culture, combined with awareness training and good governance mechanisms. To ensure its governing structure is as updated and effective as possible, the Group regularly monitors good corporate governance, anti-corruption policies, and human and labor rights. The Group aims to create a clear allocation of responsibility across its organization. AutoStore's corporate executive management is responsible for AutoStore's strategy, development and day-to-day work, as well as compliance with legislation and regulations and AutoStore's Code of Conduct (the "**Code of Conduct**"). Managing directors are responsible for implementing and enforcing the Code of Conduct in their respective companies. Department managers are responsible for implementing and enforcing the Code of Conduct in their respective departments.

The Group has set key business ethics and anti-corruption targets for 2021. AutoStore plans to set up regular e-learning with respect to its Code of Conduct for both new and existing employees. The Group intends to communicate its anti-bribery policy to Distribution Partners and suppliers more proactively, and ensure such information is included in contracts with new suppliers. In addition, AutoStore intends to establish an anonymous and external whistle-blowing channel to further its goal of promoting a safe working environment. The Group is also dedicated to ensuring its ESG reporting is in accordance with the Global Reporting Initiative (GRI) standard.

8.7 Research and development (R&D)

The Group believes that its future success depends upon its ability to continue to develop new products and product accessories, and enhancements to and applications for AutoStore's existing products. For the years ended 31 December 2018, 2019 and 2020, AutoStore's capitalized research and development expenses were USD 6.1 million, USD 9.4 million and USD 13.6 million, respectively. The Group intends to continue to invest in research and development to respond to and anticipate customer needs. AutoStore always brings the customer to the center of its development efforts at all stages; from the early discovery efforts, to the development process, and after release of AutoStore solutions. At the early discovery efforts, AutoStore gathers customer insights to understand the requirements for new products. Over the course of the development process and through AutoStore's validation program, AutoStore tests early versions of its products at certain customer locations.

The Group's disciplined research and development process also involves the analysis of new markets and applications as well as analysis of its competitors and other technology groups. The Group also values input from its end-customers and Distribution Partners. These analyses and information, combined with annual strategic seminars and quarterly updates are what ultimately leads to the development of AutoStore's product, hardware and software. The Group expects to introduce multiple new products over the next several years that will enhance the value proposition for new and existing customers. AutoStore's research and development is conducted by small teams of individuals dedicated to particular projects. Teams are typically composed of 10 employees including one team leader and electrical, software and mechanical engineers. The Group's research and development efforts are primarily carried out at its facilities in Nedre Vats, Norway, which serves as AutoStore's main research and development location (including robot, system testing and training centers) and Oslo, Norway. The Group also has WMS resources located in the United States. All key hardware components are developed and assembled in-house. Additionally, AutoStore's proprietary differentiating software solutions are fully managed in-house.

AutoStore's customers benefit from continuous updates to proprietary differentiating software solutions. AutoStore's agile software process allows for continuous releases to customers through the Group's transparent and auditable research and development process. For example, the Controller software receives three updates a year, improving performance, stability, and reliability. AutoStore's software is core to its value proposition. Recently AutoStore vertically expanded into warehouse management system (WMS). WMS's API architecture makes it easy to integrate into customers' systems and its microservice architecture making it modular and easily scalable and tailored to each customer. Finally, WMS's cloud-based multi-tenant makes it secure and highly cost efficient. The Group also expanded into warehouse control system (WCS) which, combined with WMS, assists with generating warehouse tasks from ERP order data, managing inventory, and operationalizing tasks into workflows for various interfaces with equipment control. AutoStore is currently present in WMS/WCS for grocery MFC, and the Group anticipates expansion into additional end-markets.

The Group's software innovation and investment in WMS will enable the AutoStore MFCs offering, in furtherance of creating a "Store of the Future" with flexible, scalable, and standard automation. AutoStore is taking active steps to strengthen its MFC offering. The Group's research and development is focused on furthering AutoStore automation solution development and WMS feature development. The Group intends to increase its number of BDMs as the MFC market segment requires specific commercial capacity/expertise to solve unique problems. The Group created create a separate MFC business unit to allow for end-to-end customer journey. Finally, to round out its service offering, the Group intends to have client managers who can continue to maintain relationships post sale.

AutoStore's release of Router in 2020 was a key highlight of the Group's research and development process. This model contains 50 to 100 times more capacity to optimize routes than its predecessor model which makes it an enabler for sustainable performance on very large Grids as routes are continuously re-calculated. Additionally, the Router increases each Robot's contribution to total throughput by up to 40% and increases total system rate from 5,000 to 20,000 bins per hour, allowing for a more competitive offering on medium and large system and high-throughput applications. Finally, Router allows for the ability to double the density ratio of robots per Grid cell, making it an enabler for MFC applications, with low storage requirements and high volumes. Router is monetized through a recurring licensing fee. In addition, AutoStore dedicates research and development resources to the other elements of its business and to other applications of the Group's proprietary technology. AutoStore's most recent large-scale research and development effort was the introduction of a new line of AutoStore modules, the Black Line, made for high demand systems. With innovative applications and uncompromised design throughout the line, AutoStore now offers cube storage automation to users with very high throughput requirements. In 2021, AutoStore released a state-of-the-art cloud based design tool. The Group also launched AutoStore WMS/WCS, a next-generation warehouse management system. In August 2021, the Group launched CarouselPort 4.0, an upgrade of CarouselPort 3.0. CarouselPort 4.0 offers various benefits including, among others, lower operating costs as a result of reduced maintenance and servicing requirements, faster installation as a result of re-assembly in the factory, streamlined design for support apparatus and a reduced number of component parts. In addition, CarouselPort 4.0 increases labor efficiency through an improved user experience for warehouse staff, which includes better visuals labeling outline operations and improved placement of the port controller to facilitate a more intuitive experience. In addition, the Group is preparing to launch Bin Lift 2.0 in 2021 which would upgrade high-volume selling products. The Group intends to focus on warehousing, eCommerce, grocery and retail to drive growth and continue to increase TAM.

8.8 Property, plant and equipment

The Group's corporate headquarters and management office along with its main R&D location (including robot, system testing and training centers) are located in Nedre Vats, Norway. AutoStore operates two facilities in Oslo and Karmøy (both in Norway) which serves as additional R&D centers. Furthermore, AutoStore operates an assembly and storage facility in Koszalin, Poland where AutoStore bases its Robot and Port assembly. The Group's location in Derry, New Hampshire (United States) serves as a sales, service, spare parts and storage facility. AutoStore also operates further facilities focused on sales representation in the UK, Germany, Austria, France, Italy, Spain, Japan and South Korea.

The table below sets out key information about the Group's leased properties.

Location	Party	Size	Lease term	Use
Nedre Vats, Norway ..	AutoStore AS	7,512 sqm.	1 July 2016 to 31 December 2028.[1]	Corporate headquarters and management office along with main R&D location.
Oslo, Norway...........	AutoStore AS	1,747 sqm.	1 October 2020 to 31 December 2025.[2]	Additional R&D center.
Karmøy, Norway	AutoStore AS	862 sqm.	1 October 2020 to 1 October 2023.[3]	Additional R&D center.
Koszalin, Poland........	AutoStore Poland	6,540 sqm.	1 September 2017 to 31 December 2026.[4]	Robot and Port assembly center.
Derry, New Hampshire, U.S.	AutoStore Systems Inc.	1,836 sqm.	16 November 2017 to 30 April 2023.[5]	Sales, service, spare parts and storage facility.

UK, Germany, Austria, France, Italy, Spain, Japan and South Korea	Various subsidiaries	Small sales offices	N/A	Sales representation.

1 According to an addendum to the lease agreement, the lease term shall be extended from 1 January 2029 for a period determined by the project cost (cost of renovating the premises in accordance with the addendum) / monthly rent. The lease cannot be terminated during the lease term.

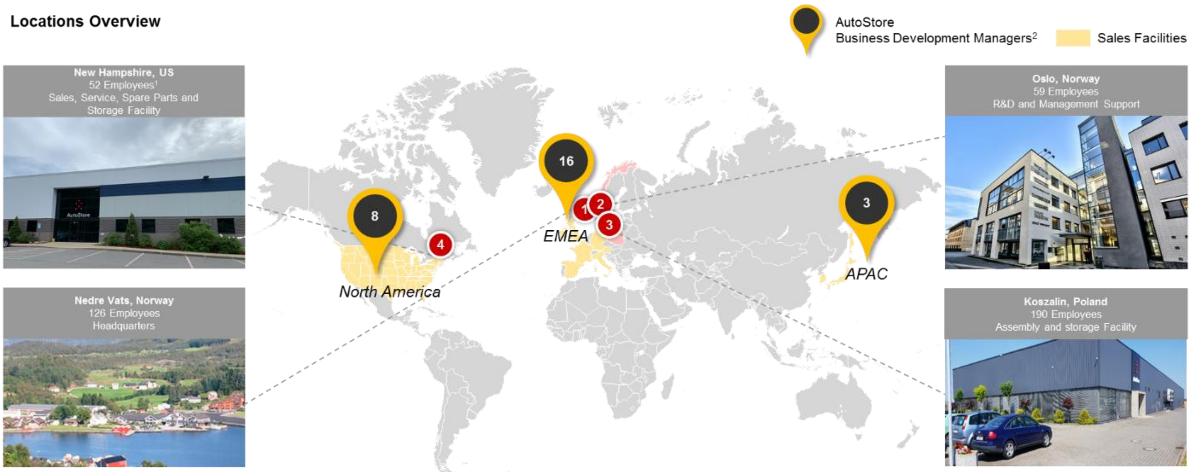
2 The lease cannot be terminated during the lease term.

3 The lease cannot be terminated during the lease term. The tenant has an option to extend the lease for two years on same terms, subject to a twelve months prior written notice to the landlord.

4 The lease is automatically extended for ten years unless one of the parties notifies the other party that the lease shall not be extended within one year prior to the expiration date.

5 The tenant shall have the option to extend the lease for a period of five years on the same terms and conditions as under the present lease.

To AutoStore's knowledge, currently there are no environmental issues that may affect the Group's utilization of its tangible fixed assets.



(1) A significant share of employees are currently working remote.

(2) Business Develop Managers have global positions – not included in specific region count.

8.9 Regulatory overview

The Group has since 2017 established sales offices through local entities in the United Kingdom, the United States, Germany, Austria, Switzerland, France, Japan, South Korea, Spain and Italy. These entities, which are acting as agents on behalf of the Group in their respective geographical areas, are subject to the local laws and regulations in their respective areas. In particular where AutoStore is designing systems for products that are regulated, the Group must ensure its systems provide service that complies with specific local regulations in each applicable market. For further information on risks related to Regulatory Requirements applicable to the Group's products and business operations, see Section 2.3.5 "Risks related to Regulatory Requirements applicable to the Group's products and business operations".

Additionally, the Group has access to a variety of customer and employee personal data, and AutoStore's cubic solutions lines will process customer personal data on behalf of its solutions partners. As such, the Group is subject to data privacy laws, including the EU GDPR, and, in respect of any personal data relating to UK-based employees or processed on behalf of UK-based customers, the EU GDPR as it forms part of the laws of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the UK GDPR. AutoStore has taken a number of steps to comply with European Privacy Laws, including: (i) providing data protection notices to employees, customers, and website users; (ii) implementing various internal data protection policies relating to data security, data deletion, data retention, and responding to requests to exercise data subject rights; (iii) implementing a policy relating to direct marketing and ensuring that employees are familiar with AutoStore's protocol for sending marketing communications; (iv) implementing data processing agreements with vendors that process personal data on AutoStore's behalf, and (v) carrying out a data mapping exercise and preparing a record which details the various processing activities of the Group. AutoStore will continue to review and develop these existing processes to ensure that customer and employee personal data is processed in compliance with the requirements of European Privacy

Laws to the extent that they are applicable to the Group. Even in non-European markets which may apply regulations that are less stringent than European Privacy Laws, the Group maintains its data privacy standards in a manner that complies with European Privacy Laws.

8.10 Insurance

The Group holds a number of international insurance policies centrally managed by its risk management department and adjusted on an ongoing basis according to current circumstances. The Group obtains its third-party liability insurance based on internal risk management analyses in the form of a master policy and underlying local insurance policies to cover particular risks in most of the countries in which AutoStore operates. Deductibles and limits are agreed upon as appropriate. AutoStore's insurance coverage includes general liability and product liability insurance; environmental impairment liability insurance; commercial legal aid insurance; property damage insurance covering buildings, facilities and machinery; business interruption insurance covering; loss of profits, standing charges and claims surveyor-fees; fidelity insurance; directors' and officers' insurance and travel insurance. Further, Management and the Board of Directors, as well as the management and the board of directors of all companies in the Group are covered by directors' and officers' liability insurance on ordinary terms and conditions.

The Group believes that its insurance coverage, including the maximum coverage amounts and terms and conditions of the insurance policies, are both standard for AutoStore's industry and appropriate. The Group cannot, however, guarantee that the Group will not incur any losses or be the subject of claims that exceed the scope of the relevant insurance coverage.

8.11 Legal proceedings

From time to time, the Group may be involved in litigation, disputes and other legal proceedings in the normal course of its business. Except for the Ocado matter described below, neither the Company nor any other company in the Group, is, nor has been, during the course of the preceding 12 months involved in any legal, governmental or arbitration proceedings which may have, or have had in the recent past, significant effect on the Company's and/or the Group's financial position or profitability, and the Company is not aware of any such proceedings which are pending or threatened, cf. Notice 3.4 section 4 (3) item 30.

On 1 October 2020, AutoStore Technology AS, AutoStore AS, and AutoStore System Inc. filed a complaint (the "**Complaint**") against Ocado Group plc, Ocado Solutions Ltd., Ocado Solutions USA Inc., Ocado Innovation Ltd., Ocado Operating Ltd., and Ocado Central Services Ltd. (collectively "**Ocado**"), Tharsus Group Ltd., and Printed Motor Works Ltd. at the International Trade Commission ("**ITC**") in Washington D.C. seeking an exclusion order prohibiting Ocado from importing into the United States its Ocado Smart Platform and any components that practice the patents-in-suit. The Complaint asserts that Ocado's robots and the Ocado Smart Platform infringe AutoStore's U.S. Patent Nos. 10,093,525, 10,294,025, 10,474,140, 10,494,239, and 10,696,478. On 2 November 2020, the ITC instituted an investigation (Inv. No. 337-TA-1228 or "the 1228 Investigation") based on all asserted claims of the Complaint. Ocado responded to the Complaint, asserting defenses of non-infringement, invalidity, laches, prosecution history estoppel, failure to state a claim, prior use or sale, inequitable conduct, lack of a protectable industry in the United States, and an adverse effect on the public interest including the public health and welfare and competitive conditions in the United States. There are no counterclaims in the 1228 Investigation. An evidentiary hearing took place on 2-6 August 2021. The Chief Administrative Law Judge is expected to issue an initial determination in the matter on November 5, 2021 and a final determination from the ITC is expected by 7 March 2022.

Also on 1 October 2020, AutoStore Technology AS filed claims against Ocado in a U.S. District Court for the Eastern District of Virginia (Civil Action No. 2:20-cv-494), whereby the Company asserted that Ocado directly and indirectly infringes the same five U.S. patents asserted at the ITC in the 1228 Investigation by importing into the United States, offering for sale, selling, and/or using the Ocado Smart Platform and Ocado robots, and that this infringement was willful. The complaint seeks past and future compensatory damages, attorneys' fees, and prejudgment and post-judgement interest, as well as a permanent injunction barring Ocado from making, manufacturing, using, selling, importing, or offering products subject to the patents at issue. The claims also seek a finding that this is an exceptional case, meriting an award of treble damages and the payment of all costs and attorneys' fees, if Ocado's infringement is found to be willful. On 20 November 2020, prior to Ocado's answer or the filing of any counterclaims, the Eastern District of Virginia judge stayed the case pursuant to 28 U.S.C. § 1659 pending the final determination of the ITC in the 1228 Investigation.

Also on 1 October 2020, AutoStore Technology AS filed patent infringement claims in the High Court of Justice of England and Wales in London, United Kingdom, alleging that various entities of the Ocado Group plus Tharsus Group Limited have infringed and threaten to infringe AutoStore's European Patent (UK) Nos. 2,928,794, 2,962,962, 3,070,027, 3,157,847, 3,050,824, and 3,250,481 (Claim Number: HP-2020-000035). AutoStore is seeking, among other things, an injunction and damages or an account of profits. Ocado denies infringement and has counterclaimed that the AutoStore patents in question are invalid and should be revoked; the trial for this matter is set to commence in the week of 10 March 2022.

Separately, on 6 November 2020 AutoStore Technology AS commenced an entitlement action against Ocado Innovation Limited ("**OIL**") before the United Kingdom Intellectual Property Office, alleging that AutoStore is in fact the true owner of several OIL patents (GB 2528568, 2565239, GB 2565240, GB 2565241, EP 3152712, and GB 2560814), which were based on substantial technical information and know how provided by AutoStore to OIL on a good faith basis. This action has now been transferred to the High Court of Justice in London, and is at an early stage of proceedings with the claim having been filed with the Court on 29 April 2021 and OIL's defence due to be served by 11 October 2021. This claim was subsequently commenced in the High Court on 29 April 2021 (Claim Number: HP-2021-000016). On 16 July 2021, AutoStore Technology AS also commenced an entitlement action against OIL before the United Kingdom Intellectual Property Office, alleging that AutoStore is in fact the true owner of patent application EP 3,795,501. If AutoStore is successful in these actions, the relevant patents in suit will form part of its IP portfolio going forward.

On 17 January 2021, Ocado Innovation Ltd. and Ocado Solutions Ltd. filed various patent infringement claims in a U.S. District Court for the District of New Hampshire (Case No. 1:21-cv-00041) whereby they assert that AutoStore's Red Line and Black Line systems—including AutoStore's robots and Router control systeminfringe claims of U.S. Patent Nos. 9,796,080, and U.S. Patent Application Nos. 16/902,459 and 16/575,906. Ocado seeks lost profits and unspecified compensatory damages no less than a reasonable royalty, attorneys' fees and to permanently enjoin AutoStore from making, manufacturing, using, selling, importing, or offering products subject to the patent and patent applications at issue. Ocado filed an Amended Complaint on 16 February 2021, that replaced U.S. Patent Application Nos. 16/902,459 and 16/575,906 with U.S. Patent Nos. 10,901,404 and 10,913,602, respectively. On 19 March 2021, the Court ordered that no pretrial conference will be scheduled until after an Answer is filed. AutoStore filed a Motion to Dismiss on 22 March 2021 on issues of lack of personal jurisdiction under FRCP 12(b)(2), lack of subject matter eligibility for one of the asserted patents under 35 U.S.C. 101, and failure to state a claim under FRCP 12(b)(6) for willful infringement and indirect infringement. In response, Ocado filed a Second Amended Complaint on 23 April 2021 to which AutoStore responded by filing a Renewed Motion to Dismiss on 7 May 2021. The Court held a hearing on the Motion to Dismiss on 22 July 2021, and the motion was denied without prejudice on 13 August 2021. AutoStore filed an answer and counterclaims for non-infringement and invalidity in the New Hampshire matter on 27 August 2021. On 4 October 2021, the Court scheduled a patent case scheduling conference for 29 October 2021.

Ocado also filed a claim in the U.S. District Court for the Eastern District of Virginia on 2 February 2021, alleging antitrust violations as a result of AutoStore's patent filing and assertions in the United States, as well as tortious interference with their relationship with The Kroger Company. Ocado's claims seek to enjoin AutoStore from enforcing its patents from the ITC 1228 Investigation and Eastern District of Virginia litigations (and related patents) against Ocado and from further prosecuting patents in the same families as those patents at the U.S. Patent Office, in addition to unspecified compensatory and punitive damages. On 5 April 2021, the Court granted AutoStore's Motion to Stay filed on 22 February 2021, on the basis of the stay motion granted in AutoStore Technology AS v. Ocado Group PLC et al., in the United States District Court for the Eastern District of Virginia, Case No. 20-cv-00494 and in light of the pending ITC 1228 Investigation. When the stay in the counterpart Eastern District of Virginia litigation (Case No. 20-cv-00494) is lifted, the parties may move to lift the stay, and AutoStore may consider filing a Motion to Dismiss on grounds that the Walker Process claims should be dismissed for failure to plead the claims' antitrust elements and for failure to plead fraud on the patent office, lack of personal jurisdiction, for being compulsory counterclaims, and that the tortious interference claims should be dismissed for failure to state a claim.

Ocado has filed post-grant review proceedings before the United States Patent & Trademark Office (USPTO) challenging the patentability of each of the five AutoStore patents asserted in the pending ITC 1228 Investigation (U.S. Patent Nos. 10,093,525, 10,294,025, 10,474,140, 10,494,239, and 10,696,478). The details of each are summarized as follows:

- *Ocado Group plc v. AutoStore Technology AS, IPR2021-00274 (PTAB):* On 30 November 2020, Ocado Group plc filed a petition for inter partes review (IPR) challenging the patentability of claims 1 and 18-20 of AutoStore's U.S. Patent No. 10,294,025. AutoStore filed a Patent Owner Preliminary Response (POPR) on 10 March 2021. Ocado filed a Petitioner's Reply to the POPR on 24 March 2021 and AutoStore filed a Patent Owner Sur-Reply to Petitioner's Reply on 31 March 2021. On 3 June 2021, the USPTO instituted trial based on the petition. AutoStore filed its Patent Owner Response in IPR2021-00274 on 30 August 2021. Oral argument (if requested) is scheduled for 9 March 2022.

- *Ocado Group plc v. AutoStore Technology AS, IPR2021-00311 (PTAB):* On 11 December 2020, Ocado Group plc filed a petition for IPR challenging the patentability of claims 1-4 and 11-15 of AutoStore's U.S. Patent No. 10,474,140. AutoStore filed a POPR on 30 March 2021. Ocado filed a Petitioner's Reply to the POPR on 15 April 2021 and AutoStore filed a Patent Owner Sur-Reply to Petitioner's Reply on 23 April 2021. The USPTO instituted a trial based on the petition on 28 June 2021. AutoStore filed its Patent Owner Response in IPR2021-00311 on 30 September 2021. Oral argument (if requested) is scheduled for 28 March 2022.

- *Ocado Group plc v. AutoStore Technology AS, IPR2021-00398 (PTAB):* On 11 January 2021, Ocado Group plc filed a petition for IPR challenging the patentability of claims 1-2 and 5-15 of AutoStore's United States Patent No. 10,494,239. AutoStore filed a POPR by 26 April 2021. Ocado filed a Petitioner's Reply to the POPR on 19 May 2021 and AutoStore filed a Patent Owner Sur-Reply to Petitioner's Reply on 26 May 2021. The USPTO denied institution on 21 July 2021.

- *Ocado Group plc v. AutoStore Technology AS, IPR2021-00412 (PTAB):* On 11 January 2021, Ocado Group plc filed a petition for IPR challenging the patentability of claims 1- Ocado filed a Petitioner's Reply to the POPR on 19 May 2021 and AutoStore filed a Patent Owner Sur-Reply to Petitioner's Reply on 26 May 2021. The USPTO denied institution 21 July 2021.

- *Ocado Group plc v. AutoStore Technology AS, PGR2021-00038 (PTAB):* On 18 January 2021, Ocado Group plc filed a petition for Post-Grant Review ("**PGR**") challenging the patentability of claim 19 of AutoStore's United States Patent No. 10,696,478. AutoStore filed a POPR on 10 May 2021. Ocado filed a Petitioner's Reply to the POPR on 27 May 2021 and AutoStore filed a Patent Owner Sur-Reply to Petitioner's Reply on 3 June 2021. The USPTO denied institution on 4 August 2021.

On 12 April 2021, AutoStore System Inc. filed a petition for IPR before the USPTO (Case No. IPR2021-00798) challenging the patentability of Ocado's United States Patent No. 9,796,080 asserted in the District of New Hampshire litigation (Case No. 1:21-cv-00041). Ocado filed a POPR by 23 July 2021. The USPTO is expected to decide whether to institute a trial based on the petition by 23 October 2021.

On 16 March 2021, Ocado filed intellectual property infringement claims in the Mannheim Regional Court and the Munich Regional Court, Germany related to utility models and directed to the Black Line robots. AutoStore intends to vigorously defend these claims, for which statements of defence have been filed. Hearings have been scheduled for 27 January 2022 in Munich and 10 December 2021 and 1 February 2022 in Mannheim.

On 28 May 2021, the Ocado and Tharsus defendants to the United Kingdom proceedings made an ex parte application to the High Court of Justice in London, the United Kingdom, seeking an interim injunction restraining AutoStore from disclosing certain material in the U.S. proceedings before the ITC. Whilst initially granted at the ex parte hearing, the application was ultimately refused at the contested inter partes hearing on 10 June 2021, a decision which was upheld on appeal to the Court of Appeal in London on 1 July 2021.

On 6 October 2021, Ocado Innovation Ltd. and Ocado Solutions Ltd. filed a patent infringement lawsuit in the U.S. District Court for the District of New Hampshire (Case No. 1:21-cv-00806), alleging that AutoStore's Red Line and Black Line systems, using controllers with "Router software," infringe claims of U.S. Patent No. 11,079,770. Ocado seeks lost profits and unspecified compensatory damages no less than a reasonable royalty, attorneys' fees, and to permanently enjoin AutoStore from making, manufacturing, using, selling, importing, or offering the accused products.

The Group believes strongly in its litigation positions and anticipates the most likely outcome is that it will obtain favorable infringement judgments in the U.S. and U.K., which would result in exclusion of Ocado's productsin key markets for its proprietary AS/RS robot systems and substantial incremental revenue from licensing, increased sales and/or damages, which is not currently reflected in the Group's revenue guidance. However, the outcome of legal proceedings is subject to uncertainty and can be extremely difficult to predict, and the Group offers no assurances in this regard. AutoStore and Ocado could each invalidate some subset of the others' asserted patents and succeeds at obtaining infringement findings. Given that AutoStore's claims cover Ocado's core business, whereas Ocado's counterclaims only relate to a sub-set of AutoStore's business, AutoStore expects that any business resolution from this scenario would still benefit AutoStore monetarily.

In the event Ocado invalidated all of the Group's asserted patents (a "worst-case" scenario), Ocado would be permitted to continue using and selling the Ocado Smart Platform without concern for the Group's asserted patents. The Group would be required to limit sales to the Red Line systems in the U.S. and Germany (impacting approximately 6% of AutoStore sales based on the current pipeline) and to pay damages which will need to be determined for past infringement. If the Group is unsuccessful in its infringement case in the United Kingdom, AutoStore would likely be liable to pay the other side's legal costs as agreed or assessed, but under the current pleadings, there is no risk of having to pay other financial compensation, such as damages, to Ocado. If the Group is found to have breached antitrust laws in the United States as a result of its patent infringement actions against Ocado, the Group may be subject to governmental penalties and court-ordered penalties. This worst-case scenario is currently viewed as low probability, but should this scenario arise the Group continues to possess strong patent portfolio and continues its path toward innovation, including finding alternative, modern solutions for the US and German markets.

The Group believes that each of the claims and counterclaims raised by Ocado are without merit and intend to vigorously defend against them. Favorable infringement judgments in the U.S. or U.K. would result in advantages in key markets for the Group's proprietary AS/RS robot systems and likely incremental revenue from licensing and increased sales, and potentially damages, which are not currently reflected in the Group's revenue guidance. However, the outcome of legal proceedings is uncertain and can be extremely difficult to predict, and the Group offers no assurances in this regard. AutoStore and Ocado as part of the various proceedings could each invalidate some subset of the others' asserted patents and succeed at obtaining infringement findings. However, AutoStore's claims cover Ocado's core storage solutions business, whereas Ocado's counterclaims only relate to a sub-set of AutoStore's business.

In the event the Group was unsuccessful in each of the currently ongoing proceedings and Ocado invalidated all of the Group's asserted patents, Ocado would be permitted to continue using and selling the Ocado Smart Platform without concern for the Group's asserted patents. The Group may also be required to stop sales of the Black Line systems in the U.S. and Germany (impacting approximately 6% of AutoStore sales based on the current pipeline), may need to limit the sales of Red Line systems to those with software versions before the AutoStore Router and potentially to pay damages which will need to be determined for any past infringement. Should this scenario arise the Group continues to possess a strong patent portfolio and continues its path toward innovation, including finding alternative, modern solutions for the US and German markets. If the Group is unsuccessful in its infringement case in the United Kingdom, AutoStore would likely be liable to pay the other side's legal costs as agreed or assessed, but under the current pleadings, there is no risk of having to pay other financial compensation, such as damages, to Ocado. If the Group is found to have breached antitrust laws in the United States as a result of its patent infringement actions against Ocado, the Group may be subject to governmental penalties and court-ordered penalties, which may be substantial.

The Group estimates that the litigation expenses in relation to the Ocado litigation will be approximately USD 15 to USD 20 million.

8.12 Material contracts outside the ordinary course of business

As of the date of this Prospectus, the Group is not a party to any material contracts outside the ordinary course of business.

8.13 Dependency on contracts, licenses, patents, etc.

The Group relies on a combination of patent, copyright, trademark and trade secret laws, as well as license agreements, confidentiality agreements and other contractual provisions, to establish and protect its intellectual property and proprietary rights, as further described in Section 8.5.9 "Intellectual property" above.

The Group's existing business and profitability are also dependent upon commercial contracts with its distribution partners, as further described in Section 8.5.4 "Distribution Partners". It is the Company's opinion that the Group's existing business and profitability are not dependent upon any other industrial, commercial or financial contracts.

9 CAPITALIZATION AND INDEBTEDNESS

9.1 Introduction

The financial information presented below provides information about the Group's unaudited consolidated capitalization and net financial indebtedness on an actual basis as of 30 June 2021, and in the "As adjusted" column, the Group's unaudited consolidated capitalization and financial indebtedness as of 30 June 2021 on an adjusted basis to give effect to the Offering and the planned repayment of a portion of the Group's interest bearing debt. The financial information presented in this Section 9 "Capitalization and indebtedness" should be read in connection with the financial information included elsewhere in this Prospectus, in particular Section 10 "Selected financial and other information" and Section 11 "Operating and financial review", as well as the Interim Financial Statements and related notes, included in Appendix G of this Prospectus.

The "As adjusted" column illustrates the Group's unaudited consolidated capitalization and net financial indebtedness as of 30 June 2021 with relevant figures derived from the Interim Financial Statements, giving effect to the material post-balance sheet events described below:

- The Company will issue and acquire at USD 0.01 per Share a total of 200 million Shares to be held in treasury prior to the Offering. The New Shares offered by the Company in the Offering and the Shares to be delivered to Option holders exercising Options in connection with the Offering and Listing as further described in Section 12.3.5 "Share incentive programs" will be sold from these treasury Shares. The issue and acquisition of these 200 mill Shares have no cash effect.

- Gross proceeds in the amount of USD 315.0 million from the Offering, which will result in net proceeds of approximately USD 276.0 million from the sale of 100 million New Shares by the Company, assuming that the Offer Price is set at the low-point of the Indicative Price Range (being NOK 27 per New Share, equal to USD 3.15 per New Share) and that the Company's expenses in the Offering and Listing amount to approximately USD 39.0 million.

- Given that sufficient proceeds are raised in the Offering, USD 236.3 million of the proceeds from the sale of the New Shares to be used to repay a portion of its interest bearing debt, being USD 183.6 million for the repayment of the Second Lien Facility in full, and USD 52.8 million for repayments of parts of the Facility B (EUR). For further information on the repayment, see Section 11.18 "Financing Arrangements and Commitments" below.

- Due to Option holders exercising Options in connection with the Offering about USD 6.7 million of social security tax will be payable.[56] Please refer to section 12.3.5 "Share incentive programs" for further details.

The adjustments made in the tables in Section 9.2 "Capitalization" and Section 9.3 "Net financial indebtedness" are made solely on the above assumptions.

There have been no material changes to the Group's unaudited consolidated capitalization and net financial indebtedness since 30 June 2021. Further, no material changes in connection with the Offering other than as adjusted for in the tables below are expected.

[56] The estimate is based on a price of USD 3.15 per share, free float of 15% and the Greenshoe Option not being exercised.

9.2 Capitalization

The following table sets forth information about the Group's unaudited consolidated capitalization as of 30 June 2021, derived from the Interim Financial Statements (prepared for Automate LuxCo).

Capitalization	**As of 30 June 2021**	**Adjustment amounts**	**As adjusted**
(In USD million)			
Indebtedness			
Total current debt:	**76.9**	-	**76.9**
Guaranteed	-	-	-
Secured[1]	4.8	-	4.8
Unguaranteed/Unsecured[2, 8]	72.1	-	72.1
Total non-current debt:	**832.7**	**(236.3)**	**596.4**
Guaranteed	-	-	-
Secured[3, 5]	695.5	(236.3)	459.2
Unguaranteed/Unsecured[4]	137.2	-	137.2
Total indebtedness	**909.6**	**(236.3)**	**673.3**
Shareholders' equity			
Share capital[6]	36.0	2.0	38.0
Legal reserve[7]	1,149.9	274.0	1,423.9
Other reserves[8]	(35.9)	(6.7)	(42.6)
Total shareholders' equity	**1,149.9**	**269.3**	**1,419.3**
Total capitalization	**2,059.6**	**33.0**	**2,092.6**

1 Secured current debt of USD 4.8 million comprises USD 3.7 million of the current portion of lease liabilities and USD 1.1 million of the current portion of long-term interest bearing liabilities. The lease liabilities are secured with the leasing institution having security in the underlying leasing objects. The Group has pledged shares and bank accounts in the subsidiaries AutoStore AS, AutoStore Technology AS, Automate Bidco AS and Automate Holdco I AS to the credit institutions as security for the current portion of the interest bearing debt.

2 Unsecured current debt of USD 72.1 million consists of USD 32.6 million in trade and other payables, USD 0.5 million in income tax payable and USD 39.1 million in provisions.

3 Secured non-current debt of USD 695.5 million consists of long-term interest bearing liabilities of USD 682.2 million and USD 13.3 million of the long-term portion of leasing liabilities. The Group has pledged shares and bank accounts in the subsidiaries AutoStore AS, AutoStore Technology AS, Automate Bidco AS and Automate Holdco I AS to the credit institutions as security for the USD 682.2 million long-term interest bearing liabilities. The lease liabilities of USD 13.3 million are secured with the leasing institution having security in the underlying leasing objects.

4 Unsecured and unguaranteed non-current debt of USD 137.2 million consists of deferred tax liabilities of USD 129.6 million and non-current provisions of USD 7.6 million.

5 The adjustment amount of USD 236.3 million represent the part of proceeds from the Offering that is spent on repayment of existing loans, of which USD 183.6 million is used to repay Second Lien Facility in full, and USD 52.8 million is used for repayments of parts of the Facility B (EUR), as further described in Section 11.18 "Financing Arrangements and Commitments" below.

6 The adjustment amount of USD 2.0 million in new share capital refers to 200 million Shares issued by the Company to be held in treasury with USD 0.01 in nominal value per Share.

7 The adjustment amount of USD 274.0 million includes USD 315.0 million from the 100 million New Shares to be sold by the Company at USD 3.15 per share (being the low-point of the Indicative Price Range), deducted with the nominal value of new share capital of USD 2.0 million (see note 6 above) and also deducted with the Company's expenses in the Offering amounting to approximately USD 39.0 million.

8 The adjustment amount of USD 6.7 million reflects additional social security tax, as set out in Section 12.3.5

9.3 Net financial indebtedness

The following table sets forth information about the Group's unaudited net financial indebtedness as of 30 June 2021, derived from the Interim Financial Statements (prepared for Automate LuxCo).

Indebtedness		**As of 30 June 2021**	**Adjustment amounts**	**As adjusted**
(In USD million)				
(A)	Cash[1]	50.7	33.0	83.7
(B)	Cash equivalents			
(C)	Trading securities			
(D)	**Liquidity (A)+(B)+(C)**	**50.7**	**33.0**	**83.7**
(E)	**Current financial receivables**	**-**	**-**	**-**
(F)	Current bank debt[2]	1.1		1.1
(G)	Current portion of non-current debt[3]	3.7		3.7
(H)	Other current financial debt			
(I)	**Current financial debt (F)+(G)+(H)**	**4.8**	**-**	**4.8**
(J)	**Net current financial indebtedness (I)-(E)-(D)**	**(45.9)**	**(33.0)**	**(78.9)**
(K)	Non-current bank loans[4, 6]	682.2	(236.3)	445.9
(L)	Bonds issued			
(M)	Other non-current loans[5]	13.3		13.3
(N)	**Non-current financial indebtedness (K)+(L)+(M)**	**695.5**	**(236.3)**	**459.2**
(O)	**Net financial indebtedness (J)+(N)**	**649.6**	(269.3)	380.3

1 The adjustment amount of USD 33.0 million in cash represents the gross proceeds in the amount of USD 315.0 million from the Offering, based on the Offer Price set at the low-point of the Indicative Price Range (being USD 3.15 per Share) and the sale of 100 million New Shares by the Company, after deduction of approximately USD 39.0 million of the Company's expenses in the Offering, and netted with the repayment of USD 236.3 million of existing loans (as set out in note 6 below), and finally also netted with USD 6.7 million in additional social security tax for options exercised in the Listing, as set out in Section 12.3.5 "Share incentive programs".

2 Current bank debt consists of USD 1.1 million in accrued interest related to the long-term interest bearing liabilities.

3 Secured current debt of USD 3.7 million consists wholly of the financial statement line item lease liabilities, presented as current liabilities in the Interim Financial Statements.

4 Non-current bank loans of USD 682.2 million consist of long-term interest bearing liabilities to credit institutions.

5 Other non-current loans of USD 13.3 million consist of the long-term portion of lease liabilities.

6 The adjustment amount of USD 236.3 million is the planned repayment of the Second Lien Facility in full of USD 183.6 million, as well as the planned repayment of USD 52.8 million of parts of the Facility B (EUR), as further described in Section 11.18 "Financing Arrangements and Commitments" below.

9.4 Working capital statement

The Company is of the opinion that the working capital available to the Group is sufficient for the Group's present requirements, for the period covering at least 12 months from the date of this Prospectus.

9.5 Contingent and indirect indebtedness

As of 30 June 2021 and as of the date of the Prospectus, the Group does not have any contingent or indirect indebtedness.

10 SELECTED FINANCIAL AND OTHER INFORMATION

10.1 Introduction and basis for preparation

The business of the Group has existed since 1996. On 31 July 2019, THL acquired Terminator, which at the time was the holding company of the Group. Hence, historically the underlying business of the Group has been held by two different legal entities for the three year financial history presented in this Prospectus. These two legal entities are Terminator (until 31 July 2019) and Automate LuxCo (with effect from 31 July 2019), which became the new holding company when THL acquired and took control over the business. Section 11.24 "Acquisition by THL" sets out additional details about the THL acquisition.

The Company was incorporated on 31 August 2021 as a new holding company of the Group, as part of the process to list the Group. The Company has not prepared any annual financial statements as at the date of this Prospectus. The financial information related to the Group for the financial year ended 31 December 2020 included in this Prospectus has therefore been derived from the financial statements of the Company's wholly owned subsidiary, Automate LuxCo.

Automate LuxCo has prepared consolidated financial statements for the financial year ended 31 December 2020 in accordance with IFRS, with comparable financial figures for the period from its incorporation on 28 May 2019 until 31 December 2019. The 2020 Financial Statements are included in Appendix B. The 2020 Financial Statements were prepared and audited with EUR as presentation currency. The Group changed to USD as presentation currency with effect from and including the first half of 2021. On this basis, the financial figures in the 2020 Financial Statements have, for the purpose of this Prospectus, been recalculated from EUR to USD, as further described in Section 4.2.3 "Presentation and functional currencies for the Group". The recalculated figures are presented as "unaudited" in the Prospectus.

The comparable financial figures for Automate LuxCo for the financial year ended 31 December 2019 (as included in the 2020 Financial Statements) only include the results of the underlying acquired business with effect from 31 July 2019, when the Group (through its wholly-owned subsidiary, Automate Bidco AS) obtained control over Terminator (the predecessor holding company of the Group). The comparable financial figures for Automate LuxCo for the financial year ended 31 December 2019 is thus of less relevance. As such, consolidated financial statements for Terminator for the financial year ended 31 December 2019 have also been prepared as set out below.

For the purpose of this Prospectus, Terminator (the predecessor holding company of the Group) has prepared consolidated financial statements for the financial year ended 31 December 2019 in accordance with IFRS and with comparable figures for the financial year ended 31 December 2018. The 2019 Financial Statements are included in Appendix D.

Section 4.2.4 "Limitation on comparability of results – Automate LuxCo versus Terminator" above sets out the limitation of the comparability of the 2020 Financial Statements vis-à-vis the 2019 Financial Statements. The Company has not identified any differences regarding the use of specific IFRS standards (policy choices) for Automate LuxCo's 2020 Financial Statements compared to Terminator's 2019 Financial Statements.

In addition, Terminator has prepared consolidated financial statements for the financial year ended 31 December 2018 in accordance with IFRS and with comparable figures for the financial year ended 31 December 2017. The 2018 Financial Statements are included in Appendix E. The 2018 Financial Statements are presented in NOK and are therefore not directly comparable with the 2019 Financial Statements and the 2020 Financial Statements. In 2019, Terminator changed its presentation currency from NOK to USD, and as such, the 2018 figures were restated in line with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, from 13 October 2016, representing the date of incorporation of Terminator, as further described Section 4.2.3 "Presentation and functional currencies for the Group". The restated figures are presented as "unaudited" in the Prospectus.

Further, also for the purpose of this Prospectus, the Company has prepared stand-alone financial statements for the period from its incorporation on 31 August 2021 until 3 September 2021 in accordance with IFRS. The Parent Financial Statements are included in Appendix F. The Parent Financial Statements do not reflect the Reorganization which will take place immediately prior to the Listing or any operations of the Group. For further information about the Reorganization, see Section 4.3 "The Reorganization".

Additionally, unaudited interim condensed consolidated financial statements for the three and six months ended 30 June 2021, with comparable figures for 2020, have been prepared by Automate LuxCo in accordance with IAS 34 in connection with the Listing. The Interim Financial Statements are included as Appendix G.

The 2020 Financial Statements have been audited by Deloitte Luxembourg (as defined herein), whereas the 2019 Financial Statements, the 2018 Financial Statements and the Parent Financial Statements have been audited by Deloitte Norway (as defined herein). Deloitte Luxembourg and Deloitte Norway have provided unqualified audit opinions for the Financial Statements as set forth in their respective auditor's reports included therein. The Interim Financial Statements have been subject to an interim review under ISRE 2410 by Deloitte Luxembourg as set out in their review report included therein. Deloitte Luxembourg and Deloitte Norway have not audited, reviewed or produced any report on any other information provided in this Prospectus.

10.2 Summary of accounting policies and principles

10.2.1 General

For complete information regarding accounting policies and the use of estimates and judgments, please refer to note 2 through 7 of the Financial Statements.

10.2.2 Revenue recognition

Revenue from the sale of goods is related to products delivered as part of the AutoStore System and is recognized at the point in time when a performance obligation arising from a contractual obligation with a customer (one of AutoStore's Distribution Partners) has been met, generally on delivery to the end-customer. 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.

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 recognized, will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Revenue from the rendering of services mainly relates to consulting services delivered in connection with the AutoStore system. Revenue from consulting services is recognized 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.

10.2.3 Inventories and cost of materials

Inventories are valued at the lower of cost and net realizable 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 labor and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

Net realizable 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.

10.2.4 Goodwill

Recognized goodwill in the Group is derived from the business combination of AutoStore AS in 2019. On 19 June 2019, the Group entered into a share purchase agreement and acquired 100% of the voting shares of Terminator, the parent of AutoStore AS.

Goodwill is an intangible asset which may not individually be recognized 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 recognize 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, the amount recognized 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 Terminator in 2019 was allocated to the AutoStore system CGU.

10.2.5 Intangible assets

At the acquisition of AutoStore in 2019, the Group recognized intangible assets for: R&D, technology, trademarks, patents and customer relations. Subsequently, the Group has recognized intangible assets comprising of internal development projects related to the AutoStore system.

Development expenditures on an individual project, which represents new applications/technology, are recognized 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 amortization and accumulated impairment losses. Amortization of the asset begins when the asset is available for its intended use and is amortized over the period of expected future benefit. Initial capitalization 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 capitalized, 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 capitalized is highly subjective, as the outcome of these projects may be uncertain.

10.2.6 Business combinations

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 fair value at acquisition date 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 recognized 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 recognized 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 identifiable 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.

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 value 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 life 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 relate. Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment or changes to the amortization period at least at each financial year-end. 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.

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

The Group has identified one CGU, the AutoStore system CGU. 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 asset's carrying amount.

10.2.7 Share based payments

The Group has share-based programs for its key employees which are accounted for as equity settled transactions. The share option program for the key employees gives the employee the right to purchase shares.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognized in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions. No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognized is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Social security tax on options is recorded as a liability and is recognized over the estimated vesting period. The social security tax liability is calculated based (indirectly) on the fair value of the options.

10.2.8 Taxes

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 recognized directly in equity is recognized in equity (OCI) and not in the statement of profit or loss.

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 recognized 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 recognized 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 utilized, 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 recognized 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 utilized

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 utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized 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 realized 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 recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized 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.

10.2.9 Financial instruments

Financial assets

Financial assets are measured subsequently at amortized cost: This includes mainly trade receivables and cash and cash equivalents.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

All of the Group's financial assets (i.e., trade receivables and cash and cash equivalents) are part of the Group's business model with the sole objective to collect contractual cash flows. Additionally, the contractual terms of the financial assets, primarily applicable to trade receivables, 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 amortized cost.

The Group considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

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 amortized cost.

Initial recognition and subsequent measurement

The Group's financial assets and liabilities are initially recognized at fair value plus directly attributable transaction expenses.

Subsequently, these instruments are measured at amortized cost using the effective interest method (EIR). Gains and losses are recognized in profit or loss upon impairment, when the instruments are derecognized as well as through the EIR amortization process.

Amortized 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 amortization is included as finance costs in the consolidated statement of comprehensive income.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Financial assets measured at amortized cost are considered for impairment by recognizing 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 recognizes 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 (e.g., market trends, default rates in the retail market etc.).

A financial asset is derecognized 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 derecognized 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 recognized in the consolidated statement of comprehensive income.

IBOR reform

The Group has Non-current interest-bearing loans and borrowings with indexed interest rates based on EURIBOR and LIBOR. As a consequence of the IBOR reform LIBOR is expected to be discontinued as a benchmark rate late 2021 and will be replaced by new benchmark rates, known as alternative Risk Free Rates (RFRs). EURIBOR is already reformed, and no further changes are expected as of this date. The Group is continuously monitoring the situation, however as of 31 December 2020 the Group does not expect any significant effects on the Group's financial reporting as a result of the IBOR reform.

10.2.10 Finance income and finance costs

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.

10.2.11 Provisions

Provisions are liabilities with uncertain timing or amount and are recognized 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 recognized 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.

10.3 Independent auditor

The Company's and Terminator's independent auditor is Deloitte AS, with business registration number 980 211 282 and registered business address at Dronning Eufemias gate 14, 0191 Oslo, Norway ("**Deloitte Norway**"). The partners of Deloitte Norway are members of The Norwegian Institute of Public Accountants (Nw.: *Den Norske Revisorforening*). Deloitte Norway has been the Company's auditor since 31 August 2021 and Terminator's auditor since 4 January 2017. Deloitte Norway has audited the Parent Financial Statements, the 2019 Financial Statements and the 2018 Financial Statements.

Automate LuxCo's independent auditor is Deloitte Audit S.à r.l., with business registration number B67895 and registered business address at 20 Boulevard de Kockelscheuer, L-1821, Luxembourg, Luxembourg ("**Deloitte Luxembourg**"). Deloitte Luxembourg has audited the 2020 Financial Statements and provided a limited review report on the Interim Financial Statements. The partners of Deloitte Luxembourg are members of Luxembourg Institute of Public Accountants (Institut des Réviseurs d’Entreprise). Deloitte Luxembourg has been the auditor of Automate LuxCo since 9 April 2020.

Deloitte Luxembourg's audit report is included together with the 2020 Financial Statements in Appendix B. Deloitte Norway's audit reports are included together with the 2019 Financial Statements in Appendix D, the 2018 Financial Statements in Appendix E and the Parent Financial Statements in Appendix F, respectively. With respect to the Interim Financial Statements, Deloitte Luxembourg has reported that they have applied limited procedures in accordance with professional standards for review of interim financial information. Their separate report, included together with the Interim Financial Statements in Appendix G, states that they did not audit, and do not express an audit opinion, on such interim financial information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. Neither Deloitte Norway nor Deloitte Luxembourg have audited, reviewed or produced any report on any other information provided in this Prospectus.

10.4 Consolidated statement of profit or loss

10.4.1 Consolidated statement of profit and loss denominated in USD

The table below sets out data from the Group's consolidated statement of profit or loss for the three and six months ended 30 June 2021 and 2020, and for the financial years ended 31 December 2020, 2019 and 2018, as derived from the Financial Statements. The financial figures extracted from the 2020 Financial Statements and presented below have been recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and set out in Appendix C. Please note that the Company is using APMs to communicate its financial performance, as further described and presented in Section 4.2.5 "Alternative performance measures (APMs)" and Section 11.13.1 "Alternative Performance Measures".

In USD million	**Three months ended 30 June**		**Six months ended 30 June**		**Year ended 31 December**		
	Automate LuxCo		**Automate LuxCo**		**Automate LuxCo**	**Terminator**	
	2021	**2020**	**2021**	**2020**	**2020[1]**	**2019[2]**	**2018[2]**
	IAS 34	*IAS 34*	*IAS 34*	*IAS 34*	*IFRS*	*IFRS*	*IFRS*
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(audited)*	*(unaudited)[3]*
Revenue	84.8	41.6	148.4	79.2	180.6	193.3	142.6
Other operating income	0.8	0.3	1.3	0.7	1.6	1.3	1.3
Total revenue and other operating income	**85.5**	**42.0**	**149.6**	**79.8**	**182.1**	**194.6**	**143.9**
Cost of materials.......	(26.8)	(12.2)	(47.2)	(23.3)	(52.1)	(62.8)	(46.4)
Gross profit	**58.7**	**29.8**	**102.4**	**56.5**	**130.0**	**131.8**	**97.5**
Employee benefit expenses	(10.1)	(5.9)	(51.1)	(12.8)	(26.2)	(13.5)	(10.7)
Other operating expenses	(24.4)	(5.0)	(38.3)	(13.4)	(29.2)	(15.7)	(15.1)
Depreciation and amortization............	(15.0)	(11.6)	(29.3)	(23.7)	(50.2)	(14.3)	(12.8)
Operating profit (loss)	**9.3**	**7.3**	**(16.3)**	**6.7**	**24.6**	**88.3**	**58.9**
Finance income.........	0.0	48.2	12.9	0.1	0.1	0.2	0.1
Finance cost	(11.4)	(10.4)	(18.4)	(78.0)	(51.2)	(20.2)	(36.8)
Profit (loss) before tax	**(2.2)**	**45.1**	**(21.8)**	**(71.2)**	**(26.6)**	**68.3**	**22.2**
Income tax expenses	0.5	(9.4)	4.5	14.8	5.5	(12.5)	(1.9)
Profit (loss) for the period	**(1.7)**	**35.8**	**(17.3)**	**(56.5)**	**(21.1)**	**55.8**	**20.3**

1 The 2020 Financial Statements were prepared and audited with EUR as presentation currency. The Group changed to USD as presentation currency with effect from and including the first half of 2021. On this basis, the financial figures extracted from the 2020 Financial Statements and presented in this Prospectus have been recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and set out in Appendix C.

2 Figures derived from the consolidated statement of profit or loss of Terminator in the 2019 Financial Statements and do not reflect the Group's financing arrangements associated with the acquisition of Terminator in July 2019. The principal line items impacted for the consolidated income statement are "other operating expenses", "depreciation and amortization", "total finance income (expense)" and "income tax". As such, the consolidated income statements of Terminator and Automate Luxco are not comparable.

In 2019, Terminator changed its presentation currency from NOK to USD, and as such, the 2018 figures were restated. Income and expenses were translated to USD at the respective average exchange rates prevailing for the relevant period. The 2018 figures have been derived from the unaudited consolidated financial information for the comparative period in the 2019 Financial Statements.

For a quantification of the differences between Automate LuxCo's and Terminator's statements of profit and loss for the financial year ended 31 December 2019, see Section 4.2.4 "Limitation on comparability of results – Automate LuxCo versus Terminator" above.

10.4.2 Consolidated statement of profit and loss – audited figures

The table below sets out the Group's consolidated statement of profit and loss (audited figures) for the financial years ended 31 December 2020, 2019 and 2018, as derived from the 2020 Financial Statements, 2019 Financial Statements and 2018 Financial Statements, respectively.

	Year ended 31 December		
	Automate LuxCo	Terminator	
	2020	2019	2018
	IFRS	*IFRS*	*IFRS*
	(audited in EUR million)	*(audited in USD million)*	*(audited in NOK million)*
Revenue	158.2	193.3	1 163,5
Other operating income	1.4	1.3	10,4
Total revenue and other operating income	**159.6**	**194.6**	**1 173,9**
Cost of materials	(45.6)	(62.8)	378,8
Employee benefit expenses	(22.9)	(13.5)	87,3
Other operating expenses	(25.6)	(15.7)	123,0
Depreciation and amortization	(43.9)	(14.3)	104,6
Operating profit	**21.5**	**88.3**	**480,1**
Finance income	0.1	0.2	0,8
Finance cost	(44.9)	(20.2)	299,9
Profit (loss) before tax	**(23.3)**	**68.3**	**181,0**
Income tax expenses	4.8	(12.5)	15,6
Profit (loss) for the period	**(18.4)**	**55.8**	**165,4**

10.5 Consolidated statement of comprehensive income

10.5.1 Consolidated statement of comprehensive income denominated in USD

The table below sets out data from the Group's consolidated statement of comprehensive income for the three and six months ended 30 June 2021 and 2020, and for the financial years ended 31 December 2020, 2019 and 2018, as derived from the Financial Statements. The financial figures extracted from the 2020 Financial Statements and presented below have been recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and set out in Appendix C.

In USD million	Three months ended 30 June		Six months ended 30 June		Year ended 31 December		
	Automate LuxCo		Automate LuxCo		Automate LuxCo	Terminator	
	2021	2020	2021	2020	2020[1]	2019[2]	2018[2]
	IAS 34	*IAS 34*	*IAS 34*	*IAS 34*	*IFRS*	*IFRS*	*IFRS*
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(audited)*	*(unaudited)*
Other comprehensive income/loss							
Items that subsequently may be reclassified to profit or loss:							
Exchange differences on translation of foreign operations	(2.2)	82.9	(3.8)	(112.5)	30.9	(3.1)	(14.9)
Total items that may be reclassified to profit or loss	(2.2)	82.9	(3.8)	(112.5)	30.9	(3.1)	(14.9)

In USD million	**Three months ended 30 June**		**Six months ended 30 June**		**Year ended 31 December**		
	Automate LuxCo		**Automate LuxCo**		**Automate LuxCo**	**Terminator**	
	2021	**2020**	**2021**	**2020**	**2020[1]**	**2019[2]**	**2018[2]**
	IAS 34	*IAS 34*	*IAS 34*	*IAS 34*	*IFRS*	*IFRS*	*IFRS*
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(audited)*	*(unaudited)*
Other comprehensive income/loss for the period	**(2.2)**	**82.9**	**(3.8)**	**(112.5)**	**30.9**	**(3.1)**	**(14.9)**
Total comprehensive income/loss for the period	**(3.9)**	**118.7**	**(21.0)**	**(168.9)**	**9.9**	**52.7**	**5.4**

1 The 2020 Financial Statements were prepared and audited with EUR as presentation currency. The Group changed to USD as presentation currency with effect from and including the first half of 2021. On this basis, the financial figures extracted from the 2020 Financial Statements and presented in this Prospectus have been recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and set out in Appendix C.

2 Figures derived from the consolidated statement of comprehensive income of Terminator in the 2019 Financial Statements and do not reflect the Group's financing arrangements associated with the acquisition of Terminator in July 2019.

In 2019, Terminator changed its presentation currency from NOK to USD, and as such, the 2018 figures were restated. Other comprehensive income was translated to USD at the respective average exchange rates prevailing for the relevant period. The 2018 figures have been derived from the unaudited consolidated financial information for the comparative period in the 2019 Financial Statements.

10.5.2 Consolidated statement of comprehensive income – audited figures

The table below sets out the Group's consolidated statement of comprehensive income (audited figures) for the financial years ended 31 December 2020, 2019 and 2018, as derived from the 2020 Financial Statements, 2019 Financial Statements and 2018 Financial Statements, respectively.

	Year ended 31 December		
	Automate LuxCo	**Terminator**	
	2020	**2019**	**2018**
	IFRS	*IFRS*	*IFRS*
	(audited in EUR million)	*(audited in USD million)*	*(audited in NOK million)*
Other comprehensive income/loss			
Items that subsequently may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations..	(59.6)	(3.1)	(4,4)
Total items that may be reclassified to profit or loss	(59.6)	(3.1)	(4,4)
Other comprehensive income/loss for the period.	(59.6)	(3.1)	(4,4)
Total comprehensive income/loss for the period..	**(78.0)**	**(52.7)**	**(161,0)**

10.6 Consolidated statement of financial position

10.6.1 Consolidated statement of financial position denominated in USD

The table below sets out data from the Group's consolidated statement of financial position as at 30 June 2021 and 2020, and as at 31 December 2020, 2019 and 2018, as derived from the Financial Information. The financial figures extracted from the 2020 Financial Statements and presented below have been recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and set out in Appendix C.

In USD million	As at 30 June	As at 31 December			
	Automate LuxCo	**Automate LuxCo**		**Terminator**	
	2021	**2020[1]**	**2019[1]**	**2019[2]**	**2018[2]**
	IAS 34	*IFRS*	*IFRS*	*IFRS*	*IFRS*
	(unaudited)	*(unaudited)*	*(unaudited)*	*(audited)*	*(unaudited)*
ASSETS					
Non-current assets					
Property, plant and equipment	10.8	10.4	5.8	5.8	4.0
Right-of-use assets	12.0	13.2	11.1	12.1	13.9
Goodwill	1,261.3	1,256.0	1,220.5	321.6	324.9
Intangible assets	630.8	644.1	661.1	151.0	154.5
Deferred tax assets	2.1	1.2	0.3	0.3	0.1
Other non-current assets	1.2	0.2	0.1	0.1	0.1
Total non-current assets	**1,918.1**	**1,925.1**	**1,898.9**	**490.8**	**497.6**
Current assets					
Inventories	31.3	29.1	22.2	22.2	16.5
Trade receivables	48.8	43.8	60.5	60.6	16.5
Other receivables	10.8	6.0	5.5	23.5	3.8
Cash and cash equivalents	50.7	50.1	22.9	19.7	25.0
Total current assets	**141.5**	**129.0**	**111.2**	**126.0**	**61.8**
TOTAL ASSETS	**2,059.6**	**2,054.2**	**2,010.1**	**616.7**	**559.4**
EQUITY AND LIABILITIES					
Equity					
Share capital	36.0	35.2	35.2	30.7	30.7
Share premium....................	1,149.9	1,139.1	1,139.1	119.6	119.6
Other equity........................	(35.9)	(17.2)	(31.4)	79.4	26.7
Total equity.......................	**1,149.9**	**1,157.1**	**1,142.9**	**229.8**	**177.0**
Non-current liabilities					
Non-current interest bearing liabilities	682.2	692.2	661.1	293.6	303.4
Non-current lease liabilities	13.3	14.7	13.7	13.9	15.9
Deferred tax liabilities...........	129.6	134.2	140.3	32.1	30.5
Non-current provisions	7.6	9.3	5.0	4.2	3.9
Total non-current liabilities	**832.7**	**850.4**	**820.1**	**343.8**	**353.7**
Current liabilities					
Trade and other payables.......	32.6	28.5	20.4	20.3	13.6
Interest bearing liabilities.......	1.1	2.8	3.5	-	-
Lease liabilities	3.7	3.7	2.7	2.7	2.7
Income tax payable..............	0.5	0.1	11.5	11.5	4.7
Provisions	39.1	11.5	9.0	8.7	7.7

In USD million	As at 30 June	As at 31 December			
	Automate LuxCo	Automate LuxCo		Terminator	
	2021	2020[1]	2019[1]	2019[2]	2018[2]
	IAS 34	*IFRS*	*IFRS*	*IFRS*	*IFRS*
	(unaudited)	*(unaudited)*	*(unaudited)*	*(audited)*	*(unaudited)*
Total current liabilities	**76.9**	**46.7**	**47.1**	**43.2**	**28.7**
Total liabilities	**909.6**	**897.0**	**867.2**	**387.0**	**382.4**
TOTAL EQUITY AND LIABILITIES	**2,059.6**	**2,054.2**	**2,010.1**	**616.7**	**559.4**

1 The 2020 Financial Statements were prepared and audited with EUR as presentation currency. The Group changed to USD as presentation currency with effect from and including the first half of 2021. On this basis, the financial figures extracted from the 2020 Financial Statements and presented in this Prospectus have been recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and set out in Appendix C.

2 Figures derived from the consolidated statement of financial position of Terminator in the 2019 Financial Statements and do not reflect the Group's financing arrangements associated with the acquisition of Terminator in July 2019. The principal line items impacted for the consolidated statement of financial position are: "goodwill", "intangible assets", and "non-current interest bearing liabilities".

In 2019, Terminator changed its presentation currency from NOK to USD, and as such, the 2018 figures were restated. Assets, liabilities and total equity were translated to USD at closing exchange rates prevailing on the balance sheet date. Share capital and share premium were translated to USD with historical rates. The 2018 figures have been derived from the unaudited consolidated financial information for the comparative period in the 2019 Financial Statements.

10.6.2 Consolidated statement of financial position – audited figures

The table below sets out the Group's consolidated statement of financial position (audited figures) for the financial years ended 31 December 2020, 2019 and 2018, as derived from the 2020 Financial Statements, 2019 Financial Statements and 2018 Financial Statements, respectively.

	As at 31 December			
	Automate LuxCo		Terminator	
	2020	2019	2019	2018
	IFRS	*IFRS*	*IFRS*	*IFRS*
	(audited in EUR million)	*(audited in EUR million)*	*(audited in USD million)*	*(audited in NOK million)*
ASSETS				
Non-current assets				
Property, plant and equipment	8.5	5.1	5.8	34,8
Right-of-use assets	10.8	9.9	12.1	121,0
Goodwill	1,023.6	1,086.5	321.6	2 823,0
Intangible assets	524.9	588.5	151.0	1 342,7
Deferred tax assets	1.0	0.2	0.3	1,2
Other non-current assets	0.1	0.1	0.1	0,9
Total non-current assets	**1,568.9**	**1,690.4**	**490.8**	**4 323,6**
Current assets				
Inventories	23.7	19.8	22.2	143,4
Trade receivables	35.7	53.9	60.6	143,5
Other receivables	4.9	4.9	23.5	33,0
Cash and cash equivalents	40.9	20.4	19.7	216,9
Total current assets	**105.2**	**99.0**	**126.0**	**536,7**
TOTAL ASSETS	**1,674.0**	**1,789.4**	**616.7**	**4 860,3**

	As at 31 December			
	Automate LuxCo		Terminator	
	2020	**2019**	**2019**	**2018**
	IFRS	*IFRS*	*IFRS*	*IFRS*
	(audited in EUR million)	*(audited in EUR million)*	*(audited in USD million)*	*(audited in NOK million)*
EQUITY AND LIABILITIES				
Equity				
Share capital	31.6	31.6	30.7	260,0
Share premium............................	1,022.4	1,022.3	119.6	1 057,4
Other equity	(111.1)	(36.5)	79.4	220,8
Total equity...............................	**943.0**	**1,017.4**	**229.8**	**1 538,2**
Non-current liabilities				
Non-current interest bearing liabilities	564.1	588.5	293.6	2 635,8
Non-current lease liabilities	12.0	12.2	13.9	138,5
Deferred tax liabilities...................	109.4	124.9	32.1	264,6
Non-current provisions	7.5	4.4	4.2	34,0
Total non-current liabilities........	**693.0**	**730.1**	**343.8**	**3 072,9**
Current liabilities				
Trade and other payables..............	23.2	18.1	20.3	118,1
Interest bearing liabilities..............	2.3	3.2	-	-
Lease liabilities	3.0	2.4	2.7	23,5
Income tax payable......................	0.1	10.3	11.5	40,6
Provisions	9.4	8.0	8.7	66,9
Total current liabilities..............	**38.0**	**42.0**	**43.2**	**249,2**
Total liabilities	**731.0**	**772.0**	**387.0**	**3 322,1**
TOTAL EQUITY AND LIABILITIES.............................	**1,674.0**	**1,789.4**	**616.7**	**4 860,3**

10.7 Consolidated statement of cash flows

10.7.1 Consolidated statement of cash flows denominated in USD

The table below sets out data from the Group's consolidated statement of cash flow for the three and six months ended 30 June 2021 and 2020, and cash flows for the financial years ended 31 December 2020, 2019 and 2018, as derived from the Financial Information. The financial figures extracted from the 2020 Financial Statements and presented below have been recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and set out in Appendix C.

In USD million	Three months ended 30 June		Six months ended 30 June		Year ended 31 December		
	Automate LuxCo		Automate LuxCo		Automate LuxCo	Terminator	
	2021	**2020**	**2021**	**2020**	**2020**[1]	**2019**[2]	**2018**[2]
	IAS 34	*IAS 34*	*IAS 34*	*IAS 34*	*IFRS*	*IFRS*	*IFRS*
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(audited)*	*(unaudited)*
Cash flows from operating activities							
Profit (loss) before tax	(2.2)	45.1	21.8	(71.2)	(26.6)	68.3	22.2
Adjustments to reconcile profit (loss) before tax net cash flow:							
Depreciation and amortization	15.0	11.6	29.3	23.7	50.1	14.3	12.8
Share-based payment expenses	0.3	0.7	2.4	2.7	4.0	-	-
Net finance income and costs	11.4	(37.8)	5.5	77.9	51.1	20.0	36.7
Working capital adjustments:							
Changes in inventories	(3.2)	(0.9)	(2.2)	(3.5)	(4.6)	(5.7)	(5.5)
Changes in trade and other receivables	(8.9)	(0.5)	(14.2)	34.2	20.8	(62.7)	(8.0)
Changes in trade and other payables	6.5	0.8	4.1	(7.5)	5.8	8.2	7.6
Changes in provisions	(0.9)	1.7	25.9	0.4	(1.5)	1.8	4.8
Other items:							
Tax paid	-	(4.7)	(3.1)	(4.7)	(15.6)	(4.7)	(3.3)
Net cash flows provided by operating activities	**18.0**	**16.0**	**26.0**	**52.0**	**83.5**	**39.5**	**67.3**
Cash flows from investing activities							
Proceed from sale of property, plant and equipment	-	-	-	-	0.2	1.4	-
Purchase of property, plant and equipment	(0.7)	(1.4)	(1.4)	(2.8)	(6.0)	(4.9)	(3.2)
Purchase of shares in subsidiaries, net of cash acquired	-	-	(5.0)	-	-	-	-
Development expenditures	(7.1)	(3.1)	(11.6)	(5.1)	(13.6)	(9.4)	(6.1)

In USD million	Three months ended 30 June		Six months ended 30 June		Year ended 31 December		
	Automate LuxCo		Automate LuxCo		Automate LuxCo	Terminator	
	2021 *IAS 34* *(unaudited)*	**2020** *IAS 34* *(unaudited)*	**2021** *IAS 34* *(unaudited)*	**2020** *IAS 34* *(unaudited)*	**2020**[1] *IFRS* *(unaudited)*	**2019**[2] *IFRS* *(audited)*	**2018**[2] *IFRS* *(unaudited)*
Interest received	-	-	-	0.1	0.1	0.2	0.1
Net cash flows used in investing activities	**(7.9)**	**(4.5)**	**(18.0)**	**(7.9)**	**(19.3)**	**(12.7)**	**(9.2)**
Cash flows from financing activities							
Proceed from issuance of equity ...	-	-	11.0	0.1	0.1	-	-
Proceed from issuance of debt	-	-	-	67.2	-	286.7	304.1
Repayment of long-term debt	-	-	-	-	-	(305.2)	(157.3)
Repayment of short-term debt	-	-	-	-	(3.7)	-	(2.1)
Payments for the principal portion of the lease liability.....	(0.7)	(0.4)	(1.4)	(0.9)	(2.1)	(2.6)	(1.7)
Payments for the interest portion of the lease liability.....	(0.2)	(0.2)	(0.5)	(0.4)	(0.8)	(0.9)	(0.9)
Interest paid	(8.6)	(11.4)	(16.5)	(21.0)	(33.7)	(10.1)	(13.6)
Dividends paid	-	-	-	-	-	-	(166.3)
Group contribution paid	-	-	-	-	-	-	-
Net cash flows used in financing activities	**(9.5)**	**(12.1)**	**(7.4)**	**45.0**	**(40.1)**	**(32.1)**	**(37.8)**
Net change in cash and cash equivalents	0.6	(0.6)	0.6	89.1	24.2	(5.2)	20.4
Effect of change in exchange rate	(0.1)	0.5	(0.1)	(1.8)	(0.7)	0.0	0.0
Cash and cash equivalents, beginning of period .	50.1	110.4	50.1	23.0	22.5	25.0	4.6
Translation effect from change in currency from EUR to USD	-	-	-	-	4.1	-	-
Cash and cash equivalents, end of period	**50.7**	**110.3**	**50.7**	**110.3**	**50.2**	**19.7**	**25.0**

1 The 2020 Financial Statements were prepared and audited with EUR as presentation currency. The Group changed to USD as presentation currency with effect from and including the first half of 2021. On this basis, the financial figures extracted from the 2020 Financial Statements and presented

In USD million	Three months ended 30 June		Six months ended 30 June		Year ended 31 December		
	Automate LuxCo		Automate LuxCo		Automate LuxCo	Terminator	
	2021	2020	2021	2020	2020[1]	2019[2]	2018[2]
	IAS 34	*IAS 34*	*IAS 34*	*IAS 34*	*IFRS*	*IFRS*	*IFRS*
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(audited)*	*(unaudited)*

in this Prospectus have been recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and set out in Appendix C.

2 Figures derived from the consolidated cash flow statements of Terminator in the 2019 Financial Statements and do not reflect the Group's financing arrangements associated with the acquisition of Terminator in July 2019. The principal line items impacted in the consolidated cash flow statement are: "proceeds from issuance of debt", "repayment of long term debt" and "interest paid" (all three items under "net cash flows used in financing activities").

In 2019, Terminator changed its presentation currency from NOK to USD, and as such, the 2018 figures were restated. Income and expenses were translated to USD at the respective average exchange rates prevailing for the relevant period. The 2018 figures have been derived from the unaudited consolidated financial information for the comparative period in the 2019 Financial Statements.

10.7.2 Consolidated statement of cash flows – audited figures

The table below sets out the Group's consolidated statement of cash flows (audited figures) for the financial years ended 31 December 2020, 2019 and 2018, as derived from the 2020 Financial Statements, 2019 Financial Statements and 2018 Financial Statements, respectively.

	Year ended 31 December		
	Automate LuxCo	Terminator	
	2020	2019	2018
	IFRS	*IFRS*	*IFRS*
	(audited in EUR million)	*(audited in USD million)*	*(audited in NOK million)*
Cash flows from operating activities			
Profit (loss) before tax	**(23.3)**	**68.3**	**181,0**
Adjustments to reconcile profit (loss) before tax net cash flow:			
Depreciation and amortization	43.9	14.3	104,6
Share-based payment expenses	3.5	-	-
Net finance income and costs	44.8	20.0	299.1
Working capital adjustments:			
Changes in inventories	(4.0)	(5.7)	(55,5)
Changes in trade and other receivables	18.2	(62.7)	(65,8)
Changes in trade and other payables	5.1	8.2	75,7
Changes in provisions.............................	(1.3)	1.8	48,9
Other items:			
Tax paid	(13.7)	(4.7)	(26,0)
Net cash flows provided by operating activities	**73.3**	**39.5**	**562,1**
Cash flows from investing activities			
Proceed from sale of property, plant and equipment	0.2	(4.9)	(26,1)
Purchase of property, plant and equipment	(5.3)	1.4	-
Purchase of shares in subsidiaries, net of cash acquired	-	-	-
Development expenditures......................	(11.9)	(9.4)	(49,7)
Interest received	0.1	0.2	0,8

	Year ended 31 December		
	Automate LuxCo	Terminator	
	2020	2019	2018
	IFRS	*IFRS*	*IFRS*
	(audited in EUR million)	*(audited in USD million)*	*(audited in NOK million)*
Net cash flows used in investing activities	**(17.1)**	**(12.7)**	**(75,1)**
Cash flows from financing activities			
Proceed from issuance of equity	0.1	-	-
Proceed from issuance of debt	-	286.7	2 488,8
Repayment of revolving credit facility	-	-	-
Repayment of long-term debt	-	(305.2)	(1 287,0)
Repayment of short-term debt	(3.2)	-	(17,4)
Payments for the principal portion of the lease liability	(1.8)	(2.6)	(14,4)
Payments for the interest portion of the lease liability	(0.7)	(0.9)	(8,2)
Interest paid	(29.5)	(10.1)	(111,2)
Dividends paid	-	-	(1 360,7)
Group contribution paid	-	-	-
Net cash flows used in financing activities	**(35.1)**	**(32.1)**	**(310,1)**
Net change in cash and cash equivalents	21.1	(5.2)	177,0
Effect of change in exchange rate	(0.6)	(0.0)	2,9
Cash and cash equivalents, beginning of period	20.4	25.0	37,0
Translation effect from change in currency from EUR to USD	-	-	-
Cash and cash equivalents, end of period	**40.9**	**19.7**	**216,9**

10.8 Consolidated statement of changes in equity

The table below sets out data from the Group's consolidated statement of changes in equity for the years ended 31 December 2018 and 2019, as derived from the 2019 Financial Statements.

			Other equity		
In USD million **Changes in equity**	**Share capital**	**Share premium**	**Cumulative translation differences**	**Retained earnings**	**Total equity**
Balance at 1 January 2018 (restated*)	**30.7**	**285.9**	**16.1**	**5.2**	**337.9**
Profit for the year				20.3	**20.3**
Other comprehensive income			(14.9)		**(14.9)**
Dividends distributed		(166.3)			**(166.3)**
Balance at 31 December 2018 (restated*)	**30.7**	**119.6**	**1.2**	**25.5**	**177.0**
Profit for the year				55.8	**55.8**
Other comprehensive income			(3.1)		**(3.1)**

In USD million **Changes in equity**	**Share capital**	**Share premium**	**Other equity** **Cumulative translation differences**	**Retained earnings**	**Total equity**
Balance at 31 December 2019 ..	**30.7**	**119.6**	**(1.9)**	**81.3**	**229.8**

* The restatement relates to change in presentation currency from NOK to USD.

The table below sets out data from the Group's consolidated financial statement of changes in equity for the years ended 31 December 2019 and 2020, as derived from the 2020 Financial Statements. The financial figures have been recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and set out in Appendix C.

			Other equity			
In USD million **Changes in equity**	**Share capital**	**Share premium**	**Other capital reserves**	**Cumulative translation differences**	**Retained earnings**	**Total equity**
Balance at 28 May 2019	**-**	**-**	**-**	**-**	**-**	**-**
Loss for the year.........................					(21.3)	**(21.3)**
Other comprehensive income				(10.1)		**(10.1)**
Total comprehensive income.....				**(10.1)**	**(21.3)**	**(31.4)**
Issue of share capital (Note 4.8) ...	35.2	1,139.1				**1,174,3**
Balance at 31 December 2019 ..	**35.2**	**1,139.1**		**(10.1)**	**(21.3)**	**1,142.9**
Loss for the year.........................					(21.1)	**(21.1)**
Other comprehensive income				30.9		**30.9**
Total comprehensive income.....				**30.9**	**(21.1)**	**9.9**
Issue of share capital (Note 4.8) ...		0.1				**0.1**
Share based payments (Note 2.5)..			4.3			**4.3**
Group contribution						
Balance at 31 December 2020 ..	**35.2**	**1,139.1**	**4.3**	**20.9**	**(42.4)**	**1,157.1**

The table below sets out the Group's consolidated financial statement of changes in equity for the six months ended 30 June 2021, as derived from the Interim Financial Statements.

			Other equity			
In USD million **Changes in equity**	**Share capital**	**Share premium**	**Other capital reserves**	**Cumulative translation differences**	**Retained earnings**	**Total equity**
Balance at 1 January 2021 (unreviewed)*	**35.2**	**1,139.1**	**4.3**	**20.9**	**(42.4)**	**1,157.1**
Loss for the year.........................					(17.3)	**(17.3)**
Other comprehensive loss				(3.8)		**(3.8)**
Total comprehensive loss..........	**-**	**-**	**-**	**(3.8)**	**(17.3)**	**(21.0)**
Issue of share capital (Note 4.1) ...	0.2	10.7				**11.0**
Exercise of share options (Note 4.1).................................	0.5					**0.5**
Share-based payments			2.4			**2.4**
Balance at 30 June 2021	**36.0**	**1,149.9**	**6.7**	**17.1**	**(59.7)**	**1,149.9**

* Opening balance items from the 2020 Financial Statements (for Automate LuxCo) have been converted from EUR to USD, to reflect Automate LuxCo's change of presentation currency from EUR to USD. For further information on the currency conversion, see Section 4.2.3 "Presentation and functional currencies for the Group".

10.9 Segment information

The operating results for the Group are only monitored as one business unit for the purpose of making decisions about resource allocation and performance assessment, hence only one segment is reported.

10.10 Geographic information

The table below sets out the Group's revenue from contracts with customers based on the customers' geographic presence for the three months ended 30 June 2021 and 2020, as extracted from the Interim Financial Statements.

Geographic information

In USD million	**For the three months ended 30 June 2021**	**In percentage**	**For the three months ended 30 June 2020**	**In percentage**
Nordics	14.0	16.5%	8.3	20.0%
Germany	18.6	21.9%	8.4	20.2%
Europe (excl. Nordics and Germany)	24.8	29.2%	11.5	27.6%
United States	19.6	23.1%	6.8	16.3%
Asia	6.9	8.1%	6.6	15.9%
Other	0.8	0.9%	0.0	0.0%
Total	**84.8**	**99.7%**	**41.6**	**100%**

The table below sets out the Group's revenue from contracts with customers based on the customers' geographic presence for the six months ended 30 June 2021 and 2020, as extracted from the Interim Financial Statements.

Geographic information

In USD million	**For the six months ended 30 June 2021**	**In percentage**	**For the six months ended 30 June 2020**	**In percentage**
Nordics	31.1	21.0%	16.1	20.3%
Germany	30.8	20.8%	13.3	16.8%
Europe (excl. Nordics and Germany)	31.3	21.1%	23.9	30.2%
United States	45.0	30.3%	14.1	17.8%
Asia	9.0	6.1%	11.7	14.8%
Other	1.2	0.8%	0.1	0.1%
Total	**148.4**	**100%**	**79.2**	**100%**

The table below sets out the Group's revenue from contracts with customers based on the customers' geographic presence, as extracted from the 2020 Financial Statements (for the 2020 figures) and the 2019 Financial Statements (for the 2019 and 2018 figures). The financial figures extracted from the 2020 Financial Statements and presented below have been recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and set out in Appendix C.

Geographic information

In USD million	**For the year ended 31 December 2020**	**In percentage**	**For the year ended 31 December 2019**	**In percentage**	**For the year ended 31 December 2018**	**In percentage**
Nordics	30.8	17.1%	26.7	13.8%	21.8	15.3%
Germany	35.4	19.6%	37.4	19.3%	37.8	26.5%
Europe (excl. Nordics and Germany)	43.5	24.1%	34.4	17.8%	22.0	15.4%
United States	43.6	24.1%	75.0	38.8%	53.9	37.8%
Asia	25.6	14.2%	18.2	9.4%	7.0	4.9%
Other	1.7	0.9%	1.6	0.8%	0.1	0.1%
Total	**180.6**	**100%**	**193.3**	**100%**	**142.6**	**100%**

11 OPERATING AND FINANCIAL REVIEW

This operating and financial review should be read together with Section 10 "Selected financial and other information", the Financial Information and related notes included in Appendix B, Appendix D, Appendix E and Appendix F of this Prospectus and the details of currency conversion applied to the 2020 Financial Statements as set out in Appendix C. The operating and financial review contains Forward-looking Statements. These Forward-looking Statements are not historical facts, but are rather based on Automate LuxCo's current expectations, estimates, assumptions and projections about the Group's industry, business and future financial results. Actual results could differ materially from the results contemplated by these Forward-looking Statements because of several factors, including those discussed in Section 2 "Risk factors" and Section 4.4 "Cautionary note regarding Forward-looking Statements", as well as other Sections of this Prospectus.

11.1 Introduction

The Company was incorporated on 31 August 2021, and has not prepared any annual financial statements as at the date of this Prospectus. Automate LuxCo has prepared consolidated financial statements for the financial year ended 31 December 2020 in accordance with IFRS, with comparable financial figures for the financial year ended 31 December 2019.

The comparable financial figures for Automate LuxCo for the financial year ended 31 December 2019 (as included in the 2020 Financial Statements) only include the results of the underlying acquired business with effect from 31 July 2019, when the Group (through its wholly-owned subsidiary, Automate Bidco AS) acquired Terminator (the predecessor holding company of the Group) (the Acquisition). As a result, the comparable financial figures for the Automate LuxCo for the financial year ended 31 December 2019 (as reflected in the 2020 Financial Statements) are of limited relevance. As such, for the purpose of this Prospectus, Terminator (the predecessor holding company of the Group) has prepared consolidated financial statements for the financial year ended 31 December 2019 in accordance with IFRS and with comparable figures for the financial year ended 31 December 2018.

As a consequence of the difference in reporting entities Terminator and Automate LuxCo, the 2019 Financial Statements and the 2020 Financial Statements are not fully comparable. For further information, see Section 4.2.1 "Historical financial information".

The Interim Financial Statements have been prepared by Automate LuxCo in accordance with IAS 34 in connection with the Listing. These figures have been presented in USD.

The financial information included in this Prospectus for Automate LuxCo and Terminator (the predecessor holding company of the Group) has been derived from, the 2020 Financial Statements (prepared by Automate LuxCo), from the 2019 Financial Statements (prepared by Terminator) and from the Interim Financial Statements, respectively.

The financial information included herein should be read in connection with, and is qualified in its entirety by reference to, the Financial Statements and Interim Financial Statements, which are attached as appendices to this Prospectus, and the related notes included elsewhere in this Prospectus.

The financial information included in this Prospectus includes measures which are not accounting measures as defined by IFRS. These measures have been included for the reasons described below. However, these measures should not be used instead of, or considered as alternatives to, the Group's historical financial results based on IFRS. Further, these measures may not be comparable to similarly titled measures disclosed by other companies.

This discussion may contain forward-looking statements, which are subject to risks and uncertainties, including, but not limited to, certain risks described in Section 2 "Risk factors". Actual results could differ materially from those expressed or implied in any forward-looking statements.

11.2 Presentation currency

The 2020 Financial Statements were prepared and audited with EUR as presentation currency. The Group changed to USD as currency with effect form and including the first half of 2021. On this basis, the financial figures in the 2020 Financial Statements have, for the purpose of this Prospectus, been recalculated from EUR to USD. Income and expenses as well as other comprehensive income were translated to USD at the respective average exchange rates (EUR/USD) prevailing for the relevant period. Assets, liabilities and total equity were translated at closing exchange rates (EUR/USD) prevailing on the balance sheet date. Share capital and share premium were translated with historical rates. For further details on the currency conversions applied to the 2020 Financial Statements, see Appendix C to this Prospectus.

The 2018 Financial Statements are presented in NOK, and therefore are not directly comparable with the 2019 Financial Statements and the 2020 Financial Statements. In 2019, Terminator changed its presentation currency from NOK to USD, and as such, the 2018 figures were restated in line with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, from 13 October 2016, representing the date of incorporation of Terminator. Income and expenses as well as other comprehensive income were translated to USD at the respective average exchange rates (NOK/USD) prevailing for the relevant period. Assets, liabilities and total equity were translated at closing exchange rates (NOK/USD) prevailing on the balance sheet date. Share capital and share premium were translated with historical rates (NOK/USD). For the sake of comparability, and as the financial information presented in this Prospectus is in USD, the financial information for the financial year ended 31 December 2018 is extracted from the 2019 Financial Statements.

11.3 Consolidated statement of comprehensive income line items

The following Section presents the Group's statement of comprehensive income line items derived from the Group's Financial Statements and the Interim Financial Statements. Please note that the Company is using APMs to communicate its financial performance, as further described and presented in Section 4.2.5 "Alternative performance measures (APMs)" and Section 11.13.1 "Alternative Performance Measures".

	Six months ended 30 June		**Year ended 31 December**		
(In USD millions)	**Automate LuxCo**		**Automate LuxCo**	**Terminator**	
	2021 *(unaudited)*	**2020** *(unaudited)*	**2020[1]** *(unaudited)*	**2019[2]** *(audited)*	**2018[2]** *(unaudited)*
Revenue	148.4	79.2	180.6	193.3	142.6
Other operating income	1.3	0.7	1.6	1.3	1.3
Total revenue and other operating income	**149.6**	**79.8**	**182.1**	**194.6**	**143.9**
Cost of materials	(47.2)	(23.3)	(52.1)	(62.8)	(46.4)
Employee benefit expenses	(51.1)	(12.8)	(26.2)	(13.5)	(10.7)
Other operating expenses	(38.3)	(13.4)	(29.2)	(15.7)	(15.1)
Depreciation and amortization	(29.3)	(23.7)	(50.2)	(14.3)	(12.8)
Operating profit	**(16.3)**	**6.7**	**24.6**	**88.3**	**58.9**
Finance income	12.9	0.1	0.1	0.2	0.1
Finance costs	(18.4)	(78.0)	(51.2)	(20.2)	(36.8)
Profit/(Loss) before tax	**(21.8)**	**(71.2)**	**(26.6)**	**68.3**	**22.2**
Income tax expense	4.5	14.8	5.5	(12.5)	(1.9)
Profit (loss) for the period	**(17.3)**	**(56.5)**	**(21.1)**	**55.8**	**20.3**

1 The 2020 Financial Statements were prepared and audited with EUR as presentation currency. The Group changed to USD as presentation currency with effect from and including the first half of 2021. On this basis, the financial figures extracted from the 2020 Financial Statements and presented in this Prospectus have been recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and as set out in Appendix C.

2 Figures derived from the consolidated statement of comprehensive income of Terminator in the 2019 Financial Statements and do not reflect the Group's financing arrangements associated with the acquisition of Terminator in July 2019.
In 2019, Terminator changed its presentation currency from NOK to USD, and as such, the 2018 figures were restated. Other comprehensive income was translated to USD at the respective average exchange rates prevailing for the relevant period. The 2018 figures have been derived from the unaudited consolidated financial information for the comparative period in the 2019 Financial Statements.

11.3.1 Descriptions of principal statement of comprehensive income items

Descriptions of certain principal statement of comprehensive income items are set forth below. This description must be read in conjunction with the significant accounting policies in this section and in the notes to the Group's Financial Statements and the Interim Financial Statements.

Revenue

Revenue relates to revenues generated by contracts with customers in relation to delivery of AutoStore systems and rendering of services, including consulting services. With respect to goods sold, the Group's revenues are recognized and invoiced upon delivery of goods and payment is generally due within 30 to 60 days. Revenues for consulting services provided are recognized on the basis of hours billed. AutoStore generates revenue from installations or the provision of annual software licenses to Distribution Partners instead of the end-customers.

Other operating income

Other operating income is comprised of income from freight and fees. Other operating income is recognized 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.

Cost of materials

Cost of materials reflects the cost of all components needed to install an operative AutoStore solution. The components can be classified in two main categories, Grid parts and modules. Grid parts mainly comprises aluminum parts for Columns, Fences and Tracks directly purchased from suppliers. Columns are an important part of the Grid structure and the associated cost is largely driven by the price of aluminum. It is estimated that a 10% increase in the price of aluminum would reduce the gross margin and EBITDA Margin by 0.5 percentage points. Modules mainly comprises Robots and Ports which are assembled in the Group's assembly plant in Poland based on parts purchased from suppliers.

Employee benefit expenses

Employee benefit expenses includes all types of remuneration to personnel employed by the Group (excluding contracted manpower), including salaries, social security costs, pension costs and other employee expenses, 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 Group's directors.

Other operating expenses

Other operating expenses are recognized 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 as cost of materials, employee benefit expenses or depreciation and amortization.

Depreciation and amortization

Depreciation and amortization relates to the depreciation of property, plant and equipment and amortization of intangible assets.

Finance income

Finance income consists of the income gained through financing or hedging instruments as well as exchange rate gains.

Finance costs

Finance costs consists of the costs, interest and other charges involved in financing or hedging instruments as well as exchange rate losses.

Income tax/(expense)

Income tax/(expense) consists of both current and deferred tax. Current tax is the amount of the income tax payable or recoverable in respect of the pre-tax profit/loss for the period. Deferred tax liabilities are the amounts payable in future periods while deferred tax assets are the amount recoverable in future periods.

11.4 Selected consolidated statement of financial position items

The following Section presents the Group's selective consolidated statement of financial position items derived from the Group's Financial Statements and the Interim Financial Statements.

	Six months ended 30 June	**Year ended 31 December**			
(In USD millions)	**Automate LuxCo**	**Automate LuxCo**		**Terminator**	
	2021 *(unaudited)*	**2020[1]** *(unaudited)*	**2019[1]** *(unaudited)*	**2019[2]** *(audited)*	**2018[2]** *(unaudited)*
Total non-current assets................	1,918.1	1,925.1	1,898.9	490.8	497.6
Total current assets	141.5	129.0	111.2	126.0	61.8

Total assets	**2,059.6**	**2,054.2**	**2,010.1**	**616.7**	**559.4**
Total equity	**1,149.9**	**1,157.1**	**1,142.9**	**229.8**	**177.0**
Total non-current liabilities	832.7	850.4	820.1	343.8	353.7
Total current liabilities	76.9	46.7	47.1	43.2	28.7
Total liabilities	**909.6**	**897.0**	**867.2**	**387.0**	**382.4**
Total equity and liabilities	**2,059.6**	**2,054.2**	**2,010.1**	**616.7**	**559.4**

1 The 2020 Financial Statements were prepared and audited with EUR as presentation currency. The Group changed to USD as presentation currency with effect from and including the first half of 2021. On this basis, the financial figures extracted from the 2020 Financial Statements and presented in this Prospectus have been recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and as set out in Appendix C.

2 Figures derived from the consolidated statement of financial position of Terminator in the 2019 Financial Statements and do not reflect the Group's financing arrangements associated with the acquisition of Terminator in July 2019.
In 2019, Terminator changed its presentation currency from NOK to USD, and as such, the 2018 figures were restated. Assets, liabilities and total equity were translated to USD at closing exchange rates prevailing on the balance sheet date. Share capital and share premium were translated to USD with historical rates. The 2018 figures have been derived from the unaudited consolidated financial information for the comparative period in the 2019 Financial Statements.

11.4.1 Description of consolidated statement of financial position items

Descriptions of certain consolidated statement of financial position items are set forth below. This description must be read in conjunction with the significant accounting policies in this section and in the notes to the Group's Financial Statements and the Interim Financial Statements.

Total non-current assets

Total non-current assets comprises property, plant and equipment, right-of-use assets, goodwill, intangible assets, deferred tax assets and other non-current assets.

Total current assets

Total current assets comprises inventories, trade receivables, other receivables and cash and cash equivalents.

Total assets

Total assets are the total of non-current assets and current assets.

Total equity

Total equity comprises share capital, share premium and other equity.

Total non-current liabilities

Total non-current liabilities comprises non-current interest bearing liabilities, non-current lease liabilities, deferred tax liabilities and non-current provisions.

Total current liabilities

Total current liabilities comprises trade and other payables, interest bearing liabilities, lease liabilities, income tax payable and provisions.

Total liabilities

Total liabilities are the total of non-current liabilities and current liabilities.

11.5 Significant factors affecting the Group's results of operations and financial performance

The Group's results of operations, financial position and liquidity have been affected in the years under review, and are expected to continue to be affected, by certain principal factors relating to its business.

11.5.1 Trends within the retail, logistics and automated storage industries

The Group's continued growth has been supported by structural trends within the retail industry as well as supply chain modernization. There were over USD 20 trillion in retail sales globally in 2020, of which approximately USD 4.2 trillion were eCommerce sales according to eMarketer.[57] From 2014 to 2019, eCommerce as a percentage of total retail sales grew from 6% to 14% and is expected to continue to grow to approximately 25% by 2025, with the majority of customers

[57] Source: eMarketer, Global Ecommerce Forecast 2021, https://www.emarketer.com/content/global-ecommerce-forecast-2021.

(72%) planning to shop online as or more frequently in the future[58]. This trend has been accelerated in the past year as a result of the COVID-19 pandemic. According to a survey as of June 2020, increase in U.S. eCommerce sales compared to early March had increased by 52%, as of May 2020 there was a 51% increase in subscription purchasing and companies like Target and Best Buy saw online sales growing more than 100% according to Company estimates. ECommerce businesses continue to supplement or replace brick and mortar businesses, and retailers have continued to grow their omni-channel options and ship directly to customers as opposed to through third-party online retailers. The shift towards eCommerce was further accelerated by the impact of the COVID-19 pandemic as consumers turned increasingly to online shopping. Such consumer behavior necessitated an increased demand for automated warehouse and cube storage solutions as both the eCommerce and logistics industries witnessed continued rapid growth during 2020. The COVID-19 pandemic accelerated eCommerce penetration by approximately 10 years within a matter of two to three months.[59] In response to this trend, the Group made long-term investment plans intended to capitalize on the expected increase in the addressable market precipitated by the COVID-19 pandemic. In the wider sector, retailers have also sought to establish multiple distribution centers and local fulfillment options, and want scalable solutions to accommodate future growth. They have generally sought to increase processing speed, reduce costs and to reduce the number of personnel in their warehouses. Automated warehouse solutions continue to gain acceptance in the retail and logistics industries as a way of meeting shipping efficiency requirements.

ECommerce and other retailers and logistics providers are seeking to keep pace with major online retailers such as Amazon, and are using automated solutions to provide high volume, near 100% accuracy and near real-time order fulfillment. eCommerce has become the Group's fastest growing channel. Since 2015, the Group's accumulated number of robots sold to eCommerce related end-markets has grown approximately eight times. For the six months ended June 30, 2021, the Group had over 150 eCommerce customers, including Babyshop.com, Best Buy, Crocs and THG. The Group's results will continue to be impacted by the volume of online retail sales, as well as retailers and logistics providers seeking solutions to deliver products to customers quickly and accurately. The current market leaves significant room for further growth given the low AS/RS automation penetration globally as only 4% of the addressable market is currently being served by an automated storage solution. However, according to Company estimates, the Group believes there will be double-digit AS/RS market growth driven primarily by an increase in automation penetration, as well as growth in warehouse stock and price, as warehouse units experience accelerated growth over the next 10 years as a result of the steep growth in MFCs and underlying economic growth leading to a larger share of warehouses held by APAC.

11.5.2 General economic conditions

The level of spending by the Group's existing and potential customers is influenced by general economic conditions in the countries in which the Group operates and the customers' willingness to purchase products in these jurisdictions may affect the demand for the Group's products and services. The Group's revenues are impacted by the state of the economy as a whole, changes in stock market performance, interest rates, currency exchange rates, recession, political uncertainty, taxation, debt levels and also consumer spending, which in turn are affected by the availability of consumer credit, unemployment and changes in the retail market. For instance, the Group's revenues for 2020 declined slightly from 2019, primarily due to customers pausing or delaying their level of investment in AutoStore systems during the COVID-19 pandemic. In the future, similar pandemics or global crises may negatively impact the Group's financial position and results of operations. For the year ended 31 December 2020 and 2019, the Group generated 84.9% and 89.8% of its revenues, respectively, from sales in Europe and the United States. This makes the Group particularly exposed to economic downturns in these regions. Generally, volatile, negative or uncertain economic conditions in the Group's customers' markets may lead to a reduction or deferral of customer spending on new technologies or may result in increased pressure on pricing.

11.5.3 Market Access

The Group's results are impacted by its ability to gain market access and convert customers. Essential to facilitating market access is the Group's qualified system Distribution Partners that distribute, design, install and service the AutoStore systems. The Group's network of Distribution Partners continued to expand in 2021 to align with the growth of the Group's business activities and expansion to new markets. For instance, the top three revenue generating countries in 2020 are the United States (23%), Germany (17%) and Sweden (11%). The establishment of subsidiaries in the United States and the United Kingdom in 2017, Germany in 2018, France and Japan in 2019 and South Korea in 2020 has led to strong development in these countries during 2020. In 2021, the Group has established subsidiaries in Austria, Italy and Spain. The Group has expanded its geographic area to over 35 countries and has more than doubled its install

[58] Source: Company estimates, see Section 4.2.8.

[59] Source: Company estimates, see Section 4.2.8.

base, and has installed or contracted 667 systems covering over 20 industries as of June 2021. With access to an extensive network of Distribution Partners to generate at bat opportunities and boasting a best-in-class technology portfolio backed by strong global patent protection and as a scaled, IP-protected and commercially available provider within the fast growing cubic storage market, AutoStore's cubic storage solution is typically the system of choice for market players. Accordingly, as AutoStore continues to access various markets and gain at bat opportunities, the Group expects that it will continue to convert customers and increase its revenues as the system of choice.

To date, AutoStore's share of the market continues to grow as its AS/RS technology is now outgrowing overall AS/RS light technology according to Company estimates. The Cubic Storage system now makes up 11% of the light AS/RS market, and according to Company estimates, it is expected to increase to 22% by 2026. According to Company estimates, the bot and grid market continues to grow at an impressive rate, growing at over 30% p.a. towards 2026, with the highest CAGR in APAC. The Group believes its increase in market share is driven by an increase in "at bats" (facilitated by its Distribution Partner network) which are strongest in Europe and the U.S. and increasing in all regions, with win-rates expected to rise in APAC. The Group believes that the increase in the Group's at-bats is driven by market awareness and competitive pricing, and AutoStore's proven track record and advanced technology.

11.5.4 Revenue mix from sale of products and sales of services

In 2020, the Group generated 48% of its revenue from new installations for new customers, approximately 30% from existing customers buying new installations, approximately 15%-20% from existing customers extending existing sites, approximately 2%-3% from recurring software licenses and approximately 5% from other revenue sources such as spare parts, bin royalties and consulting fees. Repeating revenue sources (sales to existing customers) have grown from 38% of the Group's revenue in 2018 to 48% of the Group's revenue for the twelve period ended 30 June 2021. The Group's large percentage Revenue from Existing Customers helps to stabilize the Group's results through economic cycles. The Group believes Revenue from Existing Customers from software license fees will continue to increase. As a result, the Group's financial results will be impacted by the Group's USD growth in repeating and recurring revenue in the future.Changes in production costs or operating expenses

The Group's operating and other expenses are impacted by materials costs, labor costs, energy costs, cost of insurance premiums, increased tax charges and the rate of general inflation, together with changes in laws, regulations or government policies (including those relating to health and safety, planning and environmental compliance). As a result, the Group's costs fluctuate from period to period. Cost of materials were 28.6% of total revenue and other operating income in the year ended December 31, 2020.

11.5.5 Exchange rates

The Group generates revenue and incurs costs in a variety of currencies and is consequently exposed to fluctuations in exchange rates. Foreign exchange risk arises from transactions related to operations and operating activities (revenue and expenses denominated in a foreign currency) conducted, external financing through interest bearing liabilities, the Group's net investments in foreign subsidiaries, and assets and liabilities arising in foreign currencies. The Group primarily generates revenues denominated in NOK, EUR, and USD, but its expenses are primarily denominated in NOK, EUR, USD and PLN. Revenue, operating expenses and cost transactions within foreign subsidiaries are normally carried out in the same currency, which mitigates the currency risk. The Group does not actively hedge currency exposure with the use of financial instruments at the current time, but monitors the net exposure over time.

The Group's consolidated financial reporting is presented in USD. Accordingly, changes in the value of the currencies in which it generated revenues and incurs costs in relation to USD affect the Group's overall revenue, profit or loss and financial position. Based on exposure throughout the year and balances at the period-end, the Group assesses that fluctuations in USD and EUR have the most significant impact on the financial reporting of financial assets and liabilities.

Other than the factors described in this Section 11.5 "Significant factors affecting the Group's results of operations and financial performance", the Group does not consider any governmental, economic, fiscal, tax, monetary or political policy or factor individually to have had a material effect, directly or indirectly, on its operations in the years under review. See Section 2 "Risk factors" for information regarding any governmental, economic, fiscal, tax, monetary or political policies or factors that could materially affect, directly or indirectly, the Group's operations in the future.

11.5.6 Impairment of goodwill

The Group has recognized a significant amount of goodwill of USD 1,261.3 million as of 30 June 2021 due to past business combinations. See Sections 11.24 "Acquisition by THL" and 11.26 "Acquisition by the Group" for further details. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The Group is required to evaluate goodwill for possible impairment if there are indicators of a possible impairment. If, as a result of a general economic slowdown, deterioration in one or more of the markets in which the Group operates or in the financial performance and/or future outlook, the estimated fair value of the Group's long-lived assets decreases, the Group may determine that the goodwill is impaired.

11.6 Recent developments and trends

As of the date of this Prospectus, the Group has not experienced nor does it have any information about significant changes compared to historical trends in production, sales, costs and selling prices, uncertainties, demands, commitments or events since 30 June 2021 that are likely to have a material effect on the Group's prospects for the current financial year. In addition, there has been no significant change to the financial position of the Group since 30 June 2021, except for the refinancing and the issuance in connection with the Offering. See Section 5 "Reason for the offering and the listing" and Section 11.18 "Financing Arrangements and Commitments"

11.7 Comparison of results for the Group for the six months ended 30 June 2021 compared to the six months ended 30 June 2020

The following table presents selected comparative results of operations from the Interim Financial Statements for the six month periods ended 30 June 2021 and 2020:

(In USD millions)	Six months ended 30 June	
	Automate LuxCo	
	2021 (unaudited)	2020 (unaudited)
Revenue	148.4	79.2
Other operating income	1.3	0.7
Total revenue and other operating income	**149.6**	**79.8**
Cost of materials	(47.2)	(23.3)
Employee benefit expenses	(51.1)	(12.8)
Other operating expenses	(38.3)	(13.4)
Depreciation and amortization	(29.3)	(23.6)
Operating profit (loss)	**(16.3)**	**6.7**
Finance income	12.9	0.1
Finance costs	(18.4)	(78.0)
Profit/(Loss) before tax	**(21.8)**	**(71.2)**
Income tax expense	4.5	14.8
Profit (loss) for the period	**(17.3)**	**(56.5)**

Revenue

Revenue increased by USD 69.2 million, or 87.4%, to USD 148.4 million for the six month period ended 30 June 2021 compared to the six month period ended 30 June 2020, primarily due to strong customer demand across all end-markets, with the fastest growth in eCommerce.

Other operating income

Other operating income increased by USD 0.6 million, or 85.7%, to USD 1.3 million for the six month period ended 30 June 2021 compared to the six month period ended 30 June 2020, primarily due to a volume driven increase in freight charges.

Cost of materials

Cost of materials increased by USD 23.9 million, or 102.6%, to USD 47.2 million for the six month period ended 30 June 2021 compared to the six month period ended 30 June 2020, primarily due to an increase in sales volume and the corresponding increase in cost of manufacturing.

Employee benefit expenses

Employee benefit expenses increased by USD 38.3 million, or 299.2%, to USD 51.1 million for the six month period ended 30 June 2021 compared to the six month period ended 30 June 2020, primarily due to option costs of USD 34.5 million in 2021 as compared to option costs incurred in the amount of USD 4.7 million in 2020. Employee benefit expenses also increased as a result of efforts to scale up the organization to handle expected and realized growth. Expenses related to the Group stock option scheme were incurred due to the accelerated vesting of a large portion of the stock options in addition to a provision made for social security's tax based on revaluation of the underlying shares in 2021. The majority of these expenses are considered non-recurring expenses and the Group expects the charges to decrease further in 2023 and 2024 which is the last year of the remaining program.

Other operating expenses

Other operating expenses increased by USD 24.9 million, or 185.8%, to USD 38.3 million for the six month period ended 30 June 2021 compared to the six month period ended 30 June 2020, primarily driven by increase in litigation cost incurred in connection with the Ocado proceedings. The Group considers this item to be a non-recurring cost when assessing other operational expenses.

Depreciation and amortization

Depreciation and amortization increased by USD 5.7 million, or 24.2%, to USD 29.3 million for the six month period ended 30 June 2021 compared to the six month period ended 30 June 2020, primarily due to an increase in amortization of customer contracts, capitalized R&D, and software & technology of USD 1.7 million, USD 1.6 million, and USD 1.3 million, respectively. The respective increases in amortization are primarily due to exchange rate differences between USD and NOK.

Finance income

Finance income increased by USD 12.8 million, or 12,800.0%, to USD 12.9 million for the six month period ended 30 June 2021 compared to the six month period ended 30 June 2020, primarily due to foreign exchange rate effects related to long-term debt.

Finance costs

Finance costs decreased by USD 59.6 million, or 76.4%, to USD 18.4 million for the six month period ended 30 June 2021 compared to the six month period ended 30 June 2020, primarily due to a foreign exchange loss in 2020 on long term debt. In addition, the Group drew the Revolving Facility in 2020 which further increased interest costs in 2020 compared to 2021.

Income tax expense

Income tax expense decreased by USD 10.3 million, or 69.6%, to USD 4.5 million for the six month period ended 30 June 2021 compared to the six month period ended 30 June 2020, primarily due to the reduction in earnings.

11.8 Comparison of results for the Group for the year ended 31 December 2020 compared to the year ended 31 December 2019

The following table presents selected comparative results of operations from the Financial Statements for the year ended 31 December 2020 and 2019:

	Year ended 31 December	
(In USD millions)	**Automate LuxCo**	**Terminator**
	2020[1] *(unaudited)*	**2019**[2] *(audited)*
Revenue	180.6	193.3
Other operating income	1.6	1.3
Total revenue and other operating income	**182.1**	**194.6**
Cost of materials	(52.1)	(62.8)
Employee benefit expenses	(26.2)	(13.5)
Other operating expenses	(29.2)	(15.7)
Depreciation and amortization	(50.2)	(14.3)
Operating profit	**24.6**	**88.3**
Finance income	0.1	0.2
Finance costs	(51.2)	(20.2)
(Loss)/Profit before tax	**(26.6)**	**68.3**
Income tax expense	5.5	(12.5)

(Loss)/Profit for the period	**(21.1)**	**55.8**

1 The 2020 Financial Statements were prepared and audited with EUR as presentation currency. The Group changed to USD as presentation currency with effect from and including the first half of 2021. On this basis, the financial figures extracted from the 2020 Financial Statements and presented in this Prospectus have been recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and as set out in Appendix C.

2 Figures derived from the consolidated statement of profit or loss of Terminator in the 2019 Financial Statements and do not reflect the Group's financing arrangements associated with the acquisition of Terminator in July 2019.
In 2019, Terminator changed its presentation currency from NOK to USD, and as such, the 2018 figures were restated. Income and expenses were translated to USD at the respective average exchange rates prevailing for the relevant period. The 2018 figures have been derived from the unaudited consolidated financial information for the comparative period in the 2019 Financial Statements.

Revenue

Revenue decreased by USD 12.7 million, or 6.6%, to USD 180.6 million for the year ended 31 December 2020 compared to USD 193.3 million for the year ended 31 December 2019, primarily due to temporary lower order intake from March to May 2020 driven by the impact of COVID-19 pandemic on the business.

Other operating income

Other operating income increased by USD 0.3 million, or 23.1%, to USD 1.6 million for the year ended 31 December 2020 compared to USD 1.3 million for the year ended 31 December 2019, primarily due to a reduction of inventory obsolesce.

Cost of materials

Cost of materials decreased by USD 10.7 million, or 17.0%, to USD 52.1 million for the year ended 31 December 2020 compared to USD 62.8 million for the year ended 31 December 2019, primarily due to lower sales and a lower share of sales discounts given in 2020.

Employee benefit expenses

Employee benefit expenses increased by USD 12.7 million, or 94.1%, to USD 26.2 million for the year ended 31 December 2020 compared to USD 13.5 million for the year ended 31 December 2019, primarily due to the employee stock option costs and personnel hiring, in particular for the Group's BDM program and research and development function as the company used the period during the COVID-19 pandemic to invest for further growth.

Other operating expenses

Other operating expenses increased by USD 13.5 million, or 86.0%, to USD 29.2 million for the year ended 31 December 2020 compared to USD 15.7 million for the year ended 31 December 2019, primarily due to higher litigation costs (legal counsel for the Ocado dispute as further described in Section 8.11 "Legal proceedings"), but also higher management fees.

Depreciation and amortization

Depreciation and amortization increased by USD 35.9 million, or 251.0%, to USD 50.2 million for the year ended 31 December 2020 compared to USD 14.3 million for the year ended 31 December 2019, primarily due to the amortization of intangible assets recognized as part of the Acquisition.

Finance income

Finance income decreased by USD 0.1 million, or 50.0%, to USD 0.1 million for the year ended 31 December 2020 compared to USD 0.2 million for the year ended 31 December 2019. Such decrease was primarily due to reduced interest income on cash balances as the applicable interest rate decreased from 2019 to 2020.

Finance costs

Finance costs increased by USD 31.0 million, or 153.5%, to USD 51.2 million for the year ended 31 December 2020 compared to USD 20.2 million for the year ended 31 December 2019, primarily due to the impact of the movement in exchange rates on the Group's long-term debt, which was not a cash cost. Interest costs also increased by USD 6.7 million as a result of the Group's existing credit facilities (reflecting borrowings in connection with the Acquisition) being in place for the full year in 2020.

Income tax expense

Income tax expense decreased by USD 18.0 million to USD 5.5 million income for the year ended 31 December 2020 compared to USD 12.5 million expense for the year ended 31 December 2019, primarily due to change in earnings before tax which was USD 26.6 million in 2020 compared to USD 68.3 million in 2019. The negative earnings before tax in 2020 was primarily a result of the amortization of PPA values and currency effects.

11.9 Comparison of results for the Group for the year ended 31 December 2019 compared to the year ended 31 December 2018

The following table presents selected comparative results of operations from the Financial Statements for the year ended 31 December 2019 and 2018:

(In USD millions)	Year ended 31 December	
	Terminator	Terminator
	2019[1] *(audited)*	2018[1] *(unaudited)*
Revenue	193.3	142.6
Other operating income	1.3	1.3
Total revenue and other operating income	**194.6**	**143.9**
Cost of materials	(62.8)	(46.4)
Employee benefit expenses	(13.5)	(10.7)
Other operating expenses	(15.7)	(15.1)
Depreciation and amortization	(14.3)	(12.8)
Operating profit	**88.3**	**58.9**
Finance income	0.2	0.1
Finance costs	(20.2)	(36.8)
Profit before tax	**68.3**	**22.2**
Income tax expense	(12.5)	(1.9)
Profit for the period	**55.8**	**20.3**

1 Figures derived from the consolidated statement of profit or loss of Terminator in the 2019 Financial Statements and do not reflect the Group's financing arrangements associated with the acquisition of Terminator in July 2019.
In 2019, Terminator changed its presentation currency from NOK to USD, and as such, the 2018 figures were restated. Income and expenses were translated to USD at the respective average exchange rates prevailing for the relevant period. The 2018 figures have been derived from the unaudited consolidated financial information for the comparative period in the 2019 Financial Statements.

Revenue

Revenue increased by USD 50.7 million, or 35.6%, to USD 193.3 million for the year ended 31 December 2019 compared to USD 142.6 million for the year ended 31 December 2018, primarily due to overall increased sales in all key regions, in addition to increased sales related to the launch of the Black Line products.

Other operating income

Other operating income remained even from USD 1.3 million for the year ended 31 December 2019 compared to USD 1.3 million for the year ended 31 December 2018, primarily driven by a decrease in realized freight charges in 2018 compared to 2019, offsetting the increase in volume of shipments.

Cost of materials

Cost of materials increased by USD 16.4 million, or 35.3%, to USD 62.8 million for the year ended 31 December 2019 compared to USD 46.4 million for the year ended 31 December 2018, primarily due to increased sales.

Employee benefit expenses

Employee benefit expenses increased by USD 2.8 million, or 26.2%, to USD 13.5 million for the year ended 31 December 2019 compared to USD 10.7 million for the year ended 31 December 2018, primarily due to hiring of new employees to continue the Group's growth.

Other operating expenses

Other operating expenses increased by USD 0.6 million, or 4.0%, to USD 15.7 million for the year ended 31 December 2019 compared to USD 15.1 million for the year ended 31 December 2018, primarily due to increased lease expenses of USD 1.5 million caused by additional premises leased in the U.S. and in Oslo, and to a lesser extent the establishment of new sales offices.

Depreciation and amortization

Depreciation and amortization increased by USD 1.5 million, or 11.7%, to USD 14.3 million for the year ended 31 December 2019 compared to USD 12.8 million for the year ended 31 December 2018, primarily due to an increase in amortization of capitalized development costs of USD 2.0 million.

Finance income

Finance income slightly increased by USD 0.1 million, or 100.0%, to USD 0.2 million for the year ended 31 December 2019 compared to USD 0.1 million for the year ended 31 December 2018. This increase was primarily due to increased interest income on cash balances as the applicable interest rate increased from 2018 to 2019.

Finance costs

Finance costs decreased by USD 16.6 million, or 45.1%, to USD 20.2 million for the year ended 31 December 2019 compared to USD 36.8 million for the year ended 31 December 2018, primarily due to the impact of the movement in exchange rates on the Group's long-term debt, which was not a cash cost. The Group's existing credit facilities reflecting borrowings in connection with the Acquisition are not included in Terminator's results.

Income tax expense

Income tax expense increased by USD 10.6 million, or 557.9%, to USD 12.5 million for the year ended 31 December 2019 compared to USD 1.9 million for the year ended 31 December 2018, primarily due to an increase in profit.

11.10 Selected consolidated financial position items as of 30 June 2021 compared to 31 December 2020

	Six months ended 30 June	**Year ended 31 December**
(In USD millions)	**Automate LuxCo**	
	2021 *(unaudited)*	**2020**[1] *(unaudited)*
Total non-current assets	1,918.1	1,925.2
Total current assets	141.5	129.0
Total assets	**2,059.6**	**2,054.2**
Total equity	**1,149.9**	**1,157.1**
Total non-current liabilities	832.7	850.4
Total current liabilities	76.9	46.7
Total liabilities	**909.6**	**897.0**
Total equity and liabilities	**2,059.6**	**2,054.2**

1 The 2020 Financial Statements were prepared and audited with EUR as presentation currency. The Group changed to USD as presentation currency with effect from and including the first half of 2021. On this basis, the financial figures extracted from the 2020 Financial Statements and presented in this Prospectus have been recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and as set out in Appendix C.

Automate LuxCo had assets of USD 2,059.6 million as of 30 June 2021, compared to USD 2,054.2 million as of 31 December 2020. The increase of USD 5.4 million, or 0.3%, was primarily related to an increase in trade and other receivables as a result of higher sales and activities during the first half of 2021 compared to 2020. In addition, USD 9.2 million of goodwill was recognised in the first quarter of 2021 from the acquisition of Locai. The increase in assets was offset by a reduction in intangible assets mainly due to amortization.

Total equity decreased to USD 1,149.9 million as of 30 June 2021, from USD 1,157.1 million as of 31 December 2020. The decrease of USD 7.2 million, or 0.6%, was primarily related to a loss for the period of USD 17.3 million and other comprehensive loss of USD 3.8 million, which to some degree were off-set with a share issue of USD 11.0 million and share based payments of USD 2.4 million.

Automate LuxCo had total non-current liabilities of USD 832.7 million as of 30 June 2021, compared to USD 850.4 million as of 31 December 2020. The decrease of USD 17.7 million, or 2.1%, was primarily related to currency effects on the Facility B (EUR) of USD 11.3 million together with a reduction in deferred tax liabilities.

Automate LuxCo had total current liabilities of USD 76.9 million as of 30 June 2021, compared to USD 46.7 million as of 31 December 2020. The increase of USD 30.2 million, or 64.7%, was primarily related to an increase in provisions made for the Group’s social security options.

11.11 Selected consolidated financial position items as of 31 December 2020 compared to 31 December 2019

(In USD millions)	Year ended 31 December	
	Automate LuxCo	
	2020[1] (unaudited)	2019[1] (unaudited)
Total non-current assets	1,925.1	1,898.9
Total current assets	129.0	111.2
Total assets	**2,054.2**	**2,010.1**
Total equity	**1,157.1**	**1,142.9**
Total non-current liabilities	850.4	820.1
Total current liabilities	46.7	47.1
Total liabilities	**897.0**	**867.2**
Total equity and liabilities	**2,054.2**	**2,010.1**

1 The 2020 Financial Statements were prepared and audited with EUR as presentation currency. The Group changed to USD as presentation currency with effect from and including the first half of 2021. On this basis, the financial figures extracted from the 2020 Financial Statements and presented in this Prospectus have been recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and as set out in Appendix C.

Automate LuxCo had assets of USD 2,054.2 million as of 31 December 2020, compared to USD 2,010.1 million as of 31 December 2019. The increase of USD 43.7 million, or 2.2%, was primarily related to currency translation effects.

Total equity increased to USD 1,157.1 million as of 31 December 2020, compared to USD 1,142.9 million as of 31 December 2019. While Automate LuxCo had a loss of USD 21.1 million for 2019, this was offset by a positive currency translation difference of USD 31 million, which together with share based payments of USD 4 million brought Automate LuxCo's total equity as of 31 December 2020 to USD 1,157.1 million.

Automate LuxCo had total non-current liabilities of USD 850.4 million as of 31 December 2020, compared to USD 820.1 million as of 31 December 2019. The increase of USD 30.3 million, or 3.7%, was primarily related to currency translation effects.

Automate LuxCo had total current liabilities of USD 46.7 million as of 31 December 2020, compared to USD 47.1 million as of 31 December 2019. The decrease of USD 0.4 million, or 0.8%, was primarily related to a decrease in income tax payable, offset by an increase in trade payables and currency translation effects.

11.12 Selected consolidated financial position items as of 31 December 2019 compared to 31 December 2018

(In USD millions)	Year ended 31 December	
	Terminator	
	2019[1] (audited)	2018[1] (unaudited)
Total non-current assets	490.8	497.6
Total current assets	126.0	61.8
Total assets	**616.7**	**559.4**
Total equity	**229.8**	**177.0**
Total non-current liabilities	343.8	353.7
Total current liabilities	43.2	28.7
Total liabilities	**387.0**	**382.4**
Total equity and liabilities	**616.7**	**559.4**

1 Figures derived from the consolidated statement of financial position of Terminator in the 2019 Financial Statements and do not reflect the Group's financing arrangements associated with the acquisition of Terminator in July 2019.

In 2019, Terminator changed its presentation currency from NOK to USD, and as such, the 2018 figures were restated. Assets, liabilities and total equity were translated to USD at closing exchange rates prevailing on the balance sheet date. Share capital and share premium were translated to USD with historical rates. The 2018 figures have been derived from the unaudited consolidated financial information for the comparative period in the 2019 Financial Statements.

Terminator (the predecessor holding company of the Group) had assets of USD 616.7 million as of 31 December 2019, compared to USD 559.4 million as of 31 December 2018. The increase of USD 57.3 million, or 10.2% was primarily related to an increase in trade and other receivables of USD 63.8 million, in each case, driven by high sales activity in the last months of 2019.

Total equity increased from USD 229.8 million as of 31 December 2019, compared to USD 177.0 million as of 31 December 2018. The increase of USD 52.8 million, or 29.8%, was primarily related to profit generated in the year ended December 31, 2019.

Terminator (the predecessor holding company of the Group) had total non-current liabilities of USD 343.8 million as of 31 December 2019, compared to USD 353.7 million as of 31 December 2018. The decrease of USD 9.9 million, or 2.8%, was primarily related to amortization of long-term debt.

Terminator (the predecessor holding company of the Group) had total current liabilities of USD 43.2 million as of 31 December 2019, compared to USD 28.7 million as of 31 December 2018. The increase of USD 14.5 million, or 50.5%, was primarily related to an increase in trade payables and tax payables.

11.13 Non-IFRS financial measures and other key performance indicators

In assessing the performance of the Group's business, it considers a variety of financial and operating metrics, including certain financial measures which are not measures of financial performance under IFRS, as adopted by the European Union. Such measures may not be indicative of historical operating results, nor are such measures meant to be predictive of future results. The Group has presented these non-IFRS measures in this Prospectus because it considers them an important supplemental measure of its performance and believes that they are widely used by investors in comparing performance between companies.

However, not all companies may calculate the non-IFRS financial measures in the same manner or on a consistent basis and, as a result, the presentation thereof may not be comparable to measures used by other companies under the same or similar names. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained in this Prospectus and they should not be considered as a substitute for revenue or other financial measures in this section.

11.13.1 Alternative Performance Measures

The following table shows the Group's key APMs for the periods presented. For the definitions and reconciliations of the following APMs, please see Section 4.2.5 "Alternative performance measures (APMs)" and Section 4.2.6 "Calculations and reconciliations of APMs".

	Six months ended 30 June		**Year ended 31 December**		
(In USD millions, unless otherwise indicated)	**Automate LuxCo**		**Automate LuxCo**	**Terminator**	
	2021	**2020**	**2020**	**2019**	**2018**
EBITDA	13.0	30.3	74.7	102.6	71.7
EBITDA Margin	8.7%	38.0%	41.0%	52.7%	49.8%
Adjusted EBITDA	74.9	39.1	93.5	105.0	73.7
Adjusted EBITDA Margin	50.1%	49.0%	51.3%	54.0%	51.2%
EBIT	(16.3)	6.6	24.5	88.3	58.9
Adjusted EBIT	70.6	37.1	88.6	99.7	70.6
Adjusted EBIT Margin	47.2%	46.5%	48.7%	51.2%	49.1%
Simplified Free Cash Flow Conversion	82.6%	79.8%	79.0%	86.4%	87.4%
Adjusted ROCE	N/A	N/A	128.1%	114.0%	305.3%
Revenue From Existing Customers	64.3	37.8	94.9	100.9	55.6

11.13.2 Other Performance Indicators

The following table shows certain other performance indicators of the Group for the periods presented.

	Six months ended 30 June		Year ended 31 December		
(In USD millions, unless otherwise indicated)	Automate Luxco		Automate Luxco	Terminator	
	2021	2020	2020	2019	2018
Order intake[1]	282.5	101.7	240.1	211.5	181.3
Backlog[2]	287.6	121.5	159.1	102.2	88.6
Pipeline[3]	3,394	2,340	2,460	2,242	1,563

1 Order intake is defined as projects where a Distribution Partner has received a purchase order or verbal confirmation that a specific installation will be ordered.

2 Backlog is defined as projects where a Distribution Partner or AutoStore has received a purchase order or verbal confirmation but the ordered goods have not yet been shipped.

3 Pipeline is defined as probable projects as a result of concrete discussions in connection with plans of installation and estimated delivery in the next 2-3 years.

11.14 Liquidity and capital resources

The Group manages its financing structure and cash flow requirements in response to the Group's strategy and objectives, deploying financial and other resources related to those objectives. 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 liquidity requirements arise primarily from the need to maintain a balance between continuity of funding and flexibility through the use of credit facilities and the Senior Facilities Agreement to facilitate investments and working capital management. The Group has flexible debt financing through a Revolving Credit Facility as part of the Senior Facilities and may further draw funds or establish additional incremental revolving facilities if deemed necessary. It is expected that in connection with the Offering, the existing Revolving Facility will be increased and/or replaced by a new revolving credit facility, upsized for a total availability of USD 150 million. Additionally, the Group has a significant positive cash flow from operating activities which limits its liquidity risk. The Group's main sources of liquidity are primarily financing arrangements, cash generated from sales of installations and cash deposits.

As of 31 August 2021, the Group has available cash resources amounting to USD 68.7 million. The Group currently has undrawn credit facilities in an amount of USD 81.9 million. The Group mainly holds cash in the following currencies: EUR, GBP, NOK, PLN, and USD.

The Group intends to spend the main part of the proceeds raised from the Offering to repay parts of its financial debt, as further described in Section 5 "Reason for the offering and the listing" and Section 11.18 "Financing Arrangements and Commitments". The Group has no significant committed investment plans for the near future, but the Group plans to open a new U.S. assembly facility in 2022 and a new assembly facility in Asia Pacific region in 2023. Each assembly facility has an estimated total capital expenditure of approximately USD 3 million to USD 4 million which will be funded with available cash.

Going forward, the Group expects to spend approximately 7% of annual revenues per year primarily on R&D investments to further develop and optimize current and new product and software portfolio, this investment program will also (to a lesser degree) include additional investments for upgrading of production facilities and sales offices. The Group intends to fund these investments with cash from operations.

The Group may also selectively consider M&A opportunities, such as the acquisition of Locai in 2021, which was funded with cash from operations.

The Group is of the opinion that its available working capital is sufficient for the period covering at least 12 months from the date of the Prospectus. See Section 9.4 "Working capital statement".

11.15 Consolidated cash flow statement

The table below summarizes the Group's consolidated cash flow for the six month periods ended 30 June 2021 and 2020 and the years ended 31 December 2020, 2019 and 2018.

(In USD millions)	Six months ended 30 June		Year ended 31 December		
	Automate LuxCo		Automate LuxCo	Terminator	
	2021 (unaudited)	2020 (unaudited)	2020[1] (unaudited)	2019[2] (audited)	2018[2] (unaudited)
Net cash flow provided by operating activities	26.0	52.0	83.5	39.5	67.3
Net cash flow from (used in) investing activities ...	(18.0)	(7.9)	(19.3)	(12.7)	(9.2)
Net cash flow from (used in) financing activities ...	(7.4)	45.0	(40.1)	(32.1)	(37.8)
Net change in cash and cash equivalents	0.6	89.1	24.2	(5.2)	20.4
Effect of change in exchange rate	(0.1)	(1.8)	(0.7)	0.0	0.0
Cash and cash equivalents, beginning of period....	50.1	23.0	22.5	25.0	4.6
Translation effect from change in currency from EUR to USD	-	-	4.1	-	-
Cash and cash equivalents, end of period	50.7	110.3	50.2	19.7	25.0

1 The 2020 Financial Statements were prepared and audited with EUR as presentation currency. The Group changed to USD as presentation currency with effect from and including the first half of 2021. On this basis, the financial figures extracted from the 2020 Financial Statements and presented in this Prospectus have been recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and as set out in Appendix C.

2 Figures derived from the consolidated cash flow statements of Terminator in the 2019 Financial Statements and do not reflect the Group's financing arrangements associated with the acquisition of Terminator in July 2019.

In 2019, Terminator changed its presentation currency from NOK to USD, and as such, the 2018 figures were restated. Income and expenses were translated to USD at the respective average exchange rates prevailing for the relevant period. The 2018 figures have been derived from the unaudited consolidated financial information for the comparative period in the 2019 Financial Statements.

Net cash provided by from operating activities

Net cash flow provided by operating activities was USD 26.0 million for the six month period ended 30 June 2021, which decreased by USD 26.0 million compared to USD 52.0 million for the six month period ended 30 June 2020, primarily due to an increase in trade and other receivables from 31 December 2020 due to higher volume of sales. The decrease in cash flows from operating activities for the six month period ended 30 June 2021 were offset by a change in the Group's social security on options.

Net cash flow provided by operating activities was USD 83.5 million for the year ended 31 December 2020, which increased by USD 44.0 million compared to USD 39.5 million for the year ended 31 December 2019, primarily due to increased operating profit and a change in receivables.

Net cash flow provided by operating activities was USD 39.5 million for the year ended 31 December 2019, which decreased by USD 27.8 million compared to USD 67.3 million for the year ended 31 December 2018, primarily due to the change in receivables.

Net cash flow used in investing activities

Net cash used in investing activities was USD 18.0 million for the six month period ended 30 June 2021, which increased by USD 11.1 million compared to USD 7.9 million for the six month period ended 30 June 2020, primarily due to purchase of shares in the subsidiary Locai, and an increase in development expenditures.

Net cash used in investing activities was USD 19.3 million for the year ended 31 December 2020, which increased by USD 6.6 million compared to USD 12.7 million for the year ended 31 December 2019, primarily due to an increase in development expenditure and new test sites.

Net cash used in investing activities was USD 12.7 million for the year ended 31 December 2019, which increased by USD 3.5 million compared to USD 9.2 million for the year ended 31 December 2018, primarily due to an increase in development expenditures and investments in Bin molds.

Net cash flow used in financing activities

Net cash used in financing activities was USD 7.4 million for the six month period ended 30 June 2021, representing a decrease of USD 52.4 million compared to USD 45.0 million of cash from financing activities for the six month period ended 30 June 2020. This decrease was primarily due to higher proceeds received from the issuance of debt during the six month period ended 30 June 2020, following the company's draw down in the amount of USD 67.2 million under the Revolving Facility. Cash flow from financing activities for the six month period ended 30 June 2021 decreased primarily as a result of interest paid in the amount of USD 16.5 million, partly offset by proceeds from the sale of equity securities.

Net cash used in financing activities was USD 40.1 million for the year ended 31 December 2020, which increased by USD 8.0 million compared to USD 32.1 million for the year ended 31 December 2019, primarily due to increased interest payments.

Net cash used in financing activities was USD 32.1 million for the year ended 31 December 2019, which decreased by USD 5.7 million compared to USD 37.8 million for the year ended 31 December 2018, primarily due to the repayment of the predecessor borrowings of USD 305.2 million in full in July 2019 in connection with the Acquisition (refinanced with new borrowings of USD 286.7 million), and the fact that Terminator for 2018 had increased its net borrowings with USD 146.8 million but paid out dividends of USD 166.3 million. Interest paid was reduced from USD 13.6 million for 2018 to USD 10.1 million for 2019.

11.16 Working capital

The Group's working capital requirements are primarily dependent on revenue and order mix. In addition, the Group experiences limited seasonality in the business and due to its asset-light business model, AutoStore typically has limited working capital needs. However, due to the Group's project-based working capital profile, the Group experiences significant variations in cash available for working capital purposes. The Group's net working capital is impacted by the typical receivable term with partners (average DSO is approximately 50), the typical payment term with suppliers (average DTO is currently approximately 50 days) and the typical level of inventory held (average turnover days is currently approximately 50 days). In order to manage variations in working capital, the Group takes active steps to manage its inventory and any material decreases in cash available for working capital can be covered by the Group's Revolving Credit Facility.

The Group has focused on cash flow improvement across the business by focusing on growth and improvement of gross margin by having a standard and modular system with a lean and efficient assembly process.

11.17 Investments

The Group's material investments relate to investments in R&D, acquisitions and investments related to fixed assets. The table below sets out an overview of the material investments made by the Group during the six month period ended 30 June 2021 and the years ended 31 December 2020, 2019 and 2018.

(In USD millions)	Six months ended 30 June	Year ended 31 December			
	Automate LuxCo	Automate LuxCo	Terminator		
	2021	2020	2019	2018	Total
Development expenditures	11.6	13.6	9.4	6.1	40.7
Purchase of shares in subsidiaries, net of cash	5.0	-	-	-	5.0
Purchase of property, plant and equipment	1.4	6.0	4.9	3.2	15.5
Total	**18.0**	**19.6**	**14.3**	**9.4**	**61.3**

The Group's main share of investments for the historical period relate to R&D, which includes both capitalization of personnel cost in addition to capitalization of equipment used in the R&D process.

The Group's investments in acquisitions during the historical periods under review mainly consist of its acquisition of all the shares in Locai on 25 January 2021 through its subsidiary AutoStore Systems Inc. For further details, see Section 11.26 "Acquisition by the Group".

The investments related to fixed assets primarily consist of investments in fixture and fittings and office machinery and equipment.

Over the historical periods under review, the Group primarily made its R&D related investments in Norway, as Norway has historically been the headquarter for the Group's R&D division which division is the primary driver of investments. For the years 2018, 2019 and 2020, 89%, 94% and 97% of the Group's investments were made in Norway, respectively. In addition to the Group's investments in Norway, the Group has also made investments related to the production facility in Poland, representing between 2% and 7% of the Group's annual investments per annum for the period from 2018 to 2020. The Group has also made smaller investments related to the sales offices of the Group in the United States, the

United Kingdom and Germany during the historical periods under review. For the six months ended 30 June 2021, 28% of the investments were made in the United States, specifically related to the Locai acquisition, while the majority of the rest of the investments was related to R&D activities in Norway.

Going forward the Group expects it will continue investing in the same areas as it has done historically, with a key focus on R&D investments to further develop and optimize current and new product and software portfolio. The total level of investments is expected to grow with similar rate as revenues, and the Group estimates that the total investments will be in the approximately 7% range of annual revenues per year.

Principal investments in progress and planned principal investments

The Group's investments in progress are aligned with the investments in the six months ended 30 June 2021; as of the date of this Prospectus, no new investments have been made since 30 June 2021. In particular, the Group is planning to open its new U.S. assembly facility in 2022. The Group estimates that the total capital expenditure for this project will be approximately USD 3 million to USD 4 million, with 50% to 60% of such investment being made in 2021 and the rest in 2022. The Group also plans on opening a new assembly facility in the Asia Pacific region in 2023. The Group estimates that a total capital expenditure for this project will be approximately USD 3 million to USD 4 million, and such investment will be made in 2023. Besides the new assembly facilities in the United States and in the Asia Pacific region, the Group has no material investments in progress; however, the Group is continuously working to optimize and develop its product portfolio with its R&D departments, which are the key driver of AutoStore planned investments. Such investments will be financed through cash flow from operations. The Group may also selectively consider M&A opportunities, such as the Locai acquisition in 2021, which was funded with cash from operations.

Other than the current investments in progress, the Group does not have material planned investments in the pipeline.

11.18 Financing Arrangements and Commitments

In connection with the Acquisition in 2019, the Group negotiated and entered into its existing credit agreements (the "**Credit Agreements"**), including (i) the revolving credit facility (the "**Revolving Facility"**), the euro-denominated term loan Facility B ("**Facility B (EUR)**") and the U.S. dollar-denominated term loan Facility B ("**Facility B (USD)**" and together with the Revolving Facility and Facility B (EUR), the "**Senior Facilities**") made available under the senior facilities agreement dated 22 July 2019 (the "**Senior Facilities Agreement**"), by and among Automate Intermediate Holdings II S.à r.l., as borrower, Deutsche Bank AG, London Branch, Jefferies Finance LLC and MUFG Bank, Ltd., as mandated lead arranges, Deutsche Bank AG, London Branch, as agent, and Wilmington Trust (London) Limited, as security agent and (ii) the second lien facility (the "**Second Lien Facility**" and, together with the Senior Facilities, the "**Facilities**") made available pursuant to the second lien notes purchase agreement dated 22 July 2019, by and among, inter alia, Automate Intermediate Holdings II S.à r.l., as original issuer and original guarantor, the financial institutions named therein as original notes purchasers, and Wilmington Trust (London) Limited, as agent and security agent. The Group received the funds from the Credit Agreements on 31 July 2019.

Facility B (USD) has been fully drawn in an amount equal to the total commitments of USD 166,980,000. Facility B (USD) matures on 30 July 2026 and bears interest at a rate of LIBOR +4.25% (subject to a downward margin ratchet).

Facility B (EUR) has been fully drawn in an amount equal to the total commitments of EUR 290,000,000. Facility B (EUR) matures on 30 July 2026 and bears interest at a rate of LIBOR +3.50% (subject to a downward margin ratchet). The Group expects to use approximately USD 52.8 million of the net proceeds of the Offering to partially repay Facility B (EUR).

The Revolving Facility may be drawn at any time in an amount up to EUR 70 million. The Revolving Facility matures on 30 January 2026 and bears interest at a rate of EURIBOR+3.00% (subject to a downward margin ratchet) and was undrawn as of 30 June 2021. It is expected that in connection with the Offering, the existing Revolving Facility will be increased and/or replaced by a new revolving credit facility with substantially similar terms as the existing Revolving Facility, except that the available amount will be increased to USD 150 million. The financial covenant level will be amended and certain pricing terms will change. The Group expects the new revolving facility will remain undrawn as of the date of the completion of the Offering.

The table below sets out the downward margin ratchets for the Senior Facilities.

Senior secured net leverage ratio	Facility B (EUR) margin (% per annum)	Facility B (USD) margin (% per annum)	Revolving Facility margin (% per annum)
Greater than 4.75:1..............	3.50	4.25	3.00
Greater than 4.25:1 but equal to or less than 4.75:1	3.25	4.00	2.75
Equal to or less than 4.25:1....	3.00	3.75	2.50

The Second Lien Facility matures on 30 July 2027 and bears interest at a rate of LIBOR+7.75%, with principal of USD 183.6 million outstanding as of 30 June 2021.The Group expects to use approximately USD 183.6 million of the net proceeds of the Offering to repay in full the Second Lien Facility.

The Revolving Facility contains a "springing" financial covenant which is set at senior secured net leverage ratio of 9.50:1.00. The financial covenant is only tested if on a quarter date if, at that quarter date, the cash drawings under the Revolving Facility (subject to certain carve-outs and net cash and cash equivalents of the Group) exceeds 40% of the total commitments under the Revolving Facility. A breach of the financial covenant (which is subject to customary cure provisions) is only an event of default in respect of Facility B if the Revolving Facility lenders accelerate the Revolving Facility following a breach of the financial covenant which is not cured. The Second Lien Facility does not contain a financial covenant, but benefits from a cross-acceleration in respect of the Senior Facilities.

The new revolving credit facility will contain a "springing" financial covenant substantially similar to the Revolving Facility which will be set at senior secured net leverage ratio of 6.75:1.00. The financial covenant under the new revolving credit facility will only be tested on a semi-annual date if, at that semi-annual date, the cash drawings under new revolving credit facility (subject to certain carve-outs and net cash and cash equivalents of the Group) exceeds 40% of the total commitments under the new revolving credit facility.

The Credit Agreements contain certain additional "incurrence" covenants that are tested upon the occurrence of an event rather than on an ongoing basis and which limit, among other things, the company's use of capital. These covenants can only be violated as a result of a voluntary action, including but not limited to (i) incurring debt; (ii) paying a dividend or otherwise distributing value outside the restricted group; (iii) making a non-controlling investment; (iv) selling an asset; (v) completing certain mergers; (vi) granting a guarantee of third-party indebtedness; (viii) making a loan to a third party; (ix) permitting a dividend blocker; (x) entering into a transaction with an affiliate; or (xi) granting a lien. Each of these covenants are subject to customary carve-outs, permissions and certain debt baskets.

The table below sets out an overview of the Group's consolidated contractual obligations and commitments as of 30 June 2021, on a pro forma basis giving effect to the completion of the Offering and the expected use of proceeds therefrom.

(In USD millions)			Payment due by period[1]					
	Outstanding principal as of 30 June 2021	Repayment of the Facilities	2021	2022	2023	2024	2025	2026 and beyond
Facility B (EUR)	344.6	(52.8)	(6.9)	(13.8)	(13.8)	(13.8)	(13.8)	(299.9)
Capitalized fees – Facility B (EUR) + Second Lien Facility	(12.9)	-	-	-	-	-	-	-
Facility B (USD)................	167.0	-	(3.5)	(7.1)	(7.1)	(7.1)	(7.1)	(171.2)
Second Lien Facility	183.6	(183.6)	(4.4)	-	-	-	-	-
Revolving Facility..............	-	-	-	-	-	-	-	-
Lease liabilities.................	17.0		(1.9)	(3.7)	(3.7)	(3.7)	(3.7)	(0.3)
Total	**699.3**	**(236.3)**	**(16.7)**	**(24.6)**	**(24.6)**	**(24.6)**	**(24.6)**	**(471.4)**

1 The loans have no scheduled annual instalments. Annual payments as set out in the table above are interest to be paid. Payments for 2021 include interest and lease payments for the period 30 June 2021 to 31 December 2021.

As of 30 June 2021, the Group was not in default under any of the Credit Agreements.

For further information on use of proceeds please see Section 5 "Reason for the offering and the listing".

11.19 Off-balance sheet arrangements

As of 30 June 2021, the Group did not have any off-balance sheet arrangements.

11.20 Financial risk 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. The Group's consolidated financial reporting is presented in USD. Accordingly, changes in the value of the currencies in which it generated revenues and incurs costs in relation to USD affect the Group's overall revenue, profit or loss and financial position. A significant part of revenues is 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.

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 Group has entered into a credit insurance agreement. Additionally, the Group manages its credit risks by trading only with recognized, creditworthy third parties (mainly distributors/ Distribution 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.

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 asset. 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 Loan from related parties to finance working capital and investments. The Group may further draw funds or establish additional incremental revolving facilities if deemed necessary. Additionally, the Group has a significant positive cash flow from operating activities which limits its liquidity risk.

11.21 Summary of significant accounting policies

For a full description of the key accounting policies, see the subsection "Accounting Policies" in Notes 2 through 7 in the Financial Statements.

11.22 Significant changes

Except for the refinancing and the issuance in connection with the Offering, as of the date of this Prospectus, there have been no significant changes in the financial or business position of the Group since 30 June 2021. See Section 5 "Reason for the offering and the listing" and Section 11.18 "Financing Arrangements and Commitments".

11.23 Related party transactions

As part of its ordinary business operations, the Group enters into transactions with related parties who are not members of the Group during the financial year. Related party transactions are made on terms equivalent to those that prevail in arm's length transactions and are made only if such terms can be substantiated. For the purpose of the following disclosures of related party transactions in this Prospectus, "related party transactions" are those transactions that are set out as such in accordance with the Regulation (EC) No 1606/2002 of the European Parliament and of the Council. Transactions between companies within the Group are eliminated from the Company's consolidated financial statements and do not represent transactions with related parties for the purpose of this section.

Related party transactions include transactions with THL Managers VIII, LLC, an affiliated entity of THL (the "**THL Manager**"), Terminator Holding S.à r.l., an affiliate entity of EQT (the "**EQT Manager**") and SB Investment Advisers (UK) Limited, an affiliate of Softbank (the "**SB Manager**") pursuant to an advisory services agreement dated 31 July, 2019, entered into in connection with the Acquisition, and which was amended and restated on 13 April, 2021 in connection with Softbank's acquisition of a major shareholding in the Group (the "**Advisory Services Agreement**"). The Advisory Services Agreement expires on 31 July, 2029, provided that upon its expiration it will renew automatically for successive periods of one year.

The Advisory Services Agreement may be terminated at any time by the THL Manager, and will terminate automatically in connection with the Offering, for a payment of a contractually prescribed termination fee of up to USD 12 million.

Under the Advisory Services Agreement, the Group agreed to pay a one-time fee to the THL Manager for advisory services provided in connection with the closing of the Acquisition, including strategic and structuring advice. In addition, under the Advisory Services Agreement, the THL Manager, the EQT Manager and the SB Manager agreed to provide certain consulting services during the term of the Advisory Services Agreement, including advice in connection with the negotiation and entry into bank financing agreements, financial, managerial and operational advice in connection with the Group's day-to-day operations and such other services as the THL Manager, the EQT Manager, the SB Manager and the Group may agree from time to time (the "**Consulting Services**").

In connection with the Offering, the Company will enter into a registration rights agreement (the "**Registration Rights Agreement"**) with the shareholders that hold Shares on behalf of THL, Terminator Holding S.à r.l on behalf of EQT, Alpha LP on behalf of SoftBank and certain other shareholders, granting them certain customary rights to demand the registration and listing of their Shares. The Company has agreed to bear certain costs and expenses related to any such registration. The Registration Rights Agreement does not contemplate the payment of penalties or liquidated damages to the shareholders party thereto as a result of a failure to register, or delays with respect to the registration of, the common shares of the Company.

In addition, one of the Group's Distribution Partners, Fortna, is owned by an affiliate of Thomas H. Lee Partners, one of the Group's ultimate shareholders. The Group's sales to Fortna has been limited with no sales for the year ended 31 December 2020 and sales of approximately USD 858,000 in 2021 for the six months ended 30 June 2021. The distribution agreement with Fortna was entered into an arm's length basis and is consistent with AutoStore's other distribution agreements.

Set out in Section 11.23.1 to Section 11.23.3 below are overviews and summaries of the Group's related party transactions for the period covered by the Financial Information and up to the date of this Prospectus, as extracted from the Financial Statements and the Interim Financial Statements. In addition, some information has been included in this Prospectus which is not included in the Financial Statements or the Interim Financial Statements.

11.23.1 Transactions carried out with related parties in the six month period ended 30 June 2021

During the six months ended 30 June 2021, the following transactions were carried out with related parties.

Automate LuxCo's related party transactions 2021 (in USD million)	**Amounts received from related parties**	**Payments made to related parties**	**Receivable from related parties**	**Payable to related parties**
THL Managers VIII, LLC....................	-	0.6	-	-
Total	-	**0.6**	-	-

During the six months ended 30 June 2021, the Group's related party transactions in the reporting period consisted of management fee expenses of USD 0.6 million paid for the Consulting Services.

11.23.2 Transactions carried out with related parties in the years ended 31 December 2020, 2019 and 2018

During the year ended 31 December 2020, the following transactions were carried out with related parties.

Automate LuxCo's related party transactions 2020 (in USD million)[1]	Amounts received from related parties	Payments made to related parties	Receivable from related parties	Payable to related parties
THL Managers VIII, LLC	-	2.3	-	-
Total	-	**2.3**	**-**	**-**

1 Extracted from the 2020 Financial Statements. The 2020 Financial Statements were initially prepared and audited with EUR as presentation currency, but as the Group has decided to change to USD as the presentation currency, the financial figures in the 2020 Financial Statements have for the purpose of this Prospectus been recalculated from EUR to USD.

The Group's related party transactions in the reporting period consist of the payment of management fee expenses of USD 2.3 million paid in connection with the Consulting Services.

During the year ended 31 December 2019, Automate LuxCo carried out the following transactions with related parties.

Automate LuxCo's related party transactions 2019 (in USD million)[1]	Amounts received from related parties	Payments made to related parties	Receivable from related parties	Payable to related parties
THL Managers VIII, LLC	-	30.6	-	-
Total	-	**30.6**	**-**	**-**

1 Extracted from the 2020 Financial Statements. The 2020 Financial Statements were initially prepared and audited with EUR as presentation currency, but as the Group has decided to change to USD as the presentation currency, the financial figures in the 2020 Financial Statements have for the purpose of this Prospectus been recalculated from EUR to USD.

The Group's related party transactions in the reporting period consist of the payment of the one-time fee and other reimbursable fees in connection with the Closing Advisory Services and recurring management fee expenses in an amount of USD 0.6 million paid for the Consulting Services.

During the year ended 31 December 2018, Terminator carried out the following transactions with related parties.

Terminator's related party transactions 2018 (in USD million)[1]	Amounts received from related parties	Payments made to related parties	Receivable from related parties	Payable to related parties
Terminator TopCo AS	-	166.3	-	-
Total	-	**166.3**	**-**	**-**

1 Extracted from the 2019 Financial Statements. In 2019, Terminator changed its presentation currency from NOK to USD, and as such, the 2018 figures were restated.

The Group's related party transactions in 2018 are mainly related to the distributions paid to the Group's parent company in May 2018.

There were no related party balances as of 1 January 2018.

11.23.3 Transactions carried out with related parties in the period following 30 June 2021

Other than as carried out in the ordinary course of business, and as illustrated by Section 11.23.1 and Section 11.23.2 above, the Group has not entered into any new contracts or transactions with related parties in the period following 30 June 2021 and up until the date of this Prospectus. The below table shows amounts paid to related parties since 30 June 2021 to the date of this Prospectus, consisting of management fee expenses of USD 0.7 million paid for the Consulting Services.

Automate LuxCo's related party transactions following 30 June 2021 (in USD million)	Amounts received from related parties	Payments made to related parties	Receivable from related parties	Payable to related parties
THL Managers VIII, LLC	-	0.7	-	-
Total	-	**0.7**	**-**	**-**

11.24 Acquisition by THL

On 31 July 2019, THL acquired Terminator (the predecessor holding company) through Automate LuxCo and Automate LuxCo's wholly owned subsidiary Automate Bidco AS, which had been incorporated on 30 April 2019 to be the wholly-owned special purpose vehicle for the acquisition, and with Automate LuxCo to become the new holding company of the Automate group (the Acquisition). The Group was acquired at a purchase price of EUR 1.35 billion.

The Acquisition was recorded as a business combination in accordance with IFRS 3, with a purchase price allocation reflecting fair values and goodwill from the agreed consideration. The acquisition-date fair value of the total consideration transferred was USD 1,508.7 million in cash. The acquisition date for accounting purposes corresponded to the date when the Group obtained control of the legal entities, which was 31 July 2019.

The 2020 Financial Statements and the Interim Financial Statements reflect the Acquisition. Accordingly, the 2020 Financial Statements and the Interim Financial Statements therefore reflect purchase accounting adjustments, which will continue to impact the Group's interest expense and depreciation expense going forward.

11.25 Acquisition of major shareholding by SoftBank

Pursuant to a share purchase agreement dated 29 March 2021 (the "**SB Purchase Agreement**"), SoftBank acquired 40.77% of Automate LuxCo as of the acquisition date (on the basis of outstanding shares) from funds affiliated with THL and EQT. The acquisition provides the Group access to SoftBank's broad ecosystem which includes more than 200 portfolio company investments, with a potential for more as SoftBank aims to grow to over 500 portfolio companies in the future. The Group believes the acquisition also creates an opportunity to expand into the APAC region, as approximately 79% of SoftBank Group revenues are derived from that region.[60]

Pursuant to the terms of the SB Purchase Agreement, SoftBank has agreed to acquire additional Shares in the Company in connection with the Offering. The number of Shares SoftBank has agreed to purchase in connection with the Offering will be equal to the lesser of (x) USD 250 million and (y) 20% of the maximum aggregate number of the New Shares and Sale Shares sold in the Offering (excluding any Shares subject to the Greenshoe Option or similar option granted to the underwriters in the Offering) (such lesser amount, the "**Maximum Amount**"). Softbank may be required to purchase less than the Maximum Amount depending on the implied valuation of the Company, and, in certain circumstances, may not be required to purchase any additional Shares.

With respect to the securities of Automate LuxCo owned by SoftBank prior to the Offering (including any Shares in the Company issued to Softbank in exchange for such securities owned in Automate LuxCo prior to the Offering as part of the Reorganization, but excluding any Shares in the Company purchased by SoftBank in connection with the Offering), upon the consummation of the Offering, Softbank has entered into a transfer agreement with THL. For further information on the transfer agreement, please see Section 14.11 "Shareholders' agreements".

11.26 Acquisition by the Group

On 25 January 2021 the Group acquired all the shares in Locai through its subsidiary AutoStore Systems Inc. Local is a software company located in Delaware, US, providing Digital Commerce platforms to the grocery market based on AI and machine learning technology. The acquisition of Locai broadened AutoStore's offerings to include order fulfilment and warehouse management software for stand-alone AutoStore solutions.

The Group did not make any significant acquisitions in 2020 or 2019. Terminator (the predecessor holding company of the Group), did not make any significant acquisitions in 2019 or 2018.

[60] Source: SoftBank 2020 Annual Report. https://group.softbank/system/files/pdf/ir/financials/annual_reports/annual-report_fy2020_01_en.pdf

12 BOARD OF DIRECTORS, MANAGEMENT, EMPLOYEES AND CORPORATE GOVERNANCE

12.1 The Board of Directors

12.1.1 Overview

The Board of Directors is responsible for the overall management of the Company and may exercise all of the powers of the Company not reserved to the Company's shareholders by its Bye-Laws or Bermuda law. The Bye-Laws provide that the Board of Directors shall consist of between three and 11 board members or such number in excess thereof as decided by the shareholders in a shareholder resolution, however so that for as long as the THL Shareholders and Softbank beneficially own more than 10% of Shares, the number of board members shall not exceed nine of which at least three board members shall be independent from the THL Shareholders and Softbank. The Bye-Laws provide that a board member shall hold office for a term as determined by the shareholders upon their election at a general meeting, or, in the absence of such determination, until the next annual general meeting or until their successors are elected or appointed.

The current Board of Directors consists of nine Board Members, as listed in the table in Section 12.1.2 "Composition of the Board of Directors" below.

Except for the THL Shareholders' and Softbank's right to appoint board members (as described directly below), the board members are elected by the Company's shareholders at the relevant annual general meeting or any special general meeting called for that purpose and the shareholders may authorize the Board of Directors to fill any vacancy in their number left unfilled at a general meeting of the shareholders. If there is a vacancy of the Board of Directors occurring as a result of the death, disability, disqualification or resignation of any board member such vacancy shall be filled at the next annual general meeting of the Company or any special general meeting called for such purpose pursuant to the Bye-Laws.

Pursuant to the Bye-Laws, from the time of Listing, the THL Shareholders and SoftBank will each have the right to appoint to the Board a number of board members up to three and down to one depending on their respective beneficial shareholding, provided that the THL Shareholders or SoftBank (as applicable) beneficially owns at least 10% of the Shares. If any of the THL Shareholders or SoftBank fall below any of the applicable ownership thresholds with the result that the number of board members the THL Shareholders or SoftBank, respectively, are entitled to appoint is decreased, the applicable shareholder shall cause a sufficient number of its appointed board members to resign. In the event that an appointed board member shall cease to serve for any reason, the THL Shareholders and/or SoftBank, as the case may be, shall be entitled to appoint such board member's successor, provided that its shareholding has not decreased below any of the relevant thresholds.

Pursuant to the Norwegian Code of Practice for Corporate Governance, last updated 17 October 2018 (the "**Corporate Governance Code**"), (i) the majority of the shareholder-elected members of the board of directors should be independent of the company's executive management and material business contacts, (ii) at least two of the shareholder-elected board members should be independent of the company's main shareholders (being shareholders holding more than 10% of the shares in the company), and (iii) no member of the company's management should be on the board of directors.

All board members are independent of the executive management and material business contracts. THL and SoftBank (the Company's largest shareholders following the Reorganization), will continue to be large shareholders in the Company following Listing. The board members James C. Carlisle and Michael K. Kaczmarek are managing directors in THL, Samuel Merksamer and Ram Trichur are partners in SoftBank, and Andreas Hansson is a managing director in SoftBank. Hence, the aforementioned persons are not regarded as independent of the Company's main shareholders. All other board members are independent from the Company's main shareholders (i.e., shareholders holding more than 10% of the shares or votes). The above requirements under the Norwegian Corporate Governance Code are thus met as at the date of this Prospectus.

12.1.2 Composition of the Board of Directors

The Group's corporate headquarters, located at Stokkastrandvegen 85, 5578 Nedre Vats, Norway, serves as business address for the members of the Board of Directors in relation to their directorship in the Company.

The names and positions and current term of office of the Board Members as at the date of this Prospectus are set out in the table below.

Name	Position	Served since	Term expires[3]
James C. Carlisle[1]	Chair	October 2021	-
Michael K. Kaczmarek[1]	Board member	October 2021	-
Nils Magnus Tornling[1]..........................	Board member	October 2021	-
Samuel Merksamer[2]............................	Board member	October 2021	-
Andreas Hansson[2]..............................	Board member	October 2021	-
Ram Trichur[2].....................................	Board member	October 2021	-

1 Appointed by THL.

2 Appointed by SoftBank.

3 Terms expire when i) the shareholder who has appointed the respective board member (THL or SoftBank, as applicable) determine that the director shall be removed or replaced or ii) THL or Softbank's shareholding, as applicable, fall below certain thresholds as set out in the Bye-Laws resulting in a decrease in the number of directors the relevant shareholder is entitled to appoint.

Additionally, the table below sets out the names, positions and term of office for the persons who have been appointed as additional Board Members subject to, and with effect from, the Listing.

Name	Position	Served since	Term expires
Kristin Skogen Lund	Board member	October 2021	October 2023
Hege Skryseth	Board member	October 2021	October 2023
Viveka Ekberg	Board member	October 2021	October 2023

12.1.3 Brief biographies of the Board Members

Set out below are brief biographies of the Board Members. The biographies include each Board Member's relevant management expertise and experience, an indication of any significant principal activities performed by such member outside the Company and names of companies and partnerships where the member is or has been a member of the administrative management or supervisory bodies or partner in the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

James C. Carlisle, Chair

Chair of the Board of Directors, James C. Carlisle, has been at Thomas H. Lee Partners for approximately 20 years and holds the position of managing director. He is the Head of Technology & Business Solutions Vertical and Head of Automation Fund at Thomas H. Lee Partners. Carlisle serves as a board member in several companies within various fields. Carlisle holds a MBA from Harvard Business School and a bachelor's degree in Operation Research from Princeton University. He is a US citizen, residing in the US.

Current directorships and senior management positions	*Thomas H. Lee Partners (managing director), AutoStore (board member), Fortna Inc. (board member), Auction.com Inc. (board member), Material Handling Systems Inc. (board member), and House of Design Inc. (board member).*
Previous directorships and senior management positions last five years	*Agencyport Inc. (board member), Ten-X LLC (board member), Iheartmedia Inc. (board member), Massachusetts Eye & Ear Infirm (board member) and Foundation of Massachusetts Eye & Infirmary Inc. (board member), .*

Michael K. Kaczmarek, Board Member

Michael K. Kaczmarek is a Managing Director at Thomas H. Lee Partners with its head office in Boston, Massachusetts, US. He also serves as board member in a number of companies within various fields. Kaczmarek has previously worked at Rockbridge Growth Equity and at Pamlico Capital. He graduated with a B.A in Finance from the Michigan State University. Kaczmarek is a U.S. citizen, residing in the U.S.

Current directorships and senior management positions	*Thomas H. Lee Partners (managing director), FourKites Inc (board member), OnePointOne (board member), AutoStore (board member), Fortna Inc (board member), Material Handling Systems Inc (board member), Auction.com Inc (board member) and House of Design Inc. (board member).*

Previous directorships and senior management positions last five years	*Ten-X Commercial (board member), Gas Station TV (board member), Triad Retail Media (board member) and Protect America (board member)*

Nils Magnus Tornling, Board Member

Nils Magnus Tornling holds the position as managing director and chair of EQT Partners AS. He has experience as chair and board member in various companies and foundations. Tornling is currently a board member in the Norwegian Institute of Directors. Tornling graduated with a MSc in Finance from BI Norwegian Business School. Tornling is a Norwegian and Swedish citizen, residing in Norway.

Current directorships and senior management positions	*EQT Partners AS (chairperson/managing director), NMT Invest AS (chairperson/managing director), Remedy Bidco AS (board member), Boligsameiet Lille Borgen Vei 12 (chairperson), the Norwegian Institute of Directors (board member) and SWIB Holding AB (board member)*
Previous directorships and senior management positions last five years	*Tosiva AS (board member), Boligsameiet Lille Borgen Vei 12 (board member), Terminator Bidco AS (board member), HusCompagniet A/S (board member) and Nordic Aviation Capital A/S (deputy board member)*

Samuel Merksamer, Board Member

Samuel Merksamer is a Managing Director at SB Management Ltd (Softbank Investment Advisers) in New York. He was previously a partner and co-founder of the investment advisor firm Caligan Partners L.P. He has also held the position as a managing director of two of companies within the Icahn conglomerate. He holds an AB from Cornell University. Merksamer is a U.S. citizen, residing in the US.

Current directorships and senior management positions	*SB Management Ltd (managing director) and Transocean Ltd (board member)*
Previous directorships and senior management positions last five years	*Caligan Partners L.P (co-founder/partner), Icahn Capital L.P (managing director) and Icahn Enterprises (managing director)*

Andreas Hansson, Board Member

Andreas Hansson is a managing director at the SoftBank Group and the chair of Kahoot! ASA. Hansson holds a PhD in Electrical Engineering from Eindhoven University of Technology and a MSc in Computer Engineering from Lund University in Sweden. He is a citizen of Sweden and the UK, currently residing in Germany.

Current directorships and senior management positions	*SoftBank Group (managing director) and Kahoot! (chairperson)*
Previous directorships and senior management positions last five years	*SoftBank Investment Advisers (partner), Cambridge Mobile Telematics (board member) and EnergyVault (board member)*

Ram Trichur, Board Member

Ram Trichur is a partner at SoftBank Investment Advisers as well as a board member in Cambridge Mobile Telematics. He holds an MBA from Colombia University. Trichur is a U.S. citizen, currently residing in the UK.

Current directorships and senior management positions	*SoftBank Investment Advisers (partner) and Cambridge Mobile Telematics (board member)*
Previous directorships and senior management positions last five years	

Kristin Skogen Lund, Board Member

Kristin Skogen Lund is the CEO of Schibsted ASA. She has experience as both chairperson and board member in some of Norway's largest companies, such as Finn.no, Adevinta and other companies in the Schibsted Group. Skogen Lund held the position as the CEO of the Confederation of Norwegian Enterprise (NHO) from 2012 until 2018. She holds an

MBA from INSEAD and a bachelor's degree in International Studies and Business Administration from the University of Oregon. Skogen Lund is a Norwegian citizen, currently residing in Norway.

Current directorships and senior management positions	*Schibsted ASA (CEO), Schibsted Norge AS (chairperson), Schibsted Nordic Marketplaces AS (chairperson), Stiftelsen Oslo-Filharmonien (chairperson), Finn.no AS (chairperson), Adevinta ASA (board member), Schibsted Eiendom AS (board member) and Ypo Norge (board member)*
Previous directorships and senior management positions last five years	*The Confederation of Norwegian Enterprise (NHO) (CEO) and Telefonaktiebolaget LM Ericsson (board member)*

Hege Skryseth, Board Member

Hege Skrytseth is the CEO of Kongsberg Digital AS and a EVP in its parent company, Kongsberg Gruppen ASA. She has an eMBA from the Norwegian School of Economics and Business Administration (NHH) and a bachelor's degree in Management from BI Norwegian Business School. In addition, Skryseth is a college graduate in computer science from NITH. Skryseth is a Norwegian citizen, currently residing in Norway.

Current directorships and senior management positions	*Kongsberg Digital AS (CEO), Kongsberg Gruppen ASA (EVP), Analyse AS (chairperson), Tomra Systems ASA (board member) and Netcompany AS (board member)*
Previous directorships and senior management positions last five years	*Abelia (deputy chairperson), Norconsult AS (board member), The Future Group AS (board member), Esmart Systems AS (board member), Norconsult Holding AS (board member) and the Confederation of Norwegian Business Enterprise (NHO) (board member).*

Viveka Ekberg, Board Member

Vikeka Marianne Ekberg has extensive experience acting as chair and board member in listed and unlisted companies, as well as in foundations. Among other roles, she is currently the chair of the audit committees of listed companies Lindab International AB and Haldex AB.. Ekberg has an MSc in Business from the Stockholm School of Economics. She is a Swedish citizen, currently residing in Sweden.

Current directorships and senior management positions	*CAAM Fund Services AB (chairperson), Nordic Communications Group AB (Telness) (chairperson), Apolea Holding AB (Apotea) (board member), Haldex AB (board member), Dellner Couplers Group AB (board member), Cubera Private Equity AS (board member), Skagen AS (board member), Areim AB (board member), Lindab International AB (board member), Svolder AB (board member), SPP Pension & Försäkring AB (board member) and Insamlingsstiftelsen Kvartal, a foundation (board member)*
Previous directorships and senior management positions last five years	*Nordic Cross Asset Management AB (chairperson), Apoteket AB:s Pensionsstiftelse, a foundation (chairperson), Iver Holding AB (board member), Magnolia Bostad AB (board member), Centrum för rättvisa insamlingsstiftelse, a foundation (board member), Stiftelsen Affärsvärlden, a foundation (board member), C.A.G Group AB (board member), Piab Group AB (board member), SPP Spar AB (board member), BlueStep Bank AB (board member) and Estea AB (board member).*

12.1.4 Shares held by Board Members

After the Reorganization, the Board Members have the following shareholdings in the Company:

Name	Position	No. of shares	No. of options
James C. Carlisle	Chair	0	0
Michael K. Kaczmarek	Board member	0	0
Nils Magnus Tornling	Board member	0	0

Samuel Merksamer	Board member	0	0
Andreas Hansson	Board member	0	0
Ram Trichur	Board member	0	0
Kristin Skogen Lund	Board member	0	0
Hege Skryseth	Board member	0	0
Viveka Ekberg	Board member	0	0

12.2 Management

12.2.1 Composition of the Company's Management

The Group's Management consists of 6 individuals. The Group's CEO & President and the CFO are employed by the Company. The rest of the Management is employed by the Company's wholly-owned subsidiary, AutoStore AS.

The names of the members of Management and their respective positions are presented in the table below. The Group's corporate headquarters, located at Stokkastrandvegen 85, 5578 Nedre Vats, Norway, serves as business address for all members of Management in relation to their positions with the Company.

Name	Position	Held position since
Karl Johan Lier	Chief Executive Officer & President	2017
Bent Skisaker.......................................	Chief Financial Officer	2020
Mats Hovland Vikse	Chief Revenue Officer	2017
Carlos Fernandez	Chief Product Officer	2020
Jone Gjerde	Chief Operating Officer	2017
Anette Matre	Chief People & Information Officer	2020

12.2.2 Brief biographies of the members of Management

Set out below are brief biographies of the members of the Management. The biographies include the member of Management's relevant management expertise and experience, an indication of any significant principal activities performed by them outside the Company and names of companies and partnerships of which a member of the Management is or has been a member of the administrative, management or supervisory bodies or partner the previous five years (not including directorships and executive management positions in subsidiaries of the Company).

Karl Johan Lier, Chief Executive Officer & President

Mr. Lier was appointed as Chief Executive Officer & President of AutoStore in January 2017. Prior to this, Mr. Lier held the position as CEO & President of Hatteland (2008 – January 2017), Nordic Managing Director at Arrow Electronics (April 2000 – April 2008) and Chief Financial Officer at Hatteland (July 1993 – March 2000).

Mr. Lier holds a master's degree in both finance and accounting from the Norwegian School of Economics and Business Administration (NHH). He is a Norwegian citizen, currently residing in Norway.

Current directorships and senior management positions	*AutoStore AS (chairperson and managing director), Terminator Bidco AS (chairperson and managing director), AutoStore Technology (chairperson and managing director), Automate Holding S.à r.l. (board member), Automate Holdco I AS (chairperson), Automate Bidco AS (chairperson), Lyngneset Invest AS (chairperson), AutoStore System Inc (chairperson) and subsidiaries in Germany, UK, France, Austria etc*
Previous directorships and senior management positions last five years	*Jakob Hatteland Solutions AS (chairperson) and Raunes Fiskefarm AS (chairperson).*

Bent Skisaker, Chief Financial Officer

Mr. Skisaker was appointed as Chief Financial Officer of AutoStore in May 2020. Prior to this, Mr. Skisaker held the position as Chief Financial Officer at Nel ASA, Eureka Pumps (part of Align), Epax AS, Aker Oilfield Services and Aker Seafoods ASA. He also served as an external member of the board of Swiss Real Estate AS in the period from 2007 to 2015.

Mr. Skisaker holds a bachelor's degree with honours in Business Organisation from Heriot-Watt University, and a master's degree in accounting and auditing (state authorized public accountant) from the Norwegian School of Economics and Business Administration. He is a Norwegian citizen, currently residing in Norway.

Current directorships and senior management positions	*AutoStore AS (chief financial officer) and Bommegrinda AS (chairperson).*
Previous directorships and senior management positions last five years	*NEL ASA (chief financial officer), Nel Hydrogen Elektrolyser AS (board member), Nel Hydrogen AS (board member), Proton Energy Systems Inc (board member) and Eureka Pumps AS (chief financial officerr).*

Mats Hovland Vikse, Chief Revenue Officer

Mr. Hovland Vikse was appointed as Chief Revenue Officer in July 2021. Prior to this, he held the role as Chief Strategy Officer of AutoStore since October 2017. Between 2014 and 2017, he served as a senior advisor at MHWirth. Prior to this, Mr. Hovland Vikse held various positions at Aker Solutions (March 2010 – September 2014), and before that he had the position as Material Coordinator at Aibel and the position as Order Processor at Solar Norge AS.

Mr. Hovland Vikse holds a bachelor's degree in Economics and Business Administration from BI Norwegian Business School and a master's degree in Applied Finance from the University of Stavanger. He is a Norwegian citizen, currently residing in Norway.

Current directorships and senior management positions	*AutoStore AS (chief revenue officer) and MHV Invest AS (chairperson).*
Previous directorships and senior management positions last five years	-

Carlos Fernandez, Chief Product Officer

Carlos Fernandez was appointed as Chief Product Officer of AutoStore in June 2020. Prior to this, he has held various positions at AutoStore, including Director System Design, Sales Engineer, Project Engineer and Service Engineer. Mr. Fernandez has also held the position as Field Application Engineer Support at SILICA, and served as a board member in charge of treasury at SATELEC in the period from September 2007 to September 2009.

Mr. Fernandez holds an Executive MBA from the IESE Business School – University of Navarra, a Master of Science, Electrical and Computer Engineering from the Illinois Institute of Technology and a degree in telecommunication engineering from the Universidad Politécninca de Madrid. He is a Spanish citizen, currently residing in Norway.

Current directorships and senior management positions	*Ferroman AS (chairperson).*
Previous directorships and senior management positions last five years	-

Jone Gjerde, Chief Operating Officer

Jone Gjerde was appointed as Chief Operating Officer at AutoStore in April 2017. Prior to this, he held the position as Managing Director at AutoStore Sp. z o.o, Chief Technology and Chief Operating Officer in AKVA Group ASA, Vice President R&D at Laerdal Medical AS and ABB AS, R&D Manager at AKVAsmart ASA, Department Manager R&D at ABB AS, Department Manager R&D at Norwegian Computer Industry AS and R&D Engineer in Trallfa Robot AS.

Mr. Gjerde holds a Certificate in Industrial Automation and a course in Business Administration and Management from BI Norwegian Business School. He is a Norwegian citizen, currently residing in Norway.

Current directorships and senior management positions	*Saga Robotics AS (board member).*

Previous directorships and senior management positions last five years	*Westcontrol AS (board member).*

Anette Matre, Chief People & Information Officer

Anette Matre was appointed as Chief Human Resources Officer at AutoStore in June 2020. In July 2021, she was appointed Chief People & Information Officer at AutoStore, with added responsibilities in heading IT in addition to HR. Prior to this, she held various positions at Innovation Norway, including Interim Head of People- and Technology, HR and Organisational Director, HR Manager and HR Business Partner, as well as various positions at Shell, including Team Lead HR Services and Compensation & Benefits Specialist, HR Business Partner, Recruiter – Graduate Markets and Recruiter/Sourcer.

Ms. Matre have completed three years of Master of Laws studies from the University of Oslo and holds an Executive Master of Management, with specialization in Human Resource Management, Leadership Effectiveness and Management from BI Norwegian Business School. She is a Norwegian citizen, currently residing in Norway.

Current directorships and senior management positions	*Jektevika AS (board member), Medvind24 Næringshage AS (board member), Aquafarm Equipment AS (deputy board member), Automate Investment AS (chairperson), Automate Investment II AS (chairperson) and IAM Investing AS (chairperson).*
Previous directorships and senior management positions last five years	*Westcon Yards AS (board member) and Weston Power and Automation (board member).*

12.2.3 Shares held by Management

After the Reorganization, the members of Management will have the following shareholdings and options in the Company:

Name	Position	No. of shares	No. of options
Karl Johan Lier	Chief Executive Officer & President	21,602,990[1]	28,842,595
Bent Skisaker...........................	Chief Financial Officer	581,826[2]	8,153,580
Mats Hovland Vikse....................	Chief Revenue Officer	1,492,230[3]	8,075,927
Carlos Fernandez.......................	Chief Product Officer	2,400,000[4]	3,461,112
Jone Gjerde	Chief Operating Officer	187,200[5]	8,075,927
Anette Matre.............................	Chief People & Information Officer	925,104[6]	3,527,672

1 Shares held through Lyngneset Invest AS.

2 Shares held through BOMMEGRINDA AS.

3 Shares held through MHV Invest AS.

4 Shares held through Ferroman AS.

5 Shares held through LeanXcel AS.

6 Shares held through iAM INVESTING AS.

The members of Management's Shares in the Company will be held through Automate Investment II AS after the Reorganization.

12.3 Remuneration and benefits

12.3.1 Remuneration of the Board of Directors

The Company has a limited operating history and has, at the date of this Prospectus, not paid any remuneration to the members of the Board of Directors.

It is expected that the external members of the Board of Directors will be remunerated going forward. Subject to the General Meeting's resolution, external Board Members are expected to be remunerated for serving on the Board of Directors, and that they will receive an additional remuneration if they are elected to serve on a board committee as well.

12.3.2 Remuneration of Management

The table below sets out the remuneration of the Management for the financial year ended 31 December 2020.

In USD million[1]

Name	Salary	Other compensation	Total remuneration
Karl Johan Lier	0.34	0.02	0.37
Other key management..	1.24	0.01	1.26
Total	**1.59**	**0.03**	**1.62**

1 The financial figures presented in the table are extracted from the 2020 Financial Statements and have been recalculated from EUR to USD as further described in Section 4.2.3 "Presentation and functional currencies for the Group" and set out in Appendix C.

12.3.3 Transaction bonus

Certain key employees outside of Management will receive a transaction bonus in a total amount of approximately NOK 11 million for extraordinary work in relation to the Listing process, the amount and payment of which is contingent upon a successful Listing.

12.3.4 Bonus scheme

Set out below is a description of the Group's bonus schemes as at the date of this Prospectus:

AutoStore Norway

In 2021, Management is eligible for an annual bonus of up to 15% of their annual gross salary based on achievement of certain targets. AutoStore AS includes these bonus payments in the basis for calculation of holiday pay and pension.

AutoStore Poland

AutoStore Poland provides bonuses for key employees and all other employees based on their performance measured against pre-set key performance indicators ("**KPIs**"). Most of the employees receive an annual bonus of approximately 1 to 1.20 times their monthly salary.

12.3.5 Share incentive programs

Set out below is a description of the Group's share incentive programs as at the date of this Prospectus and the share incentive program to be entered into following the Listing.

Equity Incentive Plan 2019

Automate LuxCo has entered into option agreements, awarding non-transferrable options (the "**Options**") to, inter alia, certain key employees. In total, 163,338,159 Options have been issued to 25 option-holders, each Option with a strike price equal to the fair market value of the underlying shares at the time the Options were issued, which at the time was EUR 0.33, equivalent to USD 0.38 per Option. The Options are vesting pursuant to a certain Automate Holdings S.à r.l. 2019 Equity Incentive Plan (the "**Equity Plan**"), pursuant to which the Options are divided into service (33%) and performance (67%) Options. In connection with closing of the SoftBank SPA (as further described in Section 11.25 "Acquisition of major shareholding by SoftBank" below), the Equity Plan was supplemented by certain adjustment notices (the "**Notices**") entered into between the respective Option holders and Automate Holdings S.à r.l. The purpose of the Equity Plan was to provide incentives that will attract, retain and motivate the Group's high performing officers, directors, employees and consultants, and to motivate the Group's officers and employees to grow the Company and build shareholder value. Automate LuxCo has issued a number of options under the plan in a manner that the Group believed appropriate for a privately held high-growth company.

Pursuant to the Notices, 100% of the performance Options were deemed vested immediately prior to closing of the SoftBank SPA. Further, all service Options were deemed vested as if they had vested on a quarterly basis (as opposed to an annual basis as set forth in the Equity Plan). The unvested service Options shall continue to vest on a quarterly basis (i.e., 5% each quarter) from the grant date until the fifth anniversary. In connection with the closing of the transactions contemplated by the SoftBank SPA, the option-holders were provided with the opportunity to exercise approximately 40% of their vested Options and, as a result, sell the underlying shares to SoftBank.

The service requirement of all Options shall be deemed satisfied immediately prior to (but subject to the consummation of) a change of control, given that the Option holder is, and has been, continuously employed by and continues to provide services to Automate Holdings S.à r.l. and/or any of its subsidiaries through the date of such consummation, and as otherwise set forth in an Option agreement.

As of the date of this Prospectus there are 113,439,909 unexercised Options (80,291,934 vested Options and 33,147,976 unvested Options). The unvested Options will continue to vest on the time-vesting schedule set forth above after the Listing. In connection with the SoftBank Acquisition it has been agreed that the Option holders (including Management) will, in connection with the Listing, exercise a pro rata portion of their vested Options equal to the pro-rata portion of Shares sold by the Lead Selling Shareholders in the Offering, and with an obligation for the Option holder to retain exposure equal 50% of the net proceeds after tax. The exercise of the vested Options will result in a payable social security tax for the Company estimated to be approximately USD 6.7 million, depending on the percentage of Shares sold by the Lead Selling Shareholders and the Offer Price.[61] The Options that are not otherwise exercised in connection with Listing will be rolled over from Automate LuxCo into the Company in connection with the Reorganization with the same terms and conditions. The Group does not plan to grant any further Options or other equity awards under this plan following the adoption of the New Equity Incentive Plan, as described below.

Employee Equity Plan 2021

Following the SoftBank acquisition, a broad number of the Group's employees across positions and geographies were invited to invest in the Group by acquiring shares in Automate LuxCo through a management investment vehicle. The shares were offered at a price of USD 2.13 per share, and a total of 6,220,005 shares were issued to the employees. These employees will, either directly or indirectly through the management investment vehicle, hold shares in the Company upon completion of the Reorganization. The purpose of this plan is to provide incentives that will attract, retain and motivate the Group's high performing officers, employees and consultants, and to motivate the Group's officers and employees to grow the Company and build shareholder value. Automate LuxCo issued a number of shares under the plan in a manner that the Group believed appropriate for a privately held high-growth company.

New Equity Incentive Plan

A new equity incentive program will be implemented following the completion of this Offering for future grants to officers, directors, employees and others as may be determined by the board of directors. A proposal will be made to the Board of Directors by the remuneration committee and we expect the plan will be finalized by the next annual meeting of shareholders.

Share purchase program for employees

Following the completion of the Offering, the Company intends to establish a share purchase program for the employees of the Group, subject to applicable securities laws in the relevant jurisdictions.

12.4 Benefits upon termination

No member of the Board of Directors or Management is entitled to benefits upon termination of their position.

12.5 Loans and guarantees

The Company has not granted any loans, guarantees or made any other similar commitments to any of its Board Members or members of Management.

12.6 Pension and retirement benefits

For the year ended 31 December 2020, the costs of pensions for members of the Management amounted to USD 0.1 million. The Company has no pension or retirement benefits for its Board Members.

The Group has a defined contribution pension plan for its employees which satisfies the statutory requirements in the Norwegian Mandatory Occupational Pension Act of 21 December 2005 no. 124 (Nw.: *Lov om obligatorisk tjenestepensjon*). For more information regarding the Group's pension and retirement benefits, see note 2.4 to the 2020 Financial Statements.

[61] The estimate of USD 6.7 million is based on a price of 3.15 USD per share, free float of 15% and the Greenshoe Option not being exercised.

No amounts have been set aside or accrued by the Group to provide for pension, retirement or similar benefits.

12.7 Nomination committee

The Bye-Laws provide for a nomination committee composed of two to four members. The Company intends to appoint a nomination committee at the 2022 annual general meeting of the Company.

The nomination committee shall be responsible for (i) nominating candidates for the election of shareholder-elected board members, including the chair of the Board of Directors, (ii) for nominating members to the nomination committee, and (iii) make recommendations for remuneration of these members.

12.8 Audit committee

The Board of Directors has, subject to and with effect from the Listing, established an audit committee. The audit committee shall be composed of four Board Members who are appointed for a one-year term. The appointed members of the audit committee are Viveka Ekberg (chair), Michael K. Kaczmarek, Ram Trichur and Nils Magnus Tornling. The primary purpose of the audit committee is to act as a preparatory and advisory committee for the Board of Directors in monitoring the Group's internal control of the risk management and financial reporting. This includes but is not limited to:

- all critical accounting policies and practices;
- quality, integrity and control of the Group's financial statements and reports;
- compliance with legal and regulatory requirements;
- qualifications and independence of the external auditors; and
- performance of the internal audit function and external auditors.

The audit committee will report and make recommendations to the Board of Directors, but the Board of Directors will retain responsibility for implementing such recommendations.

12.9 Remuneration committee

The Board of Directors has, subject to and with effect from the Listing, established a remuneration committee composed of four Board Members. The members of the remuneration committee shall be appointed for a one-year term. The appointed members of the remuneration committee are James C. Carlisle (chair), Michael K. Kaczmarek, Andreas Hansson and Kristin Skogen Lund. The primary purpose of the remuneration committee is to assist the Board of Directors in matters relating to remuneration of the executive management of the Group, as well as reviewing recruitment policies, career planning and management development plans, and prepare matters relating to other material employment issue in respect of the executive management.

The remuneration committee shall report and make recommendations to the Board of Directors, but the Board of Directors retains responsibility for implementing such recommendations.

12.10 Corporate governance

The Company has adopted and implemented a corporate governance regime, which will be effective from the date the listing application is sent to the Oslo Stock Exchange (i.e., on 11 October 2021). The corporate governance policy is based on, and to a large extent in compliance with, the Corporate Governance Code. The corporate governance policy has the following deviations from the Corporate Governance Code:

- *Deviation from section 2 "Business":* In accordance with common practice for Bermuda exempted companies, the objectives of the Company are not specifically described in the Company's Memorandum of Association, being are wider and more extensive than recommended by the Corporate Governance Code.
- *Deviation from section 3 "Equity and dividends":* Pursuant to Bermuda law and in accordance with common practice for Bermuda exempted companies, the Board of Directors may issue any authorized but unissued shares in the Company, subject to the Bye-laws and any resolution of the Company's shareholders to the contrary. Further the Company may purchase its own shares for cancellation or acquire them as treasury

shares, in accordance with the Bermuda Companies Act. The powers of the Board of Directors to issue shares or purchase shares (for cancellation or to be held as treasury shares) are neither limited to specific purposes nor to a specified period as recommended in the Corporate Governance Code.

- *Deviation from section 8 "Board of directors: composition and independence":* Pursuant to the Bye-laws, the chairman of the Board of Directors will be elected by the Board of Directors, not by the general meeting.

Neither the Board of Directors nor the General Meeting has adopted any resolutions which are deemed to have a material impact on the Group's corporate governance regime.

12.11 Conflict of interests etc.

No Board Member or member of Management has, or had, as applicable, during the last five years preceding the date of the Prospectus:

- any convictions in relation to fraudulent offences;
- received any official public incrimination and/or sanctions by any statutory or regulatory authorities (including designated professional bodies) or was disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company; or
- been declared bankrupt or been associated with any bankruptcy, receivership or liquidation in his or her capacity as a founder, member of the administrative body or supervisory body, director or senior manager of a company.

Other than as described in Section 12.1.1 "Overview", there are currently no actual or potential conflicts of interest between the Company and the private interests or other duties of any of the members of the Management and the Board of Directors, including any family relationships between such persons.

13 THE SELLING SHAREHOLDERS

13.1 Overview

The Offering, as further described in Section 17 "The terms of the Offering", comprises, in addition to the New Shares, up to 477,262,219 Sale Shares offered by the Selling Shareholders as set out in Section 13.2 "Shares offered by the Selling Shareholders" and Section 13.3 "Option Selling Shareholders" below. The number of Sale Shares to be sold by the Selling Shareholders will be subject to the final Offer Price and as decided by the Company and the Selling Shareholders, in consultation with the Managers.

The Selling Shareholders (except for those described in 13.3 "Option Selling Shareholders") have entered into lock-up undertakings in connection with the Offering. See Section 17.18 "Lock-up" for further details.

The following table sets forth certain information regarding the ownership of the Shares on an actual basis and as adjusted to give effect to the sale of Shares in the Offering. The table is presented based on the assumption that the Offer Price is set at the low-point of the Indicative Price Range and that all Sale Shares are sold.

	Shares held before the Offering		Shares held after the Offering (if the Borrowing Option is not exercised)		Shares held after the Offering (if the Borrowing Option is exercised in full)	
Shareholders	**Number of shares**	**%**	**Number of shares[1]**	**%**	**Number of shares[2]**	**%**
The Selling Shareholders....	3,228,540,429	100%	2,841,655,376	84.99%%	2,769,185,429	82.75%
New shareholders	-	-	501,967,147	15.01%	577,262,219	17.25%
Total	**3,228,540,429**	**100%**	**3,343,622,523**	**100%**	**3,346,447,648**	**100%**

1 The number of Shares and percentage of total shareholding is based on an assumption that the Offer Price is set at the low-point of the Indicative Price Range, that the corresponding number of New Shares are issued by the Company and that the maximum number of sale Shares are sold.

2 The Borrowing Option is granted by the Selling Shareholders.

13.2 Shares offered by the Selling Shareholders

Name	LEI	Registered address	Contact information	Number of Shares held	Up to number of Sale Shares offered	Number of Shares held following the Offering[1]	Percentage of issued share capital following the Offering[2]
THL Equity Fund VIII Investors (Automate), L.P.[3]..	549300FZIHXZSP3F9T81	c/o The Corporation Service Company, 251 Little Falls Drive, Wilmington, New Castle County, Delaware 19808	APrice@THL.com 617-227-1050	1,244,236,073	266,034,535	978,201,538	29.26%
Thomas H. Lee (Alternative) Parallel Fund VIII, L.P. [3]....	549300GDWNGNLLF30K22	c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands	APrice@THL.com 617-227-1050	237,960,825	50,879,249	187,081,576	5.60%
Thomas H. Lee (Alternative) FUND VIII, L.P. [3]...........	5493002IYY0KMNFJ8D54	c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands	APrice@THL.com 617-227-1050	130,685,233	27,942,274	102,742,959	3.07%

Name	LEI	Registered address	Contact information	Number of Shares held	Up to number of Sale Shares offered	Number of Shares held following the Offering[1]	Percentage of issued share capital following the Offering[2]
THL Fund VIII (Alternative) Coinvestment Partners, L.P. [3]......	5493006Z4N8VYYLXKW43	c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands	APrice@THL.com 617-227-1050	15,531,010	3,320,740	12,210,270	0.37%
THL (Alternative) Executive Fund VIII, L.P. [3]	5493000UD2YI4ON41F11	c/o Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands	APrice@THL.com 617-227-1050	9,977,391	2,133,301	7,844,090	0.23%
Terminator Holding S.à r.l.[4]...............	213800COXHXIP7PBP729	26A, Boulevard Royal, 2449 Luxembourg, Luxembourg	eqtequity@eqtfunds.com/ kim-anh.chau@eqtfunds.com +352 26 73 26 79	179,213,747	38,318,328	140,895,419	4.21%
Automate Investment II AS[5] .	549300PD6EUZNVK1NY23	Stokkastrandveien 85, 5578 Nedre Vats, Vindafjord, Norway	gro.anita@autostoresystem.com/ +47 4155 1830	63,639,554	13,007,748	65,572,204	1.96%
Automate Investment AS[5]	49300HVXC6IW5H7UO22	Stokkastrandveien 85, 5578 Nedre Vats, Vindafjord, Norway	gro.anita@autostoresystem.com/ +47 4155 1830	6,220,005	330,971	6,030,730	0.18%

1 Assuming all offered Sale Shares are sold.

2 Assuming that the Greenshoe Option is not exercised.

3 A company associated with THL.

4 A company associated with EQT.

5 Employee investment company selling shares on behalf of the employees who choose to sell pro-rate with the other selling shareholders in the IPO.

The companies associated with THL listed above are referred to in this Prospectus as the "THL Shareholder" and as the "Lead Selling Shareholders".

As described in Section 11.23 "Related party transactions", the Group has entered into related party transactions with companies affiliated with THL and EQT during the last three years. Further, as described in Section 8.5.10 "The Group's IT infrastructure and IT network", the Group's IT infrastructure and IT network are sourced from Jakob Hatteland Solutions AS, a company affiliated with Jakob Hatteland Holding AS. Additionally, Jakob Hatteland Computer AS, another company affiliated with Jakob Hatteland Holding AS, provides RamBase licenses and services relating to the RamBase ERP system, as also described in Section 8.5.10 "The Group's IT infrastructure and IT network". Certain of the Selling Shareholders have also had board representation in Automate LuxCo". Apart from this, the Selling Shareholders has not had any material relationships with the Group during the last three years.

13.3 Option Selling Shareholders

As further described in Section 12.3.5 "Share incentive programs", the Option holders (including Management) shall exercise a pro-rata portion of their vested Options equal to the pro-rata portion of Shares sold by the Lead Selling Shareholders in the Offering. The Option holders listed below will sell a number of Shares received upon exercise of the

Options in the Offering (the "**Option Selling Shareholders**") in order to retain exposure equal to 50% of the net proceeds after tax.

Name	**Address**	**Contact information**
Anette Matre	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	anette.matre@autostoresystem.com
Bent Skisaker	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	bent.skisaker@autostoresystem.com
Carlos Fernandez	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	carlos.fernandez@autostoresystem.com
Frode Robberstad..............	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	frode.robberstad@autostoresystem.com
Gro Anita Klungtveit	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	gro.anita@autostoresystem.com
Helge Olsen......................	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	helge.olsen@autostoresystem.com
Ingvar Fagerland	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	ingvar.fagerland@autostoresystem.com
Ivar Fjeldheim	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	ivar.fjeldheim@autostoresystem.com
Jim Stollberg	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	jstollberg@wi.rr.com
Jone Gjerde......................	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	jone.gjerde@autostoresystem.com
Karl Hatteland	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	karl.hatteland@autostoresystem.com
Karl Johan Lier..................	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	karl.johan.lier@autostoresystem.com
Lars Sæbø........................	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	lars.saebo@autostoresystem.com
Magne Hatteland...............	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	magne@autostoresystem.com
Mats Vikse	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	mats.vikse@autostoresystem.com
Michael Dickson	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	michael.dickson@autostoresystem.com
Ole Alexander Mæhle.........	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	ole.alexander.mehle@autostoresystem.com
Paul Roy	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	paul.roy@autostoresystem.com
Ragnar Stuhaug.................	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	ragnar.stuhaug@autostoresystem.com
Roald Gjelsten	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	roald.gjelsten@autostoresystem.com
Sven Åge Hjorteland..........	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	sven.age.hjorteland@autostoresystem.com
Synnøve Matre	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	synnove.matre@autostoresystem.com
Trond Austrheim	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	trond.austrheim@autostoresystem.com
Uwe Grunbeck	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	uwe.grunbeck@autostoresystem.com
Øystein Gjerdevik	Stokkastrandvegen 85, 5578 Nedre Vats, Norway	oystein.gjerdevik@autostoresystem.com

14 CORPORATE INFORMATION AND DESCRIPTION OF THE SHARE CAPITAL

The following is a summary of certain corporate information and material information relating to the Shares and share capital of the Company and certain other shareholder matters, including summaries of certain provisions of the Memorandum of Association, Bye-Laws and applicable Norwegian and Bermuda law in effect as of the date of this Prospectus, including the Bermuda Companies Act. The summary does not purport to be complete and is qualified in its entirety by the Memorandum of Association, Bye-Laws and applicable law.

14.1 Company corporate information

The Company's registered name is "AutoStore Holdings Ltd.", while its commercial name is "AutoStore". The Company was incorporated on 31 August 2021 as an exempted company limited by shares organized and existing under the laws of Bermuda pursuant to the Bermuda Companies Act. The Company's registration number in the Bermuda Registrar of Companies is 202100333 and its LEI code is 549300KYN3M0LSM5A413.

The Shares will be secondary recorded in book-entry form with the VPS under ISIN BMG0670A1099 in connection with the Listing. The Company's register of shareholders in the VPS is administered by DNB Bank ASA, with registered business address at Dronning Eufemias gate 30, 0191 Oslo, Norway ("**DNB**" or the "**VPS Registrar**"). See Section 14.9 "VPS registration of the Shares" for more information.

The Company's registered office is located at Park Place, 55 Par La Ville Road, Third Floor, Hamilton HM11, Bermuda. The Group's headquarters are located at Stokkastrandvegen 85, 5578 Nedre Vats, Norway, its main telephone number at that address is +47 52 76 35 00 and its e-mail is contact@autostoresystem.com. The Company's website can be found at www.autostoresystem.com. The content of www.autostoresystem.com is not incorporated by reference into this Prospectus, nor does it in any other manner constitute a part of this Prospectus.

14.2 Legal structure

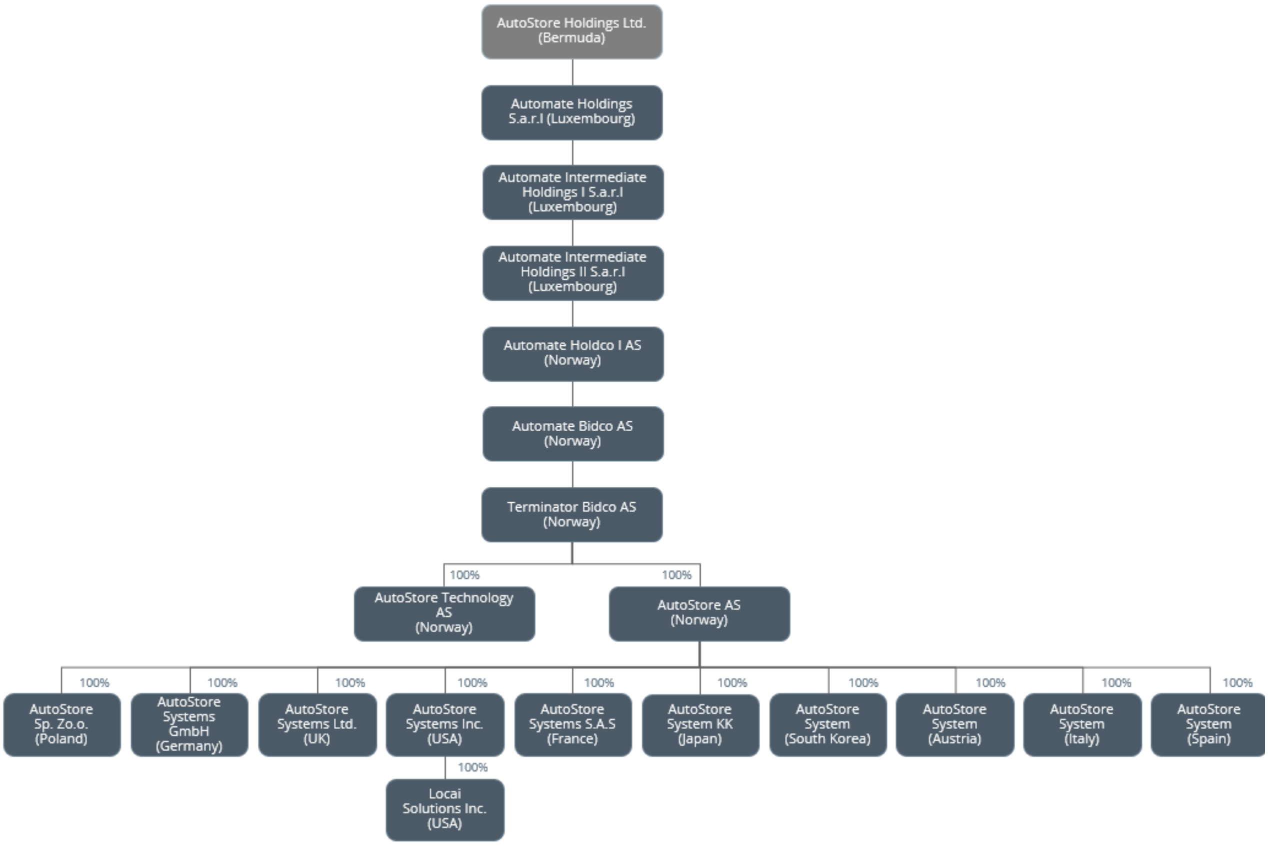
The Company functions as the holding company of the Group. The Company is not an operative entity, and AutoStore's operations are thus carried out through the Group's operating subsidiaries. The table below sets out brief information about the Group companies consolidated with the Company and associated companies, including country of incorporation, main activity carried out by such companies and the reporting segment they belong to.

Company	Country of incorporation	Activity	Direct and indirect ownership interest
Automate Holdings S.à r.l.	Luxembourg	Holding company	100%
Automate Intermediate Holdings I S.a.r.l	Luxembourg	Holding company	100%
Automate Intermediate Holdings II S.a.r.l	Luxembourg	Holding company	100%
Automate Holdco I AS	Norway	Holding company	100%
Automate Bidco AS	Norway	Holding company	100%
Terminator Bidco AS	Norway	Holding company	100%
AutoStore AS	Norway	Operating entity in Norway	100%
AutoStore Technology AS	Norway	Owning entity of the Group's IPR	100%
AutoStore Sp. Z o.o.	Poland	Operating entity in Poland for assembly of the AS/RS	100%
AutoStore Systems Inc.	United States	Operating entity in the U.S.	100%
AutoStore Systems Ltd.	United Kingdom	Operating entity in the U.K.	100%
AutoStore Systems GmbH	Germany	Operating entity in Germany	100%
AutoStore System S.A.S.	France	Operating entity in France	100%
AutoStore System KK	Japan	Operating entity in Japan	100%
AutoStore System	South Korea	Operating entity in South Korea	100%
AutoStore System AT GmbH	Austria	Operating entity in Austria	100%
AutoStore System	Italy	Operating entity in Italy	100%

Company	Country of incorporation	Activity	Direct and indirect ownership interest
AutoStore System..........................	Spain	Operating entity in Spain	100%
Locai Solutions Inc.........................	United States	Operating entity in the U.S.	100%[1]

1 Owned 100% by AutoStore Systems Inc.

An overview of the Group structure following the Reorganization is set out below.



14.3 Authorized and issued share capital

As at the date of the Prospectus, the Company's authorized share capital is USD 42,500,000, consisting of 4,250,000,000 Shares, each with a par value of USD 0.01, of which 10,000 Shares have been issued. The Board of Directors may issue any authorized but unissued shares of the Company subject to any resolution of the Company's shareholders to the contrary.

The Shares have been created under the Bermuda Companies Act. The Company has one class of shares and accordingly, there are no differences in the voting rights among the Shares. Neither the Company nor any of its subsidiaries directly or indirectly owns any shares in the Company.

14.4 Share capital history

The table below provides an exhaustive overview of the development in the Company's authorized share capital from the date of its incorporation (31 August 2021) and up to the date of this Prospectus:

Date of registration	Type of change	Change in authorized share capital (USD)	New authorized share capital (USD)	No. of authorized shares	Par value per share (USD)
31 August 2021	Authorized on incorporation	-	100	100	1.00
5 October 2021	Sub-division of share capital	-	-	10,000	0.01
5 October 2021	Increase of authorized share capital	42,500,000	42,500,100	4,250,010,000	0.01

The table below provides an exhaustive overview of the development in the Company's issued share capital from the date of its incorporation (31 August 2021) and up to the date of this Prospectus:

Date of registration	Type of change	Change in issued share capital (USD)	New issued share capital (USD)	No. of issued shares	Par value per share (USD)
31 August 2021	Incorporation[1]	-	100	100	1.00
5 October 2021	Sub-division of share capital	-	-	10,000	0.01

1 The Shares were subscribed at a price of USD 1.00 each.

In addition to the above, the board of directors will, on or about 9 October 2021, resolve to issue 200,000,000 new Shares to SubscriptionCo AS at a subscription price of USD 0.01. SubscriptionCo AS and the Company have agreed that these shares upon issuance shall be sold by SubscriptionCo to the Company at a price per Share of USD 0.01. The Company will thereafter hold these Shares in treasury. The New Shares offered by the Company in the Offering is a portion of these treasury Shares.

The Company's share capital will also change in connection with the Reorganization and upon completion of the Offering. Following the Reorganization there will be 3,228,540,429 issued shares in the Company, each with a par value of USD 0.01, in addition to the 200,000,000 Shares held in Treasury.

14.5 Admission to trading

The Company will on or about 11 October 2021 apply for admission to trading of its Shares, including the Offer Shares, on the Oslo Stock Exchange, and the board of directors of the Oslo Stock Exchange is expected to approve the listing application of the Company on or about 14 October 2021 subject to certain conditions being met. See Section 17.15 "Conditions for completion of the Offering – Listing and trading of the Offer Shares".

The Company currently expects commencement of trading in the Shares on the Oslo Stock Exchange on an "if sold" basis (conditional) on or about 20 October 2021 and on an unconditional basis on or about 22 October 2021. The Company has not applied for admission to trading of the Shares on any other stock exchange or regulated market or a multilateral trading facility (MTF).

14.6 Ownership structure

After the Reorganization the Company will have 11 shareholders. The table below shows the shareholders in the Company immediately after the Reorganization.

#	Shareholder	Number of shares	% of total shareholders
1	Alpha LP[1]	1,314,076,591	40.69%
2	THL Equity Fund VIII Investors (Automate), L.P[2]	1,244,236,073	38.52%
3	Thomas H. Lee (Alternative) Parallel Fund VIII, L.P.[2]	237,960,825	7.37%
4	Terminator Holding S.à r.l[3]	179,213,747	5.55%
5	Thomas H. Lee (Alternative) FUND VIII, L.P.[2]	130,685,233	4.05%
6	Automate Investment II AS	63,639,554	1.97%
7	Jakob Hatteland Holding AS	16,200,000	0.50%

8	THL Fund VIII (Alternative) Coinvestment Partners, L.P. [2]......	15,531,010	0.48%
9	Polysys AS..	10,800,000	0.33%
10	THL (Alternative) Executive Fund VIII, L.P.	9,977,391	0.31%
11	Automate Investment AS	6,220,005	0.19%
	Total number of shares[4]	**3,228,540,429[4]**	**100%**

1 Company associated with Softbank

2 Company associated with THL

3 Company associated with EQT

4 In addition the Company will hold 200,000,000 Shares in Treasury.

See Section 13 "The Selling Shareholders" for details on shareholders offering Sale Shares in the Offering.

Shareholders owning 5% or more of the Shares have an interest in the Company's share capital which is notifiable pursuant to the Norwegian Securities Trading Act. See Section 15.8 "Disclosure obligations" for a description of the disclosure obligations under the Norwegian Securities Trading Act. Immediately following the Reorganization, the Company's major shareholders are THL (50.73%), SoftBank (40.69%) and EQT (5.55%). THL holds its shares in the Company through five different entities with a collective ownership percentage of 50.73%, as listed in the table above. SoftBank holds its shares in the Company through Alpha LP. EQT holds its shares in the Company through Terminator Holding S.à r.l.

Following the completion of the Offering, the Company is not aware of any persons or entities other than THL and Softbank, that, directly or indirectly, jointly or severally, exercise or could exercise control over the Company. The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

The classification of the Company's Board of Directors, together with the inability of shareholders to call special general meetings, may have the effect of delaying or preventing a change of control or management of the Company. The Shares have not been subject to any public takeover bids during the current or last financial year.

No particular measures have been put in place to ensure that control is not abused by large shareholders. For further information on appraisal rights and shareholder suits, see Section 14.12.10 "Appraisal rights and shareholder suits" below.

14.7 Share repurchase and treasury shares

Pursuant to the Bye-Laws, the Company may purchase its own Shares for cancellation or acquire them as treasury shares on such terms and in such manner as may be authorized by the Board of Directors, subject to the Bermuda Companies Act. The Board of Directors may exercise all the powers of the Company to purchase or acquire its own Shares.

As of the date of this Prospectus, the Company does not hold any Shares in treasury.

14.8 Other financial instruments

The Company has adopted an Equity Incentive Plan 2019 (the Equity Plan) and an Employee Equity Plan 2021, as further described in Section 12.3.5 "Share incentive program" above. Apart from this, neither the Company nor any of its subsidiaries has issued any options, warrants, convertible loans or other instruments that would entitle a holder of any such to subscribe for any shares in the Company or its subsidiaries. Furthermore, neither the Company nor any of its subsidiaries has issued subordinated debt or transferable securities other than the Shares and the shares in the Company's subsidiaries will be held, directly or indirectly, by the Company or, in case of joint venture companies, by the Company and its partners.

14.9 VPS registration of the Shares

14.9.1 Information concerning VPS and the CSD-link

At the date hereof, the Company's shares are registered in the Register of Members of the Company maintained at the registered office of the Company in Bermuda. The Shares will be secondary recorded in the VPS in book-entry form from Listing. DTC will act as primary securities depository for the Company's shares. In the Company's Register of Members, the legal title to the shares will be in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. Computershare Trust Company, N.A. (the "**Transfer Agent**") will act as the Company's transfer agent and registrar with respect to the Register of Members and the primary recording in DTC. DTC will issue dematerialized book-entry interests within its system to the direct or indirect custodian bank of DNB Bank ASA, Registrar Department, acting as the Company's VPS registrar (the "**VPS Registrar**"), which will forward such interest through a custody chain to the VPS Registrar. The VPS Registrar will register such book entry interests in VPS as a secondary recording of shares, and further deliver the Shares into the investors' respective VPS accounts. The dematerialized book entry interests recorded in the VPS and listed on the Oslo Stock Exchange will be regarded as the "Shares" in accordance with the Central Securities Depositories Regulation (CSDR), and accordingly be referred to as Shares in the Prospectus.

In order to facilitate registration of the Shares in the VPS, the Company has entered into a deposit and registrar agreement (the "**Registrar Agreement**") with the VPS Registrar, which administrates the Company's VPS register.

Pursuant to the Registrar Agreement a direct or indirect custodian bank of the VPS Registrar is registered as the holder of the primary recorded securities in DTC pursuant to which the Shares are derived from. The VPS Registrar registers the Shares by way of a secondary recording in book-entry form in the VPS.

The title to the Shares will be evidenced and transferred without a written instrument by the VPS. The Offer Shares will have ISIN BMG0670A1099 and CUSIP G0670A 109.

14.9.2 Information concerning DTC

DTC has advised the Company that it is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly. At the date hereof, the Shares are registered in the register of members of the Company maintained at the registered office of the Company in Bermuda. When the Shares are listed or admitted to trading on an Appointed Stock Exchange, such as the Oslo Stock Exchange, the Shares may be directly registered in the VPS. On this basis, the Company will seek to register all of the Shares in book-entry form in the VPS in connection with the Listing.

14.10 Shareholder rights

The Company has one class of Shares in issue, and all Shares in that class have equal rights to all such other Shares in that class as set out in the Bye-Laws. There are no differences in voting rights between the shareholders.

As the Company is a Bermuda limited company, shareholders do not have the same preferential rights in a future offering of shares or other equity related instruments in the Company as shareholders in Norwegian limited liability companies listed on the Oslo Stock Exchange normally have. Depending on the structure of any future offering, certain existing shareholders may therefore not be able to purchase additional equity securities, meaning that these shareholders' holdings and voting interest may be diluted.

14.11 Shareholders' agreements

With respect to the securities of Automate LuxCo owned by SoftBank prior to the Offering (including any Shares in the Company issued to Softbank in exchange for such securities owned in Automate LuxCo prior to the Offering as part of the Reorganization, but excluding any Shares in the Company purchased by SoftBank in connection with the Offering), upon the consummation of the Offering, Softbank has agreed not to, without the prior written consent of THL, transfer any such securities for a period of time from the closing of the transactions contemplated by the SB Purchase Agreement until the earlier to occur of: (x) the date that is eighteen (18) months following the consummation of the Offering and (y) the date upon which THL ceases to own at least twelve and one-half percent (12.5%) of the outstanding shares of

Automate LuxCo (or the Company as its successor pursuant to the Reorganization) ("**Post-IPO Lock-up Period**"). In addition, for a period of twelve (12) months following the Post-IPO Lock-up Period, SoftBank may transfer the shares in Automate LuxCo (or the Company as its successor pursuant to the Reorganization) owned by SoftBank prior to the Offering, and any Shares in the Company which Softbank acquires in connection with the Offering, without the prior written consent of THL only if such transfer would not result in SoftBank's relative ownership percentage being less than THL's relative ownership percentage following such transfer.

THL and EQT has agreed to certain limitations on the transfer of Shares held by EQT with effect from and subject to the consummation of the IPO (the "**EQT Transfer Agreement**"). Pursuant to the EQT Transfer Agreement, the following post-IPO transfer restrictions shall apply with respect to EQT: Without the prior written consent of THL, in connection with and following the consummation of the IPO and until the earlier to occur of (x) the one-year anniversary of the consummation of the IPO and (y) the date upon which THL ceases to collectively own at least twenty percent (20%) of the total Shares of the Company, EQT may 'transfer' (as defined in the EQT Transfer Agreement) Shares of the Company owned by EQT, including, for these purposes, any ordinary shares purchased by EQT in connection with the IPO (to the extent applicable), only if such transfer would not result in the 'relative ownership percentage' (as defined in the EQT Transfer Agreement) of EQT immediately following such transfer being less than the collective relative ownership percentage of THL immediately following such transfer (it being understood and agreed that following the one-year anniversary of the consummation of the IPO, EQT may freely transfer any of its Shares of the Company without the prior written consent of THL and without regard to relative ownership percentage).

For information on the Advisory Services Agreement and the Registration Services Agreement, see Section 11.23 "Related party transactions".

Other than as described above, the Company is not aware of any shareholders agreements pertaining to the Company or the Shares that will be effective upon the Listing.

14.12 The Memorandum of Association, Bye-Laws and certain aspects of Bermuda law

The Bye-Laws are set out in Appendix A to this Prospectus. Below is a summary of provisions of the Bye-Laws and certain aspects of applicable Bermuda law. Defined terms used in this Section 14.12 "The Memorandum of Association, Bye-Laws and certain aspects of Bermuda law" which are not defined in this Prospectus shall have the meanings given to them in the Bye-laws.

14.12.1 Objects of the Company

In accordance with common practice for Bermuda incorporated companies, the objects of the Company are not specifically described in its Memorandum of Association, but are stated as being unrestricted.

14.12.2 General meetings

The annual general meeting of the Company shall be held each year at such time and place as the president of the Company, if any, or the Chairman or the Board of Directors shall appoint. The president of the Company, if any, the Chairman or the Board of Directors may convene a special general meeting whenever in their judgment such a meeting is necessary. The Board of Directors shall, on the requisition of the shareholders holding at the date of the deposit of the requisition not less than 10% of the paid-up voting share capital of the Company, forthwith proceed to convene a special general meeting.

At least 21 days' notice of an annual general meeting shall be given to each shareholder entitled to attend and vote thereat, stating the date, place (or, for electronic meetings, the electronic system) and time at which the meeting is to be held, that the election of directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting. At least 21 days' notice of a special general meeting shall be given to each shareholder entitled to attend and vote thereat, stating the date, place (or, for electronic meetings, the electronic system) and time and the general nature of the business to be considered at the meeting. The Board of Directors may fix any date as the record date for determining the shareholders entitled to receive notice of and to vote at any general meeting of the Company, provided that the date for determining shareholders entitled to vote at any general meeting may not be more than five days before the date fixed for the meeting.

A general meeting of the Company shall, notwithstanding that it is called on shorter notice than that specified in the Bye-Laws, be deemed to have been properly called if it is so agreed by (i) all the shareholders of the Company entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the shareholders having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving a right to attend and vote thereat in case of a special general meeting. The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

Shareholders may participate in any general meeting by means of such telephonic, electronic or other communication facilities or other means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such meeting shall constitute presence in person at such meeting. The Board may decide to convene the general meeting as an electronic meeting, provided that there are systems in place to ensure that participation and voting can be conducted, monitored and controlled by the Company and such systems enable the Company to authenticate the sender of votes submitted, and participation in such a meeting shall constitute presence in person at such meeting.

The Board may determine that the shareholders shall be able to vote in writing, including through electronic communication, in a period before the general meeting. The Board can stipulate guidelines for such advance voting provided that the notice convening the general meeting includes details of the guidelines that have been set.

Except as otherwise provided in the Bye-Laws, the quorum at any general meeting of the Company shall be constituted by two or more persons present in person throughout the meeting and representing in person or by proxy in excess of 33% of the total issued voting shares.

Subject to the Bye-Laws, anything which may be done by resolution of the Company in a general meeting, or by resolution of a meeting of any class of the shareholders may, without a meeting, be done by resolution in writing signed by all the shareholders who at the date of the notice of the resolution is given represent such majority of votes as would be required if the resolution was voted on at a general meeting. However, this does not apply to a resolution to remove an auditor from office before the expiration of his/her term of office, or a resolution for the purpose of removing a board member before the expiration of his/her term of office.

14.12.3 Board of Directors and Management

Election and removal of Board Members

The Board of Directors must consist of between three and 11 board members or such number in excess thereof as decided by the shareholder in a shareholder resolution, however so that for as long as the THL Shareholders and Alpha LP beneficially own more than 10% of Shares, the number of board members shall not exceed nine. Except for the THL Shareholders' and Softbank's right to appoint board members, the Board of Directors must be elected or appointed at the relevant annual general meeting of the Company's shareholders or at any special general meeting of the shareholders called for that purpose. The Bye-Laws provide that a board member shall hold office for a term as determined by the shareholders upon their election at a general meeting, or, in the absence of such determination, until the next annual general meeting or until their successors are elected or appointed.

The shareholders may authorize the Board of Directors to fill any vacancy in their number left unfilled at a general meeting. If there is a vacancy of the Board of Directors occurring as a result of death, disability, disqualification or resignation of any Board Member, such vacancy shall be filled at the next annual general meeting of the Company or any special general meeting called for such purpose pursuant to the Bye-Laws, and to appoint an alternate board member to any Board Member so appointed, provided that THL Shareholders and Softbank are entitled to appoint alternate board members for their respective Directors.

From the time of Listing, the THL Shareholders and Alpha LP will each have the right to appoint to the Board a number of board members up to three and down to one depending on their respective beneficial shareholding, provided that the THL Shareholders or Alpha LP (as applicable) beneficially owns at least 10% of the Shares. If any of the THL Shareholders or Alpha LP fall below any of the applicable ownership thresholds with the result that the number of board members the THL Shareholders or Alpha LP, respectively, are entitled to appoint is decreased, the applicable shareholder shall cause a sufficient number of its appointed board members to resign. In the event that an appointed board member shall cease to serve for any reason, the THL Shareholders and/or Alpha LP, as the case may be, shall be entitled to appoint such board member's successor.

Nominations of persons for election to the Board of Directors may be made at any annual general meeting or at a special general meeting called for the purpose of electing Board Members: by or at the direction of the Board of Directors (or any duly authorized committee thereof, including the nomination committee); by any shareholders pursuant to the valid exercise of power granted under the Bermuda Companies Act; or by any shareholder who is a shareholder on the record date or the determination of shareholders entitled to vote at such meeting and on the date of the giving of the notice of nomination (provided the shareholder complies with the notice procedures set out in the Bye-Laws). Any notice required to be given to the Company's secretary must be in writing and delivered to or mailed and received by the Company's secretary, who must receive the notice not later than: in the case of an annual general meeting, not less than 90 days nor more than 120 days before the first anniversary of the preceding year's annual general meeting, or, if no annual general meeting was held in the previous year or the date of the annual general meeting is more than 30 days before or more than 30 days after such anniversary date, not later than 10 days following the earlier of the date on which notice of the annual general meeting was given to the shareholders the date on which public disclosure of the date of the annual general meeting was made; and in the case of a special general meeting, not later than 10 days following the earlier of the date on which notice of the special general meeting was given to shareholders or the date on which public disclosure of the date of the special general meeting was made. If the chair (or other person presiding over the relevant general meeting) determines that a nomination was not made in accordance with the procedures set out in the Bye-Laws, he/she shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded. Where the number of persons validly proposed for re-election or election as a Board Member is greater than the number of Board Members to be elected, the persons receiving the most votes (up to the number of Board Members to be elected) shall be elected as Board Members, and an absolute majority of votes cast shall not be a prerequisite to the election of such Board Members.

A Board Member may be removed by the shareholders by a resolution passed in a shareholders meeting convened on notice to remove the director given to the Board Member. The notice must contain a statement of the intention to remove the Board Member and must be served on the director not less than 14 days before the meeting. The Board Member is entitled to attend the meeting and be heard on the motion for his removal.

Any director appointed by the THL Shareholders or Alpha LP may not be removed by a resolution passed in a general meeting of Shareholders and may only be removed by the shareholder(s) who appointed them, being THL Shareholders or Alpha LP, as applicable.

Remuneration of Board Members

The remuneration (if any) of the Board Members may be proposed by the Board Members or proposed by a nomination committee of the Board of Directors and is determined by the shareholders in general meeting.

Board Members to manage business

The business of the Company is managed and conducted by the Board of Directors. Subject to the Bye-Laws, the Board of Directors may delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board of Directors may see fit.

Appointment of officers

The Board of Directors shall appoint a chairman from amongst the Board Members. The secretary and additional officers (who may or may not be Board Members), if any, are appointed by the Board of Directors from time to time.

Remuneration of officers

The officers receive such remuneration as the Board of Directors may determine.

Issuance of Shares

The Board of Directors may issue any authorized but unissued shares of the Company on such terms and conditions as it may determine, subject to the Bye-Laws and any resolution of the shareholders of the Company to the contrary.

Indemnification and exculpation of Board Members and officers

Section 98 of the Bermuda Companies Act provides generally that a Bermuda company may indemnify its board members, officers and auditors against any liability which by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. Section 98 further provides that a Bermuda company may indemnify its board members, officers and auditors against any liability incurred by them in defending any proceedings, whether civil or criminal, in which judgment is awarded in their favor or in which they are acquitted or granted relief by the Supreme Court of Bermuda pursuant to section 281 of the Bermuda Companies Act.

The Company has adopted provisions in its Bye-Laws that provide that it shall indemnify its Board Members and officers in respect of their actions and omissions, except in respect of their fraud or dishonesty. The Bye-Laws provide that the shareholders waive any claim or right of action that they may have, individually or by or in the right of the Company against any of the Board Members or officers for any action or failure to take action in the performance of such Board Member or officer's duties, except in respect of any fraud or dishonesty of such Board Member or officer or for liability arising from prospectus responsibility statements signed by any Board Member or officer of the Company.

Section 98A of the Bermuda Companies Act permits the Company to purchase and maintain insurance for the benefit of any officer or Board Member in respect of any loss or liability attaching to him/her in respect of any negligence, default, breach of duty or breach of trust, whether or not the Company may otherwise indemnify such officer or Board Member. The Group has purchased and maintains a directors' and officers' liability policy for such a purpose.

Under Section 98 of the Bermuda Companies Act, the Company may advance moneys to a Board Member or officer for the costs, charges and expenses incurred by the Board Member or officer in defending any civil or criminal proceedings against him/her, on condition that the Board Member or officer shall repay the advance if any allegation of fraud or dishonesty in relation to the Company is proved against him.

14.12.4 Share rights

The holders of Shares have no pre-emptive, redemption, conversion or sinking fund rights. The holders of Shares are entitled to one vote per Share on all matters submitted to a vote of the holders of Shares.

In the event of the liquidation, dissolution or winding up of the Company, the holders of Shares are entitled to share equally and rateably in its assets, if any, remaining after the payment of all of the Company's debts and liabilities, subject to any liquidation preference on any issued and outstanding preference shares.

14.12.5 Variation of share rights

Subject to the Bermuda Companies Act, all or any of the rights attached to any class of shares issued (unless otherwise provided by the terms of issue of the shares of that class) may (whether or not the Company is being wound up) be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of such shares of the class at which meeting the necessary quorum is two persons holding or representing by proxy at least one third of the issued shares of the relevant class.

The Bye-Laws specify that the creation or issue of preference shares will not be deemed to vary the rights attached to the Shares or, subject to the terms of any other class of preferences shares, to vary the rights attached to any other class of preference shares, unless otherwise expressly provided by the terms of the issue of the shares of that class.

14.12.6 Voting rights

The Shares in VPS does not carry any direct voting rights in the Company, but investors in VPS may instruct the VPS Registrar to vote for their shares, subject to any applicable provisions of Bermuda law. The Company will furnish voting materials to the VPS Registrar and the VPS Registrar will notify the holders of the Shares of the upcoming vote and arrange to deliver the Company's voting materials to the holders of the Shares. Otherwise, holders of Shares will not be able to exercise the voting rights attached to the underlying Shares unless the steps outlined in Section 15.5 "The VPS and transfer of Shares" are followed. The VPS Registrar's notice will describe the information in the voting materials and explain how holders of the Shares may instruct the VPS Registrar to vote the underlying shares. The VPS Registrar and any of its indirect or direct custodian banks acting on behalf of it will only vote or attempt to vote as the holders of Shares instruct. The VPS Registrar, or its indirect and direct custodian banks acting on behalf of it, will not exercise any voting rights.

Subject to the Bermuda Companies Act and the Bye-Laws, any question proposed for the consideration of the shareholders at any General Meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with the provisions of the Bye-Laws and in the case of an equality of votes, the resolution shall fail.

14.12.7 Amendment of the Memorandum of Association and the Bye-Laws

The Bye-Laws provide that the Company's Memorandum of Association may be amended by a resolution passed at a general meeting of shareholders, including the affirmative vote of not less than two-thirds of the votes cast at the general meeting, and by a majority resolution of the Board of Directors. The Bye-Laws provide that no Bye-Law shall be rescinded, altered or amended and no new Bye-Law may be made, unless it shall have been approved by a majority resolution of the Board of Directors and by a resolution of the shareholders, including the affirmative vote of not less than a simple majority of the votes cast in a general meeting.

Under the Bermuda Companies Act, the holders of an aggregate of not less than 20% in par value of a company's issued share capital or any class thereof have the right to apply to the Supreme Court of Bermuda for an annulment of any amendment of the memorandum of association adopted by shareholders at any general meeting, other than an amendment which alters or reduces a company's share capital as provided in the Bermuda Companies Act. Where such an application is made, the amendment becomes effective only to the extent that it is confirmed by the Supreme Court of Bermuda. An application for an annulment of an amendment of the memorandum of association must be made within 21 days after the date on which the resolution altering the company's memorandum of association is passed and may be made on behalf of persons entitled to make the application by one or more of their number as they may appoint in writing for the purpose. No application may be made by shareholders voting in favor of the amendment.

14.12.8 Amalgamations and mergers

The amalgamation or merger of a Bermuda company with another company or corporation (other than certain affiliated companies) requires the amalgamation or merger agreement to be approved by the company's board of directors and by its shareholders. Unless a company's bye-laws provide otherwise, the approval of 75% of the shareholders voting at such meeting is required to approve the amalgamation or merger agreement, and the quorum for such meeting must be two persons holding or representing more than one-third of the issued shares of the company.

The Bye-Laws provide that any such amalgamation or merger must be approved by the affirmative vote by a majority of the Directors in a Board meeting and by the affirmative vote of not less than a simple majority of the votes cast in a general meeting. See also Section 14.12.10 "Appraisal rights and shareholder suits".

14.12.9 Transferability of Shares

The Shares are freely transferable.

The Bye-Laws provide that the Board of Directors may decline to register a transfer unless all applicable consents, authorizations and permissions of any governmental body or agency in Bermuda have been obtained. Notwithstanding anything else to the contrary in the Bye-Laws, shares that are listed or admitted to trading on an Appointed Stock Exchange, which includes the Oslo Stock Exchange, may be transferred in accordance with the rules and regulations of such exchange.

14.12.10 Appraisal rights and shareholder suits

Under the Bermuda Companies Act, in the event of an amalgamation or merger of a Bermuda company with another company or corporation, a shareholder of the Bermuda company who did not vote in favor of the amalgamation or merger and who is not satisfied that fair value has been offered for such shareholder's shares may, within one month of notice of the general meeting, apply to the Supreme Court of Bermuda to appraise the fair value of those shares. Under Bermuda law, each share of an amalgamating or merging company carries the right to vote in respect of an amalgamation or merger whether or not it otherwise carries the right to vote.

Class actions and derivative actions are generally not available to shareholders under Bermuda law. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong to the company where the act complained of is alleged to be beyond the corporate power of the company or is illegal or would result in the violation of the company's memorandum of association or bye-laws. Furthermore, consideration would be given by a Bermuda court to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than that which actually approved it.

When the affairs of a company are being conducted or have been conducted in a manner which is oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the Supreme Court of Bermuda, which may make such order as it sees fit, including an order regulating the conduct of the company's affairs in the future or ordering the purchase of the shares of any shareholders by other shareholders or by the company.

14.12.11 Capitalization of profits and reserves

Pursuant to the Bye-Laws, the Board of Directors may (i) capitalize any part of the amount of the Company's share premium or other reserve accounts or any amount credited to the Company's profit and loss account or otherwise available for distribution by applying such sum in paying up unissued shares to be allotted as fully paid bonus shares pro-rata to the shareholders; or (ii) capitalize any amount standing to the credit of a reserve account or amounts otherwise available for dividend or distribution by paying up in full partly or nil paid shares of those shareholders who would have been entitled to such sums if they were distributed by way of dividend or distribution.

14.12.12 Untraced shareholders

The Bye-Laws provide that the Board of Directors may forfeit any dividend and/or other monies payable in respect of any shares which remain unclaimed for six years from the date when such monies became due for payment. In addition, the Company is entitled to cease sending dividend warrants and cheques by post or otherwise to a shareholder if such instruments have been returned undelivered to, or left uncashed by, such shareholder on at least two consecutive occasions or, following one such occasion, reasonable enquires have failed to establish the shareholder's new address. This entitlement ceases if the shareholder claims a dividend or cashes a dividend cheque or a warrant.

14.12.13 Access to books and records and dissemination of information

Members of the general public have the right to inspect the public documents of a Bermuda company available at the office of the Registrar of Companies in Bermuda. These documents include the Company's Memorandum of Association, including its objects and powers, and certain alterations to its Memorandum of Association. The shareholders have the additional right to inspect the Bye-Laws of the Company, minutes of general meetings and the Company's audited financial statements, which must be laid before at the annual general meeting. The register of members of a Bermuda company is also open to inspection by shareholders and by members of the general public without charge. The register of members is required to be open for inspection for not less than two hours in any business day (subject to the ability of a company to close the register of members for not more than thirty days in a year). A company is required to maintain its share register in Bermuda but may, subject to the provisions of the Bermuda Companies Act, establish a branch register outside Bermuda. A company is required to keep at its registered office a register of directors and officers that is open for inspection for not less than two hours in any business day by shareholders of the public without charge. Bermuda law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records. Where a company, the shares of which are listed on an Appointed Stock Exchange, sends its summarized financial statements to its shareholders pursuant to Section 87A of the Bermuda Companies Act, a copy of the full financial statements (as well as the summarized financial statements) must be available for inspection by the public at the company's registered office.

14.12.14 Dividends

A Bermuda company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of the company's assets would thereby be less than its liabilities. "Contributed surplus" is defined for purposes of section 54 of the Bermuda Companies Act to include the proceeds arising from donated shares, credits resulting from the redemption or conversion of shares at less than the amount set up as nominal capital and donations of cash and other assets to a Bermuda company.

Under the Bye-Laws, the Board of Directors may declare dividends to be paid to the shareholders in proportion to the number of shares held by them.

In deciding whether to propose a dividend and in determining the dividend amount, the Board of Directors will take into account the Group's capital requirements, including capital expenditure commitments, its financial condition, general business conditions, legal restrictions as set out above, and any restrictions under borrowing arrangements or other contractual arrangements in place at the time.

14.12.15 Winding-up

A company may be wound up by the Bermuda court on application presented by the company itself, its creditors (including contingent or prospective creditors) or its contributories. The Bermuda court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the Bermuda court, just and equitable to do so.

A company may be wound up voluntarily when the shareholders so resolve in a general meeting. In the case of a voluntary winding up, the company shall, from the commencement of the winding up, cease to carry on its business, except so far as may be required for the beneficial winding up thereof.

Where, on a voluntary winding up, a majority of board members make a statutory declaration of solvency, the winding up will be deemed a "shareholders' voluntary winding up". In any case where such declaration has not been made, the winding up will be deemed a "creditors' voluntary winding up".

In the case of a shareholders' voluntary winding up of a company, the company in general meeting must appoint one or more liquidators within the period prescribed by the Bermuda Companies Act for the purpose of winding up the affairs of the company and distributing its assets. If the liquidator is at any time of the opinion that the company will not be able to pay its debts in full in the period stated in the directors' declaration of solvency, he is obliged to summon a meeting of creditors and lay before the meeting a statement of the assets and liabilities of the company.

As soon as the affairs of the company are fully wound up via a shareholders' voluntary winding up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account, and giving any explanation thereof. This final general meeting shall be called by advertisement in an appointed newspaper, published at least one month before the meeting. Within one week after the meeting the liquidator shall notify the Registrar of Companies in Bermuda that the company has been dissolved and the Registrar shall record that fact in accordance with the Bermuda Companies Act.

In the case of a creditors' voluntary winding up of a company, the company must call a meeting of the creditors of the company to be summoned for the day, or the next day following the day on which the meeting of the shareholders at which the resolution for voluntary winding up is to be proposed is held. Notice of such meeting of creditors must be sent at the same time as notice is sent to shareholders. In addition, the company must cause a notice to appear in an appointed newspaper on at least two occasions.

The creditors and the shareholders at their respective meetings may nominate a person to be liquidator for the purposes of winding up the affairs of the company and distributing the assets of the company, provided that if the creditors and the shareholders nominate different persons, the person nominated by the creditors shall be the liquidator. If no person is nominated by the creditors, the person (if any) nominated by the shareholders shall be liquidator. The creditors at the creditors' meeting may also appoint a committee of inspection consisting of not more than five persons.

If a creditors' voluntary winding up continues for more than one year, the liquidator is required to summon a general meeting of the company and a meeting of the creditors at the end of each year and must lay before such meetings an account of his acts and dealings and of the conduct of the winding up during the preceding year.

As soon as the affairs of the company are fully wound up via a creditors' voluntary winding up, the liquidator must make up an account of the winding up, showing how the winding up has been conducted and the property of the company has been disposed of, and thereupon call a general meeting of the company and a meeting of the creditors for the purposes of laying the account before the meetings, and giving any explanation thereof. Each such meeting shall be called by advertisement in an appointed newspaper, published at least one month before the meeting. Within one week after the date of the meetings, or if the meetings are not held on the same date, after the date of the later meeting, the liquidator is required to send to the Registrar of Companies in Bermuda a copy of the account and make a return to him in accordance with the Bermuda Companies Act. The company will be deemed to be dissolved on the expiration of three months from the registration by the Registrar of Companies in Bermuda of the account and the return. However, a Bermuda court may, on the application of the liquidator or of some other person who appears to the court to be interested, make an order deferring the date at which the dissolution of the company is to take effect for such time as the court thinks fit.

14.13 Anti-takeover and change of control

The Company's Bye-Laws contain provisions that could make it more difficult for a third-party to acquire the Company without the consent of the Board of Directors. These provisions include, among other things:

- a classified Board of Directors with staggered two-year terms; and
- restrictions on the time period in which Board Members of the Company may be nominated.

Further, other future contractual obligations of the Group may contain change of control provisions.

These provisions could make it more difficult for a third-party to acquire the Company, even if the third-party's offer may be considered beneficial by many shareholders. As a result, shareholders may be limited in their ability to obtain a premium for their Shares in a takeover context.

15 SECURITIES TRADING IN NORWAY

Set out below is a summary of certain aspects of securities trading in Norway and the possible implications of owning tradable Shares on the Oslo Stock Exchange. The summary is based on the rules and regulations in force in Norway as at the date of this Prospectus, which may be subject to changes occurring after such date. This summary does not purport to be a comprehensive description of securities trading in Norway. Investors who wish to clarify aspects of securities trading in Norway should consult with and rely upon their own advisors.

15.1 Introduction

The Oslo Stock Exchange was established in 1819 and offers the only regulated market for securities trading in Norway. Oslo Børs ASA is 100% owned by Euronext Nordics Holding AS, a holding company established by Euronext N.V following its acquisition of Oslo Børs VPS Holding ASA in June 2019. Euronext is a pan-European stock exchange with is registered office in Amsterdam and corporate headquarters at La Défense in Greater Paris. Euronext owns seven regulated markets across Europe, including Amsterdam, Brussels, Dublin, Lisbon, London, Oslo and Paris.

15.2 Market value of the Shares

The market value of shares listed on the Oslo Stock Exchange, including the Shares, may fluctuate significantly, which could cause investors to lose a significant part of their investment. The market value of listed shares could fluctuate significantly in response to a number of factors beyond the respective issuer's control, including quarterly variations in operating results, adverse business developments, changes in financial estimates and investment recommendations or ratings by securities analysts, announcements by the respective issuer or its competitors of new product and service offerings, significant contracts, acquisitions or strategic relationships, publicity about the issuer, its products and services or its competitors, lawsuits against the issuer, unforeseen liabilities, changes in management, changes to the regulatory environment in which the issuer operates or general market conditions.

Furthermore, future issuances of shares or other securities may dilute the holdings of shareholders and could materially affect the price of the shares. Any issuer, including the Company, may in the future decide to offer additional shares or other securities to finance new capital-intensive projects, in connection with unanticipated liabilities or expenses or for any other purposes, including for refinancing purposes. There are no assurances that any of the issuers on the Oslo Stock Exchange will not decide to conduct further offerings of securities in the future. Depending on the structure of any future offering, certain existing shareholders may not have the ability to purchase additional equity securities. If a listed company raises additional funds by issuing additional equity securities, the holdings and voting interests of existing shareholders could be diluted, and thereby affect the share price.

15.3 Trading and settlement

Trading of equities on the Oslo Stock Exchange is carried out in Euronext's electronic trading system Optiq®. This trading system is in use by all markets operated by Euronext.

Official trading on the Oslo Stock Exchange takes place between 09:00 hours (CET/CEST) and 16:20 hours (CET/CEST) each trading day, with pre-trade period between 07:15 hours (CET/CEST) and 09:00 hours (CET/CEST), a closing auction from 16:20 hours (CET/CEST) to 16:25 hours (CET/CEST) and a trading at last period from 16:25 hours (CET/CEST) to 16:30 hours (CET/CEST). Reporting of Off-Book On Exchange trades can be done from 07:15 hours (CET/CEST) to 18:00 hours (CET/CEST).

The settlement period for trading on the Oslo Stock Exchange is two trading days (T+2). This means that securities will be settled on the investor's account in VPS two trading days after the transaction, and that the seller will receive payment after two trading days.

The Oslo Stock Exchange offers an interoptability model for clearing and counterparty services for equity trading through LCH Limited, EuroCCP and Six X-Clear.

Investment services in Norway may only be provided by Norwegian investment firms holding a license under the Norwegian Securities Trading Act, branches of investment firms from an EEA member state or investment firms from outside the EEA that have been licensed to operate in Norway. Investment firms in an EEA member state may also provide cross-border investment services into Norway.

It is possible for investment firms to undertake market-making activities in shares listed in Norway if they have a license to this effect under the Norwegian Securities Trading Act, or in the case of investment firms in an EEA member state, a license to carry out market-making activities in their home jurisdiction. Such market-making activities will be governed by the regulations of the Norwegian Securities Trading Act relating to brokers' trading for their own account. However, such market-making activities do not as such require notification to the Norwegian FSA or the Oslo Stock Exchange except for the general obligation of investment firms that are members of the Oslo Stock Exchange to report all trades in stock exchange listed securities.

15.4 Information, control and surveillance

Under Norwegian law, the Oslo Stock Exchange is required to perform a number of surveillance and control functions. The Surveillance and Corporate Control unit of the Oslo Stock Exchange monitors all market activity on a continuous basis. Market surveillance systems are largely automated, promptly warning department personnel of abnormal market developments.

The Norwegian FSA controls the issuance of securities in both the equity and bond markets in Norway and evaluates whether the issuance documentation contains the required information and whether it would otherwise be unlawful to carry out the issuance.

Under Norwegian law, a company that is listed on a Norwegian regulated market, or has applied for listing on such market, must promptly release any inside information directly concerning the company (i.e., precise information about financial instruments, the issuer thereof or other matters which are likely to have a significant effect on the price of the relevant financial instruments or related financial instruments, and which are not publicly available or commonly known in the market). A company may, however, delay the release of such information in order not to prejudice its legitimate interests, provided that it is able to ensure the confidentiality of the information and that the delayed release would not be likely to mislead the public. The Oslo Stock Exchange may levy fines on companies violating these requirements.

15.5 The VPS and transfer of Shares

The Shares will be secondary recorded in the VPS in book-entry form from Listing. DTC will act as primary securities depository for the Company's shares. In the Company's Register of Members, the legal title to the shares will be in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. The Transfer Agent will act as the Company’s transfer agent and registrar with respect to the Register of Members and the primary recording in DTC. DTC will issue dematerialized book-entry interests within its system to the direct or indirect custodian bank of the VPS Registrar, which will forward such interest through a custody chain to the VPS Registrar. The VPS Registrar will register such book entry interests in VPS as a secondary recording of shares, and further deliver the Shares into the investors' respective VPS accounts.

The VPS is liable for any loss suffered as a result of faulty registration or amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian Financial Supervisory Authority on an ongoing basis, as well as any information that the Norwegian Financial Supervisory Authority requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

The VPS is the Norwegian paperless centralized securities register. It is a computerized book-keeping system in which the ownership of, and all transactions relating to, Norwegian listed shares must be recorded. The VPS and the Oslo Stock Exchange are both wholly-owned by the Euronext Nordics Holding AS.

All transactions relating to securities registered with the VPS are made through computerized book entries. No physical share certificates are, or may be, issued. The VPS confirms each entry by sending a transcript to the registered shareholder irrespective of any beneficial ownership. To give effect to such entries, the individual shareholder must establish a share account with a Norwegian account agent. Norwegian banks, Norges Bank (being, the Central Bank of Norway), authorized securities brokers in Norway and Norwegian branches of credit institutions established within the EEA are allowed to act as account agents.

As a matter of Norwegian law, the entry of a transaction in the VPS is *prima facie* evidence in determining the legal rights of parties as against the issuing company or any third-party claiming an interest in the given security. A transferee or assignee of shares may not exercise the rights of a shareholder with respect to such shares unless such transferee or assignee has registered such shareholding or has reported and shown evidence of such share acquisition, and the acquisition is not prevented by law, the relevant company's articles of association or otherwise.

Subject to applicable restrictions, shareholders who hold shares either on the Register of Members or in the Company's primary securities depository, DTC, and wish to exchange these shares into corresponding Shares in the VPS must instruct and authorize the VPS Registrar to receive such Shares. Upon the VPS Registrar's receipt of the Shares (through its indirect or direct custodian bank), the Shares will be issued by the VPS Registrar and delivered to the VPS account of the relevant holder. Holders of Shares in the VPS who wish to exchange their Shares in the VPS into shares held in the Register of Members or the Company's primary securities depository, DTC, must advise the VPS Registrar to deliver and transfer the Shares to an intermediary VPS account of the VPS Registrar and they will then receive the corresponding number of Shares upon the VPS Registrar's receipt of instructions on delivery.

The VPS is liable for any loss suffered as a result of faulty registration or an amendment to, or deletion of, rights in respect of registered securities unless the error is caused by matters outside the VPS' control which the VPS could not reasonably be expected to avoid or overcome the consequences of. Damages payable by the VPS may, however, be reduced in the event of contributory negligence by the aggrieved party.

The VPS must provide information to the Norwegian FSA on an ongoing basis, as well as any information that the Norwegian FSA requests. Further, Norwegian tax authorities may require certain information from the VPS regarding any individual's holdings of securities, including information about dividends and interest payments.

15.6 Shareholder register

An approved and registered nominee has a duty to provide information on demand about beneficial shareholders to the company and to the Norwegian authorities. In case of registration by nominees, the registration in the VPS must show that the registered owner is a nominee. A registered nominee has the right to receive dividends and other distributions, but cannot vote in general meetings on behalf of the beneficial owners.

There is no assurance that shareholders will receive the notice of any general meeting in time to instruct the VPS Registrar to either effect a re-registration of the Shares registered in the VPS or otherwise instruct the VPS Registrar to vote their Shares in the manner desired.

15.7 Foreign investment in shares listed in Norway

Foreign investors may trade shares listed on the Oslo Stock Exchange through any broker that is a member of the Oslo Stock Exchange, whether Norwegian or foreign.

15.8 Disclosure obligations

If a person's, entity's or consolidated group's proportion of the total issued shares and/or rights to shares in a company listed on a regulated market in Norway (with Norway as its home state, which will be the case for the Company) reaches, exceeds or falls below the respective thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, 2/3 or 90% of the share capital or the voting rights of that company, the person, entity or group in question has an obligation under the Norwegian Securities Trading Act to notify the Oslo Stock Exchange and the issuer immediately. The same applies if the disclosure thresholds are passed due to other circumstances, such as a change in the company's share capital.

15.9 Insider trading

According to Norwegian law, subscription for, purchase, sale, exchange or other acquisitions or disposals of financial instruments that are listed, or subject to the application for listing, on a Norwegian regulated market, or incitement to such dispositions, must not be undertaken by anyone who has inside information and thereby uses that information, as defined in Article 7 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, and as implemented in Norway in accordance with Section 3-1 of the Norwegian Securities Trading Act. The same applies to the entry into, purchase, sale or exchange of options or futures/forward contracts or equivalent rights whose value or price either depends on or has an effect on the price or value of such financial instruments or incitement to such dispositions.

15.10 Mandatory offer requirement

The Norwegian Securities Trading Act requires any person, entity or consolidated group that becomes the owner of shares representing more than one-third (or more than 40% or 50%) of the voting rights of a company listed on a Norwegian regulated market (with the exception of certain foreign companies) to, within four weeks, make an unconditional general offer for the purchase of the remaining shares in that company. A mandatory offer obligation may also be triggered where a party acquires the right to become the owner of shares that, together with the party's own shareholding, represent more than one-third (or more than 40% or 50% as applicable) of the voting rights in the company and the Oslo Stock Exchange decides that this is regarded as an effective acquisition of the shares in question.

The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares that exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

When a mandatory offer obligation is triggered, the person subject to the obligation is required to immediately notify the Oslo Stock Exchange and the company in question accordingly. The notification is required to state whether an offer will be made to acquire the remaining shares in the company or whether a sale will take place. As a rule, a notification to the effect that an offer will be made cannot be retracted. The offer and the offer document required are subject to approval by the Oslo Stock Exchange before the offer is submitted to the shareholders or made public.

The offer price per share must be at least as high as the highest price paid or agreed by the offeror for the shares in the six-month period prior to the date the threshold was exceeded. If the acquirer acquires or agrees to acquire additional shares at a higher price prior to the expiration of the mandatory offer period, the acquirer is obliged to restate its offer at such higher price. A mandatory offer must be in cash or contain a cash alternative at least equivalent to any other consideration offered.

In case of failure to make a mandatory offer or to sell the portion of the shares that exceeds the relevant threshold within four weeks, the Oslo Stock Exchange may force the acquirer to sell the shares exceeding the threshold by public auction. Moreover, a shareholder who fails to make an offer may not, as long as the mandatory offer obligation remains in force, exercise rights in the company, such as voting in a general meeting, without the consent of a majority of the remaining shareholders. The shareholder may, however, exercise his/her/its rights to dividends in the event of a share capital increase. If the shareholder neglects his/her/its duty to make a mandatory offer, the Oslo Stock Exchange may impose a cumulative daily fine that runs until the circumstance has been rectified.

Any person, entity or consolidated group that owns shares representing more than one-third of the votes in a company listed on a Norwegian regulated market (with the exception of certain foreign companies) is obliged to make an offer to purchase the remaining shares of the company (repeated offer obligation) if the person, entity or consolidated group through acquisition becomes the owner of shares representing 40%, or more of the votes in the company. The same applies correspondingly if the person, entity or consolidated group through acquisition becomes the owner of shares representing 50% or more of the votes in the company. The mandatory offer obligation ceases to apply if the person, entity or consolidated group sells the portion of the shares which exceeds the relevant threshold within four weeks of the date on which the mandatory offer obligation was triggered.

Any person, entity or consolidated group that at the time of listing of the company had a shareholding above any of the above mentioned thresholds may increase its shareholding up to the next applicable threshold (if any) without triggering the mandatory bid obligation.

Any person, entity or consolidated group that following listing of the company has passed any of the above mentioned thresholds in such a way as not to trigger the mandatory bid obligation, and has therefore not previously made an offer for the remaining shares in the company in accordance with the mandatory offer rules is, as a main rule, obliged to make a mandatory offer in the event of a subsequent acquisition of shares in the company.

15.11 Compulsory acquisition

Under Bermuda law, an acquiring party is generally able to compulsorily acquire the common shares of minority holders in the following ways:

- By a procedure under the Bermuda Companies Act known as a "scheme of arrangement". A scheme of arrangement could be effected by obtaining the agreement of the company and of holders of common shares, representing in the aggregate a majority in number and at least 75% in value of the common shareholders present and voting at a court ordered meeting held to consider the scheme of arrangement. The scheme of arrangement must then be sanctioned by the Bermuda Supreme Court. If a scheme of arrangement receives all necessary agreements and sanctions upon the filing of the court order with the Registrar of Companies in Bermuda, all holders of common shares could be compelled to sell their shares under the terms of the scheme of arrangement.

- If the acquiring party is a company it may compulsory acquire all the shares of the target company, by acquiring pursuant to a tender offer 90% of the shares or class of shares not already owned by, or by a nominee for, the acquiring party (the offeror) or any of its subsidiaries. If an offeror has, within four months after the making of an offer for all the shares or class of shares not owned by, or by a nominee for, the offeror, or any of its subsidiaries, obtained the approval of the holders of 90% or more of all the shares to which the offer relates, the offeror may, at any time within two months beginning with the date on which the approval was obtained, require by notice any non-tendering shareholder to transfer its shares on the same terms as the original offer. In those circumstances, non-tendering shareholders will be compelled to sell their shares unless the Supreme Court of Bermuda (on application made within a one-month period from the date of the offeror's notice of its intention to acquire such shares) orders otherwise.

- Where one or more parties hold not less than 95% of the shares or a class of shares of a company, such holder(s) may, pursuant to a notice given to the remaining shareholders or class of shareholders, acquire the shares of such remaining shareholders or class of shareholders. When this notice is given, the acquiring party is entitled and bound to acquire the shares of the remaining shareholders on the terms set out in the notice, unless a remaining shareholder, within one month of receiving such notice, applies to the Supreme Court of Bermuda for an appraisal of the value of their shares. This provision only applies where the acquiring party offers the same terms to all holders of shares whose shares are being acquired.

15.12 Foreign exchange controls

There are currently no foreign exchange control restrictions in Norway that would potentially restrict the payment of dividends to a shareholder outside Norway, and there are currently no restrictions that would affect the right of shareholders of a company that has its shares registered with the VPS who are not residents in Norway to dispose of their shares and receive the proceeds from a disposal outside Norway. There is no maximum transferable amount either to or from Norway, although transferring banks are required to submit reports on foreign currency exchange transactions into and out of Norway into a central data register maintained by the Norwegian customs and excise authorities. The Norwegian police, tax authorities, customs and excise authorities, the National Insurance Administration and the Norwegian FSA have electronic access to the data in this register.

The BMA, in its notice to the public dated 1 June 2005, has granted a general permission for the issue and subsequent transfer of any securities of a Bermuda company from and/or to a non-resident of Bermuda for exchange control purposes for so long as any "Equity Securities" of the company (which would include the Shares) are listed on an "Appointed Stock Exchange" (which would include the Oslo Stock Exchange). For so long as the Shares remain listed on the Oslo Stock Exchange or another "Appointed Stock Exchange", this general permission will apply to the Shares. Approvals or permissions given by the BMA do not constitute a guarantee by the BMA as to the Company's performance or its creditworthiness. Accordingly, in giving such consent or permissions, the BMA shall not be liable for the financial soundness, performance or default of the Company's business or for the correctness of any opinions or statements expressed in this Prospectus.

16 TAXATION

Set out below is a summary of certain Bermuda, Norwegian and U.S. federal income tax matters related to an investment in the Company. The summary regarding Bermuda, Norwegian and U.S. federal income taxation is based on the laws in force in Bermuda, Norway and the United States, respectively, as at the date of this Prospectus, which may be subject to any changes in law occurring after such date. Such changes could possibly be made on a retrospective basis.

The following summary is for general information only and does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the shares in the Company. Shareholders should consult with and rely upon their own tax advisors. Shareholders should specifically consult with and rely upon their own tax advisors with respect to the tax position in their country of residence (whether Norway, Bermuda, the United States, or another country) and, with respect to Norway, the tax consequences related to ceasing to be resident in Norway for tax purposes.

The tax legislation in the Company's jurisdiction of incorporation and the tax legislation in the jurisdictions in which the shareholders are resident for tax purposes may have an impact on the income received from shares in the Company.

16.1 Bermuda taxation

At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company or by its shareholders in respect of the Shares. The Company obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until March 31, 2035, be applicable to the Company or to any of the Company's operations or to the Shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by the Company in respect of real property owned or leased by the Company in Bermuda.

16.2 Norwegian taxation

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian shareholder refers to the tax residency rather than the nationality of the shareholder.

16.2.1 General introduction

The Company is incorporated in Bermuda under Bermuda law, but is intended to be resident in Norway for tax purposes by virtue of having its place of effective management in Norway, and the summary below is based on this assumption.

Under Norwegian tax law, the determination of the place of effective management of a company is based on an overall assessment of where the actual management of the company takes place, as set out in the Norwegian Tax Act § 2-2. The assessment is mainly based on where the board level management, and to some extent the actual C-level management, actually takes place and goes further than merely assessing formalities (such as the formal place of board meetings). Other factors such as where general meetings take place and where company headquarters are located may also be taken into account in certain circumstances. As a majority of the members of the Board of Directors of the Company are resident in other jurisdictions than Norway, the Company has established governance principles and routines in order to substantiate that the actual effective management takes place in Norway and thereby to maintain its status as resident in Norway for tax purposes.

However, the overall assessment of Norwegian tax residency is of a discretionary nature. There is a risk that Norwegian tax authorities or tax authorities in other jurisdictions may challenge the Company's status as tax resident in Norway and this could potentially increase the tax burden for the Group and the shareholders in the Company. If Norwegian tax authorities were to conclude that the Company is not resident in Norway for tax purposes, this could lead to withholding taxes being imposed on upstream dividends to the Company from the operating subsidiaries of the Group. In addition, Norwegian shareholders who are corporations could be excluded from the tax exemption applicable to investments in companies resident within the EEA, as set out in the Norwegian Tax Act § 2-38, i.e., dividends distributed by the Company and capital gains related to a disposal of shares in the Company could be subject to tax. For shareholders who are individuals, shares in the Company could not be eligible for inclusion on share savings accounts, which could entail that such shareholders are not able to utilize the benefits related to the use of share savings accounts. Similar adverse tax consequences may also incur in other jurisdictions than Norway. Also, if the Company is initially deemed to be tax resident in Norway but this status later changes, such transfer of tax residency may give rise to adverse tax consequences both for the Company and its shareholders both in Norway and in other jurisdictions, depending on the facts and circumstances at the time Norwegian tax residency ceases.

The Norwegian tax residency of the Company may potentially be challenged by Norwegian tax authorities or tax authorities in other jurisdictions on a retroactive basis, and incorrect tax reporting may also give rise to penalty taxes for the relevant tax payer. Thus, all shareholders should assess their own tax situation with respect to their investment in the Company and make sure to fully meet their tax filing obligations in their respective jurisdictions.

16.2.2 Taxation of dividends

Norwegian Personal Shareholders

Dividends distributed by the Company to shareholders who are individuals resident in Norway for tax purposes ("**Norwegian Personal Shareholders**") are taxable in Norway for such shareholders currently at an effective rate of 31.68% to the extent the dividend exceeds a tax-free allowance; i.e. dividends received, less the tax free allowance, shall be multiplied by 1.44 which are then included as ordinary income taxable at a flat rate of 22%, increasing the effective tax rate on dividends received by Norwegian Personal Shareholders to 31.68%.

The allowance is calculated on a share-by-share basis. The allowance for each share is equal to the cost price of the share multiplied by a determined risk free interest rate based on the effective rate of interest on treasury bills (Nw.: *statskasseveksler*) with three months maturity plus 0.5 percentage points, after tax. The allowance is calculated for each calendar year, and is allocated solely to Norwegian Personal Shareholders holding shares at the expiration of the relevant calendar year.

Norwegian Personal Shareholders who transfer shares will thus not be entitled to deduct any calculated allowance related to the year of transfer. Any part of the calculated allowance one year exceeding the dividend distributed on the share ("excess allowance") may be carried forward and set off against future dividends received on, or gains upon realization, of the same share. Any excess allowance on a share may also be added to the cost price of such share for the purposes of calculating the tax free allowance as described above.

Norwegian Personal Shareholders may hold the shares through a Norwegian share saving account (Nw.: *aksjesparekonto*). Dividends received on shares held through a share saving account will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the paid in deposit will be regarded as taxable income, regardless of whether the funds are derived from gains or dividends related to the shares held in the account. Such income will be taxed with an effective tax rate of 31.68%, cf. above. Norwegian Personal Shareholders will still be entitled to a calculated tax-free allowance. Please refer to Section 16.2.3 "Taxation of capital gains on realization of shares" – *Norwegian personal shareholders*" for further information in respect of Norwegian share saving accounts.

Norwegian Corporate Shareholders

Dividends distributed by the Company to shareholders who are limited liability companies (and certain similar entities) resident in Norway for tax purposes ("**Norwegian Corporate Shareholders**"), are effectively taxed at a rate of currently 0.66% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of currently 22%). For Norwegian Corporate Shareholders that are considered to be "Financial Institutions" under the Norwegian financial activity tax (banks, holding companies, etc.), the effective rate of taxation for dividends is 0.75%.

Non-Norwegian Personal Shareholders

Dividends distributed by the Company to shareholders who are individuals not resident in Norway for tax purposes ("**Non-Norwegian Personal Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident. The withholding obligation lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Personal Shareholders resident within the EEA for tax purposes may apply individually to Norwegian tax authorities for a refund of an amount corresponding to the calculated tax-free allowance on each individual share, please refer to section 16.2.2 "Taxation of dividends" – *Norwegian Personal Shareholders*" above. However, the deduction for the tax-free allowance does not apply in the event that the withholding tax rate, pursuant to an applicable tax treaty, leads to a lower taxation of the dividends than the withholding tax rate of 25% less the tax-free allowance.

If a Non-Norwegian Personal Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Personal Shareholder, as described above.

Non-Norwegian Personal Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted.

All Non-Norwegian Personal Shareholders must document their entitlement to a reduced withholding tax rate by obtaining a certificate of residence issued by the tax authorities in the shareholder's country of residence, confirming that the shareholder is resident in that state. The documentation must be provided to either the nominee or the account operator (VPS) and cannot be older than three years.

Non-Norwegian Personal Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

Non-Norwegian Personal Shareholders resident in the EEA for tax purposes may hold their shares through a Norwegian share saving account. Dividends received on, and gains derived upon the realization of, shares held through a share saving account by a Non-Norwegian Personal Shareholder resident in the EEA will not be taxed with immediate effect. Instead, withdrawal of funds from the share saving account exceeding the Non-Norwegian Personal Shareholder's paid in deposit, will be subject to withholding tax at a rate of 25% (unless reduced pursuant to an applicable tax treaty). Capital gains realized upon realization of shares held through the share saving account will be regarded as paid in deposits, which may be withdrawn without taxation. Losses will correspondingly be deducted from the paid in deposit, reducing the amount which can be withdrawn without withholding tax.

The obligation to deduct and report withholding tax on shares held through a share saving account, cf. above, lies with the account operator.

Non-Norwegian Corporate Shareholders

Dividends distributed by the Company to shareholders who are limited liability companies (and certain other entities) not resident in Norway for tax purposes ("**Non-Norwegian Corporate Shareholders**"), are as a general rule subject to withholding tax at a rate of 25%. The withholding tax rate of 25% is normally reduced through tax treaties between Norway and the country in which the shareholder is resident.

Dividends distributed to Non-Norwegian Corporate Shareholders resident within the EEA for tax purposes are exempt from Norwegian withholding tax provided that the shareholder is the beneficial owner of the shares and that the shareholder is genuinely established and performs genuine economic business activities within the relevant EEA jurisdiction.

If a Non-Norwegian Corporate Shareholder is carrying on business activities in Norway and the shares are effectively connected with such activities, the shareholder will be subject to the same taxation of dividends as a Norwegian Corporate Shareholder, as described above.

Non-Norwegian Corporate Shareholders who have suffered a higher withholding tax than set out in an applicable tax treaty may apply to the Norwegian tax authorities for a refund of the excess withholding tax deducted. The same will apply to Non-Norwegian Corporate Shareholders who have suffered withholding tax although qualifying for the Norwegian participation exemption.

All Non-Norwegian Corporate Shareholders must document their entitlement to a reduced withholding tax rate by either (i) presenting an approved withholding tax refund application or (ii) present an approval from the Norwegian tax authorities confirming that the recipient is entitled to a reduced withholding tax rate. In addition, a certificate of residence issued by the tax authorities in the shareholder's country of residence, which cannot be older than three years, confirming that the shareholder is resident in that state, must be obtained. Such documentation must be provided to either the nominee or the account operator (VPS).

In order for a Non-Norwegian Corporate Shareholder resident in the EEA to be exempt from withholding tax, the company must provide all documentation mentioned above, as well as a declaration stating that the circumstances entitling the company to the exemption have not changed since the documentation was issued.

The withholding obligation in respect of dividends distributed to Non-Norwegian Corporate Shareholders and on nominee registered shares lies with the company distributing the dividends and the Company assumes this obligation.

Non-Norwegian Corporate Shareholders should consult their own advisers regarding the availability of treaty benefits in respect of dividend payments, including the possibility of effectively claiming a refund of withholding tax.

16.2.3 Taxation of capital gains on realization of shares

Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realization for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. The effective tax rate on gain or loss related to shares realized by Norwegian Personal Shareholders is currently 31.68%; i.e., capital gains (less the tax free allowance) and losses shall be multiplied by 1.44 which are then included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a flat rate of 22%, increasing the effective tax rate on gains/losses realized by Norwegian Personal Shareholders to 31.68%.

The gain is subject to tax and the loss is tax deductible irrespective of the duration of the ownership and the number of shares disposed of.

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realization of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. Please refer to Section 16.2.2 "Taxation of dividends" - *Norwegian Personal Shareholders*" above for a description of the calculation of the allowance. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e., any unused allowance exceeding the capital gain upon the realization of a share will be annulled. Unused allowance may not be set off against gains from realization of other shares.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

Special rules apply for Norwegian Personal Shareholders that cease to be tax-resident in Norway.

Gains derived upon the realization of shares held through a share saving account will be exempt from immediate Norwegian taxation and losses will not be tax deductible. Instead, withdrawal of funds from the share saving account exceeding the Norwegian Personal Shareholder's paid in deposit, will be regarded as taxable income, subject to tax at an effective tax rate of 31.68%. Norwegian Personal Shareholders will be entitled to a calculated tax-free allowance provided that such allowance has not already been used to reduce taxable dividend income, please refer to Section 16.2.2 "Taxation of dividends" - *Norwegian Personal Shareholders* above. The tax-free allowance is calculated based on the lowest paid in deposit in the account during the income year, plus any unused allowance from previous years. The tax-free allowance can only be deducted in order to reduce taxable income, and cannot increase or produce a deductible loss. Any excess allowance may be carried forward and set off against future withdrawals from the account or future dividends received on shares held through the account.

Norwegian Personal Shareholders holding shares through more than one share saving account may transfer their shares or securities between the share saving accounts without incurring Norwegian taxation.

Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realization of shares qualifying for participation exemption, including shares in the Company. Losses upon the realization and costs incurred in connection with the purchase and realization of such shares are not deductible for tax purposes.

Special rules apply for Norwegian Corporate Shareholders that cease to be tax-resident in Norway.

Non-Norwegian Personal Shareholders

Gains from the sale or other disposal of shares by a Non-Norwegian Personal Shareholder will not be subject to taxation in Norway unless the Non-Norwegian Personal Shareholder holds the shares in connection with business activities carried out or managed from Norway.

Please refer to Section 16.2.2 "Taxation of dividends" - *Norwegian Personal Shareholders* above for a description of the availability of a Norwegian share saving accounts.

Non-Norwegian Corporate Shareholders

Capital gains derived by the sale or other realization of shares by Non-Norwegian Corporate Shareholders are not subject to taxation in Norway unless the shareholding is effectively connected with business activities carried out in or managed from Norway.

16.2.4 Net wealth tax

The value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for listed shares is equal to 65% of the listed value as of 1 January in the year of assessment (i.e., the year following the relevant fiscal year). The value of debt allocated to the listed shares for Norwegian wealth tax purposes is reduced correspondingly (i.e., to 65%).

Please note that the Norwegian Government has proposed that only 55% of the value of the shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. It is further proposed that the value for assessment purposes for debt allocated to the shares shall be reduced correspondingly. If the proposals are adopted by the Norwegian Parliament, the amendments will be effective as of 1 January 2021.

Norwegian Corporate Shareholders are not subject to net wealth tax.

Non-Norwegian (Personal and Corporate) Shareholders are generally not subject to Norwegian net wealth tax. Non-Norwegian Personal Shareholders can, however, be taxable if the shareholding is effectively connected to the conduct of trade or business in Norway.

16.2.5 VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

16.2.6 Inheritance tax

A transfer of shares through inheritance or as a gift does not give rise to inheritance or gift tax in Norway.

16.3 U.S. Taxation

The following is a general discussion of certain U.S. federal income tax consequences to U.S. holders (as defined below) of purchasing, owning and disposing of the Shares. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") and U.S. Treasury regulations promulgated thereunder, as well as judicial and administrative interpretations thereof, in each case as in effect as at the date of this Prospectus. All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below, and there can be no assurance that the U.S. Internal Revenue Service (the "**IRS**") or U.S. courts will agree with the tax consequences described in this summary. For purposes of this discussion, a "U.S. holder" is a beneficial owner of the Shares that is (i) an individual who is a U.S. citizen or resident for U.S. federal income tax purposes, (ii) a U.S. domestic corporation, or an entity taxable as a corporation, created or organized under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person. The discussion applies only to U.S. holders that hold the Shares as capital assets that have the U.S. dollar as their functional currency. This summary does not address any U.S. federal estate and gift tax, Medicare tax on net investment income consequences, or any U.S. state or local or non-U.S. tax consequences. It does not address the treatment of non-U.S. holders, including those who hold the Shares in connection with a U.S. trade or business. In addition, certain U.S. holders (including, but not limited to, U.S. expatriates, certain former citizens or long-term residents of the United States, partnerships or other entities or arrangements classified as partnerships for U.S. federal income tax purposes or holders that will hold Shares through such an entity, S corporations, certain taxpayers that file applicable financial statements and are required to recognize income when the associated revenue is reflected on such financial statements, persons that received Shares as compensation for the performance of services, banks, insurance companies, regulated investment companies, real estate investment trusts, tax-exempt entities or organizations, including an "individual retirement account" or "Roth IRA" as defined in Section 408 or 408A of the Code, financial institutions, persons subject to the alternative minimum tax, dealers or traders in securities, commodities or currencies, persons that elect to mark their securities to market generally for U.S. federal income tax purposes, persons who own or are deemed to own directly or indirectly 10% or more of the Company's stock by vote or value, investors that will hold Shares in connection with a permanent establishment or fixed base outside the United States, and persons holding Shares as part of a straddle, hedging, conversion or integrated transaction for U.S. federal income tax purposes) may be subject to special rules not discussed below.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds the Shares generally will depend on the status of the partner and the activities of the partnership. Partnerships considering an investment in the Shares and partners in such partnerships should consult their own tax advisers regarding the specific U.S. federal income tax consequences to them of the acquisition, ownership and disposition of the Shares.

U.S. holders of Shares are advised to consult their own tax advisers with regard to the application of U.S. federal income tax law to their particular situations, particularly with regard to the application of the Passive Foreign Investment Company ("PFIC") rules below.

16.3.1 Dividends

The gross amount of any distribution of cash or property with respect to the Shares (including any amounts withheld by the Company in respect of non-U.S. taxes) generally will be included in a U.S. holder's gross income as ordinary income from foreign sources when actually or constructively received. Dividends will not be eligible for the dividends-received deduction generally available to U.S. corporations. Also, the Company is not a qualified foreign corporation and therefore dividends paid by the Company are not expected to qualify for the preferential tax rates available to U.S. non-corporate shareholders for certain qualified dividend income.

Dividends paid in a currency other than U.S. dollars will be included in income in a U.S. dollar amount based on the exchange rate in effect on the date of receipt whether or not the currency is converted into U.S. dollars or otherwise disposed of at that time. A U.S. holder's tax basis in the non-U.S. currency will equal the U.S. dollar amount included in income. Any gain or loss realized on a subsequent conversion or other disposition of the non-U.S. currency for a different U.S. dollar amount generally will be U.S. source ordinary income or loss. If dividends paid in a currency other than U.S. dollars are converted into U.S. dollars on the day they are received, the U.S. holder generally will not be required to recognize foreign currency gain or loss in respect of the dividend income.

16.3.2 Foreign Tax Credit

A U.S. holder may be entitled to deduct or credit foreign taxes, if any, imposed on dividends with respect to the Shares, subject to certain limitations (including that the election to deduct or credit taxes applies to all of such U.S. holder's other applicable foreign taxes for a particular tax year). Dividends on a Share generally will constitute foreign source income and generally will be considered "passive category income" in computing the foreign tax credit allowable to U.S. holders under U.S. federal income tax laws. There are significant complex limitations on a U.S. holder's ability to claim foreign tax credits. The rules governing the calculation of foreign tax credits are complex and depend on a U.S. holder's particular circumstances. U.S. holders should consult their own tax advisers regarding the creditability or deductibility of any withholding taxes.

16.3.3 PFIC Rules

In general, a non-U.S. corporation will be a PFIC for any taxable year if (i) 75 percent or more of its gross income consists of passive income or (ii) 50 percent or more of the average quarterly value of its assets consists of assets that produce, or are held for the production of, passive income. Passive income generally includes dividends, interest, rents, royalties and gains from transactions in commodities (other than certain active business gains from the sales of commodities).

Based on the manner in which the Company operates its business, the Company does not expect to be a PFIC for its current taxable year or in the foreseeable future. However, because PFIC status depends on the composition and character of a company's income and assets and the value of its assets from time to time, there can be no assurance that the Company will not be a PFIC for any taxable year.

If the Company were a PFIC for any taxable year during which a U.S. holder held Shares, gain recognized by the U.S. holder on a sale or other disposition (including certain pledges) of the Shares would be allocated ratably over the U.S. holder's holding period for the Shares. The amount allocated to the year the Company became a PFIC and each subsequent year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year. Moreover, an interest charge would be imposed on the resulting tax liability for each such taxable year. Further, any distribution in respect of the Shares in excess of 125 percent of the average of the annual distributions received by a U.S. holder during the preceding three years or the U.S. holder's holding period (whichever is shorter) would be subject to taxation in the same manner.

The Company does not intend to prepare or provide the information that would enable a U.S. holder to make a "qualified electing fund" election, which, if available, would result in tax treatment different from the general tax treatment for PFICs described above.

Alternatively, a U.S. holder of "marketable stock" (as defined below) of a PFIC may make a mark-to-market election with respect to such stock to elect out of the tax treatment discussed above. If a U.S. holder makes a valid mark-to-market election for the Shares, the U.S. holder will include in income each year an amount equal to the excess, if any, of the fair market value of the Shares as of the close of the U.S. holder's taxable year over the U.S. holder's adjusted basis in such Shares. A U.S. holder is allowed a deduction for the excess, if any, of the adjusted basis of the Shares over their fair market value as of the close of the taxable year. However, deductions are allowable only to the extent of any net mark-to-market gains on the Shares included in your income for prior taxable years. Amounts included in the U.S. holder's income under a mark-to-market election, as well as gain on the actual sale or other disposition of the Shares, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any mark-to-market loss on the Shares, as well as to any loss realized on the actual sale or disposition of the Shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such Shares. The U.S. holder's basis in the Shares will be adjusted to reflect any such income or loss amounts. If a U.S. holder makes such an election, the tax rules that apply to distributions by corporations that are not PFICs would apply to distributions by the Company.

The mark-to-market election is available only for "marketable stock," which is stock that is traded in other than de minimis quantities on at least 15 days during each calendar quarter ("regularly traded") on a qualifying exchange (i) in the United States that is registered with the SEC or a national market system established pursuant to the Exchange Act or (ii) outside the United States that is properly regulated and meets certain trading, listing, financial disclosure and other requirements. Special rules apply in determining whether stock of a PFIC is regularly traded in the context of an initial public offering. U.S. holders are advised to consult their own tax adviser with respect to such rules, including whether the Shares are considered "marketable stock" for these purposes.

If the Company was a PFIC for any taxable year during which a U.S. holder owned Shares, the U.S. holder generally would be required to file annual reports on IRS Form 8621. U.S. holders are advised to consult their own tax advisers regarding the potential application of the PFIC rules.

16.3.4 Gain or Loss upon Sale or Other Disposition

A U.S. holder generally will recognize capital gain or loss on the sale or other taxable disposition of Shares in an amount equal to the difference between the value in U.S. dollars of the amount realized from the sale or other disposition and the U.S. holder's adjusted tax basis in the disposed Shares. Any gain or loss generally will be treated as arising from U.S. sources and will be long-term capital gain or loss if the U.S. holder's holding period exceeds one year. Long-term capital gains of U.S. holders who are individuals (as well as certain trusts and estates) are generally taxed at preferential rates. Deductions for capital loss are subject to limitations.

If upon the sale or other taxable disposition, a U.S. holder receives consideration for the Shares in a currency other than the U.S. dollar, the amount realized generally will be the U.S. dollar value of the amount received determined by reference to the spot rate of exchange on the date of such sale or other disposition. However, if the Shares are traded on an "established securities market" (within the meaning of the applicable Treasury regulations) and the U.S. holder is either a cash basis taxpayer or an accrual basis taxpayer that has made a special election (which must be applied consistently from year to year and cannot be changed without the consent of the IRS), such holder generally will determine the U.S. dollar value of the amount realized in the foreign currency by translating the amount received at the spot rate of exchange on the settlement date of the sale. An accrual basis U.S. holder that does not make the special election will recognize exchange gain or loss (taxable as ordinary income or loss) to the extent attributable to the difference between the exchange rates on the trade date and the settlement date. The U.S. holder's tax basis in the Shares generally will equal the cost of the Shares to the U.S. holder. If a U.S. holder uses foreign currency to acquire

Shares, the cost of the Shares to such holder generally will be the U.S. dollar value of the foreign currency purchase price determined by reference to the spot rate of exchange on the date of purchase. However, if the Shares are treated as traded on an established securities market and the U.S. holder is either a cash basis taxpayer or an accrual basis taxpayer that has made the special election described above, such holder will determine the U.S. dollar value of the cost of such Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. U.S. holders should consult their own tax advisers regarding the proper treatment of any gain or loss in their particular circumstances, including the effects of any applicable income tax treaties.

16.3.5 Information Reporting and Backup Withholding Tax

Dividend payments with respect to the Shares and proceeds from the sale, exchange or other disposition of the Shares may be subject to information reporting to the IRS and possible U.S. backup withholding. Backup withholding will not apply, however, to a U.S. holder who furnishes a correct U.S. taxpayer identification number on IRS Form W-9 and complies with certain other certification requirements. U.S. holders should consult their own tax advisers regarding the application of the U.S. information reporting and backup withholding rules. Backup withholding is not an additional tax; amounts withheld as backup withholding may be credited against a shareholder's U.S. federal income tax liability, subject to certain rules and limitations.

16.3.6 Foreign Asset Reporting

Certain U.S. holders may be required to report information relating to the Shares, subject to certain exceptions (including an exception for Shares held in accounts maintained by certain U.S. financial institutions). If required, this disclosure is made by filing IRS Form 8938 with the IRS. Significant penalties can apply if U.S. Holders are required to make this disclosure and fail to do so. In addition, a U.S. Holder should consider the possible obligation to annually file a FinCEN Report 114 (Report of Foreign Bank and Financial Accounts) as a result of holding Shares. U.S. holders should consult their own tax advisers with respect to these and other reporting requirements that may apply to their ownership and disposition of the Shares.

THE FOREGOING DISCUSSION DOES NOT ADDRESS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR U.S. HOLDER IN LIGHT OF HIS, HER OR ITS INDIVIDUAL INVESTMENT CIRCUMSTANCES OR TO CERTAIN TYPES OF U.S. HOLDERS SUBJECT TO SPECIAL TREATMENT UNDER THE U.S. FEDERAL INCOME TAX LAWS, NOR DOES SUCH DISCUSSION ADDRESS ANY ASPECTS OF STATE, LOCAL, OR FOREIGN TAX LAWS OR OF ANY U.S. FEDERAL TAX LAWS OTHER THAN THE INCOME TAX LAWS. THE FOREGOING DISCUSSION IS FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. PROSPECTIVE INVESTORS ARE URGED TO CONSULT THEIR OWN U.S. TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE SHARES.

17 THE TERMS OF THE OFFERING

17.1 Overview of the Offering

The Offering consists of (i) an offer of New Shares in a number which will raise gross proceeds of approximately NOK 2.7 billion, equal to approximately USD 315 million, and (ii) an offer of Sale Shares each, offered by the Selling Shareholders. Reference is made to Section 13 "The Selling Shareholders" for more information on the Selling Shareholders and the Sale Shares. In addition, the Joint Global Coordinators may elect to over-allot a number of Additional Shares equal to up to 15% of the aggregate number of New Shares and Sale Shares sold in the Offering. All the Offer Shares are existing, validly issued and fully paid registered Shares. In order to facilitate such over-allotments, the Selling Shareholders are expected to grant Carnegie acting as Stabilization Manager, on behalf of the Managers, an option to borrow a number of Shares equal to the number of Additional Shares (the Borrowing Option). The Selling Shareholders are further expected to grant to the Stabilization Manager, on behalf of the Managers, the an option to purchase Additional Shares, comprising up to 15% of the aggregate number of New Shares and Sale Shares sold in the Offering, at the Offer Price, to cover short positions resulting from any over-allotments made in connection with the Offering. The Greenshoe Option (as defined below) will be exercisable, in whole or in part, by the Stabilization Manager, on behalf of the Managers, within a 30-day period commencing at the time at which "if sold" trading in the Shares on the Oslo Stock Exchange commences, on the terms and subject to the conditions described in this Prospectus.

The Offering consists of:

- An Institutional Offering, in which Offer Shares are being offered to (a) institutional and other professional investors in Norway, Sweden, Denmark and Finland (b) investors outside Norway, Sweden, Denmark, Finland and the United States, subject to applicable exemptions from the prospectus and registration requirements, and (c) investors in the United States who are QIBs in transactions exempt from registration requirements under the U.S. Securities Act. The Institutional Offering is subject to a lower limit per application of NOK 2,000,000.

- A Retail Offering, in which Offer Shares are being offered to the public in Norway, Sweden, Denmark and Finland subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering. Multiple applications by one applicant in the Retail Offering will be treated as one application with respect to the maximum application limit.

All offers and sales in the United States will be made only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act. All offers and sales outside the United States will be in compliance with Regulation S of the U.S. Securities Act.

This Prospectus does not constitute an offer of, or an invitation to purchase, the Offer Shares in any jurisdiction in which such offer or sale would be unlawful. For further details, see "Important information" and Section 18 "Selling and transfer restrictions".

The Bookbuilding Period for the Institutional Offering is expected to take place from 11 October 2021 at 09:00 hours (CEST) to 19 October 2021 at 14:00 hours (CEST). The Application Period for the Retail Offering is expected to take place from 11 October 2021 at 09:00 hours (CEST) to 19 October 2021 at 12:00 hours (CEST). The Company and the Lead Selling Shareholders, in consultation with the Joint Global Coordinators, reserve the right to shorten or extend the Bookbuilding Period and/or the Application Period at any time. Any shortening of the Bookbuilding Period and/or the Application Period will be announced through the Oslo Stock Exchange's information system on or before 09:00 hours (CEST) on the prevailing expiry date of the Bookbuilding Period and/or the Application Period. An extension of the Bookbuilding Period and/or the Application Period can be made one or several times provided, however, that in no event will the Bookbuilding Period and/or the Application Period be extended beyond 14:00 hours (CEST) on 26 October 2021. In the event of a shortening or an extension of the Bookbuilding Period and/or the Application Period, the allocation date, the payment due date and the dates of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

The Company and the Lead Selling Shareholders have, together with the Joint Global Coordinators, set an Indicative Price Range for the Offering from NOK 27 to NOK 31 per Offer Share. The Company and the Lead Selling Shareholders, in consultation with the Joint Global Coordinators, will determine the number of Offer Shares and the Offer Price on the basis of the bookbuilding process in the Institutional Offering and the applications received in the Retail Offering. The bookbuilding process will be conducted only in connection with the Institutional Offering. The Indicative Price Range may be amended during the Bookbuilding Period, and the Offer Price may be set within, above, or below, the Indicative Price

Range. Any amendments to the Indicative Price Range will be announced through the Oslo Stock Exchange's information system. Further, based on the demand for Offer Shares in the bookbuilding process, the number of Sale Shares sold by the Selling Shareholders may be increased above from the maximum number set out in this Prospectus, or it may be set below such maximum and it may be decided not to sell any Sale Shares at all.

Assuming that the Offer Price is set at the low-end of the Indicative Price Range and that the maximum number of New Shares and Sale Shares are sold in the Offering (i.e. excluding any over-allotments), a total of 501,967,147 Offer Shares will be sold in the Offering and the gross proceeds from the Offering will be approximately NOK 15.5 billion. Further, assuming that the Offer Price is set at the low-end of the Indicative Price Range, the maximum number of Sale Shares are sold in the Offering and the Greenshoe Option is exercised in full, at total of 577,262,219 Offer Shares will be sold and the gross proceeds of the Offering will be approximately NOK 15.6 billion. Assuming that the Offer Price is set at the mid-point of the Indicative Price Range and the Greenshoe Option is exercised in full, the total number of Offer Shares will be 576,138,916 Offer Shares and the aggregate gross proceeds of the Offering will then be NOK 16.7 billion.

Four cornerstone investors have, subject to certain conditions, undertaken to acquire, and will be allocated, Offer Shares for a total amount of USD 800 million in the Offering. These four cornerstone investors are (i) Alecta Pensionsförsakring (USD 200 million committed), (ii) FIL Investments International as agent for and on behalf of various funds (USD 200 million committed), (iii) Mawer Investment Management Ltd. (USD 200 million committed) and (iv) WCM Investment Management, LLC (USD 200 million committed).

The Company expects that it will, on or about 19 October 2021, together with the Selling Shareholders (directly or indirectly), enter into an underwriting agreement (the "**Underwriting Agreement**") with the Managers with respect to the Offering of the Offer Shares. On the terms and subject to the conditions set forth in the Underwriting Agreement and provided that the Offering has not been terminated prior thereto in accordance with the terms of the Underwriting Agreement, the Managers are expected to agree to procure purchasers for the Offer Shares or, failing which, to purchase the Offer Shares themselves, and the Company and the Selling Shareholders are expected to agree to sell the Offer Shares to purchasers procured by the Managers or, failing which, to the Managers themselves.

In order to permit delivery in respect of over-allotments made, if any, the Selling Shareholders are expected to grant to the Stabilization Manager (Carnegie AS), on behalf of the Managers, the Borrowing Option to borrow from the Selling Shareholders, on a number of Shares equal to the number of Additional Shares. The Selling Shareholders are further expected to grant the Stabilization Manager, on behalf of the Managers, the Greenshoe Option to purchase a number of Shares from the Selling Shareholders up to the number of Additional Shares at a price per Share equal to the Offer Price, exercisable, in whole or in part, within a 30-day period commencing at the time at which "if sold" trading in the Shares commences on the Oslo Stock Exchange expected to be on or about 20 October 2021, on the terms and subject to the conditions described in this Prospectus. See Section 17.11 "Over-allotment and stabilization activities" for further details.

The Underwriting Agreement is expected to provide that the Joint Global Coordinators (as representatives of the Managers) may terminate the Underwriting Agreement (and thus the Managers' obligation to procure purchasers for, or failing which to themselves purchase the Offer Shares) by notice to the Company and the Selling Shareholders at any time prior to 17:00 hours (CEST) on 21 October 2021 only if one of the following events (each a "force majeure event") occurs: a suspension or material limitation in trading in securities generally on the Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange, (ii) a general moratorium on commercial banking activities declared by the federal, state or local regulatory authorities of Norway, Bermuda, the United Kingdom or the United States, or a material disruption in commercial banking or securities settlement or clearance services in Norway, Bermuda, the United Kingdom, or the United States, (iii) an outbreak or escalation of hostilities or acts of terrorism involving Norway, Bermuda, the United Kingdom or the United States or a declaration by Norway, Bermuda, the United Kingdom or the United States of a national emergency or war, or (iv) any other calamity or crisis or any Material Adverse Change in financial, political or economic conditions in Norway, Bermuda, the United Kingdom or the United States, if the effect of any such event specified in items (i) through (iv) above makes it impossible, in the judgment of the Joint Global Coordinators acting jointly in good faith after consultation with the Company and the Selling Shareholders, taking into account general market conditions as a result of such events and the interest of investors in the Offer Shares, to proceed with the marketing, sale or delivery of the Offer Shares on the terms and in the manner contemplated in this Prospectus.

Further, the Underwriting Agreement may terminate if prior to 17:00 (CEST) on 21 October 2021, (i) a Manager (or Managers) fails to procure subscribers or purchasers for or to subscribe or purchase the number of Offer Shares that it or they are obliged to purchase under the Underwriting Agreement, and (ii) the aggregate number of such Offer Shares exceeds 10% of the total number of Offer Shares which all Managers are obligated to purchase under the Underwriting Agreement and (iii) arrangements satisfactory to the Managers, the Company and Selling Shareholders for the purchase of such Offer Shares are not made prior to such time.

Unless the Underwriting Agreement has been terminated, delivery of the Offer Shares to investors being allocated Offer Shares in the Offering is expected to take place on or about 22 October 2021 in the Retail Offering subject to due payment for allocated Offer Shares having been received from investors, and 22 October 2021 in the Institutional Offering (on a delivery versus payment basis).

The Offer Shares allocated in the Offering are expected to be traded on the Oslo Stock Exchange on an "if sold" basis from and including 20 October 2021 to and including 17:00 hours CEST on 21 October 2021. Trades during this period will, in accordance with the ordinary settlement cycle for trades over Oslo Stock Exchange, be settled on T+2 (T being the trade date). Accordingly, any trade made on 20 October 2021 will be settled on 22 October 2021. Should any of the termination events described above occur in the period from commencement of conditional trading (expected to take place on 09:00 hours CEST on 20 October 2021) to commencement of unconditional trading in the Shares (expected to take place on 09:00 hours CEST on 22 October 2021 as described below), and the Underwriting Agreement is terminated, no trades that have occurred in the Shares will be settled, and investors will have no right to compensation for any loss suffered as a result of such cancellation and payments made will be returned without any interest or other compensation. All dealings in the Shares prior to settlement and delivery are at the sole risk of the parties concerned.

Depending on the policy of their respective bank or investment firm, investors wanting to trade their allocated Offer Shares through an internet account prior to commencement of unconditional trading in the Shares on 20 October 2021, may be prevented from such trading. Investors wanting to trade their allocated Offer Shares through an internet account prior to commencement of unconditional trading are therefore urged to confirm the possibility of such trading with their own account operator.

Completion of the Offering is conditional upon, among other conditions, the Company satisfying the listing conditions and being listed on the Oslo Stock Exchange, see Section 17.15 "Conditions for completion of the Offering – Listing and trading of the Offer Shares".

The Company and the Selling Shareholders have made, and will in the Underwriting Agreement make, certain representations and warranties in favor of, and have agreed to certain undertakings with the Managers, and are expected to agree to certain undertakings with the Managers in the Underwriting Agreement and ancillary agreements and documents entered into in connection with the Offering and the Listing. Further, the Company and the Selling Shareholders will give an undertaking in favor of the Managers that will restrict their ability to issue, sell or transfer Shares for a certain period of time from the Listing and commencement of conditional trading in the Shares on the Oslo Stock Exchange. The members of the Board of Directors and the Management are expected to give an undertaking in favor of the Managers on the same for 12 months from the Institutional Closing Date. See Section 17.18 "Lock up" for further information on the various lock up undertakings. Furthermore, the Company has undertaken, subject to certain conditions and limitations, to indemnify the Managers against liabilities arising out of or in connection with the Offering.

See Section 17.17 "Expenses of the Offering and the Listing" for information regarding fees expected to be paid to the Managers and costs expected to be paid by the Company in connection with the Offering.

17.2 Timetable

The timetable set out below provides certain indicative key dates for the Offering (subject to shortening or extensions):

Bookbuilding Period commences	11 October 2021 at 09:00 hours (CEST)
Bookbuilding Period ends	19 October 2021 at 14:00 hours (CEST)
Application Period commences	11 October 2021 at 09:00 hours (CEST)
Application Period ends	19 October 2021 at 12:00 hours (CEST)
Allocation and pricing of the Offer Shares	On or about 19 October 2021
Publication of the results of the Offering	On or about 19 October 2021
Distribution of allocation notes	On or about 20 October 2021

Listing and commencement of conditional trading in the Shares	On or about 20 October 2021
Accounts from which payment will be debited in the Retail Offering to be sufficiently funded	On or about 20 October 2021
Payment date in the Retail Offering...	On or about 21 October 2021
Delivery of the Offer Shares in the Retail Offering (subject to timely payment)	On or about 22 October 2021
Payment date in the Institutional Offering..	On or about 22 October 2021
Delivery of the Offer Shares in the Institutional Offering	On or about 22 October 2021
Commencement of unconditional trading in the Shares	On or about 22 October 2021 at 09:00 hours (CEST)

Note that the Company and the Lead Selling Shareholders, in consultation with the Joint Global Coordinators, reserve the right to shorten or extend the Bookbuilding Period and/or the Application Period. In the event of a shortening or an extension of the Bookbuilding Period and/or the Application Period, the allocation date, the payment due date and the dates of delivery of Offer Shares will be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange may not necessarily be changed.

17.3 Resolution relating to the Offering and the issue of New Shares

On 5 October 2021, the Company's authorized share capital was increased to USD 42,500,000, corresponding to 4,250,000,000 Shares, of which 10,000 Shares have been issued as of the date hereof.

Further, on or about 9 October 2021, the board of directors will resolve to issue 200,000,000 new Shares to SubscriptionCo AS at a subscription price of USD 0.01. SubscriptionCo AS and the Company have agreed that these shares upon issuance shall be sold by SubscriptionCo to the Company at a price per Share of USD 0.01. The Company will thereafter hold these Shares in treasury. The New Shares offered by the Company in the Offering is a portion of these treasury Shares.

On 7 October 2021, the Board of Directors resolved to approve the Indicative Price Range and the launch of the Bookbuilding Period and the Application Period. Following the end of the Bookbuilding Period and the Application Period, the Board of Directors or a subcommittee thereof will, on or about 19 October 2021, consider and, if thought fit, approve by written resolution the completion of the Offering. If the Board of Directors or a subcommittee thereof determines that the Offering shall be completed, then it will also determine the final Offer Price, the number of New Shares to be issued and the allocation of the New Shares.

17.4 The Institutional Offering

17.4.1 Determination of the number of Offer Shares and the Offer Price

The Company and the Lead Selling Shareholders have, in consultation with the Joint Global Coordinators, set an Indicative Price Range for the Offering from NOK 27 to NOK 31 per Offer Share. The Company and the Lead Selling Shareholders will, in consultation with the Joint Global Coordinators, determine the number of Offer Shares and the final Offer Price on the basis of the applications received and not withdrawn in the Institutional Offering during the Bookbuilding Period and the number of applications received in the Retail Offering. The final Offer Price will be determined on or about 19 October 2021. The final Offer Price may be set within, below or above the Indicative Price Range. Investors' applications for Offer Shares in the Institutional Offering will, after the end of the Bookbuilding Period, be irrevocable and binding regardless of whether the final Offer Price is set within, below or above the Indicative Price Range.

The final Offer Price is expected to be announced by the Company through the Oslo Stock Exchange's information system on or about 19 October 2021 under the ticker code "AUTO".

17.4.2 Bookbuilding Period

The Bookbuilding Period for the Institutional Offering will be from 11 October 2021 at 09:00 hours (CEST) to 19 October 2021 at 14:00 hours (CEST), unless shortened or extended.

The Company and the Lead Selling Shareholders may, in consultation with the Joint Global Coordinators, shorten or extend the Bookbuilding Period at any time, and extension may be made on one or several occasions. The Bookbuilding Period may in no event expire prior to 16:30 hours (CEST) on 18 October 2021 or be extended beyond 14:00 hours (CEST) on 26 October 2021. In the event of a shortening or an extension of the Bookbuilding Period, the allocation date, the payment due date and the date of delivery of Offer Shares may be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange will not necessarily be changed.

17.4.3 Minimum application

The Institutional Offering is subject to a minimum application of NOK 2,000,000 per application. Investors in Norway, Sweden, Denmark and Finland who intend to place an application for less than NOK 2,000,000 must do so in the Retail Offering.

17.4.4 Application procedure

Applications for Offer Shares in the Institutional Offering must be made during the Bookbuilding Period by informing one of the Managers shown below of the number of Offer Shares that the investor wishes to order, and the price per share that the investor is offering to pay for such Offer Shares. The contact details of the Managers are as follows:

Carnegie AS	**J.P. Morgan AG**	**Morgan Stanley & Co. International plc**
Fjordalléen 16, Aker Brygge	Taunustor 1	25 Cabot Square
P.O. Box 684 Sentrum	60310 Frankfurt am Main	Canary Wharf
N-0106 Oslo	Germany	London E14 4QA
Norway		United Kingdom

ABG Sundal Collier ASA	**Citigroup Global Markets Limited**	**Jefferies GmbH**
Munkedamsveien 45E, Vika Atrium	Citigroup Centre	Bockenheimer Landstraße 24
P.O. Box 1444 Vika	33 Canada Square	60323 Frankfurt am Main
N-0115 Oslo	London E14 5LB	Germany
Norway	United Kingdom	

Mizuho Securities Europe GmbH	**SpareBank 1 Markets AS**
Taunustor 1	Olav V's gate 5, Vika
60310 Frankfurt am Main	P.O. Box 1398 Vika
Germany	N-0114 Oslo
	Norway

All applications in the Institutional Offering will be treated in the same manner regardless of which Manager the applicant chooses to place the application with. Any orally placed application in the Institutional Offering will be binding for the investor and subject to the same terms and conditions as a written application. The Managers may, at any time and in their sole discretion, require the investor to confirm orally placed applications in writing. Applications made may be withdrawn or amended by the investor at any time up to the expiry of the Bookbuilding Period. At the close of the Bookbuilding Period, all applications in the Institutional Offering that have not been withdrawn or amended are irrevocable and binding for the investor.

17.4.5 Allocation, payment for and delivery of Offer Shares

The Managers expect to issue notifications of allocation of Offer Shares in the Institutional Offering on or about 20 October 2021, by issuing contract notes to the applicants by mail or otherwise.

Payment by applicants in the Institutional Offering will take place against delivery of Offer Shares. Delivery and payment for Offer Shares is expected to take place on or about 22 October 2021 (the "**Institutional Closing Date**") through the facilities of the VPS. The delivery and payment of Offer Shares may not take place on the Institutional Closing Date, or at all, if certain conditions or events referred to in the Underwriting Agreement are not satisfied or waived or occur on or prior to such date. See Section 17.1 "Overview of the Offering".

For late payment, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Overdue Payment of 17 December 1976 no. 100 (the "**Norwegian Act on Overdue Payment**"), which, at the date of this Prospectus, is 8.00% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicants, and the Managers reserve the right, at the risk and cost of the applicant, to cancel the application and to re-allot or, from the third day after the payment due date, otherwise dispose of or assume ownership to the allocated Offer Shares on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit). The original applicant remains liable for payment for the Offer Shares allocated to the applicant, together with any interest, cost, charges and expenses accrued, and the Company, the Selling Shareholders and/or the Managers may enforce payment of any such amount outstanding.

The investors will not have any rights or claims against the Managers.

17.5 The Retail Offering

17.5.1 Offer Price

The price for the Offer Shares offered in the Retail Offering will be the same as in the Institutional Offering, see Section 17.4.1 "Determination of the number of Offer Shares and the Offer Price".

Each applicant in the Retail Offering will be permitted, but not required, to indicate when ordering through the VPS online application system or on the application form to be used to apply for Offer Shares in the Retail Offering, attached to this Prospectus as Appendix H (the "**Retail Application Form**"), that the applicant does not wish to be allocated Offer Shares should the Offer Price be set higher than the highest price in the Indicative Price Range (i.e. NOK 31 per Offer Share). If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set higher than the highest price in the Indicative Price Range. If the applicant does not expressly stipulate such reservation when ordering through the VPS online application system or on the Retail Application Form, the application will be binding regardless of whether the Offer Price is set within or above (or below) the Indicative Price Range.

For applicants applying for Offer Shares electronically through the webservices of Nordnet Bank AB ("**Nordnet**"), a reservation with respect to the final Offer Price, as described above, cannot be made. Instead of applying for Offer Shares up to a specific amount, as is the procedure through the VPS online application system and the Retail Application Form, the applicant applying for Offer Shares through Nordnet needs to expressly state the number of Offer Shares it is applying for in the Offering. The applicant should in this respect be mindful that the final Offer Price could be set at the highest point in the Indicative Price Range, and that the total amount payable by such applicant in such event will be the total number of Offer Shares applied for multiplied with the highest point in the Indicative Price Range (assuming that the applicant receives full allocation). This means that the applicant will apply for the same number of Offer Shares regardless of whether the final Offer Price is set at the low-point, mid-point or high-point in the Indicative Price Range. Should the final Offer Price be set above the Indicative Price Range, any application made through Nordnet will be disregarded without further notice to the applicant.

17.5.2 Application period

The Application Period during which applications for Offer Shares in the Retail Offering will be accepted will last from 11 October 2021 at 09:00 hours (CEST) to 19 October 2021 at 12:00 hours (CEST), unless shortened or extended. Applicants applying for Offer Shares electronically through the Nordnet webservice should note that the application must be submitted no later than by 23:59 hours (CEST) on 18 October 2021, unless the Application Period is shortened or extended. The Company and the Lead Selling Shareholders may, in consultation with the Joint Global Coordinators, shorten or extend the Application Period at any time and for any reason, and extension may be made on one or several occasions. The Application Period may in no event expire prior to 16:30 hours (CEST) on 18 October 2021 or be extended beyond 14:00 hours (CEST) on 18 October 2021. In the event of a shortening or an extension of the Application Period, the allocation date, the payment due date and the date of delivery of Offer Shares may be changed accordingly, but the date of the Listing and commencement of trading on the Oslo Stock Exchange will not necessarily be changed.

17.5.3 Minimum and maximum application

The Retail Offering is subject to a minimum application amount of NOK 10,500 and a maximum application amount of NOK 1,999,999 for each applicant.

Multiple applications are allowed. One or multiple applications from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. If two or more identical application forms are received from the same investor, the application form will only be counted once unless otherwise explicitly stated on one of the application forms. In the case of multiple applications either (i) through the VPS online application system, electronically through the Nordnet webservice or applications made on a physical application form or (ii) across the VPS online application system, electronically through the Nordnet webservice and/or the physical application form, all such applications may be counted and considered as one application. Investors who intend to place an order in excess of NOK 1,999,999 must do so in the Institutional Offering.

17.5.4 Application procedures and application offices

To participate in the Retail Offering, applicants must have a VPS account or be a registered customer of Nordnet. For the establishment of VPS accounts and to register as a customer of Nordnet, please see Section 17.7 "VPS account and Nordnet account" for more information.

Norwegian applicants in the Retail Offering who are residents of Norway with a personal identification number, who are not using Nordnet to apply for Offer Shares, are recommended to apply for Offer Shares through the VPS online application system by following the link to such online application system on the following websites: www.carnegie.no, www.abgsc.no and www.sb1markets.no. The content of the aforementioned websites is not incorporated by reference to this Prospectus, nor does it form part of this Prospectus.

Applicants in the Retail Offering not having access to the VPS online application system must apply either electronically through the Nordnet webservice or by using the Retail Application Form attached to this Prospectus as Appendix H.

Applications through the Nordnet webservice can be made at www.nordnet.no for Norwegian applicants residing in Norway, through www.nordnet.se for Swedish applicants residing in Sweden, through www.nordnet.dk for Danish applicants residing in Denmark and through www.nordnet.fi for Finnish applicants residing in Finland.

Retail Application Forms, together with this Prospectus, can be obtained from the Company free of charge at its corporate headquarters located at Stokkastrandvegen 85, 5578 Nedre Vats, Norway, the Company's website www.autostoresystem.com, the Managers' websites listed above, or the application offices listed below. Applications made through the VPS online application system or electronically through the Nordnet webservice must be duly registered during the Application Period. **Applicants applying for Offer Shares electronically through the Nordnet webservice should note that the application must be submitted no later than by 23:59 hours (CEST) on 18 October 2021, unless the Application Period is shortened or extended. Nordnet reserves the right, in its sole discretion, to disregard any applications for Offer Shares made by applicants in the Retail Offering through its platform following 23:59 hours (CEST) on 18 October 2021 without further notice to the applicant.**

The application offices for physical allocations in the Retail Offering are:

Carnegie AS	**ABG Sundal Collier ASA**	**SpareBank 1 Markets AS**
Fjordalléen 16, Aker Brygge	Munkedamsveien 45E, Vika Atrium	Olav V’s gate 5, Vika
P.O. Box 684 Sentrum	P.O. Box 1444 Vika	P.O. Box 1398 Vika
N-0106 Oslo	N-0115 Oslo	N-0114 Oslo
Norway	Norway	Norway
Tel: + 47 22 00 93 60	Tel: +47 22 01 60 00	Tel: + 47 24 14 74 00
E-mail: subscriptions@carnegie.no	E-mail: subscription@abgsc.no	E-mail: subscription@sb1markets.no

The application office for Nordnet is as set out below. Please note that the Retail Application Form attached to this Prospectus as Appendix H may not be submitted to Nordnet. Any Retail Application Forms submitted to Nordnet will be disregarded without further notice to the applicant.

Nordnet Bank (Norway)	Nordnet Bank AB (Sweden)	Nordnet Bank (Denmark)	Nordnet Bank (Finland)
Akersgata 45	Alströmergatan 39	Havneholmen 6	Yliopistonkatu 5, 3rd floor
P.O. Box 302 Sentrum	P.O. Box 3000	Postboks 2307	FI-00100 Helsinki
N-0103 Oslo	S-104 25, Stockholm	1026 København K	
Norway	Sweden	Denmark	Finland
Tel.: +47 23 33 30 23	Tel.: +46 10-583 3000	Tel: + 45 70 20 66 85	Tel: + 358 20 198 58 98
E-mail: kundeservice@nordnet.no	E-mail: kundservice@nordnet.se	E-mail: nordnet@nordnet.dk	E-mail: asiakaspalvelu@nordnet.fi

All applications in the Retail Offering will be treated in the same manner regardless of which of the above Managers the applications are placed with. Further, all applications in the Retail Offering will be treated in the same manner regardless of whether they are submitted by delivery of a Retail Application Form or through the VPS online application system.

Retail Application Forms that are incomplete or incorrectly completed, whether electronically or physically, or that are received after the expiry of the Application Period, may be disregarded without further notice to the applicant. The same applies to applications that are unlawful. Properly completed Retail Application Forms must be received by one of the application offices listed above or registered electronically through the VPS application system by 12:00 hours (CEST) on 19 October 2021, unless the Application Period is being shortened or extended. Applications made electronically through the Nordnet webservice must however be submitted by 23:59 hours (CEST) on 18 October 2021, unless the Application Period is being shortened or extended. None of the Company, or any of the Selling Shareholders, the Managers or Nordnet may be held responsible for postal delays, unavailable fax lines, internet lines or servers or other logistical or technical matters that may result in applications not being received in time or at all by any application office.

Subject to Section 17.5.1 "Offer Price" above, all applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed Retail Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any shortening or extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by the either of the Managers' application office, or in the case of applications through the VPS online application system, upon registration of the application. Applications made through Nordnet can be amended up to the expiry of the Application Period (i.e. 23:59 hours (CEST) on 18 October 2021 unless the Application Period is being shortened or extended). Following expiry of the Application Period, all applications received by Nordnet will be irrevocable and binding and cannot be withdrawn, cancelled or modified by the applicant.

17.5.5 Allocation, payment and delivery of Offer Shares

Carnegie AS, acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or around 20 October 2021. Any applicant wishing to know the precise number of Offer Shares allocated to it may contact one of the application offices listed above on or around 20 October 2021 during business hours. Applicants who have access to investor services through an institution that operates the applicant's account with the VPS for the registration of holdings of securities ("**VPS account**") should be able to see how many Offer Shares they have been allocated from on or around 20 October 2021. Applicants who have applied for Offer Shares through Nordnet should be able to see how many Offer Shares they have been allocated at their account in Nordnet on or about 20 October 2021.

In registering an application through the VPS online application system or completing a Retail Application Form, each applicant in the Retail Offering will authorize Carnegie AS (on behalf of the Managers) to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant's bank account number must be stipulated on the VPS online application or on the Retail Application Form. Accounts will be debited on or about 21 October 2021 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 20 October 2021. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date (expected to be 21 October 2021). The delivery and payment for Offer Shares may not take place on the Payment Date or at all if certain conditions or events referred to in the Underwriting Agreement are not satisfied or waived or occur on or prior to such date. See Section 17.1 "Overview of the Offering".

To ensure that they do not lose their right to any allotment, applicants in the Retail Offering applying for Offer Shares through Nordnet must have sufficient funds available in their account from 23:59 hours (CEST) on 18 October 2021 until

23:59 hours (CEST) on the Payment Date, i.e. 21 October 2021. For applicants who are allocated shares in the Retail Offering, who are Nordnet customers in Sweden and already have an investment savings account at Nordnet, Nordnet will purchase the equivalent number of Offer Shares in the Offering and resell such Offer Shares to the customer at a price equal to the final Offer Price.

Further details and instructions will be set out in the allocation notes to the applicant to be issued on or around 20 October 2021, or can be obtained by contacting the Managers or Nordnet (depending on where the application was made).

Should any applicant have insufficient funds on his or her account, or should payment be delayed for any reason, or if it is not possible to debit the account, interest will accrue on the amount due at a rate equal to the prevailing interest rate under the Norwegian Act on Interest on Overdue Payments, which at the date of this Prospectus is 8.00% per annum. Carnegie AS (on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 27 September 2021 if there are insufficient funds on the account on the Payment Date. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or, from the third day after the Payment Date, otherwise dispose of or assume ownership to the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit there from). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company, the Selling Shareholders and/or the Managers may enforce payment of any such amount outstanding.

The original applicant will be liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company, the Selling Shareholders and/or the Managers may enforce payment of any such amount outstanding. The investors will not have any rights or claims against the Managers.

Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or around 22 October 2021.

17.6 Mechanism of allocation

It has been provisionally assumed that more than 95% of the Offering will be allocated in the Institutional Offering and that less than 5% of the Offering will be allocated in the Retail Offering. The final determination of the number of Offer Shares allocated to the Institutional Offering and the Retail Offering will only be decided, however, by the Company and the Selling Shareholders, in consultation with the Managers, following the completion of the bookbuilding process for the Institutional Offering, based on among other things the level of orders or applications received from each of the categories of investors. The Company, the Selling Shareholders and the Managers reserve the right to deviate from the provisionally assumed allocation between tranches without further notice and at their sole discretion.

No Offer Shares have been reserved for any specific national market.

In the Institutional Offering, the Company and the Selling Shareholders, together with the Managers, will determine the allocation of Offer Shares. An important aspect of the allocation principles is the desire to create an appropriate long-term shareholder structure for the Company. The allocation principles will, in accordance with normal practice for institutional placements, include factors such as premarketing and management road-show participation and feedback, timeliness of the order, price level, relative order size, sector knowledge, investment history, perceived investor quality and investment horizon. The Company, the Selling Shareholders and the Managers further reserve the right, at their sole discretion, to take into account the creditworthiness of any applicant. The Company, the Selling Shareholders and the Managers may also set a maximum allocation, or decide to make no allocation to any applicant. In addition, four cornerstone investors have, subject to certain conditions, undertaken to acquire, and will be allocated, Shares for a total amount of USD 800 million in the Offering. These four cornerstone investors are (i) Alecta Pensionsförsakring (USD 200 million committed), (ii) FIL Investments International as agent for and on behalf of various funds (USD 200 million committed), (iii) Mawer Investment Management Ltd. (USD 200 million committed) and (iv) WCM Investment Management, LLC (USD 200 million committed).

In the Retail Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 10,500 per applicant provided, however, that all allocations will be rounded down to the nearest number of whole Offer Shares and the payable amount will hence be adjusted accordingly. One or multiple orders from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. In the Retail Offering, allocation will be made on a pro rata basis using the VPS automated simulation procedures or a similar procedure for applications made electronically through the Nordnet webservice, provided, however, that the Company, the Selling Shareholders and the Managers reserve the right, at their sole discretion, to give full allocation to employees of the Group and members of the Board of Directors having applied for Offer Shares in the Retail Offering, except for applications through Nordnet, as Nordnet does not have visibility as to whether the applications have been made by such persons.

The Company, the Selling Shareholders and the Managers reserve the right to limit the total number of applicants to whom Offer Shares are allocated if the Company, the Selling Shareholders and the Managers deem this to be necessary in order to keep the number of shareholders in the Company at an appropriate level and such limitation does not have the effect that any conditions for the Listing regarding the number of shareholders will not be satisfied. If the Company, the Selling Shareholders and the Managers should decide to limit the total number of applicants to whom Offer Shares are allocated, the applicants to whom Offer Shares are allocated will be determined on a random basis by using the VPS automated simulation procedures and/or other random allocation mechanism (including allocation mechanisms used by Nordnet). The Company, the Selling Shareholders and the Managers reserve the right to set a maximum allocation per applicant in the Retail Offering.

17.7 VPS account and Nordnet account

To participate in the Offering, each applicant must have a VPS account. The VPS account number must be stated when registering an application through the VPS online application system or on the Retail Application Form for the Retail Offering. VPS accounts can be established with authorized VPS registrars, which can be Norwegian banks, authorized investment firms in Norway and Norwegian branches of credit institutions established within the EEA. Non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorized by the Norwegian Ministry of Finance. Establishment of VPS accounts requires verification of identification by the relevant VPS registrar in accordance with Norwegian anti-money laundering legislation (see Section 17.10 "Mandatory anti-money laundering procedures").

For participation in the Retail Offering, applicants in Norway, Sweden, Denmark and Finland can apply for Offer Shares electronically through the Nordnet webservice. In order to apply for Offer Shares through Nordnet, the applicant must register as a customer of Nordnet and establish a nominee/depot account for the Retail Offering, through Nordnet. In order to establish a customer relationship with Nordnet, the applicant should have an online banking ID or a mobile banking ID. If the applicant is unable to establish a customer relationship with Nordnet through his/her online banking ID or mobile banking ID, the customer relationship must be established through a manual application, which is time consuming and may not be processed by Nordnet prior to expiry of the Application Period. For more information on how to proceed to establish a customer relationship with Nordnet, please contact Nordnet.

17.8 National Client Identifier and Legal Entity Identifier

17.8.1 Introduction

In order to participate in the Offering, subscribers will need a global identification code. Physical persons will need a so-called National Client Identifier ("**NCI**") and legal entities will need a so-called Legal Entity Identifier ("**LEI**"). Investors who do not already have an NCI or LEI, as applicable, must obtain such codes in time for the application in order to participate in the Offering.

17.8.2 NCI code for physical persons

As of 3 January 2018, physical persons need an NCI code to participate in a financial market transaction. The NCI code is a global identification code for physical persons. For physical persons with only a Norwegian citizenship, the NCI code is the 11 digit personal ID number (Nw.: *fødselsnummer*). If the person in question has multiple citizenships or another citizenship than Norwegian, another relevant NCI code can be used. Investors are encouraged to contact their bank for further information.

17.8.3 LEI code for legal entities

As of 3 January 2018, a LEI code is a mandatory number for all legal entities investing in a financial market transaction. A LEI code is a 20-character code that identifies distinct legal entities that engage in financial market transactions. The Global Legal Identifier Foundation ("**GLEIF**") is not directly issuing LEIs, but delegates this responsibility to Local Operating Units ("**LOUs**").

Norwegian companies can apply for a LEI code through the website https://no.nordlei.org/. The application can be submitted through an online form and signed electronically with BankID. It normally takes one to two working days to process the application.

Non-Norwegian companies can find a complete list of LOUs on the website https://www.gleif.org/en/about-lei/get-an-lei-find-lei-issuing-organizations.

17.9 Product governance

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (MiFID II); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the MiFID II Product Governance Requirements), and disclaiming all and any liability, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process, which has determined that they each are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the Target Market Assessment).

Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares and determining appropriate distribution channels.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

17.10 Mandatory anti-money laundering procedures

The Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324 (collectively, the "**Anti-Money Laundering Legislation**").

Applicants who are not registered as existing customers of any of the Managers must verify their identity to the Manager with which the order is placed in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Retail Application Form, or that are registered customers of Nordnet and make their application through Nordnet, or that register an application through the VPS online application system, are exempted, unless verification of identity is requested by any of the Managers. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period may not be allocated Offer Shares.

17.11 Over-allotment and stabilization activities

17.11.1 Over-allotment of Additional Shares

In connection with the Offering, the Managers may elect to over-allot a number of Additional Shares, equal to up to approximately 15% of the aggregate number of New Shares and Sale Shares sold in the Offering and, in order to permit delivery in respect of over-allotments made, the Stabilization Manager (Carnegie AS) may, pursuant to the Borrowing Option, require the Selling Shareholders to lend to the Stabilization Manager, on behalf of the Managers, a number of Shares equal to the number of Additional Shares allocated in the Offering. Further, the Selling Shareholders are expected to grant to the Stabilization Manager, on behalf of the Managers, the Greenshoe Option to purchase a number of Shares up to the number of Additional Shares allocated in the Offering at a price equal to the final Offer Price, which may be exercised by the Stabilization Manager, on behalf of the Managers, within 30 days of commencement of "if sold" trading in the Shares on the Oslo Stock Exchange. To the extent that the Managers have over-allotted Shares in the Offering, the Managers have created a short position in the Shares. The Stabilization Manager may close out this short position by buying Shares in the market through stabilization activities and/or by exercising the Greenshoe Option.

A stock exchange notice will be published on the first day of trading in the Shares on an "if sold" basis on the Oslo Stock Exchange (expected to take place on 20 October 2021), announcing whether the Managers have over-allotted Shares in connection with the Offering. Any exercise of the Greenshoe Option will be promptly announced by the Stabilization Manager through the Oslo Stock Exchange's information system.

17.11.2 Price stabilization

The Stabilization Manager (Carnegie) may, upon exercise of the Borrowing Option, from the first day of the Listing, effect transactions with a view to support the market price of the Shares at a level higher than what might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilization Manager to conduct stabilization activities and there is no assurance that stabilization activities will be undertaken. Such stabilizing activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the commencement of "if sold" trading in the Shares on the Oslo Stock Exchange.

Any stabilization activities will be conducted in accordance with Article 5 of MAR and the Commission Delegated Regulation 2016/1052 of 8 March 2016 as implemented into Norwegian law by Section 3-1 of the Norwegian Securities Trading Act regarding buy-back programs and stabilization of financial instruments.

The Selling Shareholders and the Managers have agreed that any profit resulting from stabilization activities conducted by the Stabilization Manager, on behalf of the Managers, will be for the account of the Selling Shareholders.

If stabilization activities are undertaken, information on the activities will be published no later than seven trading days following such transaction(s). Further, within one week after the expiry of the 30 calendar day period of price stabilization, the Stabilization Manager will publish information as to whether or not price stabilization activities were undertaken. If stabilization activities were undertaken, the statement will also include information about: (i) the total amount of Shares sold and purchased; (ii) the dates on which the stabilization period began and ended; (iii) the price range between which stabilization was carried out, as well as the highest, lowest and average price paid during the stabilization period; and (iv) the date at which stabilization activities last occurred.

It should be noted that stabilization activities might result in market prices that are higher than would otherwise prevail. Stabilization may be undertaken, but there is no assurance that it will be undertaken and it may be stopped at any time.

17.12 Publication of information in respect of the Offering

In addition to press releases which will be posted on the Company's website, the Company will use the Oslo Stock Exchange's information system to publish information relating to the Offering, such as amendments to the Bookbuilding Period and the Application Period (if any), the final Offer Price, the number of Offer Shares, the total amount of the Offering, allocation percentages and the first day of trading.

The final determination of the Offer Price, the final number of Offer Shares and the total amount of the Offering is expected to be published on or about 19 October 2021.

17.13 The rights conferred by the Offer Shares

The Offer Shares will be issued in accordance with Bermuda law and the Bermuda Companies Act. The Offer Shares will in all respects rank pari passu with all other Shares in issue, and will be eligible for any dividend that the Company may declare on the Shares after the delivery of the Offer Shares through registration in the VPS (expected on or about 21 October 2021). For a description of rights attached to the Shares, see Section 14 "Corporate information and description of the share capital".

17.14 VPS registration

As further described in Section 14.9 "VPS registration of the Shares", the Shares will be secondary recorded in the VPS in book-entry form from Listing. The title to the Shares will be evidenced and transferred without a written instrument by the VPS. The Offer Shares will have ISIN BMG0670A1099 and CUSIP G0670A 109.

17.15 Conditions for completion of the Offering – Listing and trading of the Offer Shares

The Company will on or about 11 October 2021 apply for Listing of its Shares on the Oslo Stock Exchange. It is expected that the board of directors of the Oslo Stock Exchange will approve the listing application of the Company on or about 14 October 2021, conditional upon the Company obtaining a minimum of 500 shareholders, each holding Shares with a value of more than NOK 10,000 and the Company satisfying the minimum free float requirement of the Shares set by the Oslo Stock Exchange. The Company expects that these conditions will be fulfilled through the Offering and that the Oslo Stock Exchange will grant an exemption from the 25% free float requirement, provided that the free float at the first day of trading of the Shares on an "if sold" basis is at least 10% and that the value of the Shares in the free float is at least NOK 10 billion based on the Offer Price.

Completion of the Offering on the terms set forth in this Prospectus is conditional upon the board of directors of the Oslo Stock Exchange approving the application for Listing in its meeting to be held on or about 14 October 2021, on conditions acceptable to the Company and that any such conditions are satisfied by the Company. The Offering will be cancelled in the event that the conditions are not satisfied. There can be no assurance that the board of directors of the Oslo Stock Exchange will give such approval or that the Company will satisfy these conditions.

Completion of the Offering on the terms set forth in this Prospectus is otherwise only conditional on (i) the Board of Directors or a subcommittee thereof having resolved to sell the New Shares in the Offering, (ii) the Company and the Selling Shareholders, in consultation with the Joint Global Coordinators, resolving to proceed with the Offering, (iii) the Company and the Selling Shareholders, in consultation with the Joint Global Coordinators, having approved the Offer Price, the number of Offer Shares and the allocation of the Offer Shares to eligible investors following the bookbuilding process, (iv) the Company, the Selling Shareholders and the Managers having entered into the Underwriting Agreement, (v) satisfaction of the conditions precedent contained in the Underwriting Agreement, and (vi) the Underwriting Agreement not having been terminated in accordance with its terms (see Section 17.1 "Overview of the Offering"). There can be no assurance that these conditions will be satisfied. If the conditions are not satisfied, the Offering may be revoked or suspended.

Assuming that the conditions are satisfied, the first day of trading of the Shares on an "if sold" basis, including the Offer Shares, on the Oslo Stock Exchange, is expected to be on or about 20 October 2021. The Joint Global Coordinators, the Company and the Selling Shareholders do not accept any responsibility or liability for any loss incurred by any person as a result of a termination of the Offering or (the related) annulment of any transactions on the Oslo Stock Exchange during the period of conditional trading. The Shares are expected to trade under the ticker code "AUTO".

Applicants in the Retail Offering selling Offer Shares prior to delivery must ensure that payment for such Offer Shares is made on or prior to the Payment Date, by ensuring that the stated bank account is sufficiently funded 20 October 2021, or, for applications through the Nordnet webservice, that the payment amount is available at its Nordnet account from 23:59 hours (CEST) on 18 October 2021 and until the Payment Date, as applicable. Applicants in the Institutional Offering selling Offer Shares prior to delivery must ensure that payment for such Offer Shares is made on or prior to the Institutional Closing Date. Accordingly, an applicant who wishes to sell his/her Offer Shares, following confirmed allocation of Offer Shares, but before delivery, must ensure that timely payment is made in order for such Offer Shares to be delivered in time to the applicant.

Prior to the Listing and the Offering, the Shares are not listed on any stock exchange or authorized market place, and no application has been filed for listing on any other stock exchanges or regulated market places than the Oslo Stock Exchange. Neither the Company nor the Managers can assure that a liquid trading market for the Shares may be created or sustained. The prices at which the Shares will trade after the Offering may be lower than the Offer Price. The Offer Price may bear no relationship to the market price of the Shares subsequent to the Offering.

17.16 Dilution

Following completion of the Offering, the immediate dilution for the existing Shareholders is expected to be approximately 2.8%, based on the assumption that the final Offer Price is set at the mid-point in the Indicative Price Range and that none of the existing Shareholders purchase any Shares in the Offering. There are no pre-emption rights for existing shareholders to subscribe for or purchase any Shares in the Offering.

Based on the consolidated financial statements for Automate LuxCo as of 30 June 2021, the net asset value per existing Share is USD 0.3567, equal to NOK 3.0534 based on the USD/NOK exchange rate as at 30 June 2021.

17.17 Expenses of the Offering and the Listing

The net proceeds to the Company will be approximately NOK 2.37 billion, equal to approximately USD 276 million, based on estimated total transaction costs of approximately USD 39.0 million in connection with the Offering and the Listing to be paid by the Company.

The Company and the Selling Shareholders will, pursuant to the Underwriting Agreement, pay to the Managers a fixed fee of 1.25% of the gross proceeds of the Offering and may in the sole discretion of the Company and the Lead Selling Shareholders elect to pay a discretionary fee of 1.25% of the gross proceeds of the Offering. The overall amount of the underwriting commission payable by the Company is approximately USD 7.9 million.

The Company and the Selling Shareholders are liable to pay, or cause to be paid, all expenses of the Managers incidental to the completion of the Offering.

No expenses or taxes will be charged by the Company, the Selling Shareholders or the Managers to the applicants in the Offering.

17.18 Lock-up

17.18.1 Lock-up agreements with the Managers

17.18.1.1 The Company

Pursuant to a lock-up undertaking to be included in the Underwriting Agreement, the Company is expected to undertake that it will not, without the prior written consent of the Joint Global Coordinators, which shall not be unreasonably withheld, during the period up to and including the date falling 180 days from the first day of trading of the Shares on the Oslo Stock Exchange, (1) issue, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Shares or other equity interest in the capital of the Company or any securities convertible into or exercisable for such Shares or other equity interests, or (2) enter into any swap or other agreement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or other equity interests, whether any such transaction described in (1) or (2) above is to be settled by delivery of the Shares or other securities or interests, in cash or otherwise, or (3) publicly announce or indicate an intention to effect any transaction specified in (1) or (2) above. The foregoing shall not apply to (A) the issue of Shares in the Offering, (B) the granting of Shares, options or other rights to Shares, or the honoring of options or such other rights to Shares, by the Company pursuant to any management or employee share incentive schemes or (C) any transaction described otherwise covered by such restrictions that is part of any corporate reorganization taking place prior to or in connection with the Offering, or (D) the sale of any Shares in the Company to SoftBank Group Corp. referred to in this Prospectus.

17.18.1.2 The Selling Shareholders

Pursuant to a lock-up undertaking to be included in the Underwriting Agreement, each of the Selling Shareholders (other than those described in Section 17.18.1.4 "Primary insiders, Board Members and Management" and in Section 13.3 "Option Selling Shareholders") are expected to undertake that they will not, and that they will procure that none of their respective wholly owned subsidiaries of the Selling Shareholders (except for those described in Section 13.3 "Option Selling Shareholders") or other entities managed by the Selling Shareholders (except for those described in Section Section 13.3 "Option Selling Shareholders") will, without the prior written consent of the Joint Global Coordinators, during the period up to and including the date falling 180 days from the first day of trading of the Shares on the Oslo Stock Exchange, (1) sell, offer to sell, contract or agree to sell, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly any Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, provided, however, that the foregoing shall not apply to: (A) the sale or other transfer of Sale Shares or Additional Shares in this Offering, (B) the lending of any Shares to the Stabilization Manager in relation to the Borrowing Option, (C) the acceptance or pre-acceptance of any takeover offer pursuant to applicable takeover rules on terms which treat all such holders alike (or otherwise in accordance with chapter 6 of the Norwegian Securities Trading Act) or other legal merger, (D) the execution and delivery of an irrevocable commitment or undertaking to accept such takeover offer (without any further agreement to transfer or dispose of any Shares or any interest therein), (E) the sale or other disposition of Shares pursuant to any offer by the Company to purchase its own Shares, which is made on identical terms to all holders of Shares (or otherwise in accordance with chapter 6 of the Norwegian Securities Trading Act), (F) as a result of the operation of law or pursuant to an order of a court or regulatory agency or to comply with any regulations related to the ownership of the Shares,

(G) the taking-up of any Shares or other rights granted in respect of a rights issue or other pre-emptive share offering by the Company, (H) the transfer or sale of Shares to the direct or indirect general partners, limited partners, members, shareholders or affiliates of the Selling Shareholder, in connection with or arising out of any dividend, distribution or transfer, or any demerger, liquidation, dissolution, reorganization or other similar event affecting the Selling Shareholder, provided that, in each case, as a condition to such transfer or sale and receipt of such Shares, each such transferee shall enter into lock-up arrangements on the same terms as those binding the Selling Shareholder for the remainder of the lock-up period, (I) the sale or transfer of Shares by the Selling Shareholder to one or more of its affiliates, provided such affiliates enter into lock-up agreements on the same terms as those binding the Selling Shareholder for the remainder of the lock-up period, (J) any disposal for the purposes of pledging or charging any Share to or for the benefit of any bank that has entered into a margin loan as lender in connection with a margin loan, or (K) any disposal for the purposes of transferring any Shares pursuant to any enforcement of security over Shares granted by the Selling Shareholder to or for the benefit of a margin loan lender in connection with a margin loan.

17.18.1.3 Softbank

As a condition precedent under the Underwriting Agreement, Softbank is expected to undertake that it will not, and that it will procure that none of its wholly owned subsidiaries or other entities managed by Softbank will, without the prior written consent of the Joint Global Coordinators, during the period up to and including the date falling 180 days from the first day of trading of the Shares on the Oslo Stock Exchange, (1) sell, offer to sell, contract or agree to sell, pledge, grant any option to purchase or otherwise dispose of or agree to dispose of, directly or indirectly any Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares or any securities convertible into or exercisable or exchangeable for Shares, or warrants or other rights to purchase Shares, provided, however, that the foregoing shall not apply to: (A) the acceptance or pre-acceptance of any takeover offer pursuant to applicable takeover rules on terms which treat all such holders alike (or otherwise in accordance with chapter 6 of the Norwegian Securities Trading Act) or other legal merger, (B) the execution and delivery of an irrevocable commitment or undertaking to accept such takeover offer (without any further agreement to transfer or dispose of any Shares or any interest therein), (C) the sale or other disposition of Shares pursuant to any offer by the Company to purchase its own Shares, which is made on identical terms to all holders of Shares (or otherwise in accordance with chapter 6 of the Norwegian Securities Trading Act), (D) as a result of the operation of law or pursuant to an order of a court or regulatory agency or to comply with any regulations related to the ownership of the Shares, (E) the taking-up of any Shares or other rights granted in respect of a rights issue or other pre-emptive share offering by the Company, (F) the transfer or sale of Shares to the direct or indirect general partners, limited partners, members, shareholders or affiliates of the Softbank, in connection with or arising out of any dividend, distribution or transfer, or any demerger, liquidation, dissolution, reorganization or other similar event affecting Softbank, provided that, in each case, as a condition to such transfer or sale and receipt of such Shares, each such transferee shall enter into lock-up arrangements on the same terms as those binding Softbank for the remainder of the lock-up period, (G) the sale or transfer of Shares by Softbank to one or more of its affiliates, provided such affiliates enter into lock-up agreements on the same terms as those binding Softbank for the remainder of the lock-up period, (H) any disposal for the purposes of pledging or charging any Share to or for the benefit of any bank that has entered into a margin loan as lender in connection with a margin loan, or (I) any disposal for the purposes of transferring any Shares pursuant to any enforcement of security over Shares granted by Softbank to or for the benefit of a margin loan lender in connection with a margin loan.

17.18.1.4 Primary insiders, Board Members and Management

Pursuant to additional lock-up undertakings, the Board Members, Management and other primary insiders of the Company who purchase Shares in the Offering, will undertake that they will not, without the prior written consent of the Joint Global Coordinators, during the period up to and including the date falling 12 months from the first day of trading of the Shares on the Oslo Stock Exchange, directly or indirectly, (1) offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, pledge or otherwise transfer or dispose of any Shares or any securities convertible into or exercisable or exchangeable for Shares or (2) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Shares, provided, however, that the foregoing shall not apply to the sale of Shares (or any exercise of options in connection with the sale of such Sale Shares or Additional Shares) in the Offering or any transfer of Shares (A) to fund the exercise price of any option or warrant or to pay any taxes in connection with the grant, vesting, exercise, conversion or exchange of any options or other awards issued pursuant to any of the Company's employee incentive programs (and the holders shall also be entitled to exercise, convert or exchange with the Company any such options or awards), , (B) upon termination of such member's employment by the Company and/or resignation from the board of directors of the Company, (C) to or by personal representatives or pursuant to a will or similar document or intestate succession of such member who dies during the lock-up period, (D) following the permanent disability or interruption in employment of such member for a continuous period of not less than 16 weeks due to disability or illness during the lock-up period, (E) to such member's family members, to a trustee of a trust associated with such member, or to a beneficiary of such a trust, or as a bona-fide gift other than for value, provided such transferees shall have agreed to be bound by the restrictions of the lock-up, (F) the acceptance or pre-acceptance of any takeover offer pursuant to applicable takeover rules on terms which treat all such holders alike (or otherwise in accordance with chapter 6 of the Norwegian Securities Trading Act) or other legal merger, (G) in connection with the execution and delivery of an irrevocable commitment or undertaking to accept such takeover offer (without any further agreement to transfer or dispose of any Shares or any interest therein), (H) pursuant to any offer by the Company to purchase its own Shares, which is made on identical terms to all holders of Shares (or otherwise in accordance with chapter 6 of the Norwegian Securities Trading Act), (I) as a result of the operation of law or pursuant to an order of a court or regulatory agency or to comply with any regulations related to the ownership of the Shares, (J) in connection with the grant of pledges or other security over any Shares retained by such member, (K) pursuant to the enforcement of any pledge or security entered into pursuant to the previous clause (J) or (L) the taking-up of any Shares or other rights granted in respect of a rights issue or other pre-emptive share offering by the Company.

17.18.2 Lock up agreements with the Company

The Management, as well as a group of 16 persons in the mid-level management of the Group, have entered into lock-up undertakings for a period of 12 months and six months after the IPO, respectively, with the Company. Pursuant to this lock-up undertaking the management is entitled, but not obliged, to sell down pro-rata with the THL Shareholders during the lock-up period.

17.19 Interest of natural and legal persons involved in the Offering

The Managers or their affiliates have provided from time to time, and may provide in the future, financial advisory, investment and commercial banking services, as well as financing, to the Company and its affiliates in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. The Managers will receive a fixed fee of 1.25% of the gross proceeds from the Offering and may, at the sole discretion of the Company and the Lead Selling Shareholders, receive a discretionary fee of 1.25% of the gross proceeds from the Offering, and will as such have an interest in the Offering. See Section 17.17 "Expenses of the Offering and the Listing" for information on fees to the Managers in connection with the Offering.

The Selling Shareholders will receive the proceeds from the sale of the Sale Shares and from the sale of any Shares sold pursuant to the Greenshoe Option. To the extent that there are any profits earned from stabilization transactions, any profit therefrom (after deduction of any dealing costs and stamp duty or transfer tax costs arising in relation to any stabilization transactions) shall fall to the Selling Shareholders.

See Section 12.3.3 "Transaction bonus" for information about bonus payments contingent on a successful Listing.

Further, as described in Section 12.3.5 "Share incentive programs", it is expected that certain of the Option holders will exercise Options in connection with the Listing which will be settled in cash by the Company and with an obligation for the Option holder to re-invest 50% of the net proceeds by acquiring Shares in the Company at the Offer Price.

Beyond the above-mentioned, the Company is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Offering.

17.20 Participation of major existing shareholders and members of the Management, supervisory and administrative bodies in the Offering

The following members of the Board of Directors and Management have committed to participate in the Offering:

Name	Position	Amount
Viveka Ekberg	Board member	NOK 3,000,000
Kristin Skogen Lund	Board member	NOK 200,000

Other than the members of the Management set out above, the Company is not aware of any major shareholders of the Company or members of the Management, supervisory or administrative bodies which intend to apply for Offer Shares in the Offering, or whether any person intends to apply for more than 5% of the Offer Shares in the Offering.

17.21 Disparities between the Offer Price and the price paid for Shares by current members of Management

As further described in Section 12.3.5 "Share incentive programs", Management will exercise Options and thereby acquire Shares at a strike price of EUR 0.33, equal to USD 0.38, in connection with the Offering and the Listing. There is a material discrepancy between the strike price and the Offer Price.

17.22 Governing law and jurisdiction

This Prospectus, the Retail Application Form and the terms and conditions of the Offering shall be governed by and construed in accordance with Norwegian law. Any dispute arising out of, or in connection with, this Prospectus, the Retail Application Form or the Offering shall be subject to the exclusive jurisdiction of the courts of Norway, with the Oslo District Court as the legal venue.

18 SELLING AND TRANSFER RESTRICTIONS

18.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby.

Other than in Norway, Sweden, Denmark and Finland the Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Prospectus will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Prospectus is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Prospectus, if an investor receives a copy of this Prospectus in any jurisdiction other than Norway, the investor may not treat this Prospectus as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Prospectus, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

18.2 Selling restrictions

18.2.1 United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A or pursuant to another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act; or (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, each Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Offer Shares as part of its allocation at any time other than (i) within the United States to QIBs in accordance with Rule 144A or (ii) outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Offer Shares will be restricted and each purchaser of the Offer Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section 18.3.1 "United States".

Any offer or sale in the United States will be made solely by affiliates of the Managers who are broker-dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of Offer Shares within the United States by a dealer, whether or not participating in the Offering, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements of the U.S. Securities Act and in connection with any applicable state securities laws.

18.2.2 United Kingdom

No Shares have been offered or will be offered pursuant to the Offering to the public in the United Kingdom, except that the Shares may be offered in the United Kingdom at any time:

a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or

c) in any other circumstances falling within Section 86 of the FSMA.

provided that no such offer of the Shares shall require the Company or any Managers to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

18.2.3 European Economic Area

In relation to each Relevant Member State, other than Norway, no Offer Shares have been offered or will be offered to the public in that Relevant Member State, pursuant to the Offering, except that Offer Shares may be offered to the public in that Relevant Member State at any time in reliance on the following exemptions under the EU Prospectus Regulation:

a) to persons who are "qualified investors" within the meaning of Article 2(e) of the EU Prospectus Regulation;

b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per Relevant Member State, with the prior written consent of the Managers for any such offer; or

c) in any other circumstances falling under the scope of Article 3(2) of the EU Prospectus Regulation;

provided that no such offer of Offer Shares shall require the Company, any Selling Shareholder or any Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purpose of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

These EEA selling restrictions are in addition to any other selling restrictions set out in this Prospectus.

18.2.4 Additional jurisdictions

18.2.4.1 Australia

This document is not a prospectus, product disclosure statement or other disclosure document under Chapter 6D or Part 7.9 of the Corporations Act 2001 (Cth) ("**Corporations Act**") and has not been and will not be lodged with the Australian Securities and Investments Commission ("**ASIC**"). This document does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under Chapter 6D or Part 7.9 of the Corporations Act. The Offering is made only to persons to whom it is lawful to offer shares in Australia without disclosure to investors under Chapter 6D of the Corporations Act.

As no prospectus, product disclosure statement or other disclosure document will be lodged with ASIC, any offer in Australia of the Offer Shares may only be made to persons who are 'sophisticated investors' within the meaning of section 708(8) of the Corporations Act) or 'professional investors' (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the Offer Shares without disclosure to investors under Chapter 6D of the Corporations Act. If any recipient of the document is not a 'sophisticated investor' or a 'professional investor' and does not otherwise fall within one or more of the exemptions contained in section 708 of the Corporations Act, no offer of, or invitation to apply for, the Offer Shares shall be deemed to be made to such recipient and no applications for the Offer Shares will be accepted from such recipient. Any offer to a recipient in Australia, and any agreement arising from acceptance of such offer, is personal and may only be accepted by the recipient.

No offer of the Offer Shares has been made or will be made to any person with the purpose of such person selling or transferring the Offer Shares, or transferring the Offer Shares, or granting, issuing or transferring interests in, or options over, the Offered Shares. In addition, the Offered Shares must not be offered for sale or transfer, nor any interest in or option over them be granted, issued or transferred in Australia in the period of 12 months after the date of allotment under the Offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. An Investor (as defined below) acquiring Offer Shares must observe such Australian on-sale restrictions.

This Prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this document is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

By applying for Offer Shares under the document, each person to whom Offer Shares are issued (an "**Investor**"):

- confirms that they are (a) a 'sophisticated investor' (within the meaning of section 708(8) of the Corporations Act), a 'professional investor' (within the meaning of section 708(11) of the Corporations Act) or otherwise permitted to invest in the Offered Shares pursuant to one or more exemptions contained in section 708 of the Corporations Act, and (b) a 'wholesale client' (within the meaning of section 761G of the Corporations Act;

- acknowledges that if any Investor on-sells Offer Shares within 12 months from the date of their issue, the Investor will be required to lodge a prospectus, product disclosure statement or other a disclosure document with ASIC unless either:

  (i) that sale is to another 'sophisticated investor' or 'professional investor' or is otherwise permitted pursuant to one or more exemptions contained in section 708 of the Corporations Act; or

  (ii) the sale offer is received outside Australia; and

- undertakes not to sell the Offer Shares in any circumstances other than those described in paragraphs (i) and (ii) above for 12 months after the date of issue of such Offer Shares, unless the Investor lodges a prospectus, product disclosure document or other disclosure document with ASIC.

This document is not, and under no circumstances is to be construed as, an advertisement or public offering of the Offer Shares in Australia.

No action has been taken to authorize or cause the issue or distribution in the Commonwealth of Australia, any of its states, territories or possessions or any political subdivision thereof, or to any resident of Australia, of this document or any other document inviting applications or offers to subscribe for or buy the Offer Shares. The document may only be distributed in Australia or to any resident of Australia to persons who are Investors as described above and any offer of Offer Shares may only be made to such Investors in Australia, in each case subject to the conditions set out above, on behalf of each Manager by its affiliate holding an Australian Financial Services License permitting such license holder to distribute the document and to offer the Offer Shares to such Investors in Australia.

18.2.4.2 Switzerland

The Offer Shares may not be publicly offered in Switzerland and will not be listed on the Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under article 652a or article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under article 27 ff of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Offer Shares or the Offering may be publicly distributed or otherwise made publicly available in Switzerland. Neither this document nor any other offering or marketing material relating to the Offering, the Company or our Shares has been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Offering will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and the Offering has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

18.2.4.3 Canada

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Offer Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

18.2.4.4 China

This Prospectus has not been and will not be circulated or distributed in the People's Republic of China (the "**PRC**"), and the Offer Shares may not be offered or sold, and will not be offered or sold, directly or indirectly, to any resident of the PRC or to persons for re-offering or resale, directly or indirectly, to any resident of the PRC except pursuant to applicable laws and regulations of the PRC. For the purpose of this paragraph, the PRC does not include Taiwan and the special administrative regions of Hong Kong and Macao.

18.2.4.5 Hong Kong

The Offer Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong, and no advertisement, invitation or document relating to the Offer Shares may be issued or may be in the possession of any person for the purposes of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

18.2.4.6 Taiwan

The Offer Shares and this Prospectus have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that require a registration, filing or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding, or otherwise, intermediate the offering and sale of the Offer Shares in Taiwan.

18.2.4.7 United Arab Emirates (excluding the Dubai International Financial Centre)

This document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you are in any doubt about the contents of this document, you should consult an authorised financial adviser.

By receiving this document, the person or entity to whom it has been issued understands, acknowledges and agrees that this document has not been approved by or filed with the UAE Central Bank, the UAE Securities and Commodities Authority (the "**SCA**") or any other authorities in the United Arab Emirates ("**UAE**") (outside of the financial free zones established pursuant to UAE Federal Law No. 8 of 2004), nor have the Managers received authorisation or licensing from the UAE Central Bank, SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE. No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE and no subscription to any securities or other investments may or will be consummated within the UAE. It should not be assumed that any of the Managers is a licensed broker, dealer or investment adviser under the laws applicable in the UAE, or that any of them advise individuals resident in the UAE as to the appropriateness of investing in or purchasing or selling securities or other financial products. The Offer Shares are not intended for circulation or distribution in or into the UAE, other than to persons who are "Qualified Investors" within the meaning of the SCA's Board of Directors Decision No. 3 of 2017 Concerning the Organisation of Promotion and Introduction to whom the materials may lawfully be communicated. This does not constitute a public offer of securities in the UAE in accordance with the SCA Chairman of the Board Resolution No. 11/R.M of 2016 on the Regulations for Issuing and Offering Shares of Public Joint Stock, or otherwise.

Nothing contained in this document is intended to constitute investment, legal, tax, accounting or other professional advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action. Any person considering acquiring securities should consult with an appropriate professional for specific advice rendered based on their respective situation.

18.2.4.8 Dubai International Financial Centre

The Offer Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

a) an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "**DFSA**"); and

b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

The DFSA has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The Offer Shares to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Offer Shares offered should conduct their own due diligence on the Offer Shares. If you do not understand the contents of this document, you should consult an authorised financial adviser.

18.2.4.9 Qatar

The Offer Shares have not been, and will not be, offered, sold or delivered, at any time directly or indirectly in the State of Qatar in a manner that will constitute a public offering. The Offer Shares have not been, and will not be registered with the Qatar Financial Centre Regulatory Authority (the "**QFCRA**") as shares of a collective investment scheme nor with the Qatar Central Bank (the "**QCB**") as shares of a mutual investment fund. This document has not been, and will not be, registered with, or approved by, the QCB, the QFCRA, the Qatar Financial Markets Authority (the "**QFMA**"), or any other authority in Qatar and may not be publicly distributed. This document is intended only for the original recipient and must not be provided to any other person. This document shall not be generally circulated in the State of Qatar and may not be reproduced or used for any other purpose. This document is not governed by Qatar law nor by the Qatar Financial Centre (the "**QFC**") rules and regulations and will not be submitted to the jurisdiction of any courts in the State of Qatar and/or within the QFC, which has its own set of laws.

18.2.4.10 Japan

The Offer Shares have not been and will not be registered under the Financial Instruments and Exchange Law, as amended (the "**FIEL**"). The Offer Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any Resident of Japan or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any Resident of Japan, except pursuant to an exemption from the registration requirements under the FIEL and otherwise in compliance with such law and any other applicable laws, regulations and ministerial guidelines of Japan.

In respect of the solicitation relating to the Offer Shares in Japan, no securities registration statement under Article 4, Paragraph 1 of the FIEL has been filed since this solicitation constitutes a solicitation targeting QIIs, as defined in Article 23-13, Paragraph 1 of the FIEL.

Any investor desiring to acquire the Offer Shares must be aware that the Offer Shares may not be Transferred to any other person unless such person is a QII.

As used herein:

- "**QII**" means a qualified institutional investor as defined in the Cabinet Ordinance Concerning Definitions under Article 2 of the FIEL.

- "**Transfer**" means a sale, exchange, transfer, assignment, pledge, hypothecation, encumbrance or other disposition of all or any portion of shares, either directly or indirectly, to another person. When used as a verb, the terms "Transfer" and "Transferred" shall have correlative meanings.

- "**Resident of Japan**" means a natural person having his/her place of domicile or residence in Japan, or a legal person having its main office in Japan. A branch, agency or other office in Japan of a non-resident, irrespective of whether it is legally authorized to represent its principal or not, shall be deemed to be a resident of Japan even if its main office is in any other country than Japan.

18.2.4.11 Singapore

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may they be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

18.2.4.12 Korea

The Offer Shares may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the Korea Securities and Exchange Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder. The Offer Shares have not been registered with the Financial Services Commission of Korea for public offering in Korea. Furthermore, the Offer Shares may not be resold to Korean residents unless the purchaser of the Offer Shares complies with all applicable regulatory requirements (including but not limited to government approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with the purchase of the Offer Shares.

18.2.4.13 Other jurisdictions

The Offer Shares may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into, Japan, Australia or any other jurisdiction in which it would not be permissible to offer the Offer Shares.

In jurisdictions outside the United States and the EEA where the Offering would be permissible, the Offer Shares will only be offered pursuant to applicable exceptions from prospectus requirements in such jurisdictions.

18.3 Transfer restrictions

18.3.1 United States

The Offer Shares have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each purchaser of the Offer Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and , subject to certain exceptions, may not be offered or sold within the United States.
- The purchaser is, and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares, was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares or any economic interest therein to any person in the United States.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.

- The purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Prospectus.
- The Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognize any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions.
- If the purchaser is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements in behalf of each such account.
- The purchaser acknowledges that the Company, the Selling Shareholders, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each purchaser of the Offer Shares within the United States purchasing pursuant to Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- The purchaser is authorized to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations.
- The purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer.
- The purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Offer Shares, as the case may be.
- The purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, or any economic interest therein, as the case may be, such Offer Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in a transaction meeting the requirements of Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The purchaser will not deposit or cause to be deposited such Offer Shares into any depositary receipt facility established or maintained by a depository bank other than a Rule 144A restricted depository receipt facility, so long as such Offer Shares are "restricted securities" within the meaning of Rule 144(a) (3) under the U.S. Securities Act.

- The purchaser acknowledges that the Offer Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares, as the case may be.

- The purchaser acknowledges that the Company shall not recognize any offer, sale pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions.

- If the purchaser is requiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

- The purchaser acknowledges that the these representations and undertakings are required in connection with the securities laws of the United States and that Company, the Selling Shareholders, the Managers and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

18.3.2 European Economic Area

Each person in a Relevant Member State (other than, in the case of paragraph (a), persons receiving offers contemplated in this Prospectus in Norway) who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Prospectus will be deemed to have represented, warranted and agreed to and with each Manager and the Company that:

a) it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation; and

b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in Article 1 of the EU Prospectus Regulation, (i) the Offer Shares acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Directive, or in circumstances in which the prior consent of the Managers has been given to the offer or resale; or (ii) where Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purpose of this representation, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Offering and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

19 ADDITIONAL INFORMATION

19.1 Auditor and advisors

The Company's independent auditor is Deloitte AS with business registration number 980 211 282, and business address at Dronning Eufemias gate 14, 0191 Oslo, Norway. The partners of Deloitte Norway are members of The Norwegian Institute of Public Accountants (Nw.: *Den Norske Revisorforening*). Deloitte Norway has been the Company's auditor since 31 August 2021 and Terminator's auditor since 4 January 2017.

Automate LuxCo's independent auditor is Deloitte Audit S.à r.l., with business registration number B67895 and registered business address at 20 Boulevard de Kockelscheuer, L-1821, Luxembourg, Luxembourg. Deloitte Luxembourg has audited the 2020 Financial Statements and provided a limited review report on the Interim Financial Statements. The partners of Deloitte Luxembourg are members of Luxembourg Institute of Public Accountants (Institut des Réviseurs d'Entreprise). Deloitte Luxembourg has been the auditors of Automate LuxCo since 9 April 2020.

Advokatfirmaet Thommessen AS (Ruseløkkveien 38, 0251 Oslo, Norway) is acting as Norwegian legal counsel to the Company. Kirkland & Ellis International LLP (30 St Mary Axe, London EC3A 8AF, United Kingdom) is acting as international legal counsel to the Company. Walkers (Bermuda) Limited (Park Place, 55 Par La Ville Road, Third Floor, Hamilton HM11, Bermuda) is acting as Bermuda legal counsel to the Company.

Carnegie AS (Fjordalléen 16, 0250 Oslo, Norway), J.P. Morgan AG (Taunustor 1 (TaunusTurm) 60310 Frankfurt am Main, Germany) and Morgan Stanley & Co. International plc (25 Cabot Square, Canary Wharf, London E14 4QA, United Kingdom) are acting as Joint Global Coordinators and Joint Bookrunners in the Offering. ABG Sundal Collier ASA (Munkedamsveien 45, 0250 Oslo, Norway), Citigroup Global Markets Limited (Citigroup Centre, 33 Canada Square, London, E14 5LB) and Jefferies GmbH (Bockenheimer Landstr. 24, 60323 Frankfurt am Main, Germany) are acting as Joint Bookrunners in the Offering together with the Joint Global Coordinators and Mizuho Securities Europe GmbH (Taunustor 1, 60310 Frankfurt am Main, Germany) and SpareBank 1 Markets AS (Olav Vs gate 5, 0161 Oslo, Norway) are acting as co-lead managers in the Offering.

Moelis & Company UK LLP (Condor House, 10 St Paul's Churchyard, London, EC4M 8AL, United Kingdom) is acting as Financial Advisor in relation to the Offering.

Advokatfirmaet Wiersholm AS (Dokkveien 1, 0250 Oslo) is acting as Norwegian legal counsel to the Managers. Milbank LLP (10 Gresham Street, London EC2V 7JD, United Kingdom) is acting as international legal counsel to the Managers.

19.2 Documents on display

Copies of the following documents will be available for inspection at the Company's offices at Stokkastrandvegen 85, 5578 Nedre Vats, Norway, during normal business hours from Monday to Friday each week (except public holidays) for a period of twelve months from the date of this Prospectus:

- The Company's Memorandum of Association and Bye-Laws; and
- This Prospectus.

The above documents are also available electronically at the Company's website (www.autostoresystem.com).

20 SWEDISH SUMMARY (SAMMANFATTNING)

Varning .... Denna sammanfattning bör läsas som en introduktion till Prospektet. Varje beslut om att investera i värdepapperen bör baseras på en bedömning av Prospektet som helhet från investerarens sida. En investering i Aktierna innefattar en inneboende risk och investeraren kan förlora hela eller delar av det investerade kapitalet. Vid talan som väcks i domstol angående informationen i detta Prospekt kan den investerare som är kärande enligt nationell rätt bli tvungen att stå för kostnaderna för översättning av Prospekt innan de rättsliga förfarandena inleds. Civilrättsligt ansvar åläggs endast de personer som har lagt fram sammanfattningen inklusive eventuella översättningar därav, men endast om sammanfattningen är vilseledande, felaktig eller oförenlig med de andra delarna av Prospektet eller om den inte, tillsammans med de andra delarna av Prospektet, ger nyckelinformation för att hjälpa investerare när de överväger huruvida de ska investera i sådana värdepapper.

Värdepapper .... Bolaget har endast ett aktieslag. De befintliga Aktierna kommer att sekundärregistreras i värdeandelsregister hos VPS och ha ISIN BMG0670A1099.

Emittent .... Bolagets organisationsnummer hos Bermudas företagsregister (eng. Bermuda Registrar of Companies) är 202100333 och dess LEI-kod är 549300KYN3M0LSM5A413. Bolagets registrerade adress är Park Place, 55 Par La Ville Road, Third Floor, Hamilton HM11, Bermuda. Koncernens huvudkontor är beläget på Stokkastrandvegen 85, 5578 Nedre Vats, Norge, dess huvudtelefonnummer för den adressen är +47 52 76 35 00 och dess e-postadress är contact@autostoresystem.com. Bolaget anses vara en erbjudare enligt Prospektförordningen, i tillägg till de erbjudare som anges nedan.

Erbjudare ....

Namn	LEI
THL Equity Fund VIII Investors (Automate), L.P.	549300FZIHXZSP3F9T81
Thomas H. Lee (Alternative) Parallel Fund VIII, L.P.	549300GDWNGNLLF30K22
Thomas H. Lee (Alternative) FUND VIII, L.P.	5493002IYY0KMNFJ8D54
THL Fund VIII (Alternative) Coinvestment Partners, L.P.	5493006Z4N8VYYLXKW43
THL (Alternative) Executive Fund VIII, L.P.	5493000UD2YI4ON41F11
Terminator Holding S.à r.l.	213800COXHXIP7PBP729
Automate Investment II AS..	549300PD6EUZNVK1NY23
Automate Investment AS	49300HVXC6IW5H7UO22

Behörig myndighet .... Den norska finansiella tillsynsmyndigheten (no. Finanstilsynet), med organisationsnummer 840 747 972 och registrerad adress Revierstredet 3, 0151 Oslo, Norge, och telefonnummer +47 22 93 98 00 har granskat och, den 8 oktober 2021, godkänt detta Prospekt.

Nyckelinformation om emittenten

Vem är emittent av värdepapperen?

Företagsinformation ...... Bolaget är ett så kallat exempted company som är organiserat och existerar enligt lagarna i Bermuda enligt Bermudas aktiebolagslag (eng. Bermuda Companies Act). Bolaget bildades i Bermuda den 31 augusti 2021 som ett holdingbolag för AutoStore, dess organisationsnummer hos Bermudas företagsregister (eng. Bermuda Registrar of Companies) är 202100333 och dess LEI-kod är 549300KYN3M0LSM5A413. Bolaget avses ha skattemässig hemvist i Norge genom att has dess plats för den faktiska företagsledningen i Norge.

Huvudsaklig verksamhet AutoStore är ett företag inom robotteknik och anser sig vara en ledande leverantör av automatiserade lagrings- och hämtningssystem ("**AS/RS**") och lagerhanterings- och lagerkontrollsystem ("**WMS/WCS**") genom tredje parts-distributörer.

Större aktieägare.......... Aktieägare som äger 5% eller mer av Aktierna har en andel av Bolagets aktiekapital som är anmälningspliktigt enligt den norska lagen om värdepappershandel. Omedelbart efter Omorganisationen är THL, SoftBank och EQT (såsom definierat häri) de enda aktieägarna som äger 5% eller mer av Aktierna:

#	Aktieägarnamn	Antal aktier	Procentandel
1	THL[1]...	1 638 390 532	50,73%

2	SoftBank[2]	1 314 076 591	40,69%
3	EQT[3]	179 213 747	5,55%
	Total	**3 131 680 870**	**96,97**

1 Aktier innehas genom THL Equity Fund VIII Investors (Automate), L.P., Thomas H. Lee (Alternative) Parallel Fund VIII, L.P., Thomas H. Lee (Alternative) FUND VIII, L.P., THL Fund VIII (Alternative) Coinvestment Partners, L.P. and THL (Alternative) Executive Fund VIII, L.P.

2 Aktier innehas genom Alpha L.P.

3 Aktier innehas genom Terminator Holding S.à r.l.

Viktigare administrerande direktörer .... Koncernens Ledning består av 6 personer. Koncernens CEO & President och CFO är anställda av Bolaget. Resten av Ledningen är anställda av Bolagets helägda dotterbolag, AutoStore AS. Namnen på medlemmarna i Ledningen och deras respektive befattningar anges i tabellen nedan.

Namn	**Befattning**
Karl Johan Lier	CEO & President
Mats Hovland Vikse........................	Intäktsdirektör
Bent Skisaker................................	Ekonomidirektör
Jone Gjerde	Chef för den operativa verksamheten
Anette Matre.................................	Personal- & Informationschef
Carlos Fernandez...........................	Produktchef

Lagstadgad revisor .... Bolagets oberoende revisor är Deloitte AS med organisationsnummer 980 211 282, och dess kontorsadress är Dronning Eufemias gate 14, 0191 Oslo, Norge. Automate Holding S.à r.l.'s ("**Automate LuxCo**") oberoende revisor är Deloitte Audit S.à r.l., med organisationsnummer B67895 och registrerad kontorsadress på 20 Boulevard de Kockelscheuer, L-1821, Luxemburg, Luxemburg.

Finansiell nyckelinformation för emittenten

Bolaget bildades den 31 augusti 2021 och har inte upprättat några årsredovisningar per datumet för detta Prospekt. Den finansiella informationen för Koncernen för räkenskapsåret som avslutades den 31 december 2020 i detta Prospekt har därför härletts från räkenskaperna för Bolagets helägda dotterbolag, Automate LuxCo. Eftersom Koncernen (genom Automate Bidco AS) förvärvade Terminator BidCo AS ("**Terminator**", som är det föregående holdingbolaget för Koncernen) den 31 juli 2019, innefattar de jämförbara finansiella siffrorna för Automate LuxCo för året som avslutades den 31 december 2019 endast resultatet från den underliggande förvärvade verksamheten med effekt från den 31 juli 2019 till och med den 31 december 2019. För att ge jämförbara siffror för Koncernens verksamhet presenterar därför Prospektet koncernräkenskaper för de två år som avslutades den 31 december 2019 och 2018 för Terminator. Dessutom har delårsrapporter för de tre och sex månaderna som avslutades den 30 juni 2021 tagits fram av Automate LuxCo och presenteras i detta Prospekt. Vänligen notera att Bolaget använder så kallade annual performance measures (APM:s) för att kommunicera sitt finansiella utfall.

Koncernresultaträkning

I miljoner USD	**Tre månader som avslutades den 30 juni**		**Sex månader som avslutades den 30 juni**		**År som avslutades den 31 december**		
	Automate LuxCo		**Automate LuxCo**		**Automate LuxCo**	**Terminator**	
	2021 *IAS 34* *(oreviderad)*	**2020** *IAS 34* *(oreviderad)*	**2021** *IAS 34* *(oreviderad)*	**2020** *IAS 34* *(oreviderad)*	**2020[1]** *IFRS* *(oreviderad)*	**2019[2]** *IFRS* *(reviderad)*	**2018[2]** *IFRS* *(oreviderad)*
Totalintäkter och andra rörelseintäkter	85,5	42,0	149,6	79,8	182,1	194,6	143,9
Rörelsevinst (förlust)	9,3	7,3	(16,3)	6,7	24,6	88,3	58,9
Nettovinst (förlust)	(1,7)	35,8	(17,3)	(56,5)	(21,1)	55,8	20,3

1 Årsredovisningen för 2020 (såsom definierat häri) upprättades och reviderades med EUR som rapporteringsvaluta. Koncernen ändrade till USD som rapporteringsvaluta med effekt från och med den första halvan av 2021. På basis av detta har de finansiella siffrorna som har extraherats från Årsredovisningen för 2020 och som har presenterats i detta Prospekt omräknats från EUR till USD enligt vad som anges i Bilaga C.

2 Siffrorna är härledda från koncernresultaträkningen för Terminator i Årsredovisningen för 2019 (såsom definierat häri) och reflekterar inte Koncernens finansieringsarrangemang relaterat till förvärvet av Terminator i juli 2019. De viktigaste posterna i koncernresultaträkningen som påverkas är "andra rörelsekostnader", "nedskrivning och avskrivning", "summa finansiella intäkter (utgifter)" och "inkomstskatt". Följaktligen är Terminators och Automate Luxcos koncernresultaträkningar inte jämförbara.

Under 2019 ändrade Terminator sin rapporteringsvaluta från NOK till USD och följaktligen har 2018 års siffror omarbetats. Inkomster och utgifter översattes till USD till respektive genomsnittliga valutakurser gällande för den relevanta perioden. 2018 års siffror har härletts från de oreviderade koncernräkenskaperna för den jämförbara perioden i Årsredovisningen för 2019.

Koncernbalansräkning

I miljoner USD	Per den 30 juni	Per den 31 december			
	Automate LuxCo	Automate LuxCo		Terminator	
	2021	2020[1]	2019[1]	2019[2]	2018[2]
	IAS 34	*IFRS*	*IFRS*	*IFRS*	*IFRS*
	(oreviderad)	*(oreviderad)*	*(oreviderad)*	*(reviderad)*	*(oreviderad)*
Summa tillgångar	2 059,6	2 054,2	2 010,1	616,7	559,4
Summa eget kapital.......	1 149,9	1 157,1	1 142,9	229,8	177,0
Summa skulder............	909,6	897,0	867,2	387,0	382,4

1 Årsredovisningen för 2020 togs fram och reviderades med EUR som rapporteringsvaluta. Koncernen ändrade till USD som rapporteringsvaluta med effekt från och med den första halvan av 2021. På basis av detta har de finansiella siffrorna som har extraherats från Årsredovisningen för 2020 och som har presenterats i detta Prospekt omräknats från EUR till USD enligt vad som anges i Bilaga C.

2 Siffrorna är härledda från koncernbalansräkningen för Terminator i Årsredovisningen för 2019 (såsom definierat häri) och reflekterar inte Koncernens finansieringsarrangemang relaterat till förvärvet av Terminator i juli 2019. De viktigaste posterna i koncernbalansräkningen som påverkas är: "goodwill", "immateriella tillgångar", och "långfristiga räntebärande skulder".

Under 2019 ändrade Terminator sin rapporteringsvaluta från NOK till USD och följaktligen har 2018 års siffror omarbetats. Tillgångar, skulder och summa eget kapital översattes till USD till stängningsvalutakurs gällande för balansdagen. Aktiekapital och överkurs översattes till USD med historiska kurser. 2018 års siffror har härletts från de oreviderade koncernräkenskaperna för den jämförbara perioden i Årsredovisningen för 2019.

Koncernens kassaflödesanalys

In miljoner USD	Tre månader som avslutades den 30 juni		Sex månader som avslutades den 30 juni		År som avslutades den 31 december		
	Automate LuxCo		Automate LuxCo		Automate LuxCo	Terminator	
	2021	2020	2021	2020	2020[1]	2019[2]	2018[2]
	IAS 34	*IAS 34*	*IAS 34*	*IAS 34*	*IFRS*	*IFRS*	*IFRS*
	(oreviderad)	*(oreviderad)*	*(oreviderad)*	*(oreviderad)*	*(oreviderad)*	*(reviderad)*	*(oreviderad)*
Nettokassflöde från den löpande verksamheten .	18,0	16,0	26,0	52,0	83,5	39,5	67,3
Nettokassaflöde använt i investeringsverksamheten	(7,9)	(4,5)	(18,0)	(7,9)	(19,3)	(12,7)	(9,2)
Nettokassaflöde från / (använt i) finansieringsverksamheten	(9,5)	(12,1)	(7,4)	45,0	(40,1)	(32,1)	(37,8)

1 Årsredovisningen för 2020 togs fram och reviderades med EUR som rapporteringsvaluta. Koncernen ändrade till USD som rapporteringsvaluta med effekt från och med den första halvan av 2021. På basis av detta har de finansiella siffrorna som har extraherats från Årsredovisningen för 2020 och som har presenterats i detta Prospekt omräknats från EUR till USD enligt vad som anges i Bilaga C.

2 Siffrorna är härledda från koncernkassaflödesanalysen för Terminator i Årsredovisningen för 2019 och reflekterar inte Koncernens finansieringsarrangemang relaterat till förvärvet av Terminator i juli 2019. De viktigaste posterna i koncernkassaflödesanalysen som påverkas är: "intäkter från emission av skuld", "amortering av långfristiga skulder" och "erlagd ränta" (alla tre poster under "nettokassaflöde använt i finansieringsverksamheten").

Under 2019 ändrade Terminator sin rapporteringsvaluta från NOK till USD och följaktligen har 2018 års siffror omarbetats. Inkomster och utgifter översattes till USD till respektive genomsnittliga valutakurser gällande för den relevanta perioden. 2018 års siffror har härletts från de oreviderade koncernräkenskaperna för den jämförbara perioden i Årsredovisningen för 2019.

Specifika nyckelrisker för emittenten

Väsentliga riskfaktorer .....

- Koncernen är exponerad mot risker relaterade till kvaliteten, designen och monteringen av sina produkter.
- Koncernen är exponerad mot risker relaterade till Koncernens verksamhet för forskning och utveckling ("**R&D**"), och mot utvecklingen av Koncernens produkter samt dessas ekonomiska livscykel.
- Koncernen är beroende av sina IT-systems kontinuerliga effektiva prestanda.

- Om Koncernen inte kan skydda sin IT-miljö från cyberhot kan detta ha en väsentlig negativ effekt på Koncernens verksamhet, verksamhetsresultat, finansiella ställning, kassaflöden och utsikter.
- Koncernen förlitar sig på logistikintegratorer som distribuerar och/eller säljer Koncernens AS/RS och har byggt starka och långvariga partnerskap med vissa nyckeldistributionspartners ("**Distributionspartners**").
- Koncernens misslyckande att på något sätt upprätthålla sin konkurrensställning på AS/RS-marknaden kan ha en väsentlig negativ effekt på Koncernens verksamhet, verksamhetsresultat, finansiella ställning, kassaflöden och utsikter.
- Koncernen har viss verksamhet i tillväxtmarknader, vilket gör det svårt att förutse marknadstrender och drivkrafter på marknaden, och att utvärdera Koncernens verksamhet och framtidsutsikter.
- Koncernens framgång är till stor del beroende av dess förmåga att skydda sina immateriella rättigheter och andra äganderätter. Koncernen kan vara oförmögen att på lämpligt sätt skydda och försvara sin IP och know-how eller kan göra intrång på tredje parts IP-rättigheter.
- Bolaget är bildat i Bermuda enligt Bermudas lagstiftning, men är avsett att ha skattemässig hemvist i Norge genom att ha dess plats för den faktiska företagsledningen i Norge. Det finns en risk att norska skattemyndigheter eller skattemyndigheter i andra jurisdiktioner kan ifrågasätta Bolagets status som skatterättsligt hemmahörande i Norge och detta kan potentiellt öka Koncernens och Bolagets aktieägares skattebörda.
- Koncernen kan komma att inte erhålla tillräcklig finansiering i framtiden eller inte erhålla finansiering på fördelaktiga villkor.
- Koncernen kan drabbas av valutakursfluktuationer. Koncernens risk avseende ändringar i utländska valutakurser relaterar främst till Koncernens löpande verksamhet (intäkter och utgifter denominerade i en utländsk valuta), extern finansiering genom räntebärande skulder och Koncernens nettoinvestering i utländska dotterbolag.

Nyckelinformation om värdepapperen

Värdepapperens viktigaste egenskaper

Typ, kategori och ISIN	Alla Bolagets Aktier är stamaktier och har skapats enligt Bermudas aktiebolagslag (eng. Bermuda Companies Act). Aktierna kommer att sekundärregistreras i värdeandelsregister hos VPS i samband med Noteringen och ha ISIN BMG0670A1099.
Valuta, kvotvärde och antal värdepapper	Aktierna kommer att handlas i NOK på Oslobörsen. Per dagen för detta Prospekt är Bolagets godkända aktiekapital 42 500 000 USD, bestående av 4 250 000 000 Aktier, vardera med ett kvotvärde om 0,01 USD, varav 10 000 Aktier har blivit emitterade och fullt betalda
Rättigheter som sammanhänger med värdepapperen...............	Bolaget har ett emitterat aktieslag och alla aktier av det slaget ger lika rättigheter i Bolaget, inklusive rättigheter till utdelning rösträttigheter. Varje Aktie berättigar till en röst.
Överlåtelserestriktioner ...	Aktierna är fritt överlåtbara. Bolaget, de Säljande Aktieägarna (utom de som beskrivs i avsnitt 13.3 "Aktieägare som säljer Optioner") och SoftBank väntas ingå sedvanliga lock-up-åtaganden med Managers för en period om 180 dagar efter att ”om såld”-handel av Aktierna har inletts på Oslobörsen. Medlemmarna av Ledningen, styrelseledamöterna, och andra primära insiders i Bolaget som köper Aktier i Erbjudandet förväntas att ingå sedvanliga lock-up-åtaganden med Managers för en period om 12 månader efter att ”om såld”-handel av Aktierna har inletts på Oslobörsen, föremål för vissa sedvanliga undantag. Dessutom har Ledningen samt en grupp om 16 personer i ledningen på mellannivå i Koncernen, ingått lock-up-åtaganden med Bolaget för en period om 12 månader och sex månader efter Noteringen. Vidare har SoftBank och EQT (båda definierade häri) överenskommit med THL (definierat häri) om vissa begränsningar för överlåtelse av deras Aktier under en period efter Noteringen.

Utdelning och utdelningspolicy	Bolaget kommer överväga utdelningar i framtiden inom ramen för sin medellånga skuldsättningsgradspolicy att inte överstiga två gånger Nettoskulden dividerat med Justerad EBITDA (båda termerna såsom definierat häri) och investeringsmöjligheter till hands. I tillägg till legala krav kommer styrelsen, vid beslut om årliga utdelningsnivåer, att beakta investeringsplaner, kapitalutgiftsplaner, begränsningar enligt Koncernens lånearrangemang, finanseringskrav och upprätthållande av lämplig strategisk flexibilitet.

Var kommer värdepapperen att handlas?

Bolaget kommer omkring den 11 oktober 2021 att ansöka om Notering av sina Aktier på Oslobörsen. Bolaget väntar sig för närvarande att handel i Aktierna på Oslobörsen kommer att påbörjas omkring den 20 oktober 2021 på ” om såld”-basis (villkorad handel) och omkring den 22 oktober 2021 på ovillkorad basis. Bolaget har inte ansökt om upptagande till handel av Aktierna på någon annan börs, reglerad marknad eller multilateral handelsplattform (MTF).

Vilka nyckelrisker är specifika för värdepapperen?

Väsentliga riskfaktorer	• Försäljning av betydande antal Aktier i offentlig handel efter Erbjudandet, inklusive av de Säljande Aktieägarna, eller en uppfattning att sådan försäljning skulle kunna ske, kan negativt påverka marknadspriset för Aktierna och göra det svårare för innehavare att sälja sina Aktier vid en tidpunkt som de bedömer lämplig. • Bolaget förväntar sig att Oslobörsen kommer att bevilja ett undantag från allmän ägo-kravet om 25% under förutsättning av villkoren att Aktier i allmän ägo på den första handelsdagen för Aktierna på ”om såld”-basis är minst 10% och att värdet av Aktierna i allmän ägo är minst 10 miljarder NOK baserat på Erbjudandepriset. Det faktum att det finns ett begränsat antal Aktier i allmän ägo kan ha en negativ effekt på priset på Aktierna och resultera i låga handelsvolymer.

Nyckelinformation om erbjudandet av värdepapper till allmänheten och/eller upptagandet till handel på en reglerad marknad.

På vilka villkor och enligt vilken tidsplan kan jag investera i detta värdepapper?

Villkor för erbjudandet....	Erbjudandet består av: • Ett Institutionellt Erbjudande i vilket Erbjudandeaktier erbjuds till (a) institutionella och professionella investerare i Norge, Sverige, Danmark och Finland (b) investerare utanför Norge, Sverige, Danmark, Finland och USA som är föremål för tillämpliga undantag från eventuella prospekt- och registreringskrav, och (c) investerare i USA som är kvalificerade institutionella köpare (eng. QIBs) i transaktioner undantagna från registreringskrav enligt U.S. Securities Act. Det Institutionella Erbjudandet är föremål för en nedre gräns per ansökan om 2 000 000 NOK. • Ett Erbjudande Till Allmänheten, i vilket Erbjudandeaktier erbjuds allmänheten i Norge, Sverige, Danmark och Finland villkorat av en nedre gräns per ansökan om 10 500 NOK och en övre gräns per ansökan om 1 999 999 NOK för varje investerare. Investerare som avser att lägga en order som överstiger 1 999 999 NOK måste göra detta i det Institutionella Erbjudandet. Flera anmälningar av en sökande i Erbjudandet Till Allmänheten kommer att hanteras som en anmälan i förhållande till den högsta gränsen för anmälan. Alla erbjudanden och försäljningar i USA kommer endast att göras till kvalificerade institutionella köpare i enlighet med Rule 144A eller enligt ett annat undantag från, eller i transaktioner som inte är föremål för, registreringskraven i U.S. Securities Act. Alla erbjudanden och försäljningar utanför USA kommer att göras i överensstämmelse med Regulation S. Managers kan välja att övertilldela ett antal Ytterligare Aktier motsvarande upp till 15% av det sammantagna antalet Nya Aktier och Försäljningsaktier som säljs i Erbjudandet. I det här avseendet förväntas de Säljande Aktieägarna att bevilja Stabiliseringsagenten (Carnegie), för Managers räkning, en Låneoption att låna ett antal Aktier som motsvarar antalet Ytterligare Aktier för att underlätta sådan övertilldelning. Vidare förväntas de Säljande Aktieägarna bevilja Stabiliseringsagenten, för Managers räkning, en så kallad Greenshoe Option att köpa ett antal Aktier upp till antalet Ytterligare Aktier till ett pris per Aktie som motsvarar Erbjudandepriset för att underlätta återlämnande av de lånade Aktierna.

	Bolaget och de Säljande Aktieägarna har, i samråd med Managers, angett ett Indikativt Prisintervall för Erbjudandet från 27 NOK till 31 NOK per Erbjudandeaktie. Med antagande av att Erbjudandepriset fastställs till den lägre delen av det Indikativa Prisintervallet, att det maximala antalet Försäljningsaktier säljs i Erbjudandet, och att Greenshoe Option utnyttjas fullt ut, kommer totalt 577 262 219 Erbjudandeaktier att säljas, motsvarande 17,25% av de emitterade Aktierna efter Erbjudandet.
Tidplan för erbjudandet ..	Nyckeldatumen för Erbjudandet anges nedan. Vänligen notera att Bolaget och de Säljande Aktieägarna, i samråd med Managers, förbehåller sig rätten att, när som helst och efter eget gottfinnande, förkorta eller förlänga Bookbuilding-Perioden för det Institutionella Erbjudandet och Anmälningsperioden för Erbjudandet Till Allmänheten.

Bookbuilding-Perioden inleds	11 oktober 2021 klockan 09:00 (CEST)
Bookbuilding-Perioden löper ut	19 oktober 2021 klockan 14:00 (CEST)
Anmälningsperioden inleds	11 oktober 2021 klockan 09:00 (CEST)
Anmälningsperioden löper ut	19 oktober 2021 klockan 12:00 (CEST)
Tilldelning och prissättning av Erbjudandeaktierna	Omkring den 19 oktober 2021
Offentliggörande av utfallet av Erbjudandet	Omkring den 19 oktober 2021
Distribution av tilldelningsnotor	Omkring den 20 oktober 2021
Inledande av villkorad handel i Aktierna	Omkring den 20 oktober 2021 klockan 09:00 (CEST)
Bankkonton från vilka betalning ska debiteras i Erbjudandet Till Allmänheten ska ha tillräckliga medel	Omkring den 20 oktober 2021
Datum för betalning i Erbjudandet Till Allmänheten ...	Omkring den 21 oktober 2021
Leverans av Erbjudandeaktierna i Erbjudandet Till Allmänheten	Omkring den 22 oktober 2021
Datum för betalning i det Institutionella Erbjudandet .	Omkring den 22 oktober 2021
Leverans av Erbjudandeaktier i det Institutionella Erbjudandet	Omkring den 22 oktober 2021
Inledande av ovillkorad handel i Aktierna	Omkring den 22 oktober 2021 klockan 09:00 (CEST)

Upptagande till handel....	Bolaget kommer omkring den 11 oktober 2021 att ansöka om upptagande till handel av sina Aktier på Oslobörsen. Oslobörsens styrelse väntas godkänna Bolagets noteringsansökan den 14 oktober 2021, villkorat av att Bolaget uppnår minst 500 aktieägare, varav vardera innehar Aktier med ett värde över 10 000 NOK och att Bolaget uppfyller minimikravet avseende Aktier i allmän ägo som är angivet av Oslobörsen. Bolaget väntar sig att dessa villkor kommer att uppfyllas genom Erbjudandet och att Oslobörsen kommer att bevilja undantag från kravet på 25% aktier i allmän ägo, under förutsättning att antalet Aktier i i allmän ägo på den första handelsdagen för Aktierna på ”om såld”-basis är minst 10% och att värdet av Aktierna i allmän ägo är minst 10 miljarder NOK baserat på Erbjudandepriset. Bolaget väntar sig för närvarande att handel i Aktierna på Oslobörsen inleds omkring den 20 oktober 2021 på ”om såld”-basis (villkorat) och på ovillkorad basis omkring den 22 oktober 2021.
Tilldelningsplan	I det Institutionella Erbjudandet kommer Bolaget och de Säljande Aktieägarna, i samråd med Managers, att bestämma tilldelningen av Erbjudandeaktier baserat på vissa allokeringsprinciper. I Erbjudandet Till Allmänheten kommer tilldelning att göras på pro rata-basis med användande av VPS automatiserade simuleringsprocess, dock under förutsättning att Bolaget, de Säljande Aktieägarna och Managers förbehåller sig rätten att, efter eget gottfinnande, ge full tilldelning till anställda i Koncernen och styrelseledamöter i Bolaget som har anmält sig för Erbjudandeaktier i Erbjudandet Till Allmänheten. Bolaget, de Säljande Aktieägarna och Managers förbehåller sig rätten att begränsa det totala antalet sökande till vilka Erbjudandeaktier tilldelas för att hålla antalet aktieägare på en lämplig nivå, i vilket fall de sökande till vilka Erbjudandeaktier tilldelas kommer att bestämmas

	på slumpmässig basis med användande av VPS automatiserade simuleringsprocess och/eller annan slumpmässig tilldelningsmekanism.
Utspädning	Förutsatt att Erbjudandepriset fastställs till mittpunkten av det Indikativa Prisintervallet, och att ingen av de befintliga Aktieägarna tecknar sig för några Aktier i Erbjudandet, förväntas den omedelbara utspädningen för de befintliga Aktieägarna att bli cirka 2,8%.
Totala kostnader för Emissioner/erbjudandet..	The Company's total costs and expenses of, and incidental to, the Listing and the Offering are estimated to amount to approximately 39.0 miljoner USD. No expenses or taxes will be charged by the Company or the Managers to the applicants in the Offering.

Vem är erbjudaren och/eller den person som ansöker om upptagande till handel?

Kort beskrivning av erbjudaren(erbjudarna) .	Bolaget är erbjudaren av de Nya Aktierna i det primära Erbjudandet. Erbjudarna av Försäljningsaktier i det sekundära Erbjudandet är det Säljande Aktieägarna. Hänvisning görs till "Emittent" och "Erbjudare" i inledningen ovan för företagsinformation om erbjudarna i Erbjudandet.

Varför upprättas detta prospekt?

Motiv till erbjudandet/upptagandet till handel	Koncernen tror att Erbjudandet och Noteringen kommer att: • möjliggöra att optimera Bolagets kapitalstruktur; • möjliggöra för de Säljande Aktieägarna att delvis omvandla sitt aktieinnehav i Bolaget till likvida medel, och möjliggöra en likvid marknad för Aktierna;; • diversifiera aktieägarbasen och möjliggöra för andra investerare att ta del av Koncernens framtida tillväxt och värdeskapande; • diversify the shareholder base and enable other investors to take part in the Group's future growth and value creation; • förbättra Koncernens profil hos investerare, affärspartners, leverantörer och kunder; och • ytterligare förbättra Koncernens förmåga att locka och behålla nyckelpersoner och anställda.
Användning av likvid......	Bolaget väntar sig att erhålla en nettolikvid om cirka 2,37 miljarder NOK, motsvarande cirka 276 miljoner USD från försäljningen av Nya Aktier, förutsatt att Bolagets utgifter för Erbjudandet uppgår till cirka 39,0 miljoner USD. Bolaget avser att använda cirka 236,6 miljoner USD av nettolikviden för att minska Koncernens finansiella skuldsättningsgrad. Den återstående nettolikviden kommer att användas för andra bolagsändamål.
Garanti.........................	Bolaget väntar sig att det, omkring den 19 oktober 2021, tillsammans med de Säljande Aktieägarna (utom de som beskrivs i avsnitt 13.3 "Aktieägare som säljer Optioner"), kommer att ingå ett garantiavtal ("**Garantiavtalet**") med Managers avseende Erbjudandet av Erbjudandeaktierna. I enlighet med och med förbehåll för villkoren som anges i Garantiavtalet och förutsatt att Erbjudandet inte har avslutats dessförinnan i enlighet med villkoren i Garantiavtalet, väntas Managers att gå med på att anskaffa köpare av Erbjudandeaktierna eller, om det misslyckas, att köpa Erbjudandeaktierna själva, och Bolaget och de Säljande Aktieägarna väntas att gå med på att sälja Erbjudandeaktierna till köpare som har anskaffats av Managers eller, om det misslyckas, till Managers själva.
Intressekonflikter	Managers eller deras närstående har från tid till annan tillhandahållit, och kan i framtiden komma att tillhandahålla, finansiell rådgivning, investerings- och kommersiella banktjänster, liksom finansiering till Bolaget och dess närstående inom ramen för den ordinarie verksamheten, för vilket de kan ha erhållit och kan komma att fortsätta erhålla sedvanligt arvode och provision. Managers avser inte att offentliggöra omfattningen av eventuella sådana investeringar eller transaktioner annat än i enlighet med eventuell legal eller regulatorisk skyldighet att göra det. Managers kommer att erhålla en så kallad success fee i samband med Erbjudandet och har följaktligen ett intresse i Erbjudandet. Dessutom kan de Säljande Aktieägarna, efter eget fullständigt godtycke, komma att betala Managers en diskretionär tilläggsersättning i samband med Erbjudandet. De Säljande Aktieägarna kommer att erhålla likviden från försäljningen av Försäljningsaktier och likviden från försäljningen av eventuella Aktier sålda enligt Greenshoe Option.The Selling Shareholders will receive the proceeds from the sale of

Sale Shares and the proceeds from the sale of any Shares sold pursuant to the Greenshoe Option.

21 DEFINITIONS AND GLOSSARY

In the Prospectus, the following defined terms have the following meanings:

3PL	Third-party logistic.
2020 Financial Statements...	Audited, consolidated financial statements prepared for Automate LuxCo for 2020 in accordance with IFRS as approved by the EU, with comparable financial figures for 2019.
2019 Financial Statements...	Audited, consolidated financial statements prepared for Terminator for 2019 in accordance with IFRS as approved by the EU, with comparable financial figures for 2018.
2018 Financial Statements...	Audited, consolidated financial statements prepared for Terminator for 2018 in accordance with IFRS as approved by the EU, with comparable figures for the financial year ended 31 December 2017.
ABGSC	ABG Sundal Collier ASA.
Acquisition	The transaction on 31 July 2019 whereupon the Group (through its wholly-owned subsidiary, Automate Bidco AS) acquired Terminator (the predecessor holding company of the Group).
Additional Shares...............	The additional Shares over-allotted in the Offering, equaling up to 15% of the aggregate number of New Shares and Sale Shares sold in the Offering.
Adjusted ROCE	Adjusted Return on Capital Employed as defined in Section 4.2.5 "Alternative performance measures (APMs)".
Advisory Services Agreement	An advisory services agreement dated 31 July 2019 entered into in connection with the Acquisition, as amended and restated on 13 April 2021 in connection with Softbank's acquisition of a major shareholding in the Group.
AGV	Automated guided vehicles.
AMR	Autonomous mobile robots.
Anti-Money Laundering Legislation	Applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulations of 14 September 2018 no. 1324.
Automate LuxCo	Automate Holdings S.à r.l.
AutoStore Academy	The AutoStore academy, an international tool for training purposes, manuals and training sessions.
AutoStore Poland	AutoStore Sp. Z o.o
APAC...............................	Asia-Pacific.
API	Application Programming Interface.
APMs...............................	Alternative performance measures.
Appointed Stock Exchange..	An appointed stock exchange (as such term is defined in the Bermuda Companies Act, as amended), which includes the Oslo Stock Exchange.
Application Period	The application period for the Retail Offering which will take place from 09:00 hours (CEST) on 11 October 2021 to 12:00hours (CEST) on 19 October 2021, unless shortened or extended.
AI/ML...............................	Artificial Intelligence and Machine Learning.
AS/RS	Automated storage and retrieval systems.
ASIC	The Australian Securities and Investments Commission.
BDM.................................	Business Development Management.
Bermuda Companies Act......	The Companies Act 1981 of Bermuda, as amended.
BMA	The Bermuda Monetary Authority.
Board of Directors..............	The board of directors of the Company.
Board Members	The members of the Board of Directors.

Bookbuilding Period	The bookbuilding period for the Institutional Offering which will take place from 09:00 hours (CEST) on 11 October 2021 to 14:00 hours (CEST) on 19 October 2021, unless shortened or extended.
Borrowing Option...............	An option expected to be granted to the Stabilization Manager by the Selling Shareholders, pursuant to which the Stabilization Manager may require the Selling Shareholders to lend to the Stabilization Manager, on behalf of the Managers, up to a number of Shares equal to the number of Additional Shares.
Brexit...............................	The United Kingdom's exit from the EU.
Bye-Laws..........................	The Company's bye-laws attached hereto as Appendix A.
CAGR	Compound annual growth rate.
Capital Employed...............	Shall have the meaning ascribed to such term in Section 4.2.5 "Alternative performance measures (APMs)".
Carnegie...........................	Carnegie AS.
CEST................................	Central European Summer Time.
CGUs	Cash generating units.
CISA	The Swiss Federal Act on Collective Investment Schemes.
Citi	Citigroup Global Markets Limited.
CNC	Computer Numerical Control.
Code	The U.S. Internal Revenue Code of 1986, as amended.
Code of Conduct	AutoStore's Code of Conduct.
Company	AutoStore Holdings Ltd.
Company estimate	Shall have the meaning ascribed to such term in Section 4.2.8 "Industry and market data".
Complaint	AutoStore's filing of a complaint against Ocado on 1 October 2020.
Consulting Services............	Certain consulting services to be provided by the THL Manager, the EQT Manager and the SB Manager during the term of the Advisory Services Agreement under the Advisory Services Agreement, including advice in connection with the negotiation and entry into bank financing agreements, financial, managerial and operational advice in connection with the Group's day-to-day operations and such other services as the THL Manager, the EQT Manager, the SB Manager and the Group may agree from time to time.
Corporate Governance Code.	The Norwegian Code of Practice for Corporate Governance last updated 17 October 2018.
Corporations Act................	The Corporations Act 2001 (Cth).
Credit Agreements	The Group's existing credit agreements as described in Section 11.18 "Financing Arrangements and Commitments".
Cubic Storage	Has the meaning ascribed to such term in Section 7.1.3.1 "Cubic storage".
Deloitte Luxembourg..........	Deloitte Audit S.à r.l., with business registration number B67895 and registered business address at 20 Boulevard de Kockelscheuer, L-1821, Luxembourg, Luxembourg.
Deloitte Norway.................	Deloitte AS, with business registration number 980 211 282 and registered business address at Dronning Eufemias gate 14, 0191 Oslo, Norway.
DFSA	Dubai Financial Services Authority.
Direct Participants	Has the meaning ascribed to such term in Section 14.9.2 "Information concerning DTC".
Distribution Partners	The Group's key distribution partners, which include some of the largest players in the automated warehousing market including, among others, Swisslog, Bastian Solutions, Element Logic, Dematic, Okamura and SoftBank Robotics.
DNB.................................	DNB Bank ASA.

DTC	The Depository Trust Company.
DTCC	The Depository Trust & Clearing Corporation.
ECA	The Exchange Control Act 1972 (and its related regulations).
EEA..................................	The European Economic Area.
EHS	Environmental, health and safety.
EMEA	Europe, the Middle East and Africa.
EQT	EQT VII.
EQT Manager	Terminator Holding S.à r.l., an affiliate entity of EQT, as described in Section 11.23 "Related party transactions".
Equity Plan	The Automate Holdings S.à r.l. equity incentive plan described in Section 12.3.5 "Share incentive programs".
EQT Transfer Agreement	Certain limitations on the transfer of Shares held by EQT with effect from and subject to the consummation of the IPO agreed between THL and EQT.
ESG	Environmental, social and governance.
ESMA	The European Securities and Markets Authority.
EU GDPR	The General Data Protection Regulation (EU) 2016/679.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 20014/71/EC.
EUR	The lawful currency of the European Union.
European Privacy Laws........	The EU GDPR and the UK GDPR, collectively.
Facilities	The Second Lien Facility together with the Senior Facilities.
Facility B (EUR)	The euro-denominated term loan Facility B.
Facility B (USD).................	The U.S. dollar-denominated term loan Facility B.
FIEL	Financial Instruments and Exchange Law.
Financial Advisor	Moelis & Company UK LLP.
Financial Information	The Financial Statements and the Interim Financial Statements, collectively.
Financial Statements..........	The 2020 Financial Statements, the 2019 Financial Statements, the 2018 Financial Statements and the Parent Financial Statements, together.
FSMA	Financial Services and Markets Act 2000.
GBP	The lawful currency of the United Kingdom.
GLEIF...............................	Global Legal Identifier Foundation.
Greenshoe Option..............	An option expected to be granted by the Selling Shareholders to the Managers to buy a number of Shares up to the number of Additional Shares in order to facilitate redelivery of Shares borrowed pursuant to the Borrowing Option.
Group or AutoStore............	The Company together with its consolidated subsidiaries.
HTP..................................	High throughput warehouses.
IASB	The International Accounting Standards Board.
IFRS	International Financial Reporting Standards, as adopted by the EU.
Indicative Price Range.........	The indicative price range in the Offering of NOK 27 to NOK 31 per Offer Share.
Institutional Closing Date.....	The date of delivery of, and payment for, the Offer Shares to/by the applicants in the Institutional Offering, expected to take place on or about 22 October 2021.
Institutional Offering..........	An institutional offering, in which Offer Shares are being offered (a) to institutional and professional investors in Norway, Sweden, Denmark and Finland (b) investors outside Norway, Sweden, Denmark, Finland and the United States, subject to applicable exemptions from the prospectus requirements, and (c) in

	the United States to QIBs, as defined in, and in reliance on, Rule 144A of the U.S. Securities Act; subject to a lower limit per application of NOK 2,000,000.
Investor	Shall have the meaning ascribed to such term in Section 18.2.4.1 "Australia".
Interim Financial Statements	Unaudited interim condensed financial statements prepared for Automate LuxCo in accordance with IAS 34 for the three and six months ended 30 June 2021, with comparable figures for 2020.
IRS	The U.S. Internal Revenue Service.
IT	Information technologies, networks to support business processes, as well as internal and external communication systems.
ITC	The International Trade Commission.
Jakob Hatteland Solutions....	Jakob Hatteland Solutions AS.
Jefferies	Jefferies GmbH.
J.P. Morgan........................	J.P. Morgan AG.
Joint Bookrunners..............	ABGSC, Citi and Jefferies, jointly.
Joint Global Coordinators.....	Carnegie, J.P. Morgan and Morgan Stanley, jointly.
KPC	Key purchase criteria.
KPI	Key performance indicator.
Lead Selling Shareholders....	Thomas H. Lee (Alternative) Fund VIII, L.P. Thomas H. Lee (Alternative) Parallel Fund VIII, L.P., THL (Alternative) Executive Fund VIII, L.P., THL Fund VIII (Alternative) Coinvestment Partners, L.P. and THL Equity Fund VIII Investors (Automate), L.P., collectively.
LEI...................................	Legal Entity Identifier.
Listing	The listing of the Shares on the Oslo Stock Exchange.
LOUs................................	Local Operating Units.
LTM	Last-twelve-months.
M&A.................................	Merger and acquisition.
Managers..........................	Carnegie, J.P. Morgan, Morgan Stanley (together, the Joint Global Coordinators), ABGSC, Citi, Jefferies (together, the Joint Bookrunners) and Mizuho and SB1 (together, the Co-Lead Managers), jointly.
Management	The members of the Group's senior management.
MAR.................................	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.
Maximum Amount..............	Has the meaning ascribed to such term in Section 11.25 "Acquisition of major shareholding by SoftBank".
Memorandum of Association.	The Company's memorandum of association attached hereto as Appendix A.
MFCs................................	Micro-Fulfillment Centers.
Mizuho	Mizuho Securities Europe GmbH
MiFID II............................	EU Directive 2014/65/EU on markets in financial instruments, as amended.
MiFID II Product Governance Requirements....................	MiFID II, Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II and local implementing measures.
Mini Load..........................	Has the meaning ascribed to such term in Section 7.1.3.4 "Mini Load".
Morgan Stanley	Morgan Stanley & Co. International plc.
NCI..................................	National Client Identifier.
Net Debt...........................	The Group's interest-bearing debt minus total cash and cash equivalents.
NewCo	A new Norwegian holding company established in connection with the Reorganization.

New Shares	Treasury Shares to be sold by the Company as will raise gross proceeds to the Company of approximately NOK 2.7 billion, equal to approximately USD 315 million.
NOK................................	The lawful currency of Norway.
Non-Norwegian Corporate Shareholders.....................	Shareholders who are limited liability companies and certain similar corporate entities not resident in Norway for tax purposes.
Non-Norwegian Personal Shareholders.....................	Shareholders who are individuals not resident in Norway for tax purposes.
Nordnet............................	Nordnet Bank AB
Norwegian Corporate Shareholders.....................	Shareholders who are limited liability companies and certain similar corporate entities resident in Norway for tax purposes.
Norwegian FSA..................	The Financial Supervisory Authority of Norway (Nw.: *Finanstilsynet*).
Norwegian Act on Overdue Payment...........................	The Norwegian Act on Overdue Payment of 17 December 1976 no. 100 (Nw.: *forsinkelsesrenteloven*).
Norwegian Personal Shareholders.....................	Shareholders who are individuals resident in Norway for tax purposes.
Norwegian Securities Trading Act..................................	The Norwegian Securities Trading Act of 28 June 2007 No 75 (Nw.: *verdipapirhandelloven*).
Notices.............................	The adjustment notices entered into between the respective Option holders and Automate Holdings S.à r.l. in the Equity Plan described in Section 12.3.5 "Share incentive programs".
Ocado	Ocado Group plc, Ocado Solutions Ltd., Ocado Solutions USA Inc., Ocado Innovation Ltd., Ocado Operating Ltd., Ocado Retail Limited, and Ocado Central Services Ltd.
Offering............................	The initial public offering of the Shares.
Offer Price	The final offer price for the Offer Shares in the Offering. The Offer Price may be set within, below or above the Indicative Price Range.
Offer Shares	The New Shares, the Sale Shares and, unless the context indicates otherwise, the Additional Shares.
OIL	Ocado Innovation Limited.
Options	Options awarded in accordance with the Equity Plan described in Section 12.3.5 "Share incentive programs".
Option Selling Shareholders	The persons listed in Section 13.3 "Option Selling Shareholders".
Order	The UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
Oslo Stock Exchange...........	Oslo Børs, a Norwegian stock exchange being part of Euronext® and operated by Oslo Børs ASA.
Parent Financial Statements.	The stand-alone for the Company for the period 31 August 2021 to 3 September 2021.
Payment Date	The payment date for the Offer Shares in the Retail Offering, expected to be on 21 October 2021.
PFIC.................................	Passive Foreign Investment Company.
PGR	A Post Grant Review is a specific procedure for challenging the validity of a U.S. patent before the USPTO.

PPA..................................	Purchase Price Allocations, being the fair value adjustments resulting from business acquisitions where fair values are higher than carrying values of the acquired company.
PLN..................................	The lawful currency of Poland..
Post-IPO Lock-up Period	Has the meaning ascribed to such term in Section 11.25 "Acquisition of major shareholding by SoftBank".
PRC	People's Republic of China.
Prospectus.........................	This Prospectus dated 8 October 2021.
QCB.................................	Qatar Central Bank.
QFC	Qatar Financial Centre.
QFCRA	Qatar Financial Centre Regulatory Authority.
QFMA...............................	Qatar Financial Markets Authority.
QIBs	Qualified institutional buyers as defined in Rule 144A.
QII	Qualified institutional investor as defined in the Cabinet Ordinance Concerning Definitions under Article 2 of the FIEL.
Reorganization	As defined in Section 4.3 "The Reorganization".
Registrar Agreement	The deposit and registrar agreement entered into by the Company with the VPS Registrar, which administrates the Company's VPS register.
Registration Rights Agreement.........................	The registration rights agreement the Company will enter into in connection with the Offering, with the shareholders that hold Shares on behalf of THL, Terminator Holding S.à r.l on behalf of EQT, Alpha LP on behalf of SoftBank and certain other holders, granting them certain customary rights to demand the registration and listing of their common shares of the Company.
Regulation S	Regulation S under the U.S. Securities Act.
Regulatory Requirements.....	Various regulations, laws and policies.
Relevant Member State	Each Member State of the European Economic Area which has implemented the EU Prospectus Regulation.
Relevant Persons	Persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Order or (ii) high net worth entities, and other persons to whom the Prospectus may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order.
Resident of Japan	A natural person having his/her place of domicile or residence in Japan, or a legal person having its main office in Japan. A branch, agency or other office in Japan of a non-resident, irrespective of whether it is legally authorized to represent its principal or not, shall be deemed to be a resident of Japan even if its main office is in any other country than Japan.
Retail Application Form........	Application form to be used to apply for Offer Shares in the Retail Offering, attached to this Prospectus as Appendix H.
Retail Offering	A retail offering, in which Offer Shares are being offered to the public in Norway subject to a lower limit per application of NOK 10,500 and an upper limit per application of NOK 1,999,999 for each investor.
Revolving Facility................	The revolving credit facility.
Robots	Purpose-built robots.
ROI..................................	Return on investment.
Rule 144A.........................	Rule 144A under the U.S. Securities Act.
R&D	Research and development.
Sale Shares	Shares offered by the Selling Shareholders in the Offering.
SAM.................................	Served addressable market.
SB1	SpareBank 1 Markets AS.

SB Manager	SB Investment Advisers (UK) Limited, an affiliate of Softbank, as described in Section 11.23 "Related party transactions".
SB Purchase Agreement	Has the meaning ascribed to such term in Section 11.25 "Acquisition of major shareholding by SoftBank".
SCA	The UAE Securities and Commodities Authority.
Second Lien Facility	The second lien facility.
Selling Shareholders	Existing shareholders of the Company as listed in Section 13.2 "Shares offered by the Selling Shareholders" and the Option Selling Shareholders, collectively.
Senior Facilities Agreement..	The senior facilities agreement dated 22 July 2019.
Senior Facilities	The Revolving Facility, Facility B (EUR) and Facility B (USD), collectively.
SFA.................................	The Securities and Futures Act, Chapter 289 of Singapore.
Share(s)...........................	Means the shares of the Company, each with a nominal value of USD 0.01.
Shuttle	Has the meaning ascribed to such term in Section 7.1.3.2 "Shuttle".
SIX	The Swiss Exchange.
SKU	Stock keeping unit.
SMB.................................	Standard warehouses and small warehouses.
SoftBank	SoftBank Group Corp.
Stabilization Manager..........	Carnegie AS.
TAM	Theoretical addressable market.
Target Market Assessment...	The product approval process which has determined that each Share are (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II, and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II.
THL.................................	Funds affiliated with Thomas H. Lee Partners, L.P.
THL Manager.....................	THL Managers VIII, LLC, an affiliated entity of THL, as described in Section 11.23 "Related party transactions".
THL Shareholder................	Each of Thomas H. Lee (Alternative) Fund VIII, L.P. Thomas H. Lee (Alternative) Parallel Fund VIII, L.P., THL (Alternative) Executive Fund VIII, L.P., THL Fund VIII (Alternative) Coinvestment Partners, L.P. and THL Equity Fund VIII Investors (Automate), L.P. (and collectively, the THL Shareholders).
TI	Texas Instruments.
Terminator........................	Terminator BidCo AS, a wholly owned subsidiary of AutoStore and the predecessor holding company of the Group.
Transfer	Means, when used in Section 18.2.4.10 "Japan", a sale, exchange, transfer, assignment, pledge, hypothecation, encumbrance or other disposition of all or any portion of shares, either directly or indirectly, to another person.
Transfer Agent	Transfer Agent
UK GDPR	The EU GDPR as it forms part of the laws of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018.
UK Prospectus Regulation	Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.
UAE	United Arab Emirates.
Underwriting Agreement......	Agreement between the Company, the Selling Shareholders and the Joint Global Coordinators (as representatives of the Managers) with respect to the Offering of the Offer Shares.
USD	The lawful currency of the United States.

U.S. or United States	The United States of America.
U.S. Exchange Act	The United States Exchange Act of 1934, as amended.
U.S. Securities Act	The United States Securities Act of 1933, as amended.
VPS..................................	The Norwegian Central Securities Depository (Nw.: *Verdipapirsentralen*).
VPS account.......................	Account with the VPS for the registration of holdings of securities.
VPS Registrar	DNB.
WMS/WCS	Warehouse management and control systems.

APPENDIX A

MEMORANDUM OF ASSOCIATION (INCLUDING CERTIFICATE OF NAME CHANGE) AND BYE-LAWS OF AUTOSTORE HOLDINGS LTD.

Memorandum of Association
The Companies Act 1981
Section 7(1) and (2)

AutoStore NewCo Ltd. (202100333)

Filing Date	31-Aug-2021 16:10:18

General details

Type of company	Exempted
Company Name	AutoStore NewCo Ltd.
Entity type	Company Limited By Shares

Objects and provisions

The objects for which the Company is formed and incorporated are unrestricted only	Yes
Provisions regarding the powers of the Company	

Subscribers

Subscriber 1

Name	Jonathan BETTS
Address	Park Place, Third Floor, 55 Par-la-Ville Road, Hamilton, Pembroke, HM 11, Bermuda
Nationality	United Kingdom
Has Bermudian status	No
Number of shares	1

Shareholdings

Currency	USD - United States Dollar
Authorised share capital	100.00

Declarations

The liability of the members of the Company is limited to the amount (if any) for the time being unpaid on the shares respectively held by them.	Yes
The subscribers listed in this application respectively agreed to take such number of shares of the Company as may be allotted to them respectively by the provisional directors of the Company, not exceeding the number of shares for which they have respectively subscribed, and to satisfy such calls as may be made by the directors, provisional directors or promoters of the Company in respect of the shares allotted to them respectively.	Yes
Submitted By	WALKERS CORPORATE (BERMUDA) LIMITED AMANDA SWAN BERMUDA, PARK PLACE, THIRD FLOOR, 55 PAR-LA-VILLE ROAD, HAMILTON, PEMBROKE, HM 11

Registration No. 202100333

GOVERNMENT OF BERMUDA

Registrar of Companies

The Companies Act 1981

CERTIFICATE OF CHANGE OF NAME

I HEREBY CERTIFY that in accordance with section 10 of **the Companies Act 1981** AutoStore NewCo Ltd. by resolution and with the approval of the Registrar of Companies has changed its name and was registered as AutoStore Holdings Ltd. on the 6th day of October 2021.

Kenneth Joaquin

Registrar of Companies

6th day of October 2021

REGISTRAR OF COMPANIES

BERMUDA

QUO FATA FERUNT

BYE-LAWS

of

AutoStore Holdings Ltd.

We HEREBY CERTIFY that the attached Bye-Laws are a true copy of the Bye-laws of AutoStore Holdings Ltd. (the "Company") as adopted by a resolution of the shareholders passed 5 October 2021.

____

For and on behalf of
Walkers Corporate (Bermuda) Limited
Secretary

TABLE OF CONTENTS

DEFINITIONS

1. In these Bye-laws, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

"**Alternate Director**" has the meaning attributed to it in Bye-law 128.

"**Appointed Stock Exchange**" means an appointed stock exchange as defined under the Companies Act.

"**Auditor**" includes an individual or partnership.

"Beneficially Own" means that a specified person has or shares the right, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, to vote shares in the capital of the Company.

"**Bermuda**" means the Islands of Bermuda.

"**Board**" means the board of directors appointed or elected pursuant to these Bye-laws and acting by resolution in accordance with the Companies Act and these Bye-laws or the Directors present at a meeting of Directors at which there is a quorum.

"**Business Day**" means any day that is not a Saturday, Sunday or other day on which commercial banks in Bermuda are authorized or required by law to close.

"**Bye-laws**" means these bye-laws adopted by the Company with effect on the completion of the Listing in their present form or as from time to time amended.

"**chair**" means the Chair of the Board appointed in accordance with Bye-law 124.

"**Companies Act**" means the Companies Act 1981 as amended from time to time.

"**Company**" means the company incorporated in Bermuda under the name of AutoStore Holdings Ltd. on 31 August 2021for which these Bye-laws are approved and confirmed.

"**Default Shares**" has the meaning attributed to it in Bye-law 37(a).

"**Director**" means a director of the Company for the time being.

"**Disclosure Notice**" has the meaning attributed to it in Bye-law 37.

"Interested Party" has the meaning attributed to it in Bye-law 36.

"**indemnitee**" has the meaning set forth in Bye-law 155.

"**Listing**" means the listing of the Company's shares on the Oslo Stock Exchange.

"**notice**" means the written notice as further provided in these Bye-laws unless otherwise specifically stated.

“Original Amount” means the aggregate number of shares of shares held, directly or indirectly, immediately prior to the consummation of the Listing, as such number may be adjusted from time to time for any reorganisation, recapitalisation, dividend in specie, share split, reverse share split or other similar changes in the Company’s capitalisation.

“**Original Shareholder Director**” has the meaning given to such term in bye-law 121.

“**Oslo Stock Exchange**” means Oslo Børs, a stock exchange being part of Euronext and operated by Oslo Børs ASA.

“**Officer**” means any person appointed by the Board to hold an office in the Company.

“**Person**” shall be construed broadly and shall include, without limitation, an individual, a partnership, a corporation, a limited liability partnership, an investment fund, a limited liability company, a company, an association, a joint stock company, a trust, a joint venture, an unincorporated organization and a governmental entity or any department, agency or political subdivision thereof.

“**Register of Directors and Officers**” means the register of directors and officers of the Company.

“**Register of Shareholders**” means the register of members of the Company.

“**Registered Office**” shall be at such place in Bermuda as the Board shall from time to time appoint.

“**Registrar**” means DNB Bank ASA, acting through its Registrar’s Department (known as “DNB Verdipapirservice”).

“**Resident Representative**” means any person appointed to act as resident representative and includes any deputy or assistant resident representative.

“**Resolution**” means a resolution passed by a simple majority of votes cast by Shareholders who are entitled to vote at such general meeting or by written resolution, in accordance with the provisions of these Bye-laws.

“**SB Shareholder**” means Alpha LP, a Cayman Islands exempted limited partnership, together with any affiliated transferee thereof.

“**Secretary**” means the person appointed to perform any or all of the duties of secretary of the Company and includes any deputy or assistant secretary and any person appointed by the Board to perform any of the duties of the Secretary.

“**Shareholder**” means the person registered in the Register of Shareholders as the holder of shares in the Company and, when two or more persons are so registered as joint holders of shares, means the person whose name stands first in the Register of Shareholders as one of such joint holders or all of such persons, as the context so requires.

“**shares**” means a share in the capital of the Company of any class.

“**Treasury Share**” means a share of the Company that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled.

“**THL Shareholders”** means, collectively, Thomas H. Lee (Alternative) Fund VIII, L.P., a Cayman Islands exempted limited partnership, Thomas H. Lee (Alternative) Parallel Fund VIII, L.P., a Cayman Islands exempted limited partnership, THL (Alternative) Executive Fund VIII, L.P., a Cayman Islands exempted limited partnership, THL Fund VIII (Alternative) Coinvestment Partners, L.P., a Cayman Islands exempted limited partnership, and THL Equity Fund VIII Investors (Automate), L.P., a Delaware limited partnership, in each case, together with any affiliated transferee thereof, but excluding, in each case, any limited partner of any THL Shareholder.

“**VPS**” means the Norwegian Central Securities Depository maintained by Verdipapirsentralen ASA.

2. In these Bye-laws, where not inconsistent with the context:

   (a) words denoting the plural number include the singular number and vice versa;

   (b) words denoting the masculine gender include the feminine and neuter genders;

   (c) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;

   (d) the word “corporation” means a corporation whether or not a company within the meaning of the Companies Act; and

   (e) unless otherwise provided herein, words or expressions defined in the Companies Act shall bear the same meaning in these Bye-laws.

3. In these Bye-laws expressions referring to writing or its cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail and other modes of representing words in visible form.

4. Headings used in these Bye-laws are for convenience only and are not to be used or relied upon in the construction hereof.

POWER TO ISSUE SHARES

5. Subject to these Bye-laws and to any Resolution to the contrary, the Board shall have the power to issue any unissued shares on such terms and conditions as it may determine and any shares or class of shares may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital, or otherwise as the Company may by Resolution prescribe.

6. Subject to the Companies Act, any preference shares may be issued or converted into shares that (at a determinable date or at the option of the Company or the holder) are liable to be redeemed on such terms and in such manner as may be determined by the Board (before the issue or conversion), provided that prior approval for the issuance of such shares is given by resolution of the Shareholders in general meeting.

POWER OF THE COMPANY TO PURCHASE ITS SHARES

7. The Company may purchase its own shares for cancellation or acquire them as Treasury Shares in accordance with the Companies Act on such terms as the Board shall think fit.

8. The Board may exercise all the powers of the Company to purchase or acquire all or any part of its own shares in accordance with the Companies Act.

RIGHTS ATTACHING TO SHARES

9. Subject to any Resolution to the contrary (and without prejudice to any special rights conferred thereby on the holders of any other shares or class of shares), the share capital shall be divided into shares of a single class the holders of which shall, subject to these Bye-laws:

   (a) be entitled to one vote per share;

   (b) be entitled to such dividends as the Board may from time to time declare;

   (c) in the event of a winding-up or dissolution of the Company, whether voluntary or involuntary or for the purpose of a reorganisation or otherwise or upon any distribution of capital, be entitled to the surplus assets of the Company; and

   (d) generally be entitled to enjoy all of the rights attaching to shares.

10. All the rights attaching to a Treasury Share shall be suspended and shall not be exercised by the Company while it holds such Treasury Share and, except where required by the Companies Act and any other applicable laws and regulation, all Treasury Shares shall be excluded from the calculation of any percentage or fraction of the share capital, or shares, of the Company.

CALL ON SHARES

11. The Board may make such calls as it deems fit upon the Shareholders in respect of any moneys (whether in respect of nominal value or premium) unpaid on the shares allotted to or held by such Shareholders and, if a call is not paid on or before the day appointed for payment thereof, the Shareholder may at the discretion of the Board be liable to pay the Company interest on the amount of such call at such rate as the Board may determine, from the date when such call was payable up to the Company's actual date of payment. The Board may differentiate between the holders as to the amount of calls to be paid and the times of payment of such calls.

12. Any amount which by the terms of allotment of a share becomes payable upon issue or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall for the purposes of these Bye-laws be deemed to be an amount on which a call has been duly made and payable, on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of these Bye-laws as to payment of interest, costs and expenses, forfeiture or otherwise shall apply as if amount had become payable by virtue of a call duly made and notified.

13. The joint holders of a share shall be jointly and severally liable to pay all calls and any interest, costs and expenses in respect thereof.

14. The Company may accept from any Shareholder the whole or a part of the amount remaining unpaid on any shares held by him, although no part of that amount has been called up.

FORFEITURE OF SHARES

15. If a Shareholder fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of such call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

16. The notice shall name a further day (not being less than 14 days from the date of the notice) on or before which, and the place where, the payment required by the notice is to be made and shall state that, in the event of non-payment on or before the day and at the place appointed, the shares in respect of which such call is made or instalment is payable will be liable to be forfeited.

17. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends or other moneys payable declared in respect of the forfeited shares and not actually paid before the forfeiture.

18. When any share has been forfeited, notice of the forfeiture shall be served upon the person who was the holder of the share before the forfeiture. Where the forfeited share is held in certificated form, an entry shall be made promptly in the register opposite the entry of the share showing that notice has been sent, that the share has been forfeited and the date of forfeiture. No forfeiture shall be in any manner invalidated by any omission or neglect to give such notice.

19. A forfeited share shall be deemed to be the property of the Company and may be sold, re-offered or otherwise disposed of either to the person who was the holder of the share before the forfeiture or to any other person upon such terms and in such manner as the Board shall think fit. At any time before a sale, re-allotment or disposal, the forfeiture may be cancelled on such terms as the Board may think fit. Where for the purposes of its disposal a forfeited share held in certificated form is to be transferred to any person, the Board may authorise any person to execute an instrument of transfer of the share to that person. Where for the purposes of its disposal a forfeited share held in uncertificated form is to be transferred to any person, the Board may exercise any of the Company's powers under Bye-law 30. The Company may receive the consideration given for the share on its sale, re-offer or disposal and may register the transferee as holder of the share.

20. A person shall cease to be a member in respect of any share which has been forfeited and shall, if the share is a certificated share, surrender the certificate for any forfeited share to the Company for cancellation. Notwithstanding the forfeiture, the person shall remain liable to the Company for all moneys which at the date of forfeiture were presently payable by him or her to the Company in respect of that share with interest on that amount at the rate at which interest was payable on those moneys before the forfeiture or, if no interest was so payable, at the rate determined by the Board from the date of forfeiture until payment. The Board may waive payment wholly or in part or enforce payment without any allowance for the value of the share at the time of forfeiture or for any consideration received on its disposal.

21. The Board may accept the surrender of any share liable to be forfeited hereunder on such terms and conditions as may be agreed and, in such case, subject to those terms and conditions, references in these Bye-laws to forfeiture shall include surrender.

22. The forfeiture of a share shall involve the extinction at the time of forfeiture of all interest in and all claims and demands against the Company in respect of the share and all other rights and liabilities incidental to the share as between the person whose share is forfeited and the Company, except

only those rights and liabilities expressly saved by these Bye-laws, or as are given or imposed in the case of past members by the Companies Act.

23. An affidavit in writing that the deponent is a Director or the Secretary and that a share has been duly forfeited on the date stated in the affidavit shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The declaration shall (subject if necessary to the execution of an instrument of transfer or transfer by means of the relevant system, as the case may be) constitute a good title to the share. The person to whom the share is disposed of shall not be bound to see to the application of the purchase money, if any, and his or her title to the share shall not be affected by any irregularity in, or invalidity of, the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share.

SHARE CERTIFICATES

24. Every Shareholder of certificated shares shall be entitled to a certificate under the common seal of the Company or bearing the signature (or a facsimile thereof) of a Director or the Secretary or a person expressly authorised to sign specifying the number and, where appropriate, the class of shares held by such Shareholder and whether the same are fully paid up and, if not, specifying the amount paid on such shares. The Board may by resolution determine, either generally or in a particular case, that any or all signatures on certificates may be printed thereon or affixed by mechanical means.

25. The Company shall be under no obligation to complete and deliver a share certificate unless specifically called upon to do so by the person to whom the certificated shares have been allotted.

26. The holder of any certificated shares of the Company shall immediately notify the Company of any loss, destruction or mutilation of the certificate therefor, and the Board may, in its discretion, cause to be issued to him a new certificate or certificates for such shares, upon the surrender of the mutilated certificates or, in the case of loss or destruction of the certificate, upon satisfactory proof of such loss or destruction, and the Board may, in its discretion, require the owner of the lost or destroyed certificate or their legal representative to give the Company a bond in such sum and with such surety or sureties as it may direct to indemnify the Company against any claim that may be made against it on account of the alleged loss or destruction of any such certificate.

27. For such time as any shares of the Company are traded on an Appointed Stock Exchange, nothing in these Bye-laws shall prevent title to any shares of the Company from being evidenced and/or transferred without a written instrument in accordance with the rules or regulations applicable to shares listed on any such Appointed Stock Exchange, and the Board shall have power to implement any arrangements which it may think fit for such evidencing and/or transfer.

UNCERTIFICATED SHARES

28. Subject to the provisions of the Companies Act, the holding of shares in any class of shares of the Company may be in uncertificated form and the transfer of title of shares in that class by means of the relevant system used by the Oslo Stock Exchange or any other relevant system by an Appointed Stock Exchange. The Board may determine by resolution that any class of shares shall cease to be a participating security of any relevant system.

29. Shares in the capital of the Company that fall within a certain class shall not form a separate class of shares from other shares in that class because any share in that class is held in uncertificated form.

30. Where any class of shares is uncertificated and the Company is entitled under any provision of the Companies Act or these Bye-laws to sell, transfer or otherwise dispose of, forfeit, re-allot, accept the surrender of, or otherwise enforce a lien over, a share held in uncertificated form, the Company shall be entitled, subject to the provisions of the Companies Act or these Bye-laws and the facilities and requirements of the VPS system or any other relevant system:

(a) to require the holder of that uncertificated share by notice to change that share into certificated form within the period specified in the notice and to hold that share in certificated form so long as required by the Company;

(b) to require the holder of that uncertificated share by notice to give any instructions necessary to transfer title to that share by means of the VPS system or any other relevant system within the period specified in the notice;

(c) to require the holder of that uncertificated share by notice to appoint any person to take any step, including, without limitation, the giving of any instructions by means of the relevant system, necessary to transfer the share within the period specified in the notice; and

(d) to take any action that the Board considers appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of that share, or otherwise to enforce a lien in respect of that share.

FRACTIONAL SHARES

31. The Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.

REGISTER OF SHAREHOLDERS

32. The Board shall cause to be kept in one or more books a Register of Shareholders and shall enter therein the particulars required by the Companies Act. Subject to the provisions of the Companies Act, the Company may keep one or more overseas or branch registers in any place, and the Board may make, amend and revoke any such regulations as it may think fit regarding the keeping of such registers. The Board may authorise any share on the Register of Shareholders to be included in a branch register or any share registered on a branch register to be registered on another branch register, provided that at all times the Register of Shareholders is maintained in accordance with the Companies Act. The Company's shares may be registered with the VPS, and if necessary may be registered in the Register of Shareholders in the name of the Registrar, which may or may not be a branch register for the purposes of the Companies Act.

33. The Register of Shareholders shall be open to inspection without charge at the Registered Office of the Company on every Business Day, subject to such reasonable restrictions as the Board may impose, so that not less than two hours in each Business Day be allowed for inspection. The Register of Shareholders may, after notice has been given in accordance with the Companies Act, be closed for any time or times not exceeding in the whole thirty days in each year.

DISCLOSURE OF INTERESTS IN SHARES

34. Shareholders shall make such notifications to the Company regarding their interests in shares as they are required to make under all applicable rules and regulations to which the Company is subject.

35. The provisions of Bye-law 34 are in addition to, and separate from, any other rights or obligations arising under the Companies Act, these Bye-laws or otherwise.

COMPANY INVESTIGATIONS AND CONSEQUENCES

36. The Board has power to serve a notice to require any Shareholder or any other person it has reasonable cause to believe, as determined in the Board's sole discretion, to be interested in shares (an "Interested Party"), to disclose to the Company the nature of such interest and any documents to verify the identity of the Interested Party that the Board deems necessary.

37. If at any time the Board is satisfied that any Shareholder or Interested Party has been duly served with a notice pursuant to Bye-law 36 (a "Disclosure Notice") and is in default for the prescribed period set out in Bye-law 41 in supplying to the Company the information thereby required, or, in purported compliance with a Disclosure Notice, has made a statement which is false or inadequate in any material particular as determined by the Board in its sole discretion, then the Board may, in its absolute discretion at any time thereafter serve a further notice (a "Direction Notice") on the Shareholder who was served with the relevant Disclosure Notice or on the Shareholder who holds the shares in which the Interested Party who was served with the relevant Disclosure Notice appears to be interested to direct that:

(a) in respect of the shares in relation to which the default occurred (the "Default Shares", which expression includes any shares issued after the date of the Disclosure Notice in respect of those shares) the Shareholder shall not be entitled to attend or vote either personally or by proxy at a general; and

(b) where the Default Shares represent at least 0.25 per cent (in nominal value) of the issued shares of their class, the Direction Notice may additionally direct that in respect of the Default Shares:

(i) where an offer of the right to elect to receive shares instead of cash in respect of any dividend or part thereof is or has been made by the Company, any election made thereunder by such Shareholder in respect of such Default Shares shall not be effective; and/or

(ii) any dividend (or any part of a dividend) or other amount payable in respect of the Default Shares shall be withheld by the Company, which shall have no obligation to pay interest on it, and such dividend or part thereof shall only be payable when the Direction Notice ceases to have effect to the person who would but for the Direction Notice have been entitled to it; and/or

(iii) no transfer of any of the shares held by any such Shareholder shall be recognised or registered by the Board unless: (1) the transfer is an excepted transfer (as defined in Bye-law 41; or (2) the Shareholder is not himself in default as regards supplying the requisite information required under this Bye-law and, when presented for registration, the transfer is accompanied by a certificate by the Shareholder in a form satisfactory to the Board to the effect that after due and careful enquiry the Shareholder is satisfied that none of the shares, which are the subject of the transfer, are Default Shares.

38. The Company shall send the Direction Notice to each person appearing to be interested in the Default Shares, but the failure or omission by the Company to do so shall not invalidate such notice.

39. Any Direction Notice shall cease to have effect not more than seven days after the earlier of receipt by the Company of:

(a) notice that the Default Shares are subject to an excepted transfer (as defined in Bye-law 41), but only in relation to those Default Shares which are subject to such excepted transfer and not to any other shares covered by the same Direction Notice; or

(b) all the information required by the relevant Disclosure Notice, in a form satisfactory to the Board.

40. The Board may at any time send a notice cancelling a Direction Notice if it determines in its sole discretion that it is appropriate to do so.

41. For the purposes of Bye-laws 34 to 43:

(a) the “prescribed period” is 14 days from the date the Disclosure Notice is deemed served;

(b) a reference to a person being “interested” or having an “interest” in shares includes an interest of any kind whatsoever in the shares;

(c) a transfer of shares is an “excepted transfer” if:

(i) it is a transfer of shares pursuant to an acceptance of an offer to acquire all the shares, or all the shares of any class or classes, in the Company (other than shares, which at the date of the offer are already held by the offeror), being an offer on terms, which are the same in relation to all the shares to which the offer relates or, where those shares include shares of different classes, in relation to all the shares of each class; or

(ii) a transfer, which is shown to the satisfaction of the Board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is not connected with the Shareholder who has been served with the Disclosure Notice and with any other person appearing to be interested in the Default Shares; or

(iii) a transfer in consequence of a bona fide sale made on the Oslo Stock Exchange.

42. Where a person who appears to be interested in shares has been served with a notice pursuant to Bye-law 34, and the shares in which he appears to be interested are held by a depositary or a nominee approved as such by the Board (an “Approved Depository” and an “Approved Nominee” respectively), the provisions of Bye-law 34 will be treated as applying only to the shares which are held by the Approved Depositary or Approved Nominee in which that person appears to be interested and not (so far as that person’s apparent interest is concerned) to any other shares held by the Approved Depositary or Approved Nominee.

43. While the Shareholder on which a notice pursuant to Bye-law 34 is served is an Approved Depositary or Approved Nominee, the obligations of the Approved Depositary or Approved Nominee as a Shareholder will be limited to disclosing to the Company any information relating to a person who appears to be interested in the shares held by it, which has been recorded by it in accordance with the arrangement under which it was appointed as an Approved Depositary or Approved Nominee by the Board.

REGISTERED HOLDER ABSOLUTE OWNER

44. The Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not be bound to recognise any equitable claim or other claim to, or interest in, such share on the part of any other person.

TRANSFER OF REGISTERED SHARES

45. Subject to the Companies Act and to such of the restrictions contained in these Bye-laws as may be applicable, any Shareholder may transfer all or any of his or her shares. An instrument of transfer of a certificated share shall be in writing in such form as the Board may accept. No such instrument shall be required on the redemption of a share or on the purchase by the Company of a share. All transfers of uncertificated shares shall be made in accordance with and be subject to the facilities and requirements of the transfer of title to shares in that class by means of the VPS system or any other relevant system concerned.

46. Such instrument of transfer shall be signed by or on behalf of the transferor and transferee, provided that, in the case of a fully paid share, the Board may reasonably accept the instrument signed by or on behalf of the transferor alone. The transferor shall be deemed to remain the holder of such share until the same has been registered as having been transferred to the transferee in the Register of Shareholders.

47. The Board may refuse to recognise any instrument of transfer of a certificated share unless it is accompanied by the certificate in respect of the shares to which it relates and by such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

48. In the case of a transfer of a certificated share, the certificate in respect of the shares to which it relates will only be necessary if and to the extent that a certificate has been issued in respect of the share in question.

49. The joint holders of any share may transfer such share to one or more of such joint holders, and the surviving holder or holders of any share previously held by them jointly with a deceased Shareholder may transfer any such share to the executors or administrators of such deceased Shareholder.

50. The Board shall refuse to register a transfer unless all applicable consents, authorisations and permissions of any governmental body or agency in Bermuda have been obtained. If the Board refuses to register a transfer of any share the Secretary shall, within three months after the date on which the transfer was lodged with the Company, send to the transferor and transferee notice of the refusal.

51. Shares may be transferred without a written instrument if transferred by an appointed agent or otherwise in accordance with the Companies Act.

52. Notwithstanding anything to the contrary in these Bye-laws, shares that are listed or admitted to trading on an Appointed Stock Exchange may be transferred in accordance with the rules and regulations of such exchange.

TRANSMISSION OF REGISTERED SHARES

53. In the case of the death of a Shareholder, the survivor or survivors where the deceased Shareholder was a joint holder, and the legal personal representatives of the deceased Shareholder where the deceased Shareholder was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Shareholder’s interest in the shares. Nothing herein contained shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Shareholder with other persons. Subject to the Companies Act, for the purpose of this Bye-law, legal personal representative means the executor or administrator of a deceased Shareholder or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Shareholder.

54. Any person becoming entitled to a share in consequence of the death or bankruptcy of any Shareholder may be registered as a Shareholder upon such evidence as the Board may deem sufficient or may elect to nominate some person to be registered as a transferee of such share, and in such case the person becoming entitled shall (a) if the share is a certificated share, execute in favour of such nominee an instrument of transfer in writing in such form as the Board may accept, or (b) if the share is an uncertificated share, take any action the Board may require (including without limitation the execution of any document and the giving of any instruction by means of a relevant system of an Appointed Stock Exchange).

55. On the presentation of the foregoing materials to the Board, accompanied by such evidence as the Board may require to prove the title of the transferor, the transferee shall be registered as a Shareholder.

56. Where two or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to such share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.

POWER TO ALTER CAPITAL

57. The Company may, if authorised by resolution of the Board, divide, consolidate and subdivide its share capital, in any manner permitted by the Companies Act.

58. The Company may, if authorised by Resolution, increase, reduce, change the currency denomination of, cancel, diminish or otherwise alter its share capital in any manner permitted by the Companies Act.

59. Where, on any alteration or reduction of share capital, fractions of shares or some other difficulty would arise, the Board may deal with or resolve the same in such manner as it thinks fit.

VARIATION OF RIGHTS ATTACHING TO SHARES

60. If, at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound-up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a resolution passed by a majority

of the votes cast at a separate general meeting of the holders of the shares of the class at which meeting the necessary quorum (where the Company has more than one shareholder) shall be two persons at least holding or representing by proxy one-third of the issued shares of the class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

DIVIDENDS

61. The Board may, subject to these Bye-laws and in accordance with the Companies Act, declare a dividend to be paid to the Shareholders, in proportion to the number of shares held by them, and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets. No unpaid distribution shall bear interest as against the Company.

62. The Board may fix any date as the record date for determining the Shareholders entitled to receive any dividend.

63. The Company may pay dividends in proportion to the amount paid up on each share where a larger amount is paid up on some shares than on others.

64. The Board may declare and make such other distributions (in cash or in specie) to the Shareholders as may be lawfully made out of the assets of the Company. No unpaid distribution shall bear interest as against the Company.

POWER TO SET ASIDE PROFITS

65. The Board may, before declaring a dividend, set aside out of the surplus or profits of the Company, such amount as it thinks proper as a reserve to be used to meet contingencies or for equalising dividends or for any other purpose.

METHOD OF PAYMENT

66. Any dividend, interest, or other moneys payable in cash in respect of the shares may be paid (i) through the VPS system or any other relevant system, (ii) by cheque or draft sent through the post directed to the Shareholder at such Shareholder's address in the Register of Shareholders, or to such person and to such address as the holder may in writing direct, or (iii) by such other method as the Board may determine from time to time.

67. In the case of joint holders of shares, any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque or draft sent through the post directed to the address of the holder first named in the Register of Shareholders, or to such person and to such address as the joint holders may in writing direct. If two or more persons are registered as joint holders of any shares any one can give an effectual receipt for any dividend paid in respect of such shares.

68. The Board may deduct from the dividends or distributions payable to any Shareholder all moneys due from such Shareholder to the Company on account of calls or otherwise.

69. Any dividend and or other monies payable in respect of a share which has remained unclaimed for 6 years from the date when it became due for payment shall, if the Board so resolves, be forfeited and cease to remain owing by the Company. The payment of any unclaimed dividend or other moneys payable in respect of a share may (but need not) be paid by the Company into an account

separate from the Company's own account. Such payment shall not constitute the Company a trustee in respect thereof.

70. The Company shall be entitled to cease sending dividend cheques and warrants by post or otherwise to a Shareholder if those instruments have been returned undelivered to, or left uncashed by, that Shareholder on at least two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the Shareholder's new address. The entitlement conferred on the Company by this Bye-law in respect of any Shareholder shall cease if the Shareholder claims a dividend or cashes a dividend cheque or warrant.

CAPITALISATION

71. The Board may resolve to capitalise any amount for the time being standing to the credit of any of the Company's share premium or other reserve accounts or to the credit of the profit and loss account or otherwise available for distribution by applying such amount in paying up unissued shares to be allotted as fully paid bonus shares pro rata to the Shareholders.

72. The Board may resolve to capitalise any amount for the time being standing to the credit of a reserve account or amounts otherwise available for dividend or distribution by applying such amounts in paying up in full, partly or nil paid shares of those Shareholders who would have been entitled to such amounts if they were distributed by way of dividend or distribution.

ANNUAL GENERAL MEETINGS

73. Subject to any rights to waive the annual general meeting pursuant to the Companies Act, the annual general meeting shall be held in each year (other than the year of incorporation) at such place, date and hour as shall be fixed by the Board, the president of the Company (if any) or the chair.

SPECIAL GENERAL MEETINGS

74. The Board, the president of the Company (if any) or the chair may convene a special general meeting whenever in their judgment such a meeting is necessary to be held at such place, date and hour as fixed by the Board.

REQUISITIONED GENERAL MEETINGS

75. The Board shall, on the requisition of Shareholders holding at the date of the deposit of the requisition not less than one-tenth of such of the paid-up share capital of the Company as at the date of the deposit carries the right to vote at general meetings, forthwith proceed duly to convene a special general meeting and the provisions of the Companies Act shall apply.

NOTICE

76. At least 21 days' notice of an annual general meeting shall be given to each Shareholder entitled to attend and vote thereat, stating the place (or, for electronic meetings, the electronic system), date and hour at which the meeting is to be held, that the election of Directors will take place thereat, and as far as practicable, the other business to be conducted at the meeting.

77. At least 21 days' notice of a special general meeting shall be given to each Shareholder entitled to attend and vote thereat, stating the date, time, place (or, for electronic meetings, the electronic system) and the general nature of the business to be considered at the meeting.

78. The Board may fix any date as the record date for determining the Shareholders entitled to receive notice of and to vote at any general meeting, provided that the date for determining Members entitled to vote at any general meeting may not be more than five days before the date fixed for the meeting.

79. A general meeting shall, notwithstanding that it is called on shorter notice than that specified in these Bye-laws, be deemed to have been properly called if it is so agreed by (i) all the Shareholders entitled to attend and vote thereat in the case of an annual general meeting; and (ii) by a majority in number of the Shareholders having the right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving a right to attend and vote thereat in the case of a special general meeting.

80. The accidental omission to give notice of a general meeting to, or the non-receipt of a notice of a general meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

GIVING NOTICE AND ACCESS

81. A notice may be given by the Company to a Shareholder:

(a) by delivering it to such Shareholder in person; or

(b) by sending it by letter mail or courier to such Shareholder's address in the Register of Shareholders; or

(c) by transmitting it by electronic means (including facsimile and electronic mail, but not telephone) in accordance with such directions as may be given by such Shareholder to the Company for such purpose; or

(d) in accordance with Bye-law 84.

82. Any notice required to be given to a Shareholder shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the Register of Shareholders and notice so given shall be sufficient notice to all the holders of such shares.

83. Any notice (save for one delivered in accordance with Bye-law 84) shall be deemed to have been served at the time when the same would be delivered in the ordinary course of transmission and, in proving such service, it shall be sufficient to prove that the notice was properly addressed and prepaid, if posted, and the time when it was posted, delivered to the courier, or transmitted by electronic means so long as no failure message is generated.

84. Where a Shareholder indicates their consent (in a form and manner satisfactory to the Board), to receive information or documents by accessing them on a website rather than by other means, or receipt in this manner is otherwise permitted by the Companies Act, the Board may deliver such information or documents by notifying the Shareholder of their availability and including therein the address of the website, the place on the website where the information or document may be found, and instructions as to how the information or document may be accessed on the website.

85. In the case of information or documents delivered in accordance with Bye-law 84, service shall be deemed to have occurred when (i) the Shareholder is notified in accordance with that Bye-law; and (ii) the information or document is published on the website.

POSTPONEMENT OR CANCELLATION OF GENERAL MEETING

86. The Board, the president of the Company (if any) or the chair, and the Secretary on instruction from the Board, the president of the Company (if any) or the chair may postpone or cancel any general meeting called in accordance with these Bye-laws (other than a meeting requisitioned under these Bye-laws) provided that notice of postponement or cancellation is given to the Shareholders before the time for such meeting. Fresh notice of the date, time and place for the postponed or cancelled meeting shall be given to each Shareholder in accordance with these Bye-laws.

ELECTRONIC PARTICIPATION IN MEETINGS

87. Shareholders may participate in any general meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting. The Board may decide to convene the general meeting as an electronic meeting, provided that there are systems in place to ensure that participation and voting can be conducted, monitored and controlled by the Company and such systems enable the Company to authenticate the sender of votes submitted, and participation in such a meeting shall constitute presence in person at such meeting.

QUORUM AT GENERAL MEETINGS

88. At any general meeting two or more persons present in person and representing in person or by proxy in excess of 33% of the total issued voting shares in the Company throughout the meeting shall form a quorum for the transaction of business, provided that if the Company shall at any time have only one Shareholder, one Shareholder present in person or by proxy shall form a quorum for the transaction of business at any general meeting held during such time.

89. If within half an hour from the time appointed for the meeting a quorum is not present, then, in the case of a meeting convened on a requisition, the meeting shall be deemed cancelled and, in any other case, the meeting shall stand adjourned to the same day one week later, at the same time and place or to such other day, time or place as the Secretary may determine. Unless the meeting is adjourned to a specific date, time and place announced at the meeting being adjourned, fresh notice of the resumption of the meeting shall be given to each Shareholder entitled to attend and vote thereat in accordance with these Bye-laws.

CHAIR TO PRESIDE AT GENERAL MEETINGS

90. Unless otherwise agreed by a majority of those attending and entitled to vote thereat, the chair or the president, if there be one, shall act as chair at all general meetings at which such person is present. In their absence a chair shall be appointed or elected by those present at the meeting and entitled to vote.

VOTING ON RESOLUTIONS

91. Subject to the Companies Act and these Bye-laws, any question proposed for the consideration of the Shareholders at any general meeting shall be decided by the affirmative votes of a majority of the votes cast in accordance with these Bye-laws and in the case of an equality of votes the resolution shall fail.

92. No Shareholder shall be entitled to vote at a general meeting unless such Shareholder has paid all the calls on all shares held by such Shareholder.

93. At any general meeting a resolution put to the vote of the meeting shall be voted on by way of a poll, . The Board may determine that the Shareholders shall be able to vote in writing, including through electronic communication, in a period before the general meeting ("**Advanced Voting**"). The Board can stipulate guidelines for such Advance Voting provided that the notice convening the general meeting includes details of the guidelines that have been set. Subject to any rights or restrictions for the time being lawfully attached to any class of shares, and subject to these Bye-laws, every person present at such meeting shall have one vote for each share of which such person is the holder or for which such person holds a valid proxy. Such vote shall be counted (a) by ballot, as described herein at Bye-law 96, (b) in the case of a general meeting at which one or more Shareholders are present by telephone, electronically or by other communication facilities or means, in such manner as the chair of the meeting may direct, (c) by Advanced Voting or (d) by any combination thereof, as determined by the chair of the meeting. The result of such poll shall be deemed to be the resolution of the meeting.

94. A person entitled to more than one vote need not use all their votes or cast all the votes he or she uses in the same way.

95. At any general meeting if an amendment is proposed to any resolution under consideration and the chair of the meeting rules on whether or not the proposed amendment is out of order, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling.

96. Each person physically present and entitled to vote shall be furnished with a ballot paper, in paper or if applicable in digital, on which such person shall record their vote in such manner as shall be determined at the general meeting having regard to the nature of the question on which the vote is taken, and each ballot paper shall be signed or initialled or otherwise marked so as to identify the voter and the registered holder in the case of a proxy. Each person present by telephone, electronic or other communication facilities or means shall cast their vote in such manner as the chair shall direct. At the conclusion of the poll, the ballot papers and votes cast in accordance with such directions and any votes cast by way of Advanced Voting, shall be examined and counted by a person appointed by the chair of the meeting for the purpose and the result of the poll shall be declared by the chair of the meeting.

VOTING BY JOINT HOLDERS OF SHARES

97. In the case of joint holders, the vote of the senior who tenders a vote (whether in person or by proxy) shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register of Shareholders.

INSTRUMENT OF PROXY

98. An instrument appointing a proxy shall be in writing in such form as the chair of the meeting shall accept or such other form as the Board may determine from time to time.

99. The instrument appointing a proxy must be received by the Company at the Registered Office or at such other place or in such manner as is specified in the notice convening the meeting or in any instrument of proxy sent out by the Company in relation to the meeting at which the person named in the instrument appointing a proxy proposes to vote, and an instrument appointing a proxy which is not received in the manner so prescribed shall be invalid.

100. A Shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on their behalf in respect of different shares.

101. The decision of the chair of any general meeting as to the validity of any appointment of a proxy shall be final.

REPRESENTATION OF CORPORATE SHAREHOLDER

102. A corporation which is a Shareholder may, by written instrument, authorise such person or persons as it thinks fit to act as its representative at any general meeting and any person so authorised shall be entitled to exercise the same powers on behalf of the corporation which such person represents as that corporation could exercise if it were an individual Shareholder, and that Shareholder shall be deemed to be present in person at any such meeting attended by its authorised representative or representatives.

103. Notwithstanding the foregoing, the chair of the meeting may accept such assurances as he or she thinks fit as to the right of any person to attend and vote at general meetings on behalf of a corporation which is a Shareholder.

ADJOURNMENT OF GENERAL MEETING

104. The chair of a general meeting may, with the consent of the Shareholders at any general meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting. Unless the meeting is adjourned to a specific date, place and time announced at the meeting being adjourned, fresh notice of the date, place and time for the resumption of the adjourned meeting shall be given to each Shareholder entitled to attend and vote thereat in accordance with these Bye-laws.

105. The chair of the general meeting may adjourn the meeting to another time and place without such consent or direction if it appears to him that:

(a) it is likely to be impracticable to hold or continue that meeting because of the number of Shareholders wishing to attend who are not present; or

(b) the unruly conduct of persons attending the meeting prevents, or is likely to prevent, the orderly continuation of the business of the meeting; or

(c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

SHAREHOLDER WRITTEN RESOLUTIONS

106. Subject to these Bye-laws, anything which may be done by resolution of the Company in a general meeting or by resolution of a meeting of any class of the Shareholders may, without a meeting, be done by written resolution in accordance with this Bye-law.

107. Notice of a written resolution shall be given, and a copy of the resolution shall be circulated to all Shareholders who would be entitled to attend a meeting and vote thereon. The accidental omission to give notice to, or the non-receipt of a notice by, any Shareholder does not invalidate the passing of a resolution.

108. A written resolution is passed when it is signed by, or in the case of a Shareholder that is a corporation, on behalf of, the Shareholders who at the date that the notice is given represent such majority of votes as would be required if the resolution was voted on at a meeting of Shareholders at which all Shareholders entitled to attend and vote thereat were present and voting.

109. A resolution in writing may be signed in any number of counterparts.

110. A resolution in writing made in accordance with this Bye-law is as valid as if it had been passed by the Company in general meeting or by a meeting of the relevant class of Shareholders, as the case may be, and any reference in any Bye-law to a meeting at which a resolution is passed or to Shareholders voting in favour of a resolution shall be construed accordingly.

111. A resolution in writing made in accordance with this Bye-law shall constitute minutes for the purposes of the Companies Act.

112. This Bye-law shall not apply to:

(a) a resolution passed to remove an Auditor from office before the expiration of their term of office; or

(b) a resolution passed for the purpose of removing a Director before the expiration of their term of office.

113. For the purposes of this Bye-law, the effective date of the resolution is the date when the resolution is signed by, or in the case of a Shareholder that is a corporation, on behalf of, the last Shareholder whose signature results in the necessary voting majority being achieved and any reference in any Bye-law to the date of passing of a resolution is, in relation to a resolution made in accordance with this Bye-law, a reference to such date.

DIRECTORS' ATTENDANCE AT GENERAL MEETINGS

114. The Directors shall be entitled to receive notice of, attend, and be heard at any general meeting.

ELECTION OF DIRECTORS

115. Subject to Bye-law 121, the Board of Directors shall be elected or appointed in the first place at the statutory meeting of the Company and thereafter, at the annual general meeting or at any special general meeting called for that purpose.

116. Subject to Bye-law 121, only persons who are proposed or nominated in accordance with this Bye-law shall be eligible for election as Directors. Nominations of persons for election to the Board may be made at any annual general meeting or at a special general meeting called for the purpose of electing Directors:

(a) by or at the direction of the Board (or any duly authorised committee thereof, including the nomination committee (as defined in Bye-law 125 below));

(b) by any Shareholders pursuant to the valid exercise of power granted under the Companies Act; or

(c) by any Shareholder who:

(i) is a Shareholder on the record date or the determination of Shareholders entitled to vote at such meeting and on the date of the giving of the notice referred to in Bye-law 117;

(ii) complies with the notice procedures set out in this Bye-law 117;

117. The notice must include the following:

(a) the name and address of the Shareholder who intends to make the nomination(s) as they appear on the Register of Shareholders;

(b) a presentation that the Shareholder is a holder of shares in the Company and that the Shareholder intends to vote such shares at such meeting;

(c) the name, age, business address and residence address of each nominee proposed in the notice;

(d) the principal occupation or employment of each such nominee;

(e) the number of shares in the Company which are beneficially owned by each such nominee;

(f) the consent in writing of each nominee to serve as a Director if so elected;

(g) a representation that the Shareholder intends to appear in person or by proxy at the meeting to nominate each person specified in the notice;

(h) a description of all arrangements or understandings between the Shareholder and each nominee or any other person or persons (naming such person or persons) pursuant to which each nomination is to be made by the Shareholder;

(i) such nominee's written consent to being named in the notice as a nominee and to serving as a director if elected; and

(j) such other information concerning such persons as would be required to be disclosed to Shareholders in connection with the election of Directors pursuant to applicable law and regulations had the persons been nominated, or intended to be nominated, by the Board.

118. Any notice required to be given to the Secretary pursuant to Bye-law 117 must be in writing and delivered to or mailed and received by the Secretary, who must receive the notice not later than the following dates:

(a) in the case of an annual general meeting, not less than 90 days nor more than 120 days before the first anniversary of the preceding year's annual general meeting, or, if no annual general meeting was held in the previous year or the date of the annual general meeting is more than 30 days before or more than 30 days after such anniversary date, not later than 10 days following the earlier of the date on which notice of the annual general meeting was given to the Shareholders the date on which public disclosure of the date of the annual general meeting was made; and

(b) in the case of a special general meeting, not later than 10 days following the earlier of the date on which notice of the special general meeting was given to Shareholders or the date on which public disclosure of the date of the special general meeting was made.

119. If the chair (or other person presiding over the relevant general meeting) determines that a nomination was not made in accordance with the procedures set out in these Bye-laws, he or she

shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

120. Where the number of persons validly proposed for re-election or election as a Director is greater than the number of Directors to be elected, the persons receiving the most votes (up to the number of Directors to be elected) shall be elected as Directors, and an absolute majority of the votes cast shall not be a prerequisite to the election of such Directors.

121. From the time of Listing, each of the THL Shareholders, collectively as a group, and the SB Shareholder shall have the right, but not the obligation, until such time as the THL Shareholders or the SB Shareholder, as the case may be, Beneficially Own (together with their respective affiliates) less than 10% of the issued shares of the Company, to appoint to the Board (a) in the case of the THL Shareholders, a number of directors designated by the THL Shareholders equal to the Director Designees Number of the THL Shareholders at such time (any individual so designated by the THL Shareholders, a "**THL Director Designee**") and (b) in the case of the SB Shareholder, a number of directors designated by the SB Shareholder equal to the Director Designees Number of the SB Shareholder at such time (any individual so designated by the SB Shareholder, a "**SB Director Designee**" and, together with the THL Director Designees, collectively, the "**Director Designees**" and each such originally appointed Director Designee, an "**Original Shareholder Director**"), and the Company shall take all commercially reasonable action to effect the foregoing. Unless an alternative method of appointment is agreed upon between the THL Shareholders or the SB Shareholder, as applicable, and the Company with respect to the Director Designees of such Shareholders, at least five (5) Business Days prior to the commencement of the applicable term of any such Director Designees, the THL Shareholders, in respect of any THL Director Designee, and the SB Shareholder, in respect of any SB Director Designee, shall deliver to the Company an appointment notice setting forth the applicable Director Designees of such Shareholders. The foregoing appointment rights shall terminate and have no force and effect from and after such time as the THL Shareholders or the SB Shareholder, as applicable and separately with respect to the THL Shareholders, on the one hand, and the SB Shareholder, on the other hand, Beneficially Own (together with their respective affiliates) less than 10% of the issued shares of the Company.

In the event that at any time there is a decrease in a Shareholder's Director Designees Number, such Shareholder shall promptly take all commercially reasonable action to cause a sufficient number of its Director Designees to resign from the Board within fifteen (15) Business Days of such time, such that the number of directors that were designated by such Shareholder after such resignation(s) equals such Shareholder's new Director Designees Number. Any vacancies created by such resignation may remain vacant until the next annual meeting of shareholders. Notwithstanding the foregoing, the Board, pursuant to a duly approved resolution that excludes the vote of any Director Designee affiliated with such resigning director, may resolve to reject such resignation if the resigning director is willing to continue to serve as a director at such time.

Except as provided in this Bye-law 121, (i) each Shareholder (or group of affiliated Shareholders) shall have the exclusive right to instruct that its Director Designees be removed from the Board; and (ii) each Shareholder (or group of affiliated Shareholders) shall have the exclusive right to designate a director candidate to fill a vacancy created by reason of death, disability, removal or resignation of the applicable Shareholder's Director Designees.

"**Director Designees Number**" means, with respect to either the THL Shareholders, collectively as a group, or the SB Shareholder, as applicable, (a) for so long as such Shareholder(s) (together with their respective affiliates) Beneficially Own at least 30% of the issued shares of the Company, three (3) Directors; (b) for so long as such Shareholder(s) (together with their respective affiliates) Beneficially Own less than 30% but greater than or equal to 20% of the issued shares of the

Company, two (2) directors; (c) for so long as such Shareholder(s) (together with their respective Affiliates) Beneficially Own less than 20% but greater than or equal to 10% of the issued shares of the Company, one (1) director; and (d) thereafter, no directors.

122. In the event that either the group of THL Shareholders and/or the SB Shareholder has designated less than its Director Designee Number, then the THL Shareholders and/or the SB Shareholder, as the case may be, shall have the right, at such time, to designate such additional Directors to which they are entitled, in which case, the Company and the Directors shall take all necessary corporation action, to the fullest extent permitted by applicable law, to enable the THL Shareholders and/or the SB Shareholder, as the case may be, to appoint and effect the appointment of such additional Director Designees.

123. Subject to Bye-laws 138, at any general meeting the Shareholders may authorise the Board to fill any vacancy in their number left unfilled at a general meeting.

124. The chair of the Board shall be appointed by the majority of the Board from amongst the Directors.

NOMINATION COMMITTEE

125. The Company in a general meeting may appoint a nomination committee (the "**nomination committee**"), comprising of two to four members, and members of the nomination committee shall be appointed by resolution of the Shareholders every two years at the annual general meeting, unless otherwise is resolved by the general meeting. Shareholders, the Board and members of the nomination committee may suggest candidates for the election of Directors and members of the nomination committee to the nomination committee provided such suggestions are in accordance with any nomination committee guidelines or corporate governance rules adopted by the Company in general meeting from time to time and Shareholders, Directors and the nomination committee may also propose any person for election as a Director in accordance with Bye-laws 116 and 120. The nomination committee may or may not recommend any candidates suggested or proposed by any Shareholder, the Board or any member of the nomination committee in accordance with any nomination committee guidelines or corporate governance rules adopted by the Company in general meeting from time to time. The nomination committee may provide recommendations on the suitability of candidates for the Board and the nomination committee, as well as the remuneration of the members of the Board and the nomination committee. The Shareholders at any general meeting may stipulate guidelines for the duties of the nomination committee.

NUMBER OF DIRECTORS

126. Until such time as both the THL Shareholders and the SB Shareholder Beneficially Own less than 10% of the issued Shares, the number of Directors shall not exceed 9, and at least three of these Directors shall be elected by the general meeting and not appointed pursuant to Bye-law 121 and be independent of the THL Shareholders and SB Shareholder. Thereafter, the number of Directors shall be a minimum of 3 and a maximum number of 11 and such number in excess thereof as the Company by Resolution may from time to time determine.

TERM OF OFFICE OF DIRECTORS

127. A Director shall hold office for a term as the applicable Shareholder(s) may determine, or, in the absence of such determination, until the next annual general meeting or until their successors are elected or appointed or their respective office is otherwise vacated, subject however, to prior death, resignation, retirement, disqualification or removal from office in accordance with these Bye-laws.

ALTERNATE DIRECTORS

128. At any general meeting of the Company, the Shareholders may elect a person or persons to act as a Director in the alternative to any one or more Directors of the Company or may authorise the Board to appoint such alternate director ("**Alternate Director**").The THL Shareholders and the SB Shareholder are each entitled to appoint Alternate Directors for their respective Original Shareholder Directors.

129. Unless the Shareholders otherwise resolve, any Director may appoint a person or persons to act as a Director in the alternative to himself by notice in writing deposited with the Secretary. Any person so elected or appointed shall have all the rights and powers of the Director or Directors for whom such person is elected or appointed in the alternative provided that such person shall not be counted more than once in determining whether or not a quorum is present.

130. An Alternate Director shall be entitled to receive notice of all meetings of the Board and to attend and vote at any such meeting at which a Director for whom such Alternate Director was appointed in the alternative is not personally present and generally to perform at such meeting all the functions of such Director for whom such Alternate Director was appointed.

131. An Alternate Director's office shall expire:

(a) in the case of an alternate elected by the Shareholders:

(i) on the occurrence in relation to the Alternate Director of any event which, if it occurred in relation to the Director for whom he or she was elected to act, would result in the termination of that Director; or

(ii) if the Director for whom he or she was elected in the alternative ceases for any reason to be a Director, provided that the alternate removed in these circumstances may be re-appointed by the Board as an alternate to the person appointed to fill the vacancy; and

(b) in the case of an alternate appointed by a Director:

(i) on the occurrence in relation to the Alternate Director of any event which, if it occurred in relation to his or her appointor, would result in the termination of the appointor's directorship; or

(ii) when the Alternate Director's appointor revokes the appointment by notice to the Company in writing specifying when the appointment is to terminate; or

(iii) if the Alternate Director's appointor ceases for any reason to be a Director.

REMOVAL OF DIRECTORS

132. A Director may be removed by the Shareholders by a resolution passed in a general meeting of Shareholders convened on notice to remove the Director given to the Director. The notice must contain a statement of the intention to remove the Director and must be served on the Director not less than 14 days before the meeting. The Director is entitled to attend the meeting and be heard on the motion for his or her removal.

133. If a Director is removed from the Board under this Bye-law, the Shareholders may fill the vacancy at the meeting at which such Director is removed. In the absence of such election or appointment, the Board may fill the vacancy.

134. No Original Shareholder Directors may be removed by a resolution passed in a general meeting of Shareholders and , subject to Bye-law 135, may only be removed by the THL Shareholders or SB Shareholder who appointed the Original Shareholder Director.

VACANCY IN THE OFFICE OF DIRECTOR

135. The office of Director shall be vacated if the Director:

(a) is removed from office pursuant to these Bye-laws or is prohibited from being a Director by law;

(b) is or becomes bankrupt or insolvent;

(c) is or becomes of unsound mind or a patient for any purpose of any statute or applicable law relating to mental health and the Board resolves that their office is vacated, or dies; or

(d) resigns their office by notice to the Company.

136. Any one or more vacancies on the Board not filled at any general meeting shall be deemed a vacancy for the purposes of these Bye-laws. Where there is a vacancy for the purposes of these Bye-laws, such vacancy shall be filled at the next following annual general meeting of the Company or any special general meeting called for such purpose pursuant to the provisions of these Bye-laws.

137. Upon the office of Director being vacated in accordance with Bye-law 135, if a new Director is appointed to the Board he or she will be designated to fill the vacancy arising and shall for the purposes of these Bye-laws, constitute a member of the class of Directors represented by the person that he replaces.

138. In the event that any Original Shareholder Director shall cease to serve during his or her term for any reason, the THL Shareholders and/or the SB Shareholder, as the case may be, shall be entitled to designate such Original Shareholder Director’s successor and the Board shall promptly fill the vacancy with such successor Original Shareholder Director (any such Original Shareholder Director's successor shall serve the remainder of the term of the Original Shareholder Director whom such newly-appointed Original Shareholder Director replaces).

DIRECTORS TO MANAGE BUSINESS

139. The business of the Company shall be managed and conducted by the Board. In managing the business of the Company, the Board may exercise all such powers of the Company as are not, by the Companies Act or by these Bye-laws, required to be exercised by the Company in general meeting.

POWERS OF THE BOARD OF DIRECTORS

140. The Board may:

(a) exercise all the powers of the Company to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party;

(b) appoint a person to act as manager of the Company's day-to-day business and may entrust to and confer upon such manager such powers and duties as it deems appropriate for the transaction or conduct of such business;

(c) by power of attorney, appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Board, to be an attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board) and for such period and subject to such conditions as it may think fit and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions so vested in the attorney;

(d) designate one or more committees, such committee or committees to have such name or names as may be determined from time to time by resolution adopted by the Board, and each such committee to consist of one or more Directors or partly or entirely of non-Directors, which to the extent provided in said resolution or resolutions shall have and may exercise the powers of the Board as may be delegated to such committee in the management of the business and affairs of the Company; provided further that the meetings and proceedings of any such committee shall be governed by the provisions of these Bye-laws regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superseded by directions imposed by the Board. A majority of all the members of any such committee may determine its action and fix the time and place of its meetings, unless the Board shall otherwise provide. The Board shall have power to change the members of any such committee at any time, to fill vacancies and to discharge any such committee, either with or without cause, at any time;

(e) delegate any of its powers (including the power to sub-delegate) to any person on such terms and in such manner as the Board may see fit;

(f) present any petition and make any application in connection with the liquidation or reorganisation of the Company;

(g) in connection with the issue of any share, pay such commission and brokerage as may be permitted by law;

(h) take all necessary or desirable actions within its control to ensure that the Company is deemed resident in Norway for tax purposes; and

(i) authorise any company, firm, person or body of persons to act on behalf of the Company for any specific purpose and in connection therewith to execute any deed, agreement, document or instrument on behalf of the Company.

REGISTER OF DIRECTORS AND OFFICERS

141. The Secretary shall establish and maintain a Register of the Directors and Officers of the Company as required by the Companies Act. The Register of the Directors and Officers shall be open to inspection without charge at the Registered Office of the Company on every Business Day, subject

to such reasonable restrictions as the Board may impose, so that not less than two hours in each Business Day be allowed for inspection. The Register of the Directors and Officers may, after notice has been given in accordance with the Companies Act, be closed for any time or times not exceeding in the whole thirty days in each year.

APPOINTMENT OF OFFICERS

142. The Board may appoint such Officers (who may or may not be Directors) as the Board may determine.

APPOINTMENT OF SECRETARY AND RESIDENT REPRESENTATIVE

143. The Secretary and Resident Representative, if necessary, shall be appointed by the Board at such remuneration (if any) and upon such terms as it may think fit and any Secretary so appointed may be removed by the Board.

DUTIES OF OFFICERS

144. The Officers shall have such powers and perform such duties in the management, business and affairs of the Company as may be delegated to them by the Board from time to time.

DUTIES OF THE SECRETARY

145. The duties of the Secretary shall be those prescribed by the Companies Act together with such other duties as shall from time to time be prescribed by the Board.

REMUNERATION OF OFFICERS

146. The Officers shall receive such remuneration as the Board may determine.

REMUNERATION OF DIRECTORS

147. The remuneration (if any) of the Directors shall be determined by the Company in general meeting and shall be deemed to accrue from day to day. The Directors may also be paid all travel, hotel and other expenses properly incurred by them in attending and returning from the meetings of the Board, any committee appointed by the Board, general meetings of the Company, or in connection with the business of the Company or their duties as Directors generally.

CONFLICTS OF INTEREST

148. Any Director, or any Director's firm, partner or any company with whom any Director is associated, may act in any capacity for, be employed by or render services to the Company and such Director or such Director's firm, partner or company shall be entitled to remuneration as if such Director were not a Director. Nothing herein contained shall authorise a Director or Director's firm, partner or company to act as Auditor to the Company.

149. A Director who is directly or indirectly interested in a contract or proposed contract or arrangement with the Company shall declare the nature of such interest as required by the Companies Act. For the purposes of these Bye-laws, in addition to any interests he or she would be deemed to be interested in under the provisions of the Companies Act, a Director shall be considered to be interested in a contract or proposed contract or arrangement with the Company if such contract,

proposed contract or arrangement is between any member of a Director's immediate family and the Company (where "immediate family" shall mean father, mother, step-father, step-mother, sibling (including step-siblings and adopted siblings) spouse, domestic partner, child (including step-child or adopted child) or grandchild).

150. Following a declaration being made pursuant to Bye-laws 149 or 153 or the Companies Act, unless disqualified from doing so by the chair or by a vote of the majority in number of the Directors in attendance where such declaration is made, a Director may vote in respect of any contract or proposed contract or arrangement in which such Director is interested and may be counted in the quorum for such meeting.

151. Notwithstanding Bye-law 150 and save as provided herein, a Director shall not vote, be counted in the quorum or act as chair at a meeting in respect of (A) his or her appointment to hold any office or place of profit with the Company or any body corporate or other entity in which the Company owns an equity interest or (B) the approval of the terms of any such appointment or of any contract or arrangement in which he is materially interested (otherwise than by virtue of his or her interest in shares, debentures or other securities of the Company), provided that, a Director shall be entitled to vote (and be counted in the quorum and act as chair) in respect of any resolution concerning any of the following matters, namely:

(a) the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him for the benefit of the Company; or

(b) any proposal concerning any other body corporate in which he is interested directly or indirectly, whether as an officer, Shareholder, creditor or otherwise, provided that he is not the holder of or beneficially interested (other than as a bare custodian or trustee in respect of shares in which he has no beneficial interest) in more than 1% of any class of the issued share capital of such body corporate (or of any third body corporate through which his or her interest is derived) or of the voting rights attached to all of the issued shares of the relevant body corporate (any such interest being deemed for the purpose of this Bye-law to be a material interest in all circumstances); and

(c) in the case of an Alternate Director, an interest of a Director for whom he is acting as alternate shall be treated as an interest of such Alternate Director in addition to any interest which the Alternate Director may otherwise have.

152. If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote, and such question is not resolved by such Director voluntarily agreeing to abstain from voting and not be counted in the quorum of such meeting, such question shall be referred to the chair of the meeting (except in the event the Director is also the chair of the meeting, in which case the question shall be referred to the other Directors present at the meeting) and his or her (or their, as the case may be) ruling in relation to such Director shall be final and conclusive, except in a case where the nature or extent of the interest of the Director concerned has not been fully disclosed.

153. Subject to the Companies Act and any further disclosure required thereby, a general notice to the Directors by a Director or Officer declaring that he or she is a Director or Officer or has an interest in any business entity and is to be regarded as interested in any transaction or arrangement made with that business entity shall be sufficient declaration of interest in relation to any transaction or arrangement so made.

INDEMNIFICATION AND EXCULPATION OF DIRECTORS AND OFFICERS

154. To the fullest extent permitted by the Companies Act, a Director of the Company shall not be liable to the Company or its Shareholders for breach of fiduciary duty as a Director.

155. Without limitation of any right conferred by Bye-law 154, each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "**proceeding**"), by reason of the fact that such person is or was a Director, Officer or Resident Representative of the Company, or is or was serving at the request of the Company as a Director, Officer, Resident Representative, employee or agent of another company or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an "**indemnitee**"), whether the basis of such proceeding is alleged action in an official capacity while serving as a Director, Officer, Resident Representative, employee or agent or in any other capacity while serving as a Director, Officer, Resident Representative, employee or agent, shall be indemnified and held harmless by the Company to the fullest extent authorized by the Companies Act (but, in the case of any such amendment, only to the extent that such amendment permits the Company to provide broader indemnification rights than permitted prior thereto), against all expense, liability and loss (including attorneys' fees, judgments, fines, excise taxes or amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith and such indemnification shall continue as to an indemnitee who has ceased to be a Director, Officer or Resident Representative and shall inure to the benefit of the indemnitee's heirs, testators, intestates, executors and administrators; provided, however, except as provided in Bye-law 156 with respect to proceedings to enforce rights to indemnification, the Company shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) initiated by such indemnitee was authorized by the Board. The right to indemnification conferred in this Bye-law 155 shall be a contract right and shall include the right to be paid by the Company, the expenses incurred in defending any such proceeding in advance of its final disposition (hereinafter an "**advancement of expenses**"); provided, however, that, if the Companies Act requires, an advancement of expenses incurred by an indemnitee in their capacity as a Director, Officer or Resident Representative shall be made only upon delivery to the Company of an undertaking (hereinafter an "**undertaking**"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "**final adjudication**") that such indemnitee is not entitled to be indemnified for such expenses under this Bye-law or otherwise.

156. If a claim under Bye-law 155 is not paid in full by the Company within 60 days after a written claim has been received by the Company, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be 20 days, the indemnitee may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Company to recover an advancement of expenses pursuant to the terms of any undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) in any suit by the Company to recover an advancement of expenses pursuant to the terms of an undertaking the Company shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met the applicable standard of conduct set forth in the Companies Act. Neither the failure of the Company (including the Board, independent legal counsel, or the Shareholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard

of conduct set forth in the Company, nor an actual determination by the Company (including the Board, independent legal counsel or the Shareholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or by the Company to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Bye-law or otherwise shall be on the Company. PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the said persons.

157. Each Shareholder agrees to waive any claim or right of action such Shareholder might have, whether individually or by or in the right of the Company, against any Director or Officer on account of any action taken by such Director or Officer, or the failure of such Director or Officer to take any action in the performance of their duties with or for the Company or any subsidiary thereof, PROVIDED THAT such waiver shall not extend to any matter in respect of any liability arising from prospectus responsibility statements signed by any Director or Officer or to any fraud or dishonesty which may attach to such Director or Officer, nor shall such waiver extend to any claims of violations of the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or the Securities Exchange Act of 1934 (the "**Exchange Act**") which waiver would be prohibited by Sections 14 of the Securities Act and 29(a) of the Exchange Act.

158. The rights to indemnification and to the advancement of expenses conferred in Bye-law 155 shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the Company, agreement, vote of Shareholders or disinterested directors or otherwise.

159. The Company may purchase and maintain insurance, at its expense, to protect itself and any person who is or was a Director, Officer, Resident Representative, employee or agent of the Company or any person who is or was serving at the request of the Company as a Director, Officer, Resident Representative, employer or agent of another company, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Company would have the power to indemnify such person against such expense, liability or loss under the Companies Act.

BOARD MEETINGS

160. The Board may meet for the transaction of business, adjourn and otherwise regulate its meetings as it sees fit. A resolution put to the vote at a meeting of the Board shall be carried by the affirmative votes of a majority of the votes cast and in the case of an equality of votes the resolution shall fail.

NOTICE OF BOARD MEETINGS

161. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director orally (including in person or by telephone) or otherwise communicated or sent to such Director by post, electronic means or other mode of representing words in a visible form at such Director's last known address or in accordance with any other instructions given by such Director to the Company for this purpose.

ELECTRONIC PARTICIPATION IN MEETINGS

162. Directors may participate in any meeting by such telephonic, electronic or other communication facilities or means as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting, unless the chair determines otherwise.

QUORUM AT BOARD MEETINGS

163. The quorum necessary for the transaction of business at a meeting of the Board shall be a majority of the Directors then in office, taking into any Alternate Directors present for a Director.

BOARD TO CONTINUE IN THE EVENT OF VACANCY

164. The Board may act notwithstanding any vacancy in its number but, if and so long as its number is reduced below the number fixed by these Bye-laws as the quorum necessary for the transaction of business at meetings of the Board, the continuing Directors or Director may act for the purpose of (i) summoning a general meeting; or (ii) preserving the assets of the Company.

CHAIR TO PRESIDE

165. Unless otherwise agreed by a majority of the Directors attending and entitled to vote thereat, the chair or the President, if there be one, shall act as chair at all meetings of the Board at which such person is present. In their absence a chair shall be appointed or elected by the Directors present at the meeting.

DIRECTORS WRITTEN RESOLUTIONS

166. A resolution signed by all the Directors, which may be in counterparts, shall be as valid as if it had been passed at a meeting of the Board duly called and constituted, such resolution to be effective on the date on which the last Director signs the resolution. A copy of the resolution shall be filed with the minutes in accordance with Bye-law 168.

VALIDITY OF PRIOR ACTS OF THE BOARD

167. No regulation or alteration to these Bye-laws made by the Company in a general meeting shall invalidate any prior act of the Board which would have been valid if that regulation or alteration had not been made.

MINUTES

168. The Board shall cause minutes to be duly entered in books provided for the purpose:

(a) of all elections and appointments of Officers;

(b) of the names of the Directors present at each meeting of the Board and of any committee appointed by the Board; and

(c) of all resolutions and proceedings of general meetings of the Shareholders, meetings of the Board, meetings of managers and meetings of committees appointed by the Board.

PLACE WHERE CORPORATE RECORDS ARE KEPT

169. Minutes prepared in accordance with the Companies Act and these Bye-laws shall be kept by the Secretary at the Registered Office of the Company.

FORM AND USE OF SEAL

170. The Company may adopt a seal in such form as the Board may determine. The Board may adopt one or more duplicate seals for use in or outside Bermuda.

171. A seal may, but need not, be affixed to any deed, instrument, share certificate or document, and if the seal is to be affixed thereto, it shall be attested by the signature of (i) any Director, or (ii) any Officer, or (iii) the Secretary, or (iv) any person authorised by the Board for that purpose.

172. A Resident Representative may, but need not, affix the seal of the Company to certify the authenticity of any copies of documents.

BOOKS OF ACCOUNT

173. The Board shall cause to be kept proper records of account with respect to all transactions of the Company and in particular with respect to:

(a) all amounts of money received and expended by the Company and the matters in respect of which the receipt and expenditure relates;

(b) all sales and purchases of goods by the Company; and

(c) all assets and liabilities of the Company.

174. Such records of account shall be kept at the Registered Office of the Company, or subject to the Companies Act, at such other place as the Board thinks fit and shall be available for inspection by the Directors during normal business hours.

FINANCIAL YEAR END

175. The financial year end of the Company may be determined by resolution of the Board and failing such resolution shall be 31 December in each year.

ANNUAL AUDIT

176. Subject to any rights to waive laying of accounts or appointment of an Auditor pursuant to the Companies Act, the accounts of the Company shall be audited at least once in every year.

APPOINTMENT OF AUDITOR

177. Subject to the Companies Act, the Shareholders shall appoint an auditor of the Company to hold office for such term as the Shareholders deem fit or until a successor is appointed.

178. The Auditor may be a Shareholder but no Director, Officer or employee of the Company shall, during their continuance in office, be eligible to act as an Auditor of the Company.

REMUNERATION OF AUDITOR

179. Save in the case of an Auditor appointed pursuant to Bye-law 186, the remuneration of the Auditor shall be fixed by the Company in a general meeting or in such manner as the Shareholders may determine. In the case of an Auditor appointed pursuant to Bye-law 186, the remuneration of the Auditor shall be fixed by the Board.

DUTIES OF AUDITOR

180. The financial statements provided for by these Bye-laws shall be audited by the Auditor in accordance with generally accepted auditing standards. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards.

181. The generally accepted auditing standards referred to in this Bye-law may be those of a country or jurisdiction other than Bermuda or such other generally accepted auditing standards as may be provided for in the Companies Act. If so, the financial statements and the report of the Auditor shall identify the generally accepted auditing standards used.

CHANGE TO THE COMPANY'S AUDITORS

182. No change to the Company's Auditors may be made save in accordance with the Companies Act.

ACCESS TO RECORDS

183. The Auditor shall at all reasonable times have access to all books kept by the Company and to all accounts and vouchers relating thereto, and the Auditor may call on the Directors or Officers of the Company for any information in their possession relating to the books or affairs of the Company.

FINANCIAL STATEMENTS

184. Subject to any rights to waive laying of accounts pursuant to the Companies Act, financial statements as required by the Companies Act shall be laid before the Shareholders at the annual general meeting. A resolution in writing made in accordance with Bye-law 106 receiving, accepting, adopting, approving or otherwise acknowledging financial statements shall be deemed to be the laying of such statements before the Shareholders in a general meeting.

DISTRIBUTION OF AUDITOR'S REPORT

185. The report of the Auditor shall be submitted to the Shareholders in a general meeting.

VACANCY IN THE OFFICE OF AUDITOR

186. The Board may fill any casual vacancy in the office of the Auditor.

WINDING-UP

187. If the Company shall be wound up the liquidator may, with the sanction of a Resolution, divide amongst the Shareholders in specie or in kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he or she deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of

Shareholders. The liquidator may, with the like sanction, vest the whole or any part of such assets in the trustees upon such trusts for the benefit of the Shareholders as the liquidator shall think fit, but so that no Shareholder shall be compelled to accept any shares or other securities or assets whereon there is any liability.

CHANGES TO BYE-LAWS

188. No Bye-law may be rescinded, altered or amended and no new Bye-law may be made save in accordance with the Companies Act and until the same has been approved by a majority resolution of the Board and by a Resolution of the Shareholders including the affirmative vote of not less than a simple majority of the votes cast in a general meeting.

CHANGES TO THE MEMORANDUM OF ASSOCIATION

189. No alteration or amendment to the Memorandum of Association may be made save in accordance with the Companies Act and until same has been approved by a majority resolution of the Board and by a Resolution of the Shareholders including the affirmative vote of not less than a simple majority of the votes cast in a general meeting.

MERGER AND AMALGAMATION

190. The Company may merge or amalgamate in accordance with the Companies Act upon the approval by the affirmative vote by a majority of the Directors in a Board meeting and by the affirmative vote of not less than a simple majority of the votes cast in a general meeting.

DISCONTINUANCE

191. The Board may exercise all the powers of the Company to discontinue the Company to a jurisdiction outside Bermuda pursuant to the Companies Act.

APPENDIX B

FINANCIAL STATEMENTS FOR AUTOMATE HOLDINGS S.À R.L. FOR THE YEAR ENDED 31 DECEMBER 2020

AutoStore

Consolidated Financial Statements 2020

Automate Holdings S.à.r.l. including subsidiaries

Automate Holdings S.à r.l.
société à responsabilité limitée
Registered office: 6, rue Eugène Ruppert, L-2453 Luxembourg
R.C.S. Luxembourg: B 235 283
(the "Company")

REPORT OF THE BOARD OF MANAGERS

Financial year ended 31 December 2020 (the "**Financial Year**")

Dear Sirs,

We herewith submit to you the consolidated annual accounts of the Company including its subsidiaries, for the Financial Year in accordance with the Luxembourg law dated 19 December 2002 on the Luxembourg Trade and Company Register, accounting and annual accounts ("*Loi du 19 décembre 2002 concernant le registre du commerce et des sociétés ainsi que la comptabilité et les comptes annuels des entreprises"*) as amended from time to time.

a) Business performance

The Company has been incorporated as part of the scheme for the acquisition and holding of Autostore.

It is contemplated that the company will continue to hold, manage and finance through its direct and indirect subsidiaries its participation in Autostore.

The Board of Managers have considered no valuable depreciation in the value of the financial assets. Consequently no value adjustment was booked during the Financial Year are currently considered.

No further investments or transaction in addition to the current ones are considered at the moment.

b) <u>Results</u>

The Result for the Financial Year is a loss of EUR 18,400,000.00.

We suggest carrying forward the loss of EUR 18,400,000.00 to the next financial year.

c) Major risks and uncertainty

In the first months of 2020, a pandemic of coronavirus disease (COVID-19) spread around the world, leading to numerous cases and causalities and causing an economic instability.

The pandemic and the protective measures and the instability are still ongoing as of the date of the approval of these annual accounts and the potential economic and financial impacts of pandemic that may impact the financial assets held by the Company cannot be assessed in full. However as of today the impact of the pandemic to the Company is not so significant to put the business in danger.

d) Research and development

During the Financial Year, the Company has not had any activity in research and development.

e) Purchase of own shares

During the Financial Year, the Company has not bought back any of its own shares.

f) Branches

During the Financial Year, the Company has not held any branches.

g) Extraordinary events

The Company and its subsidiaries continue their activities and no important events apart from the abovementioned COVID-19 crisis have occurred since the end of the Financial Year which may have an impact on the annual accounts as presented to you.

We kindly ask you to grant full and entire discharge to the managers for the exercise of their mandate during the Financial Year.

Luxembourg, 22/04/ 2021

For and on behalf of the Board of Managers,

____
Name: Franck Deconinck
Title: Authorised signatory

Table of Contents

Consolidated statement of comprehensive income

For the years ended 31 December

EUR million	Notes	2020	2019 28.05-31.12
Revenue	2.1	158.2	91.3
Other operating income	2.2	1.4	1.4
Total revenue and other operating income		**159.6**	**92.7**
Cost of materials	2.3	-45.6	-28.6
Employee benefit expenses	2.4	-22.9	-5.3
Other operating expenses	2.5	-25.6	-37.1
Depreciation and amortisation	3.1-3.3	-43.9	-18.5
Operating profit		**21.5**	**3.2**
Finance income	4.5	0.1	0.1
Finance costs	4.5	-44.9	-20.4
Loss before tax		**-23.3**	**-17.1**
Income tax expense	5.1	4.8	-1.8
Loss for the year		**-18.4**	**-18.8**

Other comprehensive loss

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	-59.6	-17.7
Total items that may be reclassified to profit or loss	-59.6	-17.7
Other comprehensive loss for the period	**-59.6**	**-17.7**
Total comprehensive loss for the period	**-78.0**	**-36.5**

Loss attributable to:		
Equity holders of the parent	-18.4	-18.8
Non-controlling interests	-	-
Total comprehensive loss attributable to:		
Equity holders of the parent	-78.0	-36.5
Non-controlling interests	-	-

The accompanying notes form an integral part of and should be read in conjunction with these consolidated financial statements

Consolidated statement of financial position

EUR million	Notes	31.12.2020	31.12.2019
ASSETS			
Non-current assets			
Property, plant and equipment	3.1	8.5	5.1
Right-of-use assets	3.2	10.8	9.9
Goodwill	3.3	1,023.6	1,086.5
Intangible assets	3.4	524.9	588.5
Deferred tax assets	5.1	1.0	0.2
Other non-current assets	4.1	0.1	0.1
Total non-current assets		**1,568.9**	**1,690.4**
Current assets			
Inventories	2.3	23.7	19.8
Trade receivables	2.6	35.7	53.9
Other receivables	2.6	4.9	4.9
Cash and cash equivalents	4.4	40.9	20.4
Total current assets		**105.2**	**99.0**
TOTAL ASSETS		**1,674.0**	**1,789.4**
EQUITY AND LIABILITIES			
Equity			
Share capital	4.8	31.6	31.6
Share premium		1,022.4	1,022.3
Other equity		-111.1	-36.5
Total equity		**943.0**	**1,017.4**
Non-current liabilities			
Non-current interest bearing liabilities	4.2	564.1	588.5
Non-current lease liabilities	3.2	12.0	12.2
Deferred tax liabilities	5.1	109.4	124.9
Non-current provisions	7.1	7.5	4.4
Total non-current liabilities		**693.0**	**730.1**
Current liabilities			
Trade and other payables	2.7	23.2	18.1
Interest bearing liabilities	4.2	2.3	3.2
Lease liabilities	3.2	3.0	2.4
Income tax payable	5.1	0.1	10.3
Provisions	7.1	9.4	8.0
Total current liabilities		**38.0**	**42.0**
Total liabilities		**731.0**	**772.0**
TOTAL EQUITY AND LIABILITIES		**1,674.0**	**1,789.4**

Luxembourg, 22 April 2021

Frank Deconinck
Authorised Signatory

The accompanying notes form an integral part of and should be read in conjunction with these consolidated financial statements

Consolidated statement of cash flows

For the years ended 31 December

Cash flows from operating activities (EUR million)	Notes	2020	2019 28.05-31.12
Loss before tax		-23.3	-17.1
Adjustments to reconcile loss before tax to net cash flow:			
Depreciation and amortisation	3.1, 3.2, 3.4	43.9	18.5
Share-based payment expense	2.4	3.5	
Net finance income and costs	4.5	44.8	20.3
Working capital adjustments:			
Changes in inventories		-4.0	1.9
Changes in trade and other receivables		18.2	-36.5
Changes in trade and other payables		5.1	10.4
Changes in provisions and other liabilities		-1.3	6.2
Other items			
Tax paid		-13.7	-
Net cash flows from operating activities		**73.3**	**3.8**
Cash flows from investing activities (EUR Million)			
Proceed from sale of property, plant and equipment	3.1	0.2	-
Purchase of property, plant and equipment	3.1	-5.3	-2.6
Purchase of shares in subsidiaries, net of cash acquired	6.2	-	-1,326.0
Development expenditures	3.4	-11.9	-3.9
Interest received	4.5	0.1	0.1
Net cash flow from investing activities		**-17.1**	**-1,332.5**
Cash flow from financing activities (EUR Million)			
Proceeds from issuance of equity	4.8	0.1	1,053.9
Proceeds from issuance of debt	4.2, 4.3	-	590.0
Repayment of revolving credit facility	4.3	-	-14.3
Repayment of long-term debt	4.2, 4.3	-	-265.8
Repayment of short-term debt	4.2, 4.3	-3.2	-0.2
Payments for the principal portion of the lease liability	3.2, 4.3	-1.8	-0.6
Payments for the interest portion of the lease liability	3.2, 4.3	-0.7	-0.3
Interest paid	4.5	-29.5	-13.0
Net cash flow from financing activities		**-35.1**	**1,349.6**
Net change in cash and cash equivalents		21.1	20.9
Effect of change in exchange rate		-0.6	-0.5
Cash and cash equivalents, beginning of period	4.4	20.4	-
Cash and cash equivalents, end of period	4.4	**40.9**	**20.4**

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

The accompanying notes form an integral part of and should be read in conjunction with these consolidated financial statements

Consolidated statement of changes in equity

			Other equity			
EUR million	**Share capital**	**Share premium**	**Other capital reserves**	**Cumulative translation differences**	**Retained earnings**	**Total equity**
Balance at 28 May 2019	**0.012**	**-**		**-**	**-**	**0.0**
Profit (loss) for the year					-18.8	**-18.8**
Other comprehensive income				-17.7		**-17.7**
Total comprehensive income	-	-	-	-17.7	-18.8	**-36.5**
Issue of share capital	31.6	1,022.3				**1,053.9**
Balance at 31 December 2019	**31.6**	**1,022.3**	**-**	**-17.7**	**-18.8**	**1,017.4**
Profit (loss) for the year					-18.4	**-18.4**
Other comprehensive income				-59.6		**-59.6**
Total comprehensive income	-	-	-	-59.6	-18.4	**-78.0**
Issue of share capital (Note 4.8)	0.0	0.1				**0.1**
Share-based payments (Note 2.5)			3.5			**3.5**
Balance at 31 December 2020	**31.6**	**1,022.4**	**3.5**	**-77.3**	**-37.3**	**943.0**

The accompanying notes form an integral part of and should be read in conjunction with these consolidated financial statements

Section 1 - Background

1.1 General information

Corporate information

Automate Holdings S.à r.l. (the "Parent Company") is a private limited company incorporated and domiciled in Luxembourg. The address of its registered office is 6, rue Eugène Ruppert, L - 2453 Luxembourg. Automate Holdings S.à r.l. was incorporated on May 28, 2019 under entity name Luxembourg Investment Company 307 S.à r.l. and changed to Automate Holdings S.à r.l. on July 1, 2019.

On 19 June 2019, the Company, through its fully owned Norwegian subsidiary Automate Bidco AS entered into a share purchase agreement (SPA) with Terminator Topco AS in which Automate Bidco AS acquired the Autostore Group.

Following this transaction, Automate Holdings S.à r.l. and its subsidiaries (collectively "the Group", or "AutoStore") develop, manufacture and conduct services associated with the patented automatic warehouse system AutoStore. The ultimate parent of the Group is Thomas H. Lee Fund VIII, L.P ("THL Fund VIII").

The consolidated financial statements of the Group for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Board of Managers on 22 April 2021.

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. As the Parent Company was incorporated 28 May 2019, comparative figures for 2019 are presented from this date. The Autostore Group figures are included in these consolidated financial statements from 31 July 2019, which was the date Automate Bidco AS obtained control over the Autostore Group.

All figures are presented in millions (000 000), except when otherwise indicated. In the statement of comprehensive income income/gains are presented as positive amounts and expenses/costs are presented as negative amounts. In the notes, both income and expenses are presented as positive numbers.

Further, the financial statements are prepared based on the going concern assumption. The Group has not experienced any significant impacts on business related to COVID-19. Despite the pandemic situation, sales have been good and the Group remains having a strong balance and liquidity situation.

Presentation currency and functional currency

The consolidated financial statements are presented in Euro (EUR), 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.

Several amendments to IFRS are issued up to the date of issuance of the consolidated financial statements but are not yet effective. The impact of applying the amendments is not expected to have a material impact on the Group’s financial performance and financial position.

AutoStore has selected a presentation in which the description of accounting policies as well as estimates, assumptions and judgmental 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 judgments, 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 include 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 2020, Autostore 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, Germany in 2018, France and Japan in 2019 and South Korea in 2020 has led to strong development in these countries during 2020. The group is also in the process of establishing subsidiaries in Austria, Italy and Spain.

AutoStore has expanded its geographic area to 35 countries and sold a total of 615 installations, which provides a strong foundation for further growth.

The Group's consolidated total revenue and other operating income for the period of 01 January to 31 December 2020 was 159.6 mEUR (92.7 mEUR for the period 31 July to 31 December 2019) and total assets as of 31 December 2020 amounted to 1,674.0 mEUR (1,789.4 mEUR in 2019)

AutoStore continues to make significant investments in R&D to further develop the AutoStore system based on new solutions and technology. The group has capitalised 11.9 mEUR related to the product development in 2020 (mEUR 3.9 in 2019) and the capitalised development amounted to 14.4 mEUR in the balance sheet as of 31 December 2020 (3.9 mEUR as of 31 December 2019). Some of the new products developed have been launched in 2020 and there are also additional product-launches scheduled for the coming period. The sales growth associated with these products will also have a positive effect on the future performance.

Business acquisitions

The Group acquired all the shares in Locai Solutions Inc through its subsidiary Autostore Systems INC on 25 January 2021, see note 6.1 for more information.

On 5 April 2021 it was announced that SoftBank acquires 40 % of the shares in Automate Holdings S.a.r.l. for USD 2.8 billion, see note 7.4 for more details.

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 the performance obligation arising from a contractual obligation with a customer has been met.

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 a performance obligation arising from a contractual obligation with a customer has been met, 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 (continued)

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	2020	2019 28.05-31.12
Major products and services		
AutoStore system	156.5	90.8
Rendering of services	1.7	0.6
Total revenue	**158.2**	**91.3**
Geographic information		
Nordics	27.0	12.6
Germany	31.0	17.7
Europe, excl. Nordics and Germany	38.1	16.2
USA	38.2	35.4
Asia	22.4	8.6
Other	1.5	0.9
Total revenue	**158.2**	**91.3**
Timing of revenue recognition		
Goods transferred at a point in time	156.5	90.8
Goods and services transferred over time	1.7	0.6
Total revenue	**158.2**	**91.3**

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 60 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	**2020**	**2019** 28.05-31.12
Freight	0.3	0.1
Other operating income	1.0	1.2
Total other operating income	**1.4**	**1.4**

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	31.12.2020	31.12.2019
Raw materials	10.9	11.6
Work in progress	0.0	0.5
Finished goods	12.8	7.9
Total inventories (gross)	**23.8**	**20.0**
Provision for obsolete inventories	-0.0	-0.2
Total inventories at the lower of cost and net realisable value	**23.7**	**19.8**

During the reporting period, 143 kEUR 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 Managers.

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	2020	2019 28.05-31.12
Salaries	13.6	3.7
Social security costs	5.2	0.8
Pension costs	0.9	0.3
Other employee expenses	3.3	0.6
Total employee benefit expenses	**22.9**	**5.3**
Average number of full time employees (FTEs)	325	289

Remuneration to the CEO and other key management 2020	Salary	Other Compensation	Total remuneration
Karl Johan Lier	0.30	0.02	**0.32**
Other key management	1.09	0.01	**1.10**
Total	**1.39**	**0.03**	**1.42**

Remuneration to the CEO and other key management 2019	Salary	Other Compensation	Total remuneration
Karl Johan Lier	0.32	0.04	**0.36**
Other key management			
Total*	**0.32**	**0.04**	**0.36**

* Salary listed above include salaries for the entire 2019

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 option program in the parent company Automate Holding S.à r.l.

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

At the end of the reporting period, members of the Board and management owned shares in the parent company, Automate Holdings S.à r.l. Reference is made to note 4.8 for disclosures on shareholdings.

Share based payment

ACCOUNTING POLICIES

The Group has share-based programs for its key employees which are accounted for as equity settled transactions. The share option program for the key employees gives the employee the right to purchase shares.

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

Social security tax on options is recorded as a liability and is recognized over the estimated vesting period (see note 7.1).

Option programme

In 2019, the Group entered into a share option programme covering certain employees in senior positions (key personnel). As at 31 December 2020, 24 employees were included in the option program. 33% of the Options are subject to time-based vesting criteria only, with 20% of such Options vesting on each of the first five anniversaries of the grant date, subject to continued employment on each vesting date ("Service Options"). All Service Options will vest and become exercisable upon a change of control. 67% of the Options are subject to time- and performance-based vesting criteria, both of which must be satisfied for such Options to vest and become exercisable ("Performance Options"). The time-based vesting criteria for the Performance Options will match the vesting schedule of the Service Options, subject to continued employment on each vesting date. The performance-based vesting criteria for the Performance options are based on achievement of a specified cash-on-cash pre-tax internal rate of return (IRR) and a return multiple.

Both the Service Options and Performance Options expire 10 years after the grant date, and approximately 9 years after the end of the reporting period.

The fair value of the share options is estimated at the grant date using a binomial option pricing model for the service options and Monte Carlo Simulation for the performance options, taking into account the terms and conditions on which the share options were granted.

2.4 Employee benefit expenses (continued)

The expense recognised for employee services received during the year is shown in the following table:

Expense arising from share-based payment transactions	2020
Expense arising from equity-settled share-based payment transactions	3.5
Expense arising from cash-settled share-based payment transactions	-
Total expense arising from share-based payment transactions	**3.5**

There were no cancellations or modifications to the awards in 2020.

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	2020 Number	2020 WAEP	2019 Number	2019 WAEP
Outstanding at 1 January	146,431,641	€ 0.33	-	
Granted during the year	18,303,955	€ 0.33	146,431,641	€ 0.33
Forfeited during the year	1,663,996	€ 0.33	-	
Exercised during the year	-	-	-	
Expired during the year	-	-	-	
Outstanding at 31 December	**163,071,600**	€ 0.33	**146,431,641**	€ 0.33
Exercisable at 31 December	31,283,110	€ 0.33		

The weighted average remaining contractual life for the share options outstanding as at 31 December 2020 was 8.64 years.
The weighted average fair value of options granted during the year was €0.04.
The exercise price for all options outstanding at the end of the year was €0.33.

The following tables list the inputs to the models used for the Option programme for the year ended 31 December 2020:

	2020 Service options	2020 Performance options
Weighted avg. fair values at the measurement date	€ 0.03	€ 0.07
Dividend (%)	-	-
Expected volatility	25 %	25 %
Risk–free interest rate	1.25 %	1.01 %
Expected life of share options (years)	5	4
Weighted average share price	€ 0.33	€ 0.33
Model used	Black-Scholes-Merton	Monte Carlo Simulation

The expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur.

The expected volatility is based on historical data for comparable companies as the Group has a limited number of share transactions.The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

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	2020	2019 28.05-31.12
Meetings, travel & representation expenses	1.3	1.1
Lease and lease related expenses	2.0	0.6
Business services expenses	1.1	0.3
IT costs	2.4	0.8
Marketing and distribution expenses	2.4	0.4
Consulting expenses	14.2	33.2
Other operating expenses	2.1	0.6
Total other operating expenses	**25.6**	**37.1**

Auditor related fees	2020	2019 28.05-31.12
Audit fee	0.5	0.2
Other advisory services	0.4	0.1
Total auditor fees (excl. VAT)	**0.9**	**0.3**

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 60 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	**31.12.2020**	**31.12.2019**
Trade receivables from customers at nominal value	35.7	53.9
Allowance for expected credit losses	-0.0	-0.0
Total trade receivables	**35.7**	**53.9**

Other receivables	**31.12.2020**	**31.12.2019**
Prepaid rent and other expenses	0.2	0.5
VAT receivable	1.3	3.3
Other	3.4	1.0
Total other receivables	**4.9**	**4.9**

Allowance for expected credit losses	**Financial instrument**	**31.12.2020**	**31.12.2019**
At January 1	Debt instruments at amortised cost	0.0	-
Additions through acquisition	Debt instruments at amortised cost	0.0	0.0
Provision for expected credit losses	Debt instruments at amortised cost	-	-
At December 31	Debt instruments at amortised cost	**0.0**	**0.0**

The credit risk of financial assets has not increased significantly from initial recognition.

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 December 2020	30.5	3.3	1.7	0.0	**35.6**
Trade receivables at 31 December 2019	50.7	2.2	0.9	0.1	**53.9**

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 December 2020. 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	**31.12.2020**	**31.12.2019**
Trade payables	21.4	15.1
VAT payable	0.7	1.7
Withholding payroll taxes and social security	1.0	0.6
Other payables	0.1	0.7
Total trade and other payables	**23.2**	**18.2**

For an overview of the maturity of trade and other payables, reference 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 28.05.2019	**-**	**-**	**-**	**-**
Additions through acquisitions	2.5	0.2	1.1	**3.7**
Additions	2.5	0.0	0.1	**2.6**
Disposals	-0.1	-	-0.5	**-0.5**
Currency translation effects	-0.2	-	-0.2	**-0.3**
Acquisition cost 31.12.2019	**4.8**	**0.2**	**0.5**	**5.5**
Additions	4.0	0.1	1.3	5.3
Disposals	-0.2	-	-0.1	-0.3
Currency translation effects	-1.6	-	0.7	-0.8
Acquisition cost 31.12.2020	**7.0**	**0.3**	**2.4**	**9.7**
Accumulated depreciation 28.05.2019	**-**	**-**	**-**	**-**
Depreciation for the year	0.3	0.0	0.0	0.4
Accumulated depreciation 31.12.2019	**0.3**	**0.0**	**0.0**	**0.4**
Depreciation for the year	0.9	0.1	0.3	1.3
Impairment for the year	-0.2	-	-0.1	-0.3
Disposals	-	-	-0.1	-0.1
Accumulated depreciation 31.12.2020	**1.0**	**0.1**	**0.2**	**1.2**
Carrying amount 31.12.2019	**4.5**	**0.2**	**0.5**	**5.1**
Carrying amount 31.12.2020	**6.0**	**0.2**	**2.3**	**8.5**
Economic life (years)	3-7	5	3-7	
Depreciation plan		Straight-line method		

3.2 Right-of-use assets and related lease liabilities

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 5 thousand EUR)

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 measurement of the lease liability, any lease payments made at or before the commencement date and initial direct costs incurred. The right-of-use asset includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those cost are incurred to produce inventories.

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 28.05.2019	**0.0**	**0.0**	**0.0**
Additions through acquisition	0.0	10.5	10.5
Currency translation effects	-	-0.02	0.0
Acquisition cost 31.12.2019	**0.0**	**10.5**	**10.5**
Addition of right-of-use assets		3.0	3.0
Currency translation effects		-0.3	-0.3
Acquisition cost 31.12.2020	**0.0**	**13.2**	**13.2**
Accumulated depreciation 28.05.2019	**-**	**-**	**-**
Depreciation of right-of-use assets	0.0	0.6	0.6
Accumulated depreciation 31.12.2019	**0.0**	**0.6**	**0.6**
Depreciation of right-of-use assets	0.0	1.6	1.6
Currency translation effects		0.3	0.3
Accumulated depreciation 31.12.2020	**0.0**	**2.4**	**2.4**
Carrying amount of right-of-use assets 31.12.2019	**0.0**	**9.9**	**9.9**
Carrying amount of right-of-use assets 31.12.2020	**0.0**	**10.8**	**10.8**
Lease term or remaining useful life	2-3 years	3-9 years	
Depreciation plan	Straight-line	Straight-line	

Expenses in the period related to practical expedients and variable payments	**2020**	**2019** 28.05-31.12
Short-term lease expenses	0.3	0.3
Low-value assets lease expenses	-	-
Variable lease expenses in the period (not included in the lease liabilities)	0.9	0.3
Total lease expenses in the period	**1.2**	**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.

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

The Group's lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	31.12.2020	31.12.2019
Less than one year	3.0	2.4
One to three years	8.0	6.8
More than three years	6.8	8.7
Total undiscounted lease liabilities at 31.12.2019	**17.8**	**17.9**

Summary of the lease liabilities in the financial statements	Section ref.	2020	2019
At beginning of period		14.6	-
Additions through acquisition		-	15.3
New leases recognised during the year		3.0	-
Cash payments for the principal portion of the lease liability	4.2	-1.8	-0.6
Cash payments for the interest portion of the lease liability	4.2	-0.7	-0.3
Interest expense on lease liabilities	4.5	0.7	0.3
Currency translation effects	4.5	-0.8	- 0.1
Total lease liabilities at 31.12		**15.0**	**14.6**
Current lease liabilities in the statement of financial position		**3.0**	**2.4**
Non-current lease liabilities in the statement of financial position		**12.0**	**12.2**

In addition to the lease liabilities presented above, the Group is committed to pay variable lease payments for its office buildings and manufacturing facilities which are not included in the initial calculation of lease liabilities.

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

3.3 Goodwill

ACCOUNTING POLICIES

Recognised goodwill in the Group is derived from the business combination of AutoStore in 2019, see note 6.2 for more information.

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, 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 2019 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 28.05.2019		**-**
Additions through acquisition	6.2	1,096.5
Currency translation effects		-10.0
Gross amount 31.12.2019		**1,086.5**
Additions through acquisition		**-**
Currency translation effects		**-62.9**
Gross amount 31.12.2020		**1,023.6**
Accumulated impairment 28.05.2019		**-**
Impairment for the year	3.5	**-**
Accumulated impairment 31.12.2019		**-**
Impairment for the year	3.5	-
Accumulated impairment 31.12.2020		**-**
Carrying amount 31.12.2019		**1,086.5**
Carrying amount 31.12.2020		**1,023.6**

3.4 Other intangible assets

Nature of the Group's intangible assets

At the acquisition of AutoStore in 2019, the Group recognised intangible assets for: R&D and technology, trademarks, patents and customer relations. Subsequently, the Group has recognised intangible assets comprising internally 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.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

The Group's government grants relates primarily to compensation for Research and Development which are recognised as a reduction to Development and decreases the future amortisation expense.

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 its intended 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.

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 annual testing of the Group's intangible assets with indefinite useful lives.

3.4 Other intangible assets (continued)

	Trade-marks	Software and technology	Patents rights	Customer relationships	Develop-ment	Total
Acquisition cost 28.05.2019	**-**	**-**	**-**	**-**	**-**	**-**
Additions through acquisitions	6.0	411.5	79.0	111.2		**607.7**
Additions					3.9	**3.9**
Currency translation effects	-0.1	-3.6	-0.7	-1.0	-	**-5.3**
Acquisition cost 31.12.19	**6.0**	**408.0**	**78.3**	**110.2**	**3.9**	**606.3**
Additions					11.9	**11.9**
Currency translation effects	-0.3	-23.8	-4.6	-6.6	-0.1	**-35.5**
Acquisition cost 31.12.20	**5.6**	**384.1**	**73.7**	**103.6**	**15.7**	**582.7**
Accumulated amortisation 28.05.2019	**-**	**-**	**-**	**-**	**-**	**-**
Amortisation for the year		6.7	1.8	9.0	0.0	**17.5**
Currency translation effects		0.1	0.0	0.2	-	**0.3**
Accumulated amortisation 31.12.19	**-**	**6.8**	**1.8**	**9.2**	**0.0**	**17.8**
Amortisation for the year		15.2	4.0	20.5	1.4	**41.1**
Impairment					-0.1	**-0.1**
Currency translation effects	-	-0.4	-0.1	-0.5	-	**-1.0**
Accumulated amortisation 31.12.20	**-**	**21.6**	**5.8**	**29.2**	**1.3**	**57.8**
Carrying amount 31.12.19	**6.0**	**401.2**	**76.5**	**101.0**	**3.9**	**588.5**
Carrying amount 31.12.20	**5.6**	**362.6**	**67.9**	**74.4**	**14.4**	**524.9**
Economic life (years)	-	25.0	13.0	10.0	5.0	
Amortisation plan	-		Straight-line			

Additions in 2020 relate to development expenditures from further development of the Autostore concept.

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. Reference is made to note 6.2 for further information on the business combination which occurred in July 2019. 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 asset's carrying amount.

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 to the CGU:

AutoStore system - CGU	Carrying amount 31 December 2020	Carrying amount 31 December 2019
Goodwill	1,023.6	1,086.5
Trademarks	5.6	6.0
Total	**1,029.2**	**1,092.5**

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	EBITDA margin	Terminal growth rate	Pre-tax discount rate
AutoStore system - 2020	0	29.5 %	52%-53%	0.9 %	9.7 %
AutoStore system - 2019	0	13.9 %	50%-56%	2.0 %	10.9 %

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 amount of the CGU to materially exceed its recoverable amount. Reference is also made to note 7.4 regarding SoftBank's acquisition of 40 % of Autostore Group for USD 2.8 billion during April 2021.

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:

- Compound annual growth rate (CAGR) of sales in the forecast period
- EBITDA margin
- Pre-tax discount rate
- Terminal growth rate

CAGR of sales in the forecast period

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.

EBITDA margin

The EBITDA margin is determined based on an analysis of historical levels of revenues, COGS and operating expenses, while forward-looking estimates are derived using scenario-weighted assumptions for these P&L measures.

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

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:

This includes mainly trade receivables and cash and cash equivalents.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

All of the Group's financial assets (i.e. trade receivables and cash and cash equivalents) are part of the Group's business model with the sole objective to collect contractual cash flows. Additionally, the contractual terms of the financial assets, primarily applicable to trade receivables, 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.

The Group considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

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 (e.g. market trends, default rates in the retail market etc.).

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.

4.1 Overview of financial instruments (continued)

ACCOUNTING POLICIES (continued)

Derecognition of financial instruments (continued)

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.

IBOR reform

The Group has Non-current interest bearing loans and borrowings with indexed interest rates based on EURIBOR and LIBOR. As a consequence of the IBOR reform LIBOR is expected to be discontinued as a benchmark rate late 2021 and will be replaced by new benchmark rates, known as alternative Risk Free Rates (RFRs). EURIBOR is already reformed, and no further changes are expected as of this date. The Group is continuously monitoring the situation, however as of 31 December 2020 we do not expect any significant effects on the Group's financial reporting as a result of the IBOR reform.

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 December 2020	**Note**	**Financial instruments at amortised cost**	**Total**
Assets			
Loans and receivables			
Trade receivables	2.7	35.7	**35.7**
Cash and cash equivalents	4.4	40.9	**40.9**
Other non-current assets		0.1	**0.1**
Total financial assets		**76.7**	**76.7**
Liabilities			
Interest-bearing loans and borrowings including trade payables			
Non-current interest bearing liabilities	4.2	564.1	**564.1**
Current interest bearing liabilities	4.2	2.3	**2.3**
Trade payables	2.7	21.4	**21.4**
Non-current lease liabilities	3.2	12.0	**12.0**
Current lease liabilities	3.2	3.0	**3.0**
Total financial liabilities		**602.8**	**602.8**

Significant finance income and finance costs arising from the Group's financial instruments are disclosed separately in note 4.5

31 December 2019	**Note**	**Financial instruments at amortised cost**	**Total**
Assets			
Loans and receivables			
Trade receivables	2.6	53.9	**53.9**
Cash and cash equivalents	4.4	20.4	**20.4**
Other non-current assets		0.1	**0.1**
Total financial assets		**74.5**	**74.5**
Liabilities			
Interest-bearing loans and borrowings including trade payables			
Non-current interest bearing liabilities	4.2	588.5	**588.5**
Current interest bearing liabilities	4.2	3.2	**3.2**
Trade payables	2.7	15.1	**15.1**
Non-current lease liabilities	3.2	12.2	**12.2**
Current lease liabilities	3.2	2.4	**2.4**
Total financial liabilities		**621.4**	**621.4**

4.2 Interest bearing liabilities

Non-current interest bearing loans and borrowings	Maturity	Interest rate	31.12.2020	31.12.2019
Senior Facilities: Facility B (EUR)*	30.07.26	EURIBOR+4%	290.0	290.9
Senior Facilities: Facility B (USD)*	30.07.26	LIBOR+4.25%	136.1	148.6
Facilities: Second Lien (SL) Facility*	30.07.27	EURIBOR+7.75%	149.6	163.4
Capitalized fees - Facility B + SL Facility			-11.6	-14.4
Total non-current interest bearing loans and borrowings			**564.1**	**588.5**

* The Facilities have an interest rate floor of 0%, as such the base rate may not be negative.

Current interest bearing loans and borrowings	Maturity	Interest rate	31.12.2020	31.12.2019
Senior Facilities: Facility B (EUR)*	30.07.26	EURIBOR+3.5%	0.8	0.9
Senior Facilities: Facility B (USD)*	30.07.26	LIBOR+4.25%	0.5	0.8
Facilities: Second Lien Facility*	30.07.27	EURIBOR+7.75%	1.0	1.4
Total current interest bearing loans and borrowings			**2.3**	**3.2**

* The Facilities have an interest rate floor of 0%, as such the base rate may not be negative.

The Senior Facilities: Facility B (EUR) + Facility B (USD) + Revolving Facility and Second Lien Facility, together the Credit Agreement, were negotiated during 2019 in connection with the acquisition of Terminator Bidco AS by Automate Bidco AS. The Credit Agreement was signed on 22 July 2019 and the Group received the funds on 31 July 2019. The Group has a revolving credit facility in place which may be drawn at any time up to 70 mEUR.

The assets pledged by the Group as security for its loans and borrowings represent the shares in other entities within the Terminator Bidco sub-group and are presented in the table below:

Assets pledged as security for interest bearing loans and borrowings	31.12.2020	31.12.2019
Secured balance sheet liabilities:		
Non-current and current interest bearing liabilities	566.4	591.6
Balance sheet value of assets pledged as security for secured liabilities:		
Property, plant and equipment	8.5	5.1
Right-of-use assets	10.8	9.9
Intangible assets	524.9	588.5
Other non-current assets	0.1	0.1
Inventories	23.7	19.8
Trade receivables	35.7	53.9
Other receivables	4.3	4.9
Cash and cash equivalents	28.1	17.5
Total	**636.1**	**699.8**

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

Covenant requirements

The terms of the loan stipulate that a financial covenant test is not required for Facility B, the Second Lien Facility or any additional facility unless separately agreed with additional facility lenders. However, the Group is obligated to comply with a Senior Secured Net Leverage covenant, which is defined as *consolidated senior secured net debt* to *consolidated pro forma EBITDA*, subject to certain events and Cure Rights, for the sole benefit of the lenders under the Revolving Facility. This covenant test is required only if loans under the Revolving Facility on the relevant test date exceed 40% of such Total Revolving Facility Commitments as at the relevant testing date. The covenant ratio may not exceed 9.50x and application of this rule will commence on 31 December 2020. The Group ensures that it at all times is able to meet the financial covenant requirement.

No covenant testing was required as at 31.12.2020, as the outstanding loan under the Revolving Facility did not exceed 40% of Total Revolving Facility Commitments.

4.3 Ageing of financial liabilities

Contractual undiscounted cash flows from financial liabilities is presented below:

31 December 2020	Less than 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total
Lease liability (note 3.2)	1.5	1.5	8.0	6.8	**17.8**
Non-current interest-bearing loans and borrowings* (note 4.2)	15.9	15.9	63.8	671.3	**767.0**
Current interest-bearing loans and borrowings (Note 4.2)	2.3				**2.3**
Trade payables (note 2.7)	21.4				**21.4**
Total	**41.1**	**17.4**	**71.7**	**678.1**	**808.4**

31 December 2019	Less than 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total
Lease liability (note 3.2)	1.2	1.2	6.8	8.7	**17.9**
Non-current interest-bearing loans and borrowings* (note 4.2)	15.9	15.9	63.8	730.4	**826.1**
Current interest-bearing loans and borrowings (Note 4.2)	3.2				**3.2**
Trade payables (note 2.7)	18.2				**18.2**
Total	**38.4**	**17.1**	**70.6**	**739.1**	**865.3**

*Cash flows disclosed for Non-current interest-bearing loans and borrowings do also include estimated interest payments based on current level of interest.

4.3 Ageing of financial liabilities (continued)

Reconciliation of changes in liabilities incurred as a result of financing activities in 2020:

	31.12.19	Additions through acquisition	Cash flow effect	Non-cash changes: Foreign exchange movement	Non-cash changes: New leases recognised	Non-cash changes: Other changes	31.12.2020
Lease liabilities (note 3.2)	14.6	-	-2.5	-0.8	3.0	0.7	**15.0**
Non-current interest-bearing loans and borrowings - The Facilities (note 4.2)	588.5	-	-29.5	-26.4		31.6	**564.1**
Current interest-bearing loans and borrowings (note 4.2)	3.2		-3.2			2.3	**2.3**
Total liabilities from financing	**606.3**	**-**	**-35.2**	**-27.2**	**3.0**	**34.6**	**581.4**

Reconciliation of changes in liabilities incurred as a result of financing activities in 2019:

	28.05.19	Additions through acquisition	Cash flow effect	Non-cash changes: Foreign exchange movement	Non-cash changes: New leases recognised	Non-cash changes: Other changes	31.12.2019
Lease liabilities (note 3.2)	-	15.3	-1.0	-0.1	-	0.3	**14.6**
Non-current interest-bearing loans and borrowings - The Facilities (note 4.2)	-	-	577.0	-1.5		13.0	**588.5**
Current interest-bearing loans and borrowings (note 4.2)	-					3.2	**3.2**
Repayment of revolving credit facility	-	14.3	-14.3	-	-	-	**-**
Non-current interest-bearing loans and borrowings - Facility B1+B2*	265.8	-	-265.8	-	-	-	**-**
Total liabilities from financing	**265.8**	**29.6**	**295.9**	**-1.5**	**-**	**16.5**	**606.3**

* Facility B1 and B2 refer to the previous loan commitment by Terminator Bidco which was repaid during the transaction that resulted in the formation of the new Group, Automate Holdings S.à r.l. in July 2019.

Cash flow effects related to Non-current interest-bearing loans and borrowings disclosed above include both principal payments (or proceeds from issuance of new debt) and interest payments.

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	31.12.2020	31.12.2019
Bank deposits, unrestricted	40.2	19.8
Bank deposits, restricted	0.7	0.6
Total in the statement of financial position	**40.9**	**20.4**
- Revolving Senior Facility	-	-
Total in the statement of cash flows	**40.9**	**20.4**

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.

In accordance with IFRS, Autostore has opted for the low credit risk exemption given that all cash balances are held with investment graded banks (i.e. minimum BBB).

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	2020	2019 28.05-31.12
Finance income			
Interest income	Financial assets	0.1	0.1
Total finance income		**0.1**	**0.1**
Finance costs			
Foreign exchange loss		10.4	1.2
Interest expenses* (note 4.2)	Interest-bearing loans and borrowings	31.8	16.2
Amortised cost (note 4.2)	Interest-bearing loans and borrowings	2.9	-
Interest on lease liability (note 3.2)	Other financial liabilities	0.7	0.3
Other financial expenses	Interest-bearing loans and borrowings	-0.9	2.7
Total finance costs		**44.9**	**20.4**

*Interest expenses mostly relate to the Group's senior facilities, see note 4.2 for more information.

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 Discounted Cash Flow (DCF) method using a 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 2020 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, other than those with carrying amounts that are reasonable approximations of fair values:

	Date	Carrying amount	Fair value	Level 1	Level 2	Level 3
Liabilities disclosed at fair value						
Interest-bearing loans and borrowings (note 4.2)	31 December 2020	566.4	566.4			X
Interest-bearing loans and borrowings (note 4.2)	31 December 2019	591.6	591.6			X

The type and nature of the Group's funding did not change in 2020 compared to 2019, therefore a transfer between levels did not occur.

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 market exposure 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 Group's sales are related to exports. Significant changes in export conditions, customs duties, etc. may thus adversely affect the Group'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* in EUR million	Increase / decrease in basis points	Effect on profit before tax	Effect on equity
31 December 2020	+/- 100	5.8	4.5
31 December 2019	+/- 100	2.7	2.1

*The figures given above are absolute figures.

4.7 Financial risk and capital management (continued)

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 of the Group's financial instruments denominated in a foreign currency to a hypothetical increase or decrease in the foreign exchange rates in the period, holding all other variables constant:

Foreign currency sensitivity*	Date	Change in FX rate	Effect on profit before tax	Effect on equity
Increase / decrease in NOK/EUR	31 December 2020	+/- 10%	28.0	21.9
Increase / decrease in USD/EUR	31 December 2020	+/- 10%	27.7	21.6
Increase / decrease in USD/NOK	31 December 2020	+/- 10%	-1.5	-1.1

Foreign currency sensitivity*	Date	Change in FX rate	Effect on profit before tax	Effect on equity
Increase / decrease in NOK/EUR	31 December 2019	+/- 10%	28.4	22.1
Increase / decrease in USD/EUR	31 December 2019	+/- 10%	30.8	23.1
Increase / decrease in USD/NOK	31 December 2019	+/- 10%	-0.4	-0.3

*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 Group has entered into a credit insurance agreement. Additionally, the Group manages 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 Revolving Credit 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 its liquidity risk.

An overview of the maturity profile of the Group's financial liabilities with corresponding cash flow effect is presented in note 4.3.

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 operations 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 Group 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 its investors. There has been no breach of the financial covenants in the current or previous period. Reference is made to note 4.2.

The ultimate parent

The shares of Automate Holdings S.à r.l. are held by the ultimate parent THL fund VIII, which is managed by THL Partners.

Issued capital and reserves:

Share capital in Automate Holdings S.à r.l. at 31 December 2019	Number of shares authorised and fully paid	Par value per share (EUR)	Financial Position
At 28 May 2019	**12,000**	**1.00**	**0.01**
Stock split 31.07.2019	-12,000	1.00	-0.01
Stock split 31.07.2019	1,200,000	0.01	0.01
Share conversion into class A-J and capital increase 31.07.2019	3,161,787,200	0.01	31.62
At 31 December 2019	**3,162,987,200**	**0.01**	**31.63**
Share issue at 03.01.2020	330,000	0.01	**0.00**
At 31 December 2020	**3,163,317,200**	**0.01**	**31.63**

The Group’s shareholders:

Shareholders in Automate Holdings S.à r.l. at 31 December 2019	Total shares	Ownership	Voting rights
THL Fund VIII	2,743,830,900	87 %	87 %
Other investors	419,156,300	13 %	13 %
At 31 December 2019	**3,162,987,200**	**100 %**	**100 %**
THL Fund VIII	2,742,630,900	87 %	87 %
Other investors	420,686,300	13 %	13 %
At 31 December 2020	**3,163,317,200**	**100 %**	**100 %**

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

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	2020	2019
Total dividends paid in the period (in mEUR)	-	-
Dividends per share in the period (in EUR)	-	-

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)

	2020	2019
Current income tax expense:		
Tax payable	1.6	10.3
Tax payable subsidiaries prior to acquisition	-	-0.9
Adjustment for income tax payable for previous years	1.9	0.1
Change deferred tax/deferred tax assets (ex. OCI effects) *	-8.3	-7.6
Currency effects	-0.0	0.0
Total income tax expense	**-4.8**	**1.8**

* Change in deferred tax in balance sheet, adjusted for currency translation effects of EUR 7.9 million in 2020

	31.12.2020	31.12.2019
Current tax liabilities consist of:		
Income tax payable for the year as above	1.6	10.3
- of which paid in fiscal year	-1.5	-
Current tax liabilities	**0.1**	**10.3**

Deferred tax assets:	**31.12.2020**	**31.12.2019**
Property, plant and equipment	0.3	-0.0
Intangible assets	-0.0	-0.0
Other current assets	-0.0	-0.2
Liabilities	-4.7	-0.4
Losses carried forward (including tax credit)	-0.0	-0.4
Basis for deferred tax assets:	**-4.4**	**-1.0**
Calculated deferred tax assets	1.0	**0.2**
- Deferred tax assets not recognised		
Net deferred tax assets recognised in balance sheet	**1.0**	**0.2**

Deferred tax liabilities	**31.12.2020**	**31.12.2019**
Property, plant and equipment (including leased assets)	0.6	0.5
Intangible assets	509.1	583.9
Other current assets	0.2	0.6
Liabilities	-4.1	-4.7
Untaxed profit	-	-
Basis for deferred tax liabilities	**505.8**	**580.3**
Calculated deferred tax liabilities	109.4	**124.9**
- Deferred tax not recognised		-
Deferred tax liabilities recognised in balance sheet	**109.4**	**124.9**

5.1 Taxes (continued)

The Group's operations are subject to income tax in various foreign jurisdictions. The statutory income tax rates vary from 17% to 31%, which results in a difference between the statutory income tax rate in Luxembourg and the average tax rate applicable to the group. The average tax rate for the group's deferred tax assets is 21.6 for 2020 and 23.3% for 2019. The average tax rate for the group's deferred tax liabilities is 22.2% for 2020 and 21.5% for 2019. A reconciliation of the differences between the theoretical tax expense under the rate applicable in Luxembourg and the actual tax expense is as follows:

Reconciliation of income tax expense	2020	2019
Profit before taxes	**-23.3**	**-17.1**
Tax expense 17% (Luxembourg tax rate)	-4.0	-2.9
Permanent differences*	-0.8	3.9
Change to prior year tax expense	1.9	0.0
Effects of foreign tax rates	-1.6	3.3
Currency effects	0.3	0.7
Other adjustments	-0.7	-3.3
Recognised income tax expense	**-4.8**	**1.8**

* The permanent differences are related to "Skattefunn" in AutoStore AS, tax relief for research and development activities, and non-deductible costs in AutoStore Sp. z o.o.

Section 6 - Group structure
6.1 Interests in other entities

ACCOUNTING POLICIES

Basis of consolidation
The consolidated financial statements comprise the financial statements of Automate Holdings S.à r.l. and its subsidiaries as at 31 December 2020. 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 entities or interests in unconsolidated subsidiaries that require disclosure under IFRS 12.

The consolidated entities
The Group was established when Automate Holdings S.à r.l. acquired all shares in Terminator Bidco AS through Automate BidCo AS with control effective from 31 July 2019.

The subsidiaries of Automate Holdings S.à r.l. are presented below:

Consolidated entities	Office	CUR	Shareholding	Group's voting ownership share
Automate Intermediate Holdings 1 S.à r.l.	Luxembourg	EUR	100.0%	100.0%
Automate Intermediate Holdings 2 S.à r.l.	Luxembourg	EUR	100.0%	100.0%
Automate HoldCo 1 AS	Norway	NOK	100.0%	100.0%
Automate BidCo AS	Norway	NOK	100.0%	100.0%
Terminator BidCo AS	Norway	NOK	100.0%	100.0%
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 SAS	France	EUR	100.0%	100.0%
AutoStore System GmbH	Germany	EUR	100.0%	100.0%
AutoStore System K.K.	Japan	JPY	100.0%	100.0%
AutoStore System Ltd.	South Korea	KRW	100.0%	100.0%

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

6.2 Business combinations

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 fair value at acquisition date 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 identifiable 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 value 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 life 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 acquirer's CGUs, or groups of CGUs, which are expected to benefit from the business combination. This can include existing CGUs of the acquirer irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The identification of CGUs may require significant judgement by management.

6.2 Business combinations (continued)

Acquisitions in 2019

On 19 June 2019, the Group entered into a SPA and acquired 100% of the voting shares of Terminator Bidco AS, the parent of AutoStore. AutoStore is a unique world-wide patented warehouse system proven to be the ideal small-goods handler for any warehouse, old or new. With standardized boxes stacked in a cube, it is easily the most space-efficient goods-to-man system on the market and can double storing capacity without increasing footprint. AutoStore is sold via a global multi-distribution network.

The transaction is recorded as a business combination in accordance with IFRS 3. The acquisition date for accounting purposes corresponds to the date when the Group obtained control of the legal entities, on 31 July 2019. For tax and economic purposes, the effective date was 31 July 2019.

The acquisition-date fair value of the total consideration transferred was 1,353 mEUR in cash. Transaction costs of 27.9 mEUR were expensed and are included in other operating expenses.

The following intangible assets outside of goodwill were identified in the Autostore acquisition, including management's expectation of economic useful life:

- Technology - 25 years
- Trademark and trade name - Indefinite
- Customer relationships - 5 years
- Patents - 18 years

The following liability in addition to deferred tax was identified in the Autostore acquisition:

- Lease agreement liability - 9.4 years

The acquired balance of AutoStore AS includes an unrecorded liability related to lease commitments at terms less favorable than observed general market terms. The fair value of the liability over the lease term is estimated by using the replacement cost method.

Only assets and liabilities where fair value exceeded the carrying amount under other IFRS standards are included in the summary above.

6.2 Business combinations (continued)

The below table illustrates the fair values of the identifiable assets at the acquisition date:

EUR million	Fair value recognised on acquisition
ASSETS	
Non-current assets	
Deferred tax asset	0.1
Property, plant and equipment	3.7
Trademarks and trade name	6.0
Patent rights	79.0
Technology and software	411.5
Customer relationships	111.2
Right-of-use assets	10.5
Total non-current assets	**622.0**
Current assets	
Inventories	21.5
Trade and other receivables	19.1
Cash and cash equivalents	27.0
Total non-current assets	**67.6**
Total assets	**689.6**
Non-current liabilities	
Deferred tax liability	134.3
Non-current provisions and other liabilities (Unfavorable lease terms)	18.1
Long-term debt	265.4
Total non-current liabilities	**417.8**
Current liabilities	
Trade and other payables	6.5
Income tax payable	0.9
Current provisions and other liabilities	7.9
Total current liabilities	**15.3**
Total liabilities	**433.1**
Total identifiable net assets at fair value	256.5
Purchase consideration	1,353.0
Goodwill arising on acquisition	**1,096.5**
Purchase consideration	
Cash consideration paid	1,353.0
Total consideration	**1,353.0**
Goodwill as a result of deferred tax - technical goodwill	104.0
Goodwill related to synergies & employees - residual goodwill	992.5
Net goodwill from acquisition	**1,096.5**

6.2 Business combinations (continued)

Provision for deferred tax is made for the difference between acquisition cost and acquired tax base in accordance with IAS 12. Offsetting entry of this non-cash deferred tax is technical goodwill. The remaining goodwill of 992.5 mEUR includes the value of expected synergies arising from the acquisition and assembled workforce, which is not separately recognised.

None of the goodwill recognised is expected to be deductible for income tax purposes.

As the AutoStore system is highly integrated with all components and divisions in the company, distribution is done by external distributors and management monitors the business on this level, the goodwill arising from the transaction is allocated to the Group's one CGU, the AutoStore system. For impairment considerations of goodwill, reference is made to note 3.4.

Analysis of cash flows on acquisition	31 July 2019
Net cash acquired (included in the cash flow from operating activities)	27.0
Cash paid (included in the cash flow from investing activities)	1,353.0
Net cash flow from acquisition	**-1,326.0**

Acquisitions in 2020

The Group did not have any acquisition in 2020.

Acquisitions after the balance sheet date

Name	Acquisition date	% voting share acquired	Fair value of consideration (USD)
Locai Solutions, Inc	25.01.2021	100 %	11,205,977

25 January 2021, the Group signed an agreement to acquire all the shares in Locai Solutions Inc through its subsidiary Autostore Systems INC. Locai is a software company located in Delaware, US, providing Digital Commerce platforms to the grocery market based on AI and machine learning technology. The acquisition of Locai broadens Autostore's offerings to include order fulfilment and warehouse management software for stand-alone Autostore solutions.

The consideration is partly paid in shares in Automate Holdings S.a.r.l (USD 7 million) and cash (USD 4.2 million). The initial accounting for the business combination is incomplete at the time these financial statements are authorised for issue. Hence disclosures related to purchase price allocation is not provided.

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: A provision for the unfavorable terms related to the service element (shared cost) in a lease agreement. The provision includes the expected future payments above the market rate for these services discounted to present value.
- Social security for share based payments: Contains a provision for the accrued social security on share options and restrictive share units which will be paid when the options are exercised/fully vested.
- 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 note 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	Social security for share based payments	Salary related costs	Refund liability/ customer bonus	Other provisions	Total
At 28 May 2019	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Additions through acquisitions		4.9					**4.9**
Additional provisions made	0.2	-		1.7	5.2	0.5	**7.7**
Amounts used	-	-0.2		-	-	-	**-0.2**
At 31 December 2019	**0.2**	**4.7**	**-**	**1.7**	**5.2**	**0.5**	**12.4**
Additions through acquisitions	-	-		-	-	-	-
Additional provisions made	0.3	-	3.1	2.0	3.4	4.1	**12.8**
Amounts used	-0.2	-0.6	-	-1.7	-5.2	-0.5	**-8.3**
At 31 December 2020	**0.3**	**4.1**	**3.1**	**2.0**	**3.4**	**4.1**	**17.0**
Current provisions	-	0.6	-	1.8	3.4	3.6	**9.4**
Non-current provisions	0.3	3.6	3.1	0.1	-	0.4	**7.5**

The increase of provisions in the reporting period is mainly related to the recognition of expected social security for share based payments. The provisions for salary related costs and other provisions have increased due to the significant increase in the Group's operating activities.

The provision for social security for share based payments will be settled when the options are exercised, which will occur 1-10 years after the end of the reporting period. The expected average time of settlement is five years, however, earlier settlement could occur due to a change in control and externally dependant exercise patterns.

The onerous shared cost provision is expected to be settled at the end of 2028 with approximately similar amounts each year.

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 economic resources is considered remote.

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

Other commitments

The Group does not have other significant commitments to be disclosed.

Assets pledged as security and guarantee liabilities

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

Legal claims

Autostore filed in October 2020 patent infringement lawsuits in the United States and the United Kingdom against Ocado Group Plc. Autostore is seeking court orders barring Ocado and its partner, Tharsus Group, from manufacturing, importing, using and selling technology that infringes Autostore's patents, as well as monetary damages. An ITC hearing in scheduled in the US in August 2021. In January and March Ocado filed counterclaims against Autostore in the United States, the United Kingdom and Germany.

The Group expects a positive outcome of the cases as it is of the opinion that it is entitled to ownership of its patents covering the robots' central cavity technology, which is already found by a Norwegian court. Hence, the Group also believes that the counterclaims from Ocado are not well-founded, and that it is not probable that the counterclaims will result in an outflow of economic resources from Autostore.

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 2020	Amounts received from related parties	Payments made to related parties	Receivable from related parties	Payable to related parties
THL Managers VIII, LLC		2.0		
Total	**-**	**2.0**	**-**	**-**

The above payments relates to recurring management fee paid to the THL managers for consulting services which is paid in quarterly installments. For Group purposes, THL Managers VII, LLC represents a related party as it is part of the PE-controlled entity structure of private equity firm, THL Partners L.P., located in Boston, MA.

Related party transactions 2019	Amounts received from related parties	Payments made to related parties	Receivable from related parties	Payable to related parties
THL Managers VIII, LLC		27.3		
Total	**-**	**27.3**	**-**	**-**

The Group's related party transactions in 2019 are mainly related to one-time advisory fee payments by the Group to its ultimate parent company, THL Partners L.P. as a result of the closed transaction on July 2019, see note 6.2 for additional information on the business combination.

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

On 4 January 2021 the Parent Company increased its subscribed capital by issuing share classes with a total value of EUR 84,386.89 in return for a contribution in kind as a receivable amounting to EUR 2,784,771.06. The amount of EUR 2,700,384.17 was allocated to the share premium account of the company.

On 25 January 2021 the Group acquired 100 % of the shares in Locai Inc, see note 6.2 for more information. In relation to this and the related share issue, the Parent Company received EUR 5,722,500.00 in kind of which EUR 98,100.00 was allocated to the subscribed capital.

On 5 April 2021 it was announced that SoftBank acquires 40 % of the shares in Automate Holdings S.a.r.l. for USD 2.8 billion. SoftBank will pay a crucial role in accelerating AutoStore's global expansion, with particular emphasis on the Asia Pacific region, and complements the leading automation investor base. Thomas H. Lee Partners, L.P. continues to be AutoStore's majority shareholder. The transaction is subject to customary closing conditions and is expected to be completed in April 2021.

The transaction and the increased value of the Group's shares that it reflects has not affected the 2020 accounting for management's outstanding share options as this is a 2021 event. Based on the increased value of Autostore's shares, the SST provision is expected to increase by EUR 16.3 million in Q1 2021. The total option expense is not expected to be affected due to the fact that the options are equity settled and cost recognised is based on the estimated fair value on the grant date. However, as a result of the transaction, the performance options are considered fully vested, which results in an expected option expense of EUR 1.6 million in Q1 2021.

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REPORT OF THE *RÉVISEUR D'ENTREPRISES AGRÉÉ*

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Automate Holdings S.à r.l. (the "Group") and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (Law of July 23, 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *"Commission de Surveillance du Secteur Financier"* (CSSF). Our responsibilities under the Law of July 23, 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the *"réviseur d'entreprises agréé"* for the Audit of the Consolidated Financial Statements" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Société à responsabilité limitée au capital de 360.000 €
RCS Luxembourg B 67.895
Autorisation d'établissement 10022179

Other Information

The Board of Managers of the Group is responsible for the other information. The other information comprises the information stated in the consolidated management report but does not include the consolidated financial statements and our report of the *"réviseur d'entreprises agréé"* thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers of the Group for the Consolidated Financial Statements

The Board of Managers of the Group is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs as adopted by the European Union, and for such internal control as the Board of Managers of the Group determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Responsibilities of the *"réviseur d'entreprises agréé"* for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *"réviseur d'entreprises agréé"* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.
- Conclude on the appropriateness of Board of Managers ' 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 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 report of the "*"réviseur d'entreprises agréé*" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *"réviseur d'entreprises agréé"*. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 and 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

The management report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

For Deloitte Audit, *Cabinet de révision agréé*

Alberto Olivero, *Réviseur d'entreprises agréé*
Managing Director

April 22, 2021

APPENDIX C

DETAILS OF CURRENCY CONVERSION FROM EUR TO USD APPLIED TO THE FINANCIAL STATEMENTS FOR AUTOMATE HOLDINGS S.À R.L. FOR THE YEAR ENDED 31 DECEMBER 2020

Currency conversion

This attachment sets out the translation of certain financial figures in the prospectus from EUR to USD, based on a convenience translation.

The financial statements are translated to USD from EUR based on the below principles:

Statement of profit and loss

Average EUR/USD rate for the period covered, as well as for specific items as set out in the section "Other figures for 2020 for Automate Holdings S.a.r.l. from EUR to USD".

Statement of financial position, excluding equity

EUR/USD FX rate at the end of the period covered

Equity

Historical FX rates for share capital, share premium, other capital reserves

Retained earnings is derived from the statement of profit and loss

Cumulative translation differences include the translation effect arising from converting from EUR to USD.

Exchange rates applied

(Source: https://www.norges-bank.no/tema/Statistikk/Valutakurser/?tab=currency&id=USD – exchange rates announced by the Central Bank of Norway)

	2020		
Currency	Period	P&L	Balance
EUR to USD	Average	1,14133	-
EUR to USD	31.12	-	1,22710

	2019		
Currency	Period	P&L	Balance
EUR to USD	Average	1,11814	-
EUR to USD	31.12	-	1,12334
EUR to USD	31.07		1,11511

Conversion of consolidated statement of comprehensive income 2020 and 2019 for Automate Holdings S.a.r.l. from EUR to USD (average rates applied):

Consolidated statement of comprehensive income	Total reported EUR million Automate LuxCo Year ended 31 December 2020	Total reported USD million Automate LuxCo Year ended 31 December 2020
Revenue	158,2	180,6
Other operating income	1,4	1,6
Total revenue and other operating income	**159,6**	**182,1**
Cost of materials	45,6	52,1
Employee benefit expenses	22,9	26,2
Other operating expenses	25,6	29,2
Depreciation and amortisation	43,9	50,2
Operating profit (loss)	**21,5**	**24,6**
Finance income	(0,1)	(0,1)
Finance cost	44,9	51,2
Profit (loss) before tax	**(23,3)**	**(26,6)**
Income tax expenses	(4,8)	(5,5)
Profit (loss) for the period	**(18,4)**	**(21,1)**

Other comprehensive loss	Total reported EUR million Automate LuxCo Year ended 31 December 2020	Total reported USD million Automate LuxCo Year ended 31 December 2020
Items that subsequently will not be recalssified 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	(59,6)	30,9
Total items that may be reclassified to profit or loss	(59,6)	30,9
Other comprehensive loss for the period	**(59,6)**	**30,9**
Total comprehensive loss for the period	**(78,0)**	**9,9**

Consolidated statement of comprehensive income (28.05-31.12)	Total reported EUR million Automate LuxCo Year ended 31 December 2019	Total reported USD million Automate LuxCo Year ended 31 December 2019
Revenue	91,3	102,1
Other operating income	1,4	1,6
Total revenue and other operating income	**92,7**	**103,7**
		–
Cost of materials	28,6	32,0
Employee benefit expenses	5,3	5,9
Other operating expenses	37,1	41,5
Depreciation and amortisation	18,5	20,7
Operating profit (loss)	**3,2**	**3,6**
Finance income	0,1	0,1
Finance cost	20,4	22,8
Profit (loss) before tax	**(17,1)**	**(19,1)**
Income tax expenses	1,8	2,0
Profit (loss) for the period	**(18,8)**	**(21,1)**

Conversion of consolidated statement of financial position as of year end 2020 and 2019 for Automate Holdings S.a.r.l. from EUR to USD (31.12 rate applied):

Consolidated statement of financial position	Total reported EUR million Automate LuxCo Year ended 31 December 2020	Total reported EUR million Automate LuxCo Year ended 31 December 2019	Total reported USD million Automate LuxCo Year ended 31 December 2020	Total reported USD million Automate LuxCo Year ended 31 December 2019
Non-current assets				
Property, plant and equipment	8,5	5,1	10,4	5,8
Right-of-use assets	10,8	9,9	13,2	11,1
Goodwill	1 023,6	1 086,5	1 256,0	1 220,5
Intangible assets	524,9	588,5	644,1	661,1
Deferred tax assets	1,0	0,2	1,2	0,3
Other non-current assets	0,1	0,1	0,2	0,1
Total non-current assets	**1 568,9**	**1 690,4**	**1 925,1**	**1 898,9**
Current assets				
Inventories	23,7	19,8	29,1	22,2
Trade receivables	35,7	53,9	43,8	60,5
Other receivables	4,9	4,9	6,0	5,5
Cash and cash equivalents	40,9	20,4	50,1	22,9
Total current assets	**105,2**	**99,0**	**129,0**	**111,2**
TOTAL ASSETS	**1 674,0**	**1 789,4**	**2 054,2**	**2 010,1**
EQUITY AND LIABILITIES				
Equity				
Share capital	31,6	31,6	35,2	35,2
Share premium	1 022,4	1 022,3	1 139,1	1 139,1
Other equity	(111,1)	(36,5)	(17,2)	(31,4)
Total equity	**943,0**	**1 017,4**	**1 157,1**	**1 142,9**
Non-current liabilities				
Non-current interest bearing liabilties	564,1	588,5	692,2	661,1
Non-current lease liabilities	12,0	12,2	14,7	13,7
Deferred tax liabilities	109,4	124,9	134,2	140,3
Non-current provisions	7,5	4,4	9,3	5,0
Total non-current liabilities	**693,0**	**730,1**	**850,4**	**820,1**
Current liabilities				
Trade and other payables	23,2	18,1	28,5	20,4
Interest bearing liabilities	2,3	3,2	2,8	3,5
Lease liabilities	3,0	2,4	3,7	2,7
Income tax payable	0,1	10,3	0,1	11,5
Provisions	9,4	8,0	11,5	9,0
Total current liabilities	**38,0**	**42,0**	**46,7**	**47,1**
Total liabilities	**731,0**	**772,0**	**897,0**	**867,2**
TOTAL EQUITY AND LIABILITIES	**1 674,0**	**1 789,4**	**2 054,2**	**2 010,1**

Conversion of consolidated statements of cash flows for 2020 and 2019 for Automate Holdings S.a.r.l. from EUR to USD (average rate applied except for cash beginning of period where period 31.12 rate is applied):

Cash flow reported	Total reported EUR million Automate LuxCo For the year ended 31 December 2020	Total reported USD million Automate LuxCo For the year ended 31 December 2020
Cash flows from operating activities		
Profit (loss) before tax	(23,3)	(26,6)
Adjustments to reconcile profit (loss) before tax net cash flow:		
Depreciation and amortisation	43,9	50,1
Share-based payment expenses	3,5	4,0
Net finance income and costs	44,8	51,1
Working capital adjustments:		–
Changes in inventories	(4,0)	(4,6)
Changes in trade and other receivables	18,2	20,8
Changes in trade and other payables	5,1	5,8
Changes in provisions	(1,3)	(1,5)
Other items:		–
Tax paid	(13,7)	(15,6)
Net cash flows provided by operating activities	**73,2**	**83,5**
Cash flows from investing activities		
Proceed from sale of property, plant and equipment	0,2	0,2
Purchase of property, plant and equipment	(5,3)	(6,0)
Purchase of shares in subsidiaries, net of cash acquired	–	–
Development expenditures	(11,9)	(13,6)
Interest received	0,1	0,1
Net cash flows used in investing activities	**(16,9)**	**(19,3)**
Cash flows from financing activities		
Proceed from issuance of equity	0,1	0,1
Proceed from issuance of debt	–	–
Repayment of long-term debt	–	–
Repayment of revolving credit facility	–	–
Repayment of short-term debt	(3,2)	(3,7)
Payments for the principal portion of the lease liability	(1,8)	(2,1)
Payments for the interest portion of the lease liability	(0,7)	(0,8)
Interest paid	(29,5)	(33,7)
Dividends paid	–	–
Group contribution paid	–	–
Net cash flows used in financing activities	**(35,1)**	**(40,1)**
Net change in cash and cash equivalents	21,1	24,2
Effect of change in exchange rate	(0,6)	(0,7)
Cash and cash equivalents, beginning of period	20,4	22,5
Translation effect from change in currency from EUR to USD	–	4,1
Cash and cash equivalents, end of period	**40,9**	**50,2**

Consolidated statement of cash flows (28.05-31-12)	Total reported EUR million Automate LuxCo For the year ended 31 December 2019	Total reported USD million Automate LuxCo For the year ended 31 December 2019
Cash flows from operating activities		
Profit (loss) before tax	(17,1)	(19,1)
Adjustments to reconcile profit (loss) before tax net cash flow:		
Depreciation and amortisation	18,5	20,7
Share-based payment expenses	–	–
Net finance income and costs	20,3	22,7
Working capital adjustments:		–
Changes in inventories	1,9	2,1
Changes in trade and other receivables	(36,5)	(40,8)
Changes in trade and other payables	10,4	11,6
Changes in provisions	6,2	6,9
Other items:		
Tax paid	–	–
Net cash flows provided by operating activities	**3,8**	**4,1**
Cash flows from investing activities		
Proceed from sale of property, plant and equipment	–	–
Purchase of property, plant and equipment	(2,6)	(2,9)
Purchase of shares in subsidiaries, net of cash acquired	(1 326,0)	(1 482,7)
Development expenditures	(3,9)	(4,4)
Interest received	0,1	0,1
Net cash flows used in investing activities	**(1 332,5)**	**(1 489,8)**
Cash flows from financing activities		
Proceed from issuance of equity	1 053,9	1 178,4
Proceed from issuance of debt	590,0	659,7
Repayment of long-term debt	(265,8)	(297,2)
Repayment of revolving credit facility	(14,3)	(16,0)
Repayment of short-term debt	(0,2)	(0,2)
Payments for the principal portion of the lease liability	(0,6)	(0,7)
Payments for the interest portion of the lease liability	(0,3)	(0,3)
Interest paid	(13,0)	(14,5)
Dividends paid	–	–
Group contribution paid	–	–
Net cash flows used in financing activities	**1 349,6**	**1 509,2**
Net change in cash and cash equivalents	20,9	23,5
Effect of change in exchange rate	(0,5)	(0,6)
Cash and cash equivalents, beginning of period	–	–
Translation effect from change in currency from EUR to USD	–	–
Cash and cash equivalents, end of period	**20,4**	**22,9**

Conversion of equity reconciliation for 2020, for Automate Holdings S.a.r.l. from EUR to USD:

EUR million	Share capital	Share premium	Other capital reserves	Cumulative translation differences	Retained earnings	Total equity
Balance at 28 May 2019 (unreviewed)						
Loss for the year					-18,8	**-18,8**
Other comprehensive loss				-17,7		**-17,7**
Total comprehensive loss	**-**	**-**	**-**	**-17,7**	**-18,8**	**-36,5**
Issue of share capital (note 4.1)	31,6	1 022,3				**1 053,9**
Exercise of share options (note 4.1)						**-**
Share-based payments						**-**
Group contribution						**-**
Balance at 31 December 2019	**31,6**	**1 022,3**	**-**	**-17,7**	**-18,8**	**1 017,4**
Loss for the year					-18,4	**-18,4**
Other comprehensive loss				-59,6		**-59,6**
Total comprehensive loss	**-**	**-**	**-**	**-59,6**	**-18,4**	**-78,0**
Issue of share capital (note 4.1)		0,1				**0,1**
Exercise of share options (note 4.1)						**-**
Share-based payments			3,5			**3,5**
Group contribution						**-**
Balance at 31 December 2020	**31,6**	**1 022,4**	**3,5**	**-77,3**	**-37,2**	**943,0**

USD million	Share capital	Share premium	Other capital reserves	Cumulative translation differences	Retained earnings	Total equity
Balance at 28 May 2019 (unreviewed)	-	-	-	-	-	
Loss for the year	-	-	-	-	-21,3	**-21,3**
Other comprehensive loss	-	-	-	-10,1	-	**-10,1**
Total comprehensive loss	-	-	-	**-10,1**	**-21,3**	**-31,4**
Issue of share capital (note 4.1)	35,2	1 139,1	-	-	-	**1 174,3**
Exercise of share options (note 4.1)	-	-	-	-	-	**-**
Share-based payments	-	-	-	-	-	**-**
Group contribution	-	-	-	-	-	**-**
Balance at 31 December 2019	**35,2**	**1 139,1**	**-**	**-10,1**	**-21,3**	**1 142,9**
Loss for the year	-	-	-	-	-21,1	**-21,1**
Other comprehensive loss	-	-	-	30,9	-	**30,9**
Total comprehensive loss	**-**	**-**	**-**	**30,9**	**-21,1**	**9,9**
Issue of share capital (note 4.1)	-	0,1	-	-	-	**0,1**
Exercise of share options (note 4.1)	-	-	-	-	-	**-**
Share-based payments	-	-	4,3	-	-	**4,3**
Group contribution	-	-	-	-	-	**-**
Balance at 31 December 2020	**35,2**	**1 139,1**	**4,3**	**20,9**	**-42,4**	**1 157,1**

Conversion of segment information for 2020 for Automate Holdings S.a.r.l. from EUR to USD (average rate applied):

	Total reported EUR million Automate LuxCo For the year ended 31 December 2020	Total reported USD million Automate LuxCo For the year ended 31 December 2020
Nordics	27,0	30,8
Germany	31,0	35,4
Europe (excl. Nordics and Germany)	38,1	43,5
United States	38,2	43,6
Asia	22,4	25,6
Other	1,5	1,7
Total	**158,2**	**180,6**

Conversion of other figures for 2020 and 2019 for Automate Holdings S.a.r.l. from EUR to USD (see table below for rates applied)

	Exchange rate	Period	Note reference	Total reported EUR million Automate LuxCo	Total reported USD million Automate LuxCo
Development additions	1,14133	Average 2020	3.4	11,9	13,6
The acquisition-date fair value cash paid	1,11511	31.07.2019	6.2	1 353,0	1 508,7
PPA values (Goodwill and Intangible assets less Development)	1,2271	31.12.2020	3.3 & 3.4	1 534,1	1 882,5
IFRS 16 lease depreciation	1,14133	Average 2020	3.2	1,6	1,8
Lease cash cost	1,14133	Average 2020	3.2	2,5	2,9
THL Managers VIII, LLC (Related party transactions)	1,14133	Average 2020	7.3	2,0	2,3
THL Managers VIII, LLC (Related party transactions)	1,11814	Average 2019	7.3	27,3	30,6

Total reported EUR million
Automate LuxCo
Year ended 31 December 2020

Remuneration to the CEO and other key management	Exchange rate	Period	Note reference	Salary	Other compensation	Total remuneration
Karl Johan Lier	1,14133	Average	2.4	0,30	0,02	0,32
Other key management	1,14133	Average	2.4	1,09	0,01	1,10
Total	1,14133	Average	2.4	1,39	0,03	1,42

Total reported USD million
Automate LuxCo

Year ended 31 December 2020	Salary	Other compensation	Total remuneration
Karl Johan Lier	0,34	0,02	0,37
Other key management	1,24	0,01	1,26
Total	1,59	0,03	1,62

APPENDIX D

FINANCIAL STATEMENTS FOR TERMINATOR BIDCO AS FOR THE YEAR ENDED 31 DECEMBER 2019

AutoStore

Consolidated Financial Statements 2019

Terminator Bidco AS including subsidiaries

Contents

Consolidated statement of comprehensive income

For the years ended 31 December

USD million	Notes	2019	2018 Restated*
Revenue	2.1	193.3	142.6
Other operating income	2.2	1.3	1.3
Total revenue and other operating income		**194.6**	**143.9**
Cost of materials	2.3	-62.8	-46.4
Employee benefit expenses	2.4	-13.5	-10.7
Other operating expenses	2.5	-15.7	-15.1
Depreciation and amortisation	3.1-3.4	-14.3	-12.8
Operating profit		**88.3**	**58.9**
Finance income	4.5	0.2	0.1
Finance costs	4.5	-20.2	-36.8
Profit before tax		**68.3**	**22.2**
Income tax expense	5.1	-12.5	-1.9
Profit for the period		**55.8**	**20.3**

Other comprehensive loss

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	-3.1	-14.9
Total items that may be reclassified to profit or loss	-3.1	-14.9
Other comprehensive loss for the period	**-3.1**	**-14.9**
Total comprehensive income for the period	**52.7**	**5.4**

Profit/loss attributable to:		
Equity holders of the parent	55.8	20.3
Non-controlling interests	-	-
Total comprehensive loss attributable to:		
Equity holders of the parent	52.7	5.4
Non-controlling interests	-	-

**The restatement relates to change in presentation currency from NOK to USD (ref note 1.1)*

Consolidated statement of financial position

USD million	Notes	31.12.2019	31.12.2018 Restated*	01.01.2018 Restated*
ASSETS				
Non-current assets				
Property, plant and equipment	3.1	5.8	4.0	1.6
Right-of-use assets	3.2	12.1	13.9	16.7
Goodwill	3.3	321.6	324.9	348.4
Intangible assets	3.4	151.0	154.5	170.1
Deferred tax assets	5.1	0.3	0.1	0.4
Other non-current assets	4.1	0.1	0.1	0.1
Total non-current assets		**490.8**	**497.6**	**537.3**
Current assets				
Inventories	2.3	22.2	16.5	10.8
Trade receivables	2.6	60.6	16.5	12.8
Other receivables	2.6	23.5	3.8	0.8
Cash and cash equivalents	4.4	19.7	25.0	6.7
Total current assets		**126.0**	**61.8**	**31.2**
TOTAL ASSETS		**616.7**	**559.4**	**568.5**
EQUITY AND LIABILITIES				
Equity				
Share capital	4.8	30.7	30.7	30.7
Share premium	4.8	119.6	119.6	285.9
Other equity		79.4	26.7	21.3
Total equity		**229.8**	**177.0**	**337.9**
Non-current liabilities				
Non-current interest bearing liabilities	4.2	293.6	303.4	150.5
Non-current lease liabilities	3.2	13.9	15.9	18.9
Deferred tax liabilities	5.1	32.1	30.5	36.1
Non-current provisions	7.1	4.2	3.9	4.8
Total non-current liabilities		**343.8**	**353.7**	**210.3**
Current liabilities				
Trade and other payables	2.7	20.3	13.6	5.2
Interest bearing liabilities	4.2	-	-	6.2
Lease liabilities	3.2	2.7	2.7	2.9
Income tax payable	5.1	11.5	4.7	3.2
Provisions	7.1	8.7	7.7	2.8
Total current liabilities		**43.2**	**28.7**	**20.3**
Total liabilities		**387.0**	**382.4**	**230.6**
TOTAL EQUITY AND LIABILITIES		**616.7**	**559.4**	**568.5**

Oslo, 5 May 2021

Karl Johan Lier
Chairman of the Board/CEO

Gro Anita Klungtveit
Board Member

Helge Olsen
Board Member

The restatement relates to change in presentation currency from NOK to USD (ref note 1.1)

Consolidated statement of cash flows

For the years ended 31 December

Cash flows from operating activities (USD Million)	Notes	2019	2018 Restated*
Profit before tax		68.3	22.2
Adjustments to reconcile profit before tax to net cash flow:			
Depreciation and amortisation	3.1-3.4	14.3	12.8
Net finance income and costs	4.5	20.0	36.7
Working capital adjustments:			
Changes in inventories		-5.7	-5.5
Changes in trade and other receivables		-62.7	-8.0
Changes in trade and other payables		8.2	7.6
Changes in provisions		1.8	4.8
Other items			
Tax paid		-4.7	-3.3
Net cash flows from operating activities		**39.5**	**67.3**

Cash flows from investing activities (USD Million)			
Purchase of property, plant and equipment	3.1	-4.9	-3.2
Proceeds from sale of property, plant and equipment		1.4	0.0
Development expenditures	3.4	-9.4	-6.1
Interest received	4.5	0.2	0.1
Net cash flow from investing activities		**-12.7**	**-9.2**

Cash flow from financing activities (USD Million)			
Proceeds from issuance of debt	4.2, 4.3	286.7	304.1
Repayment of long-term debt	4.2, 4.3	-305.2	-157.3
Repayment of short-term debt	4.2, 4.3	-	-2.1
Payments for the principal portion of the lease liability	3.2, 4.3	-2.6	-1.7
Payments for the interest portion of the lease liability	3.2, 4.3	-0.9	-0.9
Interest paid	4.5	-10.1	-13.6
Dividends paid	4.8	-	-166.3
Net cash flow from financing activities		**-32.1**	**-37.8**

Net change in cash and cash equivalents		-5.2	20.4
Effect of change in exchange rate		-0.0	0.0
Cash and cash equivalents, beginning of period	4.4	25.0	4.6
Cash and cash equivalents, end of period	4.4	**19.7**	**25.0**

ACCOUNTING POLICIES

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

**The restatement relates to change in presentation currency from NOK to USD (ref note 1.1)*

Consolidated statement of changes in equity

			Other equity		
Million USD	**Share capital**	**Share premium**	**Cumulative translation differences**	**Retained earnings**	**Total equity**
Balance at 1 January 2018 (restated*)	**30.7**	**285.9**	**16.1**	**5.2**	**337.9**
Profit for the year				20.3	**20.3**
Other comprehensive income			-14.9		**-14.9**
Dividends distributed		-166.3			**-166.3**
Balance at 31 December 2018 (restated*)	**30.7**	**119.6**	**1.2**	**25.5**	**177.0**
Profit for the year				55.8	**55.8**
Other comprehensive income			-3.1		**-3.1**
Balance at 31 December 2019	**30.7**	**119.6**	**-1.9**	**81.3**	**229.8**

**The restatement relates to change in presentation currency from NOK to USD (ref note 1.1)*

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 of the Group is THL fund VIII, which is managed by private equity firm, THL Partners L.P., registered in Boston, MA, in the United States of America.

The Group was sold as of 31 July 2019 to Automate Bidco AS, a subsidiary of THL fund VIII (see Note 4.8 for further detail).

The consolidated financial statements of the Group for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 5 May 2021. 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. In the statement of comprehensive income income/gains are presented as positive amounts and expenses/costs are presented as negative amounts. In the notes, both income and expenses are presented as positive numbers.

Accounting policies

Presentation currency and functional currency

The consolidated financial statements are presented in United Stated Dollar (USD), while the functional currency of the parent company is Norwegian kroner (NOK).

In 2019 the Group changed it's presentation currency from NOK to USD to provide the primary users of the financial statements with more convenient information. The Group has restated prior periods for this voluntary presentational change in line with IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, from 13 October 2016, representing the date of incorporation of Terminator Bidco AS. The Group has included a second comparative statement in the consolidated statement of financial position in line with IAS 1, presentation of financial statements. Income and expenses as well as other comprehensive income were translated to USD at the respective average exchange rates prevailing for the relevant periods. Assets, liabilities and total equity were translated at closing exchange rates prevailing on the respective balance sheet dates. Share capital and share premium were translated with historical rates.

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. The resulting exchange differences are recognised in other comprehensive income.

Changes in accounting policies

Several amendments and interpretations apply for the first time in 2019, but did not have any material impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. The amendments and interpretations that applied for the first time in 2019 include:

- IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
- Amendments to IFRS 9: Prepayment Features with Negative Compensation
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28: Long-term interests in associates and joint ventures
- Annual Improvements 2015-2017 Cycle (IFRS 3, IFRS 11, IAS 12, IAS 23)

IFRS 16 was early adopted on 1 January 2018.

1.1 General information (continued)

Accounting policies (continued)

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, when they become effective. Adopting those not yet effective are expected to not have a material impact on the Group's financial performance or financial position.

- Amendments to IFRS 3: Definition of a Business - effective in 2020 financial statements
- Amendments to IAS 1 and IAS 8: Definition of Material - effective in 2020 financial statements
- Amendments to IFRS 9, IAS 39, IFRS 7 and IFRS 16: Interest Rate Benchmark Reform - effective in 2020 financial statements
- Amendments to IFRS 16 Covid-19 Related Rent Concessions - effective in 2021 financial statements
- Amendments to IFRS 3 - Reference to the Conceptual Framework - effective in 2022 financial statements
- Amendments to IAS 16: Proceeds before Intended Use - effective in 2022 financial statements
- Amendments to IAS 37: Onerous Contracts – Costs of Fulfilling a Contract - effective in 2022 financial statements
- Amendments to IFRS 1: Subsidiary as a first-time adopter - effective in 2022 financial statements
- Amendments: IFRS 9: Fees in the test for derecognition of financial liabilities - effective in 2022 financial statements
- Amendments to IAS 41: Taxation in fair value measurements - effective in 2022 financial statements
- Amendments to IFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021 - effective in 2022 financial statements
- IFRS 17 Insurance Contracts - effective in 2023 financial statements
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current - effective in 2023 financial statements
- Amendments to IAS 8: Definition of Accounting Estimates - effective in 2023 financial statements
- Amendments to IAS 1: Disclosure of Accounting Policies - effective in 2023 financial statements

Accounting policy disclosures

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

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.

1.1 General information (continued)

Significant accounting judgments, 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 include 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)

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

A description of the significant accounting judgements, estimates and assumptions are included in the individual note.

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 the performance obligation arising from a contractual obligation with a customer has been met.

Sale of goods

Revenue from the sale of goods is related to products delivered as part of the AutoStore System and is recognised at the point in time when a performance obligation arising from a contractual obligation with a customer has been met, 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	2019	2018 Restated
Major products and services		
AutoStore system	192.1	142.2
Rendering of services	1.1	0.4
Total revenue	**193.3**	**142.6**
Geographic information		
Nordics	26.7	21.8
Germany	37.4	37.8
Europe, excl. Nordics and Germany	34.4	22.0
USA	75.0	53.9
Asia	18.2	7.0
Other	1.6	0.1
Total revenue	**193.3**	**142.6**
Timing of revenue recognition		
Goods transferred at a point in time	192.1	142.2
Goods and services transferred over time	1.1	0.4
Total revenue	**193.3**	**142.6**

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 60 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	2019	2018 Restated
Net gain on disposal of property, plant and equipment	0.0	0.0
Freight	0.2	1.3
Other operating income	1.0	0.0
Total other operating income	**1.3**	**1.3**

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.

The cost are presented as cost of materials in the consolidated statement of comprehensive income.

Inventories	**31.12.2019**	**31.12.2018 Restated**	**01.01.2018 Restated**
Raw materials	13.0	10.5	6.5
Work in progress	0.6	0.0	0.6
Finished goods, including goods for resale	8.9	6.0	3.7
Total inventories (gross)	**22.4**	**16.5**	**10.8**
Provision for obsolete inventories	-0.2	-0.0	-
Total inventories at the lower of cost and net realisable value	**22.2**	**16.5**	**10.8**

Cost of materials	**2019**	**2018 Restated**
Cost of raw materials, work in progress, finished goods and goods for resale	-62.8	-46.4
Total cost of materials	**-62.8**	**-46.4**

During the reporting period, USD 166 thousands was recognised as a write-down expense for inventories carried at net realisable value.

The Group expects to recover the carrying amount of inventories within twelve months after the reporting period.

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 Managers.

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").

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	2019	2018 Restated
Salaries	9.3	7.6
Social security costs	2.1	1.6
Pension costs	0.8	0.6
Other employee expenses	1.3	1.0
Total employee benefit expenses	**13.5**	**10.7**
Average number of full time employees (FTEs)	289	242

Management and Board remuneration

Remuneration to the CEO	Year	Salary	Other Compensation	Total remuneration
Karl Johan Lier	2019	0.36	0.05	**0.41**
Karl Johan Lier	2018	0.39	0.05	**0.44**

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 the share option program further described below. In addition certain members of the group management owns shares in the ultimate parent company Automate Holding S.à r.l.

Prior the the Group being acquired by THL in July 2019, member of Management participated in a share purchase program in the former parent Terminator Topco AS.

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

2.4 Employee benefit expenses (Continued)

Share based payment

ACCOUNTING POLICIES

The Group has share-based programs for the key employees. The programs are measured at fair value on the grant date. The share option program for the key employees gives the employee the right to purchase shares (equity settled) in the ultimate parent company Automate Holding S.à r.l.

The fair value of the issued options is expensed over the vesting period which is over the agreed-upon future service time. The cost is recognized as employee benefit expenses in profit or loss and in other paid-in capital. Social security tax on options is recorded as a liability and is recognized over the estimated vesting period.

Option programme

In 2019, the Group entered into a share option programme covering certain employees in senior positions (key personnel). As at 31 December 2019, 22 employees were included in the option program. 33% of the Options are subject to time-based vesting criteria only, with 20% of such Options vesting on each of the first five anniversaries of the grant date, subject to continued employment on each vesting date ("Service Options"). All Service Options will vest and become exercisable upon a change of control. 67% of the Options are subject to time- and performance-based vesting criteria, both of which must be satisfied for such Options to vest and become exercisable ("Performance Options"). The time-based vesting criteria for the Performance Options will match the vesting schedule of the Service Options, subject to continued employment on each vesting date.

The fair value of the options is set on the grant date and expensed over the vesting period. The share price is set equal to the price per share paid by the Group in the acquisition of AutoStore. The fair value of options is assessed to be immaterial (as of grant date and 31 December 2019) and therefore fair value as such is not disclosed.

In total, 146,431,641 options were granted in 2019 and the same number was outstanding as at 31 December 2019. None of the options outstanding were exercisable at 31 December 2019.

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	2019	2018 Restated
Meetings, travel & representation expenses	2.4	2.2
Lease expenses	1.5	0.1
Business services expenses	0.8	1.0
IT costs	2.1	2.1
Marketing and distribution expenses	1.7	2.5
Consulting expenses	5.7	4.9
Other operating expenses	1.5	2.2
Total other operating expenses	**15.7**	**15.1**

The Group's research and development expenditure recognised as an expense during the reporting period was USD 2 million. Capitalized development costs are presented in note 3.4.

Auditor related fees	2019	2018 Restated
Audit fee	0.1	0.1
Tax advisory services	0.0	0.0
Other advisory services	0.2	0.5
Total auditor fees (excl. VAT)	**0.3**	**0.6**

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 60 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	31.12.2019	31.12.2018 Restated	01.01.2018 Restated
Trade receivables from customers at nominal value	60.6	16.5	12.8
Allowance for expected credit losses	-0.0	-0.0	-
Total trade receivables	**60.6**	**16.5**	**12.8**

Other receivables	31.12.2019	31.12.2018 Restated	01.01.2018 Restated
Receivable on related parties	17.8	-	-
Prepaid rent and other expenses	0.6	0.2	0.1
VAT receivable	3.7	3.5	-
Other	1.4	0.0	0.7
Total other receivables	**23.5**	**3.8**	**0.8**

Allowance for expected credit losses	Financial instrument	31.12.2019	31.12.2018 Restated	01.01.2018 Restated
At January 1	Loans and receivables	-	-	-
Provision for expected credit losses	Loans and receivables	-	-	-
At December 31	Loans and receivables	-	-	-

The credit risk of financial assets has not increased significantly from initial recognition.

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 31.12.2019	57.0	2.4	1.1	0.1	**60.6**
Trade receivables at 31.12.2018	15.7	0.2	0.4	0.2	**16.5**
Trade receivables at 01.01.2018	10.9	0.7	1.1	0.1	**12.8**

For details regarding the Group's procedures on managing credit risk, reference is made to note 4.7. Information on when the Group considers a financial asset (such as a trade receivable) to be in default and when these assets are written off are described in note 4.1.

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 December. 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	31.12.2019	31.12.2018 Restated	01.01.2018 Restated
Trade payables	16.9	11.8	5.2
VAT payable	1.8	0.7	-
Withholding payroll taxes and social security	0.7	1.0	-
Other payables	0.8	0.0	-
Total trade and other payables	**20.3**	**13.6**	**5.2**

For an overview of the term date of trade and other payables, reference 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 January 2018	**3.4**	**0.3**	**0.5**	**4.2**
Additions	1.9	0.0	1.2	**3.2**
Disposals	-	-	-0.0	**-0.0**
Currency translation effects	-0.4	-0.0	-0.1	**-0.5**
Acquisition cost 31 December 2018	**5.0**	**0.3**	**1.6**	**6.9**
Additions through acquisitions	-	-	-	-
Additions	4.0	0.1	0.9	**4.9**
Disposals	-0.8	-	-0.5	**-1.4**
Currency translation effects	-1.1	0.0	-1.1	**-2.1**
Acquisition cost 31 December 2019	**7.0**	**0.4**	**0.9**	**8.3**
Accumulated depreciation 01 January 2018	**2.1**	**0.1**	**0.3**	**2.6**
Depreciation for the year	0.5	0.0	0.1	**0.6**
Disposals	-	-	-0.0	**-0.0**
Currency translation effects	-0.2	-0.0	-0.1	**-0.3**
Accumulated depreciation 31 December 2018	**2.4**	**0.1**	**0.4**	**2.9**
Depreciation for the year	0.8	0.0	0.1	**0.9**
Disposals	-0.8	-	-0.5	**-1.4**
Currency translation effects	-0.3	0.0	0.4	**0.1**
Accumulated depreciation 31 December 2019	**2.0**	**0.2**	**0.3**	**2.6**
Carrying amount 01 January 2018 (restated)	**1.2**	**0.2**	**0.2**	**1.6**
Carrying amount 31 December 2018 (restated)	**2.6**	**0.2**	**1.3**	**4.0**
Carrying amount 31 December 2019	**5.0**	**0.2**	**0.6**	**5.8**
Economic life (years)	3-7	5	3-7	
Depreciation plan		Straight-line method		

3.2 Right-of-use assets and related lease liabilities

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 5 thousand USD)

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 measurement of the lease liability, any lease payments made at or before the commencement date and initial direct costs incurred. The right-of-use asset includes an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those cost are incurred to produce inventories.

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 01 January 2018	**-**	**16.7**	**16.7**
Addition of right-of-use assets	0.1	-	0.1
Currency translation effects	-0.0	-1.2	-1.2
Acquisition cost 31 December 2018	**0.1**	**15.5**	**15.6**
Addition of right-of-use assets			-
Currency translation effects	-	-0.1	-0.1
Acquisition cost 31 December 2019	**0.1**	**15.4**	**15.5**
Accumulated depreciation 01 January 2018	**-**	**-**	**-**
Depreciation of right-of-use assets	0.0	1.8	1.8
Currency translation effects	-0.0	-0.1	-0.1
Accumulated depreciation 31 December 2018	**0.0**	**1.7**	**1.7**
Depreciation of right-of-use assets	0.0	1.7	1.7
Currency translation effects	-	0.0	0.0
Accumulated depreciation 31 December 2019	**0.0**	**3.4**	**3.4**
Carrying amount 01 January 2018 (restated)	**-**	**16.7**	**16.7**
Carrying amount 31 December 2018 (restated)	**0.1**	**13.9**	**13.9**
Carrying amount 31 December 2019	**0.1**	**12.0**	**12.1**
Lease term or remaining useful life	2-3 years	3-9 years	
Depreciation plan	Straight-line	Straight-line	

Expenses in the period for practical expedients and variable payments	**2019**	**2018 Restated**
Short-term lease expenses	0.8	0.0
Low-value assets lease expenses	-	0.0
Variable lease expenses in the period (not included in the lease liabilities)	0.7	0.0
Total lease expenses in the period	**1.5**	**0.1**

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.

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

The Group's lease liabilities

Undiscounted lease liabilities and maturity of cash outflows	31.12.2019	31.12.2018 Restated	01.01.2018 Restated
Less than one year	2.7	2.7	2.7
One to three years	7.7	8.0	5.7
More than three years	9.8	12.3	20.8
Total undiscounted lease liabilities at 31 December	**20.1**	**23.0**	**29.3**

Summary of the lease liabilities in the financial statements	2019	2018 Restated
At 01 January	18.6	20.3
New leases recognised during the year	-	0.1
Cash payments for the principal portion of the lease liability	-2.6	-1.7
Cash payments for the interest portion of the lease liability	-0.9	-0.9
Interest expense on lease liabilities	0.9	1.0
Currency translation effects	0.6	- 0.1
Total lease liabilities at 31 December	**16.6**	**18.6**
Current lease liabilities in the statement of financial position	**2.7**	**2.7**
Non-current lease liabilities in the statement of financial position	**13.9**	**15.9**

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 its 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 (AutoStore AS and Autostore Technology AS both with functional currency in NOK).

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, 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 January 2018		**348.4**
Additions through acquisition		-
Currency translation effects		-23.5
Gross amount 31 December 2018		**324.9**
Additions through acquisition		-
Currency translation effects		-3.4
Gross amount 31 December 2019		**321.6**
Accumulated impairment 01 January 2018		-
Impairment for the year	3.5	-
Accumulated impairment 31 December 2018		-
Impairment for the year	3.5	-
Accumulated impairment 31 December 2019		-
Carrying amount 01 January 2018 (restated)		**348.4**
Carrying amount 31 December 2018 (restated)		**324.9**
Carrying amount 31 December 2019		**321.6**

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 its intended 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. No indicators of impairment were identified for intangible assets with finite useful lifes in the reporting periods.

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 annual 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 01.01.2018	**1.6**	**119.6**	**26.0**	**29.7**	**3.1**	**180.1**
Additions	-	-	-	-	6.1	**6.1**
Currency translation effects	-0.1	-8.1	-1.8	-2.0	-0.6	**-12.5**
Acquisition cost 31.12.2018	**1.5**	**111.5**	**24.3**	**27.7**	**8.7**	**173.7**
Additions	-	-	-	-	9.4	**9.4**
Currency translation effects	-0.0	-1.2	-0.3	-0.3		**-1.7**
Acquisition cost 31.12.2019	**1.5**	**110.4**	**24.0**	**27.5**	**18.0**	**181.4**
Accumulated amortisation 01.01.2018	**-**	**4.8**	**2.0**	**3.0**	**0.3**	**10.0**
Amortisation for the year	-	4.8	2.0	3.0	0.7	**10.4**
Currency translation effects		-0.6	-0.3	-0.4	-0.0	**-1.3**
Accumulated amortisation 31.12.2018	**-**	**8.9**	**3.7**	**5.5**	**1.0**	**19.2**
Amortisation for the year	-	4.4	1.8	2.7	2.7	**11.6**
Currency translation effects	-	-0.1	-0.0	-0.0	-0.3	**-0.5**
Accumulated amortisation 31.12.2019	**-**	**13.2**	**5.5**	**8.2**	**3.3**	**30.4**
Carrying amount 01.01.2018 (restated)	**1.6**	**114.8**	**24.0**	**26.8**	**2.9**	**170.1**
Carrying amount 31.12.2018 (restated)	**1.5**	**102.6**	**20.5**	**22.2**	**7.7**	**154.5**
Carrying amount 31.12.2019	**1.5**	**97.1**	**18.5**	**19.2**	**14.7**	**151.0**
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 asset's carrying amount.

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 to the CGU:

AutoStore system - CGU	**Carrying amount 31.12.2019**	**Carrying amount 31.12.2018**	**Carrying amount 01.01.2018**
Goodwill	321.6	324.9	348.4
Trademarks	1.5	1.5	1.6
Total	**323.0**	**326.4**	**350.0**

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	EBITDA margin	Terminal growth rate	Pre-tax discount rate
AutoStore system - 01.01.18	0	23 %	37%-23%	2.0 %	12.5 %
AutoStore system - 31.12.18	0	36 %	43%-45%	2.0 %	12.8 %
AutoStore system - 31.12.19	0	14 %	50%-56%	2.0 %	10.9 %

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. Management believes that no reasonably possible change in the key assumptions above would cause the carrying amount of the CGU to materially exceed its recoverable amount.

Note that the impact related to COVID-19 is not considered in the impairment assessment as the condition was not applicable per the end of the reporting period. See note 7.4 for additional information.

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:

- Compound annual growth rate (CAGR) of sales in the forecast period
- 'Profit for the period', excluding 'income tax expense', 'finance income' and 'finance costs' and 'depreciation and amortisation' divided by 'total revenue and other operating income' (EBITDA margin)
- Pre-tax discount rate
- Terminal growth rate

CAGR of sales in the forecast period

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.

EBITDA margin

The EBITDA margin is determined based on an analysis of historical levels of revenues, COGS and operating expenses, while forward-looking estimates are derived using scenario-weighted assumptions for these P&L measures.

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

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:

This includes mainly trade receivables and cash and cash equivalents

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

All of the Group's financial assets (i.e. trade receivables and cash and cash equivalents) are part of the Group's business model with the sole objective to collect contractual cash flows, i.e. trade receivables do not contain a significant or complex financing component. Additionally, the contractual terms of the financial assets, primarily applicable to trade receivables, 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.

The Group considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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.

4.1 Overview of financial instruments (continued)

ACCOUNTING POLICIES (continued)

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.

IBOR reform

The Group has Non-current interest bearing loans and borrowings with indexed interest rates based on EURIBOR and LIBOR. As a consequence of the IBOR reform LIBOR is expected to be discontinued as a benchmark rate late 2021 and will be replaced by new benchmark rates, known as alternative Risk Free Rates (RFRs). EURIBOR is already reformed, and no further changes are expected as of this date. The Group is continuously monitoring the situation, however, as of the reporting date no significant effects on the Group's financial reporting as a result of the IBOR reform is expected.

The carrying amount of the Group's financial assets and liabilities are presented in the tables below:

31.12.2019	**Note**	**Financial instruments at amortised cost**	**Total**
Assets			
Loans and receivables			
Trade receivables	2.6	60.6	**60.6**
Cash and cash equivalents	4.4	19.7	**19.7**
Other non-current assets		0.1	**0.1**
Total financial assets		**80.4**	**80.4**
Liabilities			
Interest-bearing loans and borrowings including trade payables			
Non-current interest bearing liabilities	4.2	293.6	**293.6**
Current interest bearing liabilities	4.2	-	**-**
Trade payables	2.7	16.9	**16.9**
Non-current lease liabilities	3.2	13.9	**13.9**
Current lease liabilities	3.2	2.7	**2.7**
Total financial liabilities		**327.2**	**327.2**

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 separately in note 4.5.

4.1 Overview of financial instruments (continued)

31.12.2018 (restated)	Note	Financial instruments at amortised cost	Total
Assets			
Loans and receivables			
Trade receivables	2.6	16.5	**16.5**
Cash and cash equivalents	4.4	25.0	**25.0**
Other non-current assets		0.1	**0.1**
Total financial assets		**41.6**	**41.6**
Liabilities			
Interest-bearing loans and borrowings including trade payables			
Non-current interest bearing liabilities	4.2	303.4	**303.4**
Current interest bearing liabilities	4.2	-	**-**
Trade payables	2.7	11.8	**11.8**
Non-current lease liabilities	3.2	15.9	**15.9**
Current lease liabilities	3.2	2.7	**2.7**
Total financial liabilities		**333.9**	**333.9**

01.01.2018 (restated)	Note	Financial instruments at amortised cost	Total
Assets			
Loans and receivables			
Trade receivables	2.6	12.8	**12.8**
Cash and cash equivalents	4.4	6.7	**6.7**
Other non-current assets		0.1	**0.1**
Total financial assets		**19.6**	**19.6**
Liabilities			
Interest-bearing loans and borrowings including trade payables			
Non-current interest bearing liabilities	4.2	150.5	**150.5**
Current interest bearing liabilities	4.2	6.2	**6.2**
Trade payables	2.7	5.2	**5.2**
Non-current lease liabilities	3.2	18.9	**18.9**
Current lease liabilities	3.2	2.9	**2.9**
Total financial liabilities		**183.7**	**183.7**

4.2 Interest bearing liabilities

Non-current interest bearing loans and borrowings	Maturity	Interest rate	31.12.2019	31.12.2018 Restated	01.01.2018 Restated
Loan from related parties (EUR)	30.07.26	EURIBOR+4.08%	212.2	-	-
Loan from related parties (USD)	30.07.26	LIBOR+4.32%	81.4	-	-
Senior Facilities: Facility B1 (EUR)	Repaid	EURIBOR*+5%	-	229.0	-
Senior Facilities: Facility B2 (USD)	Repaid	LIBOR+5%	-	80.0	-
Term Loan: Facility A (NOK)	Repaid	4.61 %	-	-	32.6
Term Loan: Facility B (NOK)	Repaid	5.11 %	-	-	122.2
Incremental cost capitalized			-	-5.6	-4.3
Total non-current interest bearing loans and borrowings			**293.6**	**303.4**	**150.5**

* The loans have an interest rate floor of 0%, as such the base rate may not be negative.

The loans from related parties are EUR- and USD loans from Automate Bidco AS received on 30 July 2019 from which the proceeds were used to repay the Senior Facilities: Facilities B1 and B2 on 31 July 2019. The agreement with the banks was negotiated during 2019 in connection with the acquisition of Terminator Bidco AS by Automate Bidco AS. The loans are repayable in full on 30 July 2026 with no payments of principal before the maturity date. Interest is accrued based on daily rates and paid every three months. No significant incremental costs were identified connected to obtaining the loans.

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 USD 166.3 million to Terminator TopCo AS. The original maturity date on the Senior Facilities was 20 June 2022 and no payments of principal was made prior to the repayment. At inception of the loan the Group capitalized the incremental cost of obtaining the loan, mainly participation and agent fees of 2.25%, approximately USD 7 million. The fees were amortised as part of the effective interest rate until the loan was repaid at which point the fees were expensed as part of the extinguishment loss. The Group also paid USD 3 million in prepayment fees for the early repayment on 31 July 2019.

The term loan (NOK) was negotiated during the end of 2016, and a final financing agreement was signed 22 December 2016. The funds were received on 11 January 2017. The original maturity date was 11 January 2023 and 11 January 2024 with scheduled repayment of approximately USD 4 million per year. At inception of the loan the Group capitalized the incremental cost of obtaining the loan, mainly participation and agent fees of USD 5 million. The fees were amortised as part of the effective interest rate until the loan was repaid on 20 June 2018 at which point the fees were expensed as part of the extinguishment loss. The Group did not incur any significant additional fees or cost from the early repayment.

Current interest bearing loans and borrowings	31.12.2019	31.12.2018 Restated	01.01.2018 Restated
Overdraft facility	-	-	2.1
Term Loan: Facility A (NOK), within 12 months	-	-	4.1
Total current interest bearing loans and borrowings	**-**	**-**	**6.2**

The Group no longer has the overdraft facility presented above, however, the Group may further increase its short term liquidity through establishing other incremental revolving facilities or loans from related parties at market terms.

4.2 Interest bearing liabilities (continued)

The assets pledged by the Group as security for its loans and borrowings represent the shares in other entities within Group and are presented in the table below:

Assets pledged as security for interest bearing loans and borrowings	**31.12.2019**	**31.12.2018 Restated**	**01.01.2018 Restated**
Secured balance sheet liabilities:			
Loan from related parties	293.6		
Senior Facilities: Facility B1+B2		303.4	
Term Loan: Facility A+B			154.6
Property, plant and equipment	5.8	4.0	1.6
Right-of-use assets	12.1	13.9	16.7
Intangible assets	321.6	324.9	348.4
Other non-current assets	0.3	0.1	0.4
Inventories	22.2	16.5	10.8
Trade receivables	60.6	16.5	12.8
Other receivables	23.5	3.8	0.8
Cash and cash equivalents	19.7	25.0	6.7
Total	**465.6**	**404.8**	**398.4**

The Group was subject to covenant requirements under the term loans and senior facilities, however, as at 31 December 2019 Terminator Bidco Group is not subject to any covenant requirements.

4.3 Ageing of financial liabilities

Contractual undiscounted cash flows from financial liabilities are presented below:

31.12.2019	Less than 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total
Lease liability (note 3.2)	1.3	1.3	7.7	9.8	**20.1**
Non-current interest-bearing loans and borrowings (note 4.2)	6.8	6.8	27.3	348.3	**389.2**
Trade payables (note 2.7)	16.9				**16.9**
Total	**25.1**	**8.2**	**35.0**	**358.0**	**426.3**

31.12.2018 (restated)	Less than 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total
Lease liability (note 3.2)	1.3	1.4	8.0	12.3	**23.0**
Non-current interest-bearing loans and borrowings (note 4.2)	8.6	8.6	34.4	334.8	**386.4**
Trade payables (note 2.7)	11.8				**11.8**
Total	**21.8**	**10.0**	**42.4**	**347.1**	**421.3**

01.01.2018 (restated)	Less than 6 months	6 to 12 months	1 to 3 years	Over 3 years	Total
Lease liability (note 3.2)	1.4	1.4	5.7	20.8	**29.3**
Non-current interest-bearing loans and borrowings (note 4.2)	3.9	3.9	15.5	176.5	**199.8**
Current interest-bearing loans and borrowings (note 4.2)	6.2				**6.2**
Trade and other payables (note 2.7)	5.2				**5.2**
Total	**16.7**	**5.2**	**21.2**	**197.3**	**240.5**

4.3 Ageing of financial liabilities (continued)

			Non-cash changes			
Reconciliation of changes in liabilities incurred as a result of financing activities in 2019	**31.12.18**	**Cash flow effect**	**Foreign exchange movement**	**New leases recognised**	**Other changes**	**31.12.2019**
Lease liabilities (Note 3.2)	18.6	-3.5	0.6	-	0.9	**16.6**
Non-current interest-bearing loans and borrowings - Senior Facilities: Facility A+B (note 4.2)*	303.4	-305.2	-3.8		5.6	**0.0**
Non-current interest-bearing loans and borrowings - Loan from related parties (Note 4.2)	-	286.7	7.0		-	**293.6**
Total liabilities from financing	**322.0**	**-22.0**	**3.7**	**-**	**6.5**	**310.2**

* The Senior Facilities: Facility A+B was a previous loan commitment by Terminator Bidco AS and was repaid on 31 July 2019. The cash flow effect of the repayment includes prepayment fees of USD 3 million.

			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)		-2.6	-0.1	20.4	0.9	**18.6**
Interest-bearing loans and borrowings - Term loan: Facility A+B*	144.1	-157.3	8.9	-	4.3	**-0.0**
Non-current interest-bearing loans and borrowings - Senior Facilities: Facility A+B (note 4.2)	-	304.1	-1.7	-	1.0	**303.4**
Current interest-bearing loans and borrowings - Overdraft facility (note 4.2)	2.0	-2.0	-	-	-	**-**
Total liabilities from financing	**146.1**	**142.1**	**7.1**	**20.4**	**6.2**	**322.0**

* The Term Loans were repaid in full on the 20 June 2018.

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 overdraft facility as they are considered an integral part of the Group's cash management.

Cash and cash equivalents	31.12.2019	31.12.2018 Restated	01.01.2018 Restated
Bank deposits, unrestricted	19.0	24.4	6.3
Bank deposits, restricted	0.7	0.5	0.4
Total in the statement of financial position	**19.7**	**25.0**	**6.7**
- Overdraft facility	-	-	-2.1
Total in the statement of cash flows	**19.7**	**25.0**	**4.6**

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.

In accordance with IFRS 9, Autostore has applied the option not to assess whether credit risk has increased significantly since initial recognition for it's cash and cash equivalents as the cash balances are held with investment graded banks and the financial assets are assessed as having low credit risk.

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 foreign exchange gain or foreign exchange loss 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	2019	2018 Restated
Finance income			
Interest income	Financial assets	0.2	0.1
Total finance income		**0.2**	**0.1**
Finance costs			
Foreign exchange loss		0.1	15.5
Interest expenses paid	Interest-bearing loans and borrowings	10.1	13.6
Unwinding of discount on provisions		0.5	1.2
Amortised cost	Interest-bearing loans and borrowings	0.9	1.0
Interest on lease liability	Other financial liabilities	0.9	1.0
Other financial expenses	Interest-bearing loans and borrowings	7.8	4.4
Total finance costs		**20.2**	**36.8**

Other financial expenses for 2018 and 2019 comprise mainly of extinguishment losses on the Group's derecognised financial liabilities, previously held at amortised cost of USD 4.7 million in 2019 and USD 3.2 million in 2018. Other financial expenses for 2019 also include a prepayment fee of USD 3 million related to the prepayment of the Senior Facilities in 2018.

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 a 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 2019 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, other than those with carrying amounts that are reasonable approximations of fair values:

	Date	Carrying amount	Fair value	Level 1	Level 2	Level 3
Liabilities disclosed at fair value						
Interest-bearing loans and borrowings	31 December 2019	293.6	293.6		X	
Interest-bearing loans and borrowings	31 December 2018	303.4	303.4		X	
Interest-bearing loans and borrowings	1 January 2018	156.7	156.7		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 market exposure 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 Group's sales are related to exports. Significant changes in export conditions, customs duties, etc. may thus adversely affect the Group's access to this market. The Group has assessed the year-over-year change immaterial, but is carefully monitoring the overall market sentiment and regulatory environment to anticipate any significant areas of market risk and uncertainty.

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 interest bearing loans and borrowings 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.

For information on the IBOR reform and the Group's assessment, see note 4.1.

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	Increase / decrease in profit before tax	Increase / decrease in equity
31.12.2019	+/- 100	2.9	2.3
31.12.2018	+/- 100	1.9	1.5
01.01.2018	+/- 100	0.5	0.4

*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 of the Group's financial instruments denominated in a foreign currency to a hypothetical increase or decrease in the foreign exchange rates in the period, holding all other variables constant:

Foreign currency sensitivity*	Date	Change in FX rate	Increase / decrease in profit before tax	Increase / decrease in equity
Increase / decrease in NOK/USD	31.12.2019	+/- 10%	7.7	6.0
Increase / decrease in NOK/EUR	31.12.2019	+/- 10%	20.5	16.0
Increase / decrease in NOK/USD	31.12.2018	+/- 10%	7.2	5.6
Increase / decrease in NOK/EUR	31.12.2018	+/- 10%	22.5	17.5
Increase / decrease in NOK/USD	01.01.2018	+/- 10%	-0.2	-0.1
Increase / decrease in NOK/EUR	01.01.2018	+/- 10%	-0.2	-0.2

*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 Group has entered into a credit insurance agreement. Additionally, the Group manages 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 Loan from related parties to finance working capital and investments. The Group may further draw funds or establish additional incremental revolving facilities if deemed necessary. Additionally, the Group has a significant positive cash flow from operating activities which limits its liquidity risk.

An overview of the maturity profile of the Group's financial liabilities with corresponding cash flow effect is presented in note 4.3.

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 operations 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 Group 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 its investors. There has been no breach of the financial covenants in the current or previous period. Reference is made to note 4.2.

The ultimate parent

The shares of Terminator Bidco are held by the ultimate parent THL Fund VIII, which is managed by THL Partners, L.P.

Issued capital and reserves:

Share capital in Terminator Bidco AS	Number of shares authorised and fully paid	Par value per share (USD)	Financial Position (USD million) Restated
At 1 January 2018	**100,000,000**	**0.3**	**30.7**
At 31 December 2018	**100,000,000**	**0.3**	**30.7**
At 31 December 2019	**100,000,000**	**0.3**	**30.7**

Share premium in Terminator Bidco AS	Number of shares authorised and fully paid	Share premium per share (USD)	Financial Position (USD million) Restated
At 1 January 2018	**100,000,000**	**2.9**	**285.9**
At 31 December 2018	**100,000,000**	**1.2**	**119.6**
At 31 December 2019	**100,000,000**	**1.2**	**119.6**

The Group's shareholders:

Shareholders in Terminator Bidco AS at 31.12.2019	Total shares	Ownership	Voting rights
Automate BidCo AS	100,000,000	100 %	100 %
Total at 31.12.2019	**100,000,000**	**100 %**	**100 %**

On 19 June 2019, the fund EQT VII, managed by the private equity firm EQT, entered into a sales and purchase agreement ("SPA") where the shares in Terminator Bidco AS through Terminator TopCo AS was sold to Automate Bidco AS in an all-cash transaction. The acquisition date was 31 July 2019. Automate Bidco AS is owned by Automate Holdings S.à r.l. through various holding companies domiciled in Luxembourg. The ultimate parent of Automate Holdings S.à r.l. is THL fund VIII which is managed by the private equity firm, THL Partners L.P., registered in Boston, MA, United States of America.

Shareholders in Terminator BidCo AS at 31 December 2018	Total shares	Ownership	Voting rights
Terminator TopCo AS	100,000,000	100 %	100 %
Total at 31 December 2018	**100,000,000**	**100 %**	**100 %**

Shareholders in Terminator BidCo AS at 1 January 2018	Total shares	Ownership	Voting rights
Terminator TopCo AS	100,000,000	100 %	100 %
Total at 1 January 2018	**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	2019	2018
Total dividends paid in the period (in USD million)	-	166.3
Dividends per share in the period (in USD)	-	1.7

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)

	2019	2018 Restated
Current income tax expense:		
Tax payable	11.5	4.7
Adjustment for income tax payable for previous years	0.1	0.1
Change in deferred tax/deferred tax assets (ex. OCI effects)*	0.9	-3.0
Currency effects	0.0	0.1
Total income tax expense	**12.5**	**1.9**

* Adjusted for currency translation effects of USD 0.6 million in 2020

	31.12.2019	31.12.2018 Restated	01.01.2018 Restated
Current tax liabilities consist of:			
Income tax payable for the year as above	11.5	4.7	3.7
- of which paid in fiscal year	-	-	-0.5
Current tax liabilities	**11.5**	**4.7**	**3.2**

Deferred tax assets:	31.12.2019	31.12.2018 Restated	01.01.2018 Restated
Property, plant and equipment	-0.0	-0.0	0.0
Intangible assets	-	-	-0.5
Other current assets	-0.2	-0.0	-
Liabilities	-0.4	-0.2	-
Losses carried forward (including tax credit)	-0.5	-0.3	-1.2
Basis for deferred tax assets:	**-1.1**	**-0.6**	**-1.7**
Calculated deferred tax assets	**0.3**	**0.1**	**0.4**
- Deferred tax assets not recognised			
Net deferred tax assets recognised in balance sheet	**0.3**	**0.1**	**0.4**

Deferred tax liabilities	31.12.2019	31.12.2018 Restated	01.01.2018 Restated
Property, plant and equipment (including leased assets)	5.1	-3.6	-0.4
Intangible assets	135.5	146.2	165.6
Other current assets	0.7	0.3	-0.0
Liabilities	-4.4	-4.6	-9.5
Group contribution	17.6	-	-
Basis for deferred tax liabilities	**154.5**	**138.3**	**155.8**
Calculated deferred tax liabilities	**32.1**	**30.5**	**36.1**
Deferred tax liabilities recognised in balance sheet	**32.1**	**30.5**	**36.1**

The main component of deferred tax liabilities contain temporary differences related to intangible assets acquired in the business combination of AutoStore in 2017.

The average tax rate for the Group's deferred tax assets was 23.3% for 31 December 2019, 23.6% for 31 December 2018 and 21.9% for 1 January 2018. The average tax rate for the Group's deferred tax liabilities is 20.9% for 31 December 2019, 22% for 31 December 2018 and 23.2% for 1 January 2018.

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. 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	2019	2018 Restated
Profit before taxes	**68.3**	**22.2**
Tax expense 22% (Norwegian tax rate)	15.0	5.1
Permanent differences*	-0.5	-0.2
Change to prior year tax expense	0.0	0.0
Effects of changes in tax rate**	-	-1.5
Effects of foreign tax rates	-0.5	-0.8
Currency effects	-1.6	-0.8
Recognised income tax expense	**12.5**	**1.9**

* The permanent differences are related to "Skattefunn" in AutoStore AS, tax relief for research and development activities and non-deductible costs in AutoStore Sp. z o.o.

** 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%.

The Group has USD 0.5 million tax losses carried forward among it's subsidiaries at 31 December 2019 (USD 0.3 million at 31 December 2018). 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 2019. 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 entities 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 SAS	France	EUR	100.0%	100.0%
AutoStore System GmbH	Germany	EUR	100.0%	100.0%
AutoStore System K.K.	Japan	JPY	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 or 2019. In 2017, Terminator 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 fair value at acquisition date 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 identifiable 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 value 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 life 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 acquirer's CGUs, or groups of CGUs, which are expected to benefit from the business combination. This can include existing CGUs of the acquirer irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The identification of CGUs may require significant judgement by management.

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: A provision for the unfavorable terms related to the service element (shared cost) in a lease agreement. The provision includes the expected future payments above the market rate for these services discounted to present value.
- Salary related costs: Contains a provision for accrued holiday pay, unspent vacation days and accrued bonuses
- 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 note 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 1 January 2018 (restated)	**0.2**	**4.4**	**0.1**	**2.4**	**0.4**	**7.6**
Additional provisions made	0.5		1.6	4.6	0.3	**7.0**
Amounts used	-0.2	-0.6	-	-2.3	-0.2	**-3.3**
Unused amounts reversed	-	-	-	-	-0.1	**-0.1**
Unwinding of discount and change in discount rate	-	1.1	-	-	-	**1.1**
Currency translation effects	-0.0	-0.3	-0.1	-0.2	-0.0	**-0.7**
At 31 December 2018 (restated)	**0.5**	**4.6**	**1.6**	**4.6**	**0.3**	**11.6**
Additional provisions made	0.3	-	1.9	5.9	0.4	**8.5**
Amounts used	-0.5	-0.7	-1.6	-4.6	-0.3	**-7.7**
Unwinding of discount	-	0.5	-	-	-	**0.5**
Currency translation effects	0.0	-0.0	-	0.0	-	**-0.0**
At 31 December 2019	**0.3**	**4.4**	**1.9**	**5.9**	**0.4**	**12.8**
Current provisions	-	0.6	1.8	5.9	0.4	**8.7**
Non-current provisions	0.3	3.7	0.1	-	-	**4.2**

The increase of provisions in the reporting period is mainly related to the refund liability (customer bonus) in Autostore AS. The refund liability (customer bonus) have increased due to the significant increase in the Group's revenue in the period.

The Onerous shared cost provision is expected to be settled at the end of 2028 with approximately similar amounts each year.

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 economic resources is considered remote.

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

Other commitments

The Group does not have other significant commitments to be disclosed.

Assets pledged as security and guarantee liabilities

For assets pledged as security see note 4.2. The Group has no guarantee liabilities to disclose.

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's subsidiaries. Note 6.1 and 4.8 provide information about the Group structure, including details of the subsidiaries and the parent 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 2019	Amounts received from related parties	Payments made to related parties	Receivable from related parties	Payable to related parties
Automate Bidco AS	286.7	8.4	17.8	293.6
THL Managers VIII, LLC	-	-	-	0.3
Total	**286.7**	**8.4**	**17.8**	**293.9**

The Group's related party transactions in the reporting period are mainly related a loan from Automate Bidco AS as presented above.

Related party transactions 2018	Amounts received from related parties	Payments made to related parties	Receivable from related parties	Payable to related parties
Terminator TopCo AS	-	166.3	-	-
Total	**-**	**166.3**	**-**	**-**

The Group's related party transactions in 2018 are mainly related to the distributions paid to the Group's parent company in May 2018.

There was no related party balances as at 1 January 2018.

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

The Group has not experienced any significant impact on business related to COVID-19. However, sales activity saw a short term dip through the first wave of the pandemic as many end-customer postponed their investment decision to better understand the impact from the pandemic. The sales activity picked up in second half of 2020, resulting in a good year despite the pandemic situation, and further leading to a continuation of the Group's strong balance and liquidity situation.

The Group has continued expanding its business and increased its global distribution partners and made territory expansions. New distribution partners in 2020 and 2021 include: Fortuna Inc., Bastian Solutions, Kardex Holding AG and SmartLOG.

In mid 2020 the Group established a new subsidiary: AutoStore System Ltd. in order to expand the business in the Korean market. At the end of April 2021 the Group also established a subsidiary in Italy to facilitate it's sales expansion in the south of Europe.

AutoStore filed in October 2020 patent infringement lawsuits in the United States and the United Kingdom against Ocado Group Plc. and certain affiliates. AutoStore is seeking court orders barring Ocado and its partner, Tharsus Group, from manufacturing, importing, using or selling technology that infringes AutoStore's patents, as well as monetary damages. An US ITC hearing is scheduled to commence August 2, 2021. In early 2021, Ocado filed counterclaims against AutoStore in the United States, the United Kingdom and Germany.

The Group expects a positive outcome of the cases particularly following a Norwegian court's determination that AutoStore owns patents covering the robots' central cavity technology; which belong to a patent family Ocado wrongly claimed entitlement of. The Group also believes that Ocado's counterclaims are not well-founded, and that the counterclaims are unlikely to result in significant economic loss to AutoStore.

On 25 January 2021 the Group acquired 100 % of the shares in Locai Inc through its subsidiary Autostore Systems INC. Locai is a software company located in Delaware, US, providing Digital Commerce platforms to the grocery market based on AI and machine learning technology. The acquisition of Locai broadens Autostore's offerings to include order fulfilment and warehouse management software for stand-alone Autostore solutions.The fair value of the consideration transferred is USD 11.2 million.

On 5 April 2021 it was announced that SoftBank acquires 40 % of the shares in Automate Holdings S.a.r.l. for USD 2.8 billion. SoftBank will pay a crucial role in accelerating AutoStore's global expansion, with particular emphasis on the Asia Pacific region, and complements the leading automation investor base. Thomas H. Lee Partners, L.P. continues to be AutoStore's majority shareholder. The transaction is subject to customary closing conditions and is expected to be completed shortly after these financial statements are authorised for issue.

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To the Board of Directors' of Terminator Bidco AS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Consolidated Financial Statement

Opinion

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

- The consolidated financial statement of Terminator Bidco AS and its subsidiaries (the Group), which comprise the statement of financial position as at 31 December 2019, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the years then ended, and notes to the consolidated financial statement, including a summary of significant accounting policies.

In our opinion:

- The consolidated financial statement are prepared in accordance with the law and regulations.
- The accompanying consolidated financial statement give a true and fair view of the financial position of the Group as at 31 December 2019, and its financial performance for 2019 and its cash flows for the years 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 Matters

As disclosed in note 1 to the consolidated financial statement, the financial statement for the year ended 31 December 2019, are the first consolidated financial statement of Terminator Bidco AS. Terminator Bidco AS was for 2019 exempted from the requirement to prepare consolidated financial statement as it is included in the consolidated financial statement of Automate Holdings Lux S.á.r.l. This consolidated financial statement are prepared for prospectus purpose for the Group's intention to list on Oslo the Stock Exchange. This matter does not affect our opinion on the consolidated financial statement.

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

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 statement 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statement
Our objectives are to obtain reasonable assurance about whether the financial statement 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 this financial statement.

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- 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.

Haugesund, 06. May 2021
Deloitte AS

Asbjørn Rogde
State Authorised Public Accountant (Norway)

APPENDIX E

FINANCIAL STATEMENTS FOR TERMINATOR BIDCO AS FOR THE YEAR ENDED 31 DECEMBER 2018

AutoStore

Consolidated Financial Statements 2018

Terminator Bidco AS including subsidiaries

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 Torpling
Member of the Board

Bernd Friedrich Minning
Member of the Board

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

			Other equity		
NOK million	Share capital	Share premium	Cumulative translation differences	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.

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 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.

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**

Separate signature page follows

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

Deloitte AS
Sundgaten 119
Postboks 528
NO-5501 Haugesund
Norway

Tel: +47 52 70 25 40
www.deloitte.no

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

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.

Årsregnskap 2018
Terminator Bidco AS

Org.nr.: 917 968 454

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**

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**

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

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

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.

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

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**

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	

APPENDIX F

PARENT FINANCIAL STATEMENTS FOR AUTOSTORE HOLDINGS LTD. FOR THE PERIOD 31 AUGUST 2021 TO 3 SEPTEMBER 2021

AutoStore NewCo Ltd.

Financial Statements 2021
From 31.08.2021 to 03.09.2021

Statement of comprehensive income

USD	Notes	2021 31.08- 03.09
Other operating expenses	1.2	-13 245.0
Operating loss		**-13 245.0**
Loss before tax		**-13 245.0**
Income tax expense	3.1	-
Loss for the year		**-13 245.0**

Items that will not be reclassified to profit or loss		-
Items that may be reclassified to profit or loss		-
Other comprehensive loss for the period		-
Total comprehensive loss for the period		-13 245.0
Loss attributable to:		
Equity holders of the parent		-13 245.0
Total comprehensive loss attributable to:		
Equity holders of the parent		-13 245.0
Earnings per share:	-	132.45

The accompanying notes form an integral part of and should be read in conjunction with these financial statements

Statement of financial position

USD	Notes	2021 31.08- 03.09
ASSETS		
Non-current assets		
Total non-current assets		-
Current assets		
Other receivables	2.1	100.0
Total current assets		**100.0**
TOTAL ASSETS		**100.0**
EQUITY AND LIABILITIES		
Equity		
Share capital	2.4	100.0
Share premium		-
Other equity		-13 245.0
Total equity		**-13 145.0**
Total non-current liabilities		-
Current liabilities		
Trade and other payables	2.2	13 245.0
Total current liabilities		**13 245.0**
Total liabilities		**13 245.0**
TOTAL EQUITY AND LIABILITIES		**100.0**

Nedre Vats, 09.09.2021

Karl Johan Lier
Authorised Signatory

Bent Skisaker
Authorised Signatory

Gro Anita Klungtveit
Authorised Signatory

The accompanying notes form an integral part of and should be read in conjunction with these financial statements

Statement of cash flows

Cash flows from operating activities (USD)	Notes	2021 31.08- 03.09
Loss before tax		-13 245.0
Working capital adjustments:		
Changes in trade and other receivables	2.1	-100.0
Changes in trade and other payables	2.2	13 245.0
Net cash flows from operating activities		**-100.0**
Net cash flow from investing activities		**-**
Cash flow from financing activities (USD)		
Proceeds from issuance of equity	2.4	100.0
Net cash flow from financing activities		**100.0**
Net change in cash and cash equivalents		-
Effect of change in exchange rate		
Cash and cash equivalents, beginning of period		-
Cash and cash equivalents, end of period		**-**

The statements of cash flows are prepared using the indirect method.

The accompanying notes form an integral part of and should be read in conjunction with these financial statements

Statement of changes in equity

			Other equity			
USD	Share capital	Share premium	Other capital reserves	Cumulative translation differences	Retained earnings	Total equity
Balance at 31 August 2021	-	-	-	-	-	-
Profit (loss) for the period 31.08-03.09					-13 245.0	**-13 245.0**
Total comprehensive income	-	-	-	-	-13 245.0	**-13 245.0**
Issue of share capital (Note 2.4)	100.0					**100.0**
Balance at 3 September 2021	**100.0**	-	-	-	**-13 245.0**	**-13 145.0**

The accompanying notes form an integral part of and should be read in conjunction with these financial statements

Section 1 - Background

1.1 General information

Corporate information

AutoStore NewCo Ltd. is a private limited company incorporated and domiciled in Bermuda 31 of August 2021. The address of its registered office is Walcers Corporate Limited, Park Place 3rd floor, 55 Par-la-Ville Read, Hamilton HM 11, Bermuda.

Basis of preparation

These Special Purpose Financial Statement have been prepared for the purpose of complying with Prospectus requirements for listing on Oslo Stock Exhange. The financial Statement represents the short period between incorporation 31st of August and 3 of September.

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

The financial statements have been prepared on a historical cost basis. As the Company was incorporated 31st of August 2021, comparative figures for 2020 are not relevant.

In the statement of comprehensive income income/gains are presented as positive amounts and expenses/costs are presented as negative amounts. In the notes, both income and expenses are presented as positive numbers.

Further, the financial statements are prepared based on the going concern assumption.

Presentation currency and functional currency

The consolidated financial statements are presented in American dollars (USD), which is also the functional currency of the company.

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

Current versus non-current classification

The company 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 judgments, estimates and assumptions

The preparation of the 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. There are limited amounts of estimates or judgments included in these financial statements as the company has limited activities in the short period from incorporation to date.

1.2 Other operating expenses

ACCOUNTING POLICIES

Other operating expenses are recognized when they occur and represent consulting cost in connection with the incorporation of the company

2.1 Trade and other receivables

ACCOUNTING POLICIES

Trade and other receivables

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.

	2021
Other receivables	03.09.2021
Short term receivables from parent	100.0
Total other receivables	**100.0**

2.2 Ageing of financial liabilities

Contractual undiscounted cash flows from financial liabilities is presented below:

03 September 2021	**Less than 6 months**	**6 to 12 months**	**1 to 3 years**	**Over 3 years**	**Total**
Trade payables	-13 245.0				**-13 245.0**
Total	**-13 245.0**	**-**	**-**	**-**	**-13 245.0**

2.3 Financial risk and capital management

Currently, there are limited operations at AutoStore NewCo Ltd. in the period covered by these financial statements and the only asset owned by the company is short term receivables. Therefore the only risk AutoStore NewCo Ltd. is exposed to is credit risk, arising from receivables from the parent company.

2.4 Shareholders and investor information

AutoStore NewCo Ltd. was incorporated the 31st of August with the minimun share capital and will be subject to listing at Oslo Stock Exhange.

The ultimate parent

The shares of AutoStore NewCo Ltd. are held by Automate Investment II AS.

	Number of shares authorised and fully paid	**Par value per share (USD)**	**Financial Position**
At 31 August 2021	-		
Share issue at 03.09.2021	100	1.00	100.00
At 03 September 2021	**100**	**1.00**	**100.00**

There is only one class of shares, and all shares have equal voting rights.

Distribution to shareholders

No dividend was declared in this accounting period

Section 3 - Tax

3.1 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 Company 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

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.

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.

There are no caldulated deffered tax in this accounting period and the cost included in the proffit and loss statement are considered to represent permenent tax differences.

4.1 Events after the reporting period

ACCOUNTING POLICIES

If the company 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 company will assess if the information affects the amounts that it recognises in the company consolidated financial statements. The company 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 company 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 has been no adjusting events.

Autostore NewCo Ltd. is in process of being listed at the Oslo Stock Exhange.

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To the General Meeting of Autostore NewCo Ltd

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the special purpose financial statements of Autostore NewCo Ltd, for the planned use in listing prospectus on Oslo Stock Exchange, which comprise the balance sheet as at 3 September 2021, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 3 September 2021, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by 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 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.

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 a true and fair view of the financial statements 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or 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 internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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 a true and fair view.

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.

Oslo, 9 September 2021
Deloitte AS

Stian Jilg-Scherven
State Authorised Public Accountant (Norway)

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Stian Jilg-Scherven
Statsautorisert revisor
Serienummer: 9578-5999-4-1167624
IP: 81.166.xxx.xxx
2021-09-09 13:45:02 UTC

bank ID

Penneo Dokumentnøkkel: EV0F5-X41GB-WJ3PC-NJ1D7-2NVVD-KQEZL

APPENDIX G

INTERIM FINANCIAL STATEMENTS FOR AUTOMATE HOLDINGS S.À R.L. FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2021

AutoStore

Unaudited interim condensed consolidated financial statements

30 June 2021

Automate Holdings S.à r.l. including subsidiaries

Table of Contents

Unaudited interim condensed consolidated statement of comprehensive income

USD million	Notes	Q2 2021 (01.04-30.06) Unreviewed	Q2 2020* (01.04-30.06) Unreviewed	YTD 2021 (01.01-30.06)	YTD 2020* (01.01-30.06) Unreviewed
Revenue	2.1	84.8	41.6	148.4	79.2
Other operating income		0.8	0.3	1.3	0.7
Total revenue and other operating income		**85.5**	**42.0**	**149.6**	**79.8**
Cost of materials		-26.8	-12.2	-47.2	-23.3
Employee benefit expenses	5.2	-10.1	-5.9	-51.1	-12.8
Other operating expenses		-24.4	-5.0	-38.3	-13.4
Depreciation and amortisation	3.1	-15.0	-11.6	-29.3	-23.7
Operating profit/loss		**9.3**	**7.3**	**-16.3**	**6.7**
Finance income	4.2	0.0	48.2	12.9	0.1
Finance costs	4.2	-11.4	-10.4	-18.4	-78.0
Profit/loss before tax		**-2.2**	**45.1**	**-21.8**	**-71.2**
Income tax expense		0.5	-9.4	4.5	14.8
Profit/loss for the period		**-1.7**	**35.8**	**-17.3**	**-56.5**
Other comprehensive income/loss					
Items that subsequently may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations	4.2	-2.2	82.9	-3.8	-112.5
Total items that may be reclassified to profit or loss		-2.2	82.9	-3.8	-112.5
Other comprehensive income/loss for the period		**-2.2**	**82.9**	**-3.8**	**-112.5**
Total comprehensive income/loss for the period		**-3.9**	**118.7**	**-21.0**	**-168.9**
Profit/loss attributable to:					
Equity holders of the parent		-1.7	35.8	-17.3	-56.5
Total comprehensive income/loss attributable to:					
Equity holders of the parent		-3.9	118.7	-21.0	-168.9
Earnings per share					
Basic earnings per share (USD)		-0.001	0.011	-0.005	-0.018
Diluted earnings per share (USD)		-0.001	0.011	-0.005	-0.018

* Restated to reflect the change in presentation currency from EUR to USD.

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Unaudited interim condensed consolidated statement of financial position

USD million	Notes	30.06.2021	31.12.2020*
ASSETS			
Non-current assets			
Property, plant and equipment		10.8	10.4
Right-of-use assets		12.0	13.2
Goodwill	3.1	1,261.3	1,256.0
Intangible assets	3.1	630.8	644.1
Deferred tax assets		2.1	1.2
Other non-current assets		1.2	0.2
Total non-current assets		**1,918.1**	**1,925.1**
Current assets			
Inventories		31.3	29.1
Trade receivables		48.8	43.8
Other receivables		10.8	6.0
Cash and cash equivalents		50.7	50.1
Total current assets		**141.5**	**129.0**
TOTAL ASSETS		**2,059.6**	**2,054.2**
EQUITY AND LIABILITIES			
Equity			
Share capital	4.1	36.0	35.2
Share premium		1,149.9	1,139.1
Other equity		-35.9	-17.2
Total equity		**1,149.9**	**1,157.1**
Non-current liabilities			
Non-current interest bearing liabilities	4.2	682.2	692.2
Non-current lease liabilities		13.3	14.7
Deferred tax liabilities		129.6	134.2
Non-current provisions	5.2	7.6	9.3
Total non-current liabilities		**832.7**	**850.4**
Current liabilities			
Trade and other payables		32.6	28.5
Interest bearing liabilities	4.2	1.1	2.8
Lease liabilities		3.7	3.7
Income tax payable		0.5	0.1
Provisions	5.2	39.1	11.5
Total current liabilities		**76.9**	**46.7**
Total liabilities		**909.6**	**897.0**
TOTAL EQUITY AND LIABILITIES		**2,059.6**	**2,054.2**

* Restated to reflect the change in presentation currency from EUR to USD.

Luxembourg, 18 August 2021

Frank Deconinck
Class C manager

Michael Kaczmarek
Class A manager

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Unaudited interim condensed consolidated statement of changes in equity

USD million	Share capital	Share premium	Other equity: Other capital reserves	Other equity: Cumulative translation differences	Retained earnings	Total equity
Balance at 1 January 2020* (unreviewed)	**35.2**	**1,139.1**	**-**	**-10.0**	**-21.4**	**1,143.0**
Loss for the year					-56.5	**-56.5**
Other comprehensive loss				-112.5		**-112.5**
Total comprehensive loss	**-**	**-**	**-**	**-112.5**	**-56.5**	**-168.9**
Issue of share capital (note 4.1)	0.0	0.1				**0.1**
Share-based payments			2.7			**2.7**
Balance at 30 June 2020* (unreviewed)	**35.2**	**1,139.1**	**2.7**	**-122.4**	**-77.9**	**976.8**

USD million	Share capital	Share premium	Other equity: Other capital reserves	Other equity: Cumulative translation differences	Retained earnings	Total equity
Balance at 1 January 2021* (unreviewed)	**35.2**	**1,139.1**	**4.3**	**20.9**	**-42.4**	**1,157.1**
Loss for the year					-17.3	**-17.3**
Other comprehensive loss				-3.8		**-3.8**
Total comprehensive loss	-	-	-	-3.8	-17.3	**-21.0**
Issue of share capital (note 4.1)	0.2	10.7				**11.0**
Exercise of share options (note 4.1)	0.5					**0.5**
Share-based payments			2.4			**2.4**
Balance at 30 June 2021	**36.0**	**1,149.9**	**6.7**	**17.1**	**-59.7**	**1,149.9**

*** Restated to reflect the change in presentation currency from EUR to USD.**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Unaudited interim condensed consolidated statement of cash flows

Cash flows from operating activities (USD million)	Notes	Q2 2021 (01.04-30.06) Unreviewed	Q2 2020* (01.04-30.06) Unreviewed	YTD 2021 (01.01-30.06)	YTD 2020* (01.01-30.06) Unreviewed
Profit / Loss before tax		-2.2	45.1	-21.8	-71.2
Adjustments to reconcile loss before tax to net cash flow:					
Depreciation and amortisation		15.0	11.6	29.3	23.7
Share-based payment expense	5.2	0.3	0.7	2.4	2.7
Finance income	4.2	-0.0	-48.2	-12.9	-0.1
Finance costs	4.2	11.4	10.4	18.4	78.0
Working capital adjustments:					
Changes in inventories		-3.2	-0.9	-2.2	-3.5
Changes in trade and other receivables		-8.9	-0.5	-14.2	34.2
Changes in trade and other payables		6.5	0.8	4.1	-7.5
Changes in provisions and other liabilities		-0.9	1.7	25.9	0.4
Other items					
Tax paid		-	-4.7	-3.1	-4.7
Net cash flows from operating activities		**18.0**	**16.0**	**26.0**	**52.0**

Cash flows from investing activities (USD million)					
Purchase of property, plant and equipment		-0.7	-1.4	-1.4	-2.8
Purchase of shares in subsidiaries, net of cash	5.1	-	-	-5.0	-
Development expenditures	3.1	-7.1	-3.1	-11.6	-5.1
Interest received		-0.0	0.0	0.0	0.1
Net cash flow from investing activities		**-7.9**	**-4.5**	**-18.0**	**-7.9**

Cash flow from financing activities (USD million)					
Proceeds from issuance of equity		-	-	11.0	0.1
Proceeds from issuance of debt	4.2	-	-	-	67.2
Payments of principal for the lease liability		-0.7	-0.4	-1.4	-0.9
Payments of interest for the lease liability		-0.2	-0.2	-0.5	-0.4
Interest paid		-8.6	-11.4	-16.5	-21.0
Net cash flow from financing activities		**-9.5**	**-12.1**	**-7.4**	**45.0**

Net change in cash and cash equivalents	0.6	-0.6	0.6	89.1
Effect of change in exchange rate	-0.1	0.5	-0.1	-1.8
Cash and cash equivalents, beginning of period	50.1	110.4	50.1	23.0
Cash and cash equivalents, end of period	**50.7**	**110.3**	**50.7**	**110.3**

* Restated to reflect the change in presentation currency from EUR to USD.

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Section 1 - Background

1.1 Corporate information

Corporate information
Automate Holdings S.à r.l. (the "Parent Company", or the "Company") is a private limited company incorporated and domiciled in Luxembourg. The address of its registered office is 6, rue Eugène Ruppert, L - 2453 Luxembourg. Automate Holdings S.à r.l. was incorporated on 28 May 2019.

Automate Holdings S.à r.l. and its subsidiaries (collectively "the Group", or "AutoStore") develop, manufacture and conduct services associated with the patented automatic warehouse system AutoStore. Thomas H. Lee Fund VIII, LP ("THL Fund VIII") is the majority (ultimate) shareholder of Automate Holdings S.à r.l.

On 29 March 2021 Alpha LP, a subsidiary of Softbank Group Corp., entered into an agreement to acquire 41 % of the shares in Automate Holdings S.à r.l. for USD 2.8 billion. See note 4.1 for an overview of the Group's majority shareholders.

Reference is made to note 6.1 in the Group's consolidated financial statements for the year ended 31 December 2020 for a list of subsidiaries, where the largest entity is Autostore AS which is registered in Norway. In Q1 2021, the Group incorporated a subsidiary in Spain and acquired Locai Solutions in the U.S. Further, in Q2 2021, the Group incorporated a new branch in Italy.

The unaudited interim condensed consolidated financial statements of Automate Holdings S.à r.l. for the three and six months ended 30 June 2021 were authorised for issue in accordance with a resolution of the Board of Managers on 18 August 2021.

1.2 Basis of preparation

The unaudited interim condensed consolidated financial statements for the three and six months ended 30 June 2021 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by The European Union ("EU").

The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements of Automate Holdings S.à r.l., and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2020.

In 2021, the Group has changed its presentation currency from EUR to USD to provide the primary users of the financial statements with more convenient information. The change has been accounted for fully retrospectively as a change in accounting policies. The functional currency of the parent company is EUR. With the exception of the change in presentation currency, the accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The following amendments and interpretations apply for the first time in 2021, but do not have a material impact on the unaudited interim condensed consolidated financial statements of the Group:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform - Phase 2
- Amendments to IFRS 4: Deferral of IFRS 9

The accounting policies applied by management which include a significant degree of estimates and assumptions or judgements that may have the most significant effect on the amounts recognised in the unaudited interim condensed consolidated financial statements are summarised below (with reference to the relevant notes in the Group's consolidated financial statements for the year ended 31 December 2020):

Estimates and assumptions:
Impairment testing of goodwill and trademarks (note 3.5)
Useful lives of intangible assets (note 3.4 and note 6.2)

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

Further, the Group has not experienced any significant impact on its business due to COVID-19. Despite the pandemic situation, sales have been stable and the Group continues to have a strong liquidity situation.

Section 2 - Operating performance

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	Q2 2021 (01.04-30.06) Unreviewed	Q2 2020 (01.04-30.06) Unreviewed	YTD 2021 (01.01-30.06)	YTD 2020 (01.01-30.06) Unreviewed
Major products and services				
AutoStore system	84.6	40.3	148.2	77.4
Rendering of services	0.1	1.3	0.2	1.8
Total revenue	**84.8**	**41.6**	**148.4**	**79.2**
Geographic information				
Nordics	14.0	8.3	31.1	16.1
Germany	18.6	8.4	30.8	13.3
Europe, excl. Nordics and Germany	24.8	11.5	31.3	23.9
USA	19.6	6.8	45.0	14.1
Asia	6.9	6.6	9.0	11.7
Other	0.8	0.0	1.2	0.1
Total revenue	**84.8**	**41.6**	**148.4**	**79.2**
Timing of revenue recognition				
Goods transferred at a point in time*	82.7	39.4	144.3	75.5
Goods and services transferred over time*	2.1	2.2	4.1	3.6
Total revenue	**84.8**	**41.6**	**148.4**	**79.2**

*Starting on 1 January 2021, recurring licence fees are presented as part of "goods and services transferred over time" while presented as "goods transferred at a point in time" before that. USD 0.93 million in Q2 2020 and USD 1.85 million in YTD 2020 have been correspondingly adjusted. This is only a presentational change, total revenue recognised, for all periods presented remains unchanged.

2.2 Segment information

The chief operating decision maker (CODM) of Autostore Group, which is defined as the Board, monitors the operating results of the Group as one business unit for the purpose of making decisions about resource allocation and performance assessment, hence only one segment is reported. Segment performance is evaluated with main focus based on Total revenue, Gross margin and EBITDA. Total revenues is measured consistently with total revenue and other operating income in the unaudited interim condensed consolidated statement of comprehensive income, while Gross margin and EBITDA are defined below.

	Q2 2021 (01.04-30.06) Unreviewed	Q2 2020 (01.04-30.06) Unreviewed	YTD 2021 (01.01-30.06)	YTD 2020 (01.01-30.06) Unreviewed
Revenue	84.8	41.6	148.4	79.2
Other operating income	0.8	0.3	1.3	0.7
Total revenues	**85.5**	**42.0**	**149.6**	**79.8**
Cost of materials	-26.8	-12.2	-47.2	-23.3
Gross margin	**58.7**	**29.8**	**102.5**	**56.5**
Employee benefit expenses	-10.1	-5.9	-51.1	-12.8
Other operating expenses	-24.4	-5.0	-38.3	-13.4
EBITDA	**24.2**	**18.8**	**13.1**	**30.4**

Gross margin is the Group's revenue and other operating income less cost of materials.

Other operating expenses are significantly increased in Q2 2021 compared to Q2 2020 mainly due to higher-than-normal consulting fees, financial service fees and legal fees, in relation to the Ocado case (see note 5.3) and the SoftBank transaction (see note 1.1). Employee benefit expenses are significantly increased in YTD 2021 compared to YTD 2020 due to social security provisions for share-based payments recognised in Q1 2021 (see note 5.2).

	Q2 2021 (01.04-30.06) Unreviewed	Q2 2020 (01.04-30.06) Unreviewed	YTD 2021 (01.01-30.06)	YTD 2020 (01.01-30.06) Unreviewed
Profit/loss for the period	**-1.7**	**35.8**	**-17.3**	**-56.5**
Income tax expense	-0.5	9.4	-4.5	-14.8
Finance income	-0.0	-48.2	-12.9	-0.1
Finance costs	11.4	10.4	18.4	78.0
Depreciation and amortisation	15.0	11.6	29.3	23.7
EBITDA	**24.2**	**18.8**	**13.1**	**30.4**

EBITDA is the Group's profit/loss for the period after adding back the income tax expense, finance costs, finance income and depreciation and amortisation.

Section 3 - Asset base

3.1 Intangible assets

Nature of the Group's intangible assets

Recognised goodwill of the Group is derived from the business combination of AutoStore in 2019, see the Group's consolidated financial statements for the year ended 31 December 2020 for more information. Additionally, USD 9.2 million of new goodwill was recognised in Q1 2021 from the acquisition of Locai, see note 5.1 for more information. There was no further goodwill recognised in the six month ended 30 June 2021.

At the acquisition of AutoStore in 2019, the Group recognised intangible assets for: R&D and technology, trademarks, patents and customer relations. Subsequently, the Group has recognised intangible assets comprising of internal development projects related to the AutoStore system. New additions recognised in the six months ended 30 June 2021 relate to USD 11.6 million of internal development costs (of these USD 7.1 million are from Q2) and USD 3.6 million of Software and technology related to the Local acquisition in Q1 2021 (see note 5.1).

In USD million	Goodwill	Trade-marks	Software and technology	Patents rights	Customer relation-ships	Devel-opment	Total
Acquisition cost							
31 December 2020	**1,256.0**	**6.9**	**470.4**	**90.2**	**125.6**	**19.4**	**1,968.5**
Additions through acquisitions	9.2		3.6				**12.7**
Additions						11.6	**11.6**
Currency translation effects	-3.9	-0.0	-0.3	0.0	1.4	0.2	**-2.7**
Acquisition cost							
30 June 2021	**1,261.3**	**6.9**	**473.7**	**90.2**	**127.0**	**31.2**	**1,990.2**
Accumulated amortisation							
31 December 2020	**-**	**-**	**25.5**	**6.8**	**34.3**	**1.7**	**68.4**
Amortisation for the period	-	-	9.5	2.5	12.9	2.2	**27.1**
Currency translation effects	-	-	1.0	0.3	1.5	-	**2.7**
Accumulated amortisation							
30 June 2021	**-**	**-**	**36.0**	**9.6**	**48.7**	**3.9**	**98.2**
Carrying amount							
31 December 2020	**1,256.0**	**6.9**	**444.9**	**83.4**	**91.3**	**17.7**	**1,900.2**
Carrying amount							
30 June 2021	**1,261.3**	**6.9**	**437.6**	**80.6**	**78.3**	**27.3**	**1,892.0**
Economic life (years)	Indefinite		25.0	18.0	10.0	5.0	
Amortisation plan	N/A			Straight-line			

The Group performed its annual impairment test for goodwill and intangible assets with indefinite lives in December and no impairments were made. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash-generating units were disclosed in the Group's consolidated financial statements for the year ended 31 December 2020.

The Group considers the relationship between the estimated market capitalisation of the Group and its book value, when reviewing for indicators of impairment. In addition, the Group considers the industry growth, impact of general economic conditions, the Group's market share and performance compared to previous forecasts in this assessment, among other factors. No indication of impairment for the Group's intangible assets were identified during the six month ended 30 June 2021 and hence no impairment testing has been performed. This is evidenced by the recent SoftBank transaction at the end of Q1 2021 where the Group's shares were traded at a level well above book value.

Section 4 - Financial instruments and equity

4.1 Share capital and shareholder information

Issued capital and reserves:

Share capital in Automate Holdings S.à r.l.	Number of shares authorised and fully paid	Par value per share (EUR)	Financial Position (USD)
At 1 January 2020 (unreviewed)	**3,162,987,200**	**0.01**	**35,241,911**
Share issue at 3 January 2020	330,000	0.01	1,672
At 30 June 2020 (unreviewed)	**3,163,317,200**	**0.01**	**35,243,583**
At 1 January 2021	**3,163,317,200**	**0.01**	**35,243,583**
Share issue at 4 January 2021	9,279,444	0.01	114,100
Share issue at 22 January 2021	9,810,000	0.01	119,270
Share issue at 13 April 2021 (exercise of share options)	41,113,780	0.01	489,090
At 30 June 2021	**3,223,520,424**	**0.01**	**35,966,043**

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

The Group's shareholders:

Shareholders in Automate Holdings S.à r.l.	Total shares	Ownership	Voting rights
THL Fund VIII	2,742,630,900	87 %	87 %
Other investors	420,686,300	13 %	13 %
At 1 January 2021	**3,163,317,200**	**100 %**	**100 %**
THL Fund VIII	1,638,390,532	51 %	51 %
Alpha LP	1,314,076,591	41 %	41 %
Other investors	271,053,301	8 %	8 %
At 30 June 2021	**3,223,520,424**	**100 %**	**100 %**

The ultimate parent of the Group

The Group is ultimately controlled by THL fund VIII, which is managed by THL Partners. The other majority shareholder of the Group is Alpha LP ultimately controlled by SoftBank Group Corp.

Distribution to shareholders

The Group did not pay dividends to shareholders during the six month ended 30 June 2021 or the six month ended 30 June 2020. There are no proposed dividends as at the date of authorisation of these financial statements.

Weighted average number of shares	Q2 2021 (01.04-30.06) Unreviewed	Q2 2020 (01.04-30.06) Unreviewed	YTD 2021 (01.01-30.06)	YTD 2020 (01.01-30.06) Unreviewed
Weighted average number of ordinary shares for basic EPS	3,223,068,624	3,163,317,200	3,201,452,514	3,163,311,760
Weighted average number of ordinary shares adjusted for the effect of dilution	3,223,068,624	3,324,724,804	3,201,452,514	3,163,311,760

4.2 Interest bearing liabilities

Non-current interest bearing loans and borrowings	Interest rate	30.06.2021	31.12.2020
Senior Facilities: Facility B (EUR)*	EURIBOR+4%	344.6	355.9
Senior Facilities: Facility B (USD)*	LIBOR+4.25%	167.0	167.0
Facilities: Second Lien (SL) Facility*	EURIBOR+7.75%	183.6	183.6
Capitalized fees - Facility B + SL Facility		-12.9	-14.2
Total non-current interest bearing loans and borrowings		**682.3**	**692.2**

* The Facilities have an interest rate floor of 0%, as such the base rate may not be negative.

The Senior Facilities: Facility B is due at 30 July 2026 and Facilities: Second Lien is due at 30 July 2027.

Current interest bearing loans and borrowings	Interest rate	30.06.2021	31.12.2020
Senior Facilities: Facility B (EUR)*	EURIBOR+4%	1.1	0.9
Senior Facilities: Facility B (USD)*	LIBOR+4.25%	-	0.6
Facilities: Second Lien Facility*	EURIBOR+7.75%	-	1.3
Total current interest bearing loans and borrowings		**1.1**	**2.8**

* The Facilities have an interest rate floor of 0%, as such the base rate may not be negative.

The Senior Facilities: Facility B is due at 30 July 2026 and Facilities: Second Lien is due at 30 July 2027.

The Senior Facilities: Facility B (EUR) + Facility B (USD) + Revolving Facility and Second Lien Facility, together the Credit Agreement, were negotiated during 2019 in connection with the acquisition of Terminator Bidco AS by The Group. The Credit Agreement was signed on 22 July 2019 and the Group received the funds on 31 July 2019. The Group has a revolving credit facility in place which may be drawn at any time up to 70 EUR million.

The Group drew EUR 60 million from the revolver in Q1 2020 and subsequently repaid the loan in Q3 2020.

Finance income and costs

	Q2 2021 (01.04-30.06) Unreviewed	Q2 2020 (01.04-30.06) Unreviewed	YTD 2021 (01.01-30.06)	YTD 2020 (01.01-30.06) Unreviewed
Finance income	0.0	48.2	12.9	0.1
Finance costs	-11.4	-10.4	-18.4	-78.0
Net finance income/cost	**-11.4**	**37.8**	**-5.5**	**-77.9**
Foreign currency gain/loss included above	-2.0	48.2	12.9	-57.3

Net finance income/cost for Q2 2021 was USD -11.4 million (YTD USD -5.5 million) compared to USD 37.8 million in Q2 2020 (YTD USD -77.9 million). The large changes mainly related to foreign exchange exposure on the Group's long term loans in currencies other than functional currency, where a foreign exchange gain of USD 48.2 million was recognised in Q2 2020. This gain is mainly due to NOK appreciating against USD and EUR as NOK being the functional currency of some of the largest subsidiaries within the Group. In Q1 2020, the Group recognised a foreign exchange loss of USD 105.5 million, mainly due to NOK depreciating significantly against USD and EUR as a result of the arrival of the COVID-19 pandemic in Europe. During Q1 2020, NOK depreciated approximately 19.5% against USD and 17.0% against EUR. The foreign exchange loss incurred in Q1 2020 has been regained almost entirely in subsequent periods. For information on the Group's foreign currency risk management, see note 4.7 in the Group's consolidated financial statements for the year ended 31 December 2020.

Exchange differences on translation of foreign operations

The exchange differences relate to the translation of results and financial position of subsidiaries with functional currency different to USD presentation currency. As the Group has large net investments in subsidiaries with NOK functional currency, the appreciation of NOK against USD in Q2 2020 resulted in positive translation differences; on the other hand, the depreciation of NOK against USD in Q1 2020 and YTD 2020, resulted in negative translation differences.

Section 5 - Other disclosures

5.1 Business combinations

Name	Acquisition date	% of voting equity instruments acquired	Fair value of consideration (USD million)
Locai Solutions, Inc	25 January 2021	100 %	12.0

On 25 January 2021, the Group signed an agreement to acquire all the shares in Locai Solutions Inc. through its subsidiary Autostore Systems Inc. Locai is a software company located in Delaware, U.S., providing Digital Commerce platforms to the grocery market based on AI and machine learning technology. The acquisition of Locai broadens Autostore's offerings to include order fulfilment and warehouse management software for stand-alone Autostore solutions. The acquisition was accounted for as a business combination under IFRS 3.

The consideration comprise of shares issued by the Company of USD 7.0 million and 5.0 million in cash. Based on the initial PPA, the Group has recognized USD 3.6 million of software and technology, USD 9.2 million of goodwill and USD 0.8 million of deferred taxes.

From the date of acquisition, Locai Solutions, Inc contributed USD 0.1 million of revenue and USD 0.05 million to profit before tax of the Group. If the combination had taken place at the beginning of the year, revenue and profit before tax of the Group would have been the same.

5.2 Share-based payments

Expense arising from share-based payment transactions	Q2 2021 (01.04-30.06) Unreviewed	Q2 2020 (01.04-30.06) Unreviewed	YTD 2021 (01.01-30.06)	YTD 2020 (01.01-30.06) Unreviewed
Expense arising from equity-settled share-based payment transactions	0.3	0.7	2.4	2.7
Total expense arising from share-based payment transactions	**0.3**	**0.7**	**2.4**	**2.7**

Due to the increase in the Group's estimated share price (based on observable prices from the SoftBank transaction), options exercised and accelerated vesting, the Group's social security provision increased by USD 32.7 million in the YTD 2021 period, recognised as employee benefit expenses. Of these USD 32.0 million was recognised in Q1 2021 and USD 0.7 million are recognised in Q2 2021. USD 12.2 million of social security taxes were paid in May 2021 related to options exercised.

Movements during the period

The following table illustrates the number of, and movements in, share options during the period:

	YTD 2021 (01.01-30.06) Number	YTD 2020 (01.01-30.06) Number
Outstanding at 1 January	163,071,600	146,431,641
Granted during the period	266,529	16,639,959
Forfeited during the period	-	1,663,996
Exercised during the period*	49,887,080	-
Expired during the period	-	-
Outstanding at 30 June	**113,451,049**	**161,407,604**
Exercisable at 30 June	77,552,986	

*The exercised options all had a strike price of EUR 0.33 and the share price on the date of exercise was EUR 1.8. These were exercised on 13 April 2021.

For more information on the share option program, reference is made to the Group's consolidated financial statements for the year ended 31 December 2020.

5.3 Commitments and contingencies

In October 2020, AutoStore filed patent infringement lawsuits in the United States and the United Kingdom against Ocado Group Plc. and certain affiliates. AutoStore is seeking court orders barring Ocado and its partner, Tharsus Group, from manufacturing, importing, using or selling technology that infringes AutoStore's patents, as well as monetary damages. In early 2021, Ocado filed counterclaims against AutoStore in the United States, the United Kingdom and Germany.

The Group expects a positive outcome of the cases particularly following a Norwegian court's determination that AutoStore owns patents covering the robots' central cavity technology, which belong to a patent family Ocado wrongly claimed entitlement of. The Group also believes that Ocado's counterclaims are not well-founded, and that the counterclaims are unlikely to result in significant economic loss to AutoStore. Estimating the financial effect is not practicable.

An US ITC hearing commenced 2 August 2021, and the Group is currently not aware of any new information in addition to what has previously been disclosed.

Responsibility Statement

We confirm to the best of our knowledge that the unaudited interim condensed consolidated financial statements for the period 1 January to 30 June 2021 have been prepared in accordance with IAS 34 – Interim Financial Reporting as adopted by EU, and additional requirements found in the Norwegian Accounting Act, and give a true and fair view of the Group's consolidated assets, liabilities, financial position and result for the period.

Luxembourg, 18 August 2021

In the name and on behalf of Automate Holdings S.à r.l.

Frank Deconinck
Class C manager

Michael Kaczmarek
Class A manager

Deloitte.

Deloitte Audit
Société à responsabilité limitée
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L-1821 Luxembourg

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To the Board of Managers of
Automate Holdings S.à r.l.
6, rue Eugène Ruppert
L-2453 Luxembourg

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Automate Holdings S.à r.l. and its subsidiaries (the "Group") comprising the interim condensed consolidated statement of financial position as at June 30, 2021, and the related interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory notes ("the interim financial information"). The Board of Managers is responsible for the preparation and fair presentation of this interim financial information in accordance with the International Accounting Standard IAS 34 on Interim Financial Statements, as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the Group as at June 30, 2021 and of the results of its operations for the six-month period then ended in accordance with the International Accounting Standard IAS 34 on Interim Financial Statements as adopted by the European Union.

Other Matter

The corresponding figures, as at and for the six-month period ended June 30, 2020 presented in the interim condensed consolidated financial statements of the Group are not reviewed.

For Deloitte Audit, *Cabinet de révision agréé*

PP J. van Delden
Jan van Delden

Alberto Olivero, *Réviseur d'entreprises agréé*
Managing Director

August 19, 2021

APPENDIX H

APPLICATION FORM FOR THE RETAIL OFFERING

APPLICATION FORM FOR THE RETAIL OFFERING

General information: The terms and conditions for the Retail Offering are set out in the prospectus dated 8 October 2021 (the "**Prospectus**"), which has been issued by AutoStore Holdings Ltd., with business registration number 202100333 (the "**Company**"), in connection with the initial public offering (the "**Offering**") of treasury Shares to be sold by the Company (the "**New Shares**") and existing shares in the Company (the "**Sale Shares**") offered by the Company's largest shareholder THL and certain other shareholders listed in Section 13 "Selling Shareholders" of the Prospectus (collectively, the "**Selling Shareholders**"), and the subsequent listing of the Company's shares on Oslo Børs, a stock exchange being part of Euronext and operated by Oslo Børs ASA (the "**Oslo Stock Exchange**"). In addition, the Joint Global Coordinators (as defined below) may elect to over-allot a number of additional Shares (the "**Additional Shares**") equal to up to approximately 15% of the aggregate number of New Shares and Sale Shares to be sold in the Offering. The New Shares, the Sale Shares and the Additional Shares are referred to herein as the "**Offer Shares**". All capitalized terms not defined herein shall have the meaning as assigned to them in the Prospectus.

Application procedure: Norwegian applicants in the Retail Offering who are residents of Norway with a Norwegian personal identification number may apply for Offer Shares through the VPS online application system by following the link to such online application system on the following websites: www.carnegie.no, www.abgsc.no and www.sb1markets.no. Applications in the Retail Offering can also be made by using this Retail Application Form or electronically through the Nordnet webservice. Applications through the Nordnet webservice can be made at www.nordnet.no for Norwegian applicants residing in Norway, through www.nordnet.se for Swedish applicants residing in Sweden, through www.nordnet.dk for Danish applicants residing in Denmark and through www.nordnet.fi for Finnish applicants residing in Finland. Retail Application Forms must be correctly completed and submitted prior to the expiry of the Application Period to one of the following application offices:

Carnegie AS	**ABG Sundal Collier ASA**	**SpareBank 1 Markets AS**
Fjordalléen 16, Aker Brygge	Munkedamsveien 45E, Vika Atrium	Olav V's gate 5, Vika
P.O. Box 684 Sentrum	P.O. Box 1444 Vika	P.O. Box 1398 Vika
N-0106 Oslo	N-0115 Oslo	N-0114 Oslo
Norway	Norway	Norway
Tel: + 47 22 00 93 60	Tel: +47 22 01 60 00	Tel: + 47 24 14 74 00
E-mail: subscriptions@carnegie.no	E-mail: subscription@abgsc.no	E-mail: subscription@sb1markets.no

The applicant is responsible for the correctness of the information filled in on this Retail Application Form. Retail Application Forms that are incomplete or incorrectly completed, whether electronically or physically, or which are received after the expiry of the Application Period, may be disregarded without further notice to the applicant, as may applications that are unlawful. **Subject to any shortening or extensions of the Application Period, applications made through the VPS online application system must be duly registered by 12:00 hours (CEST) on 19 October 2021, while applications made on this Retail Application Form must be received by one of the application offices within the same time**. **Applications made electronically through the Nordnet webservice must however be received by 23:59 hours (CEST) on 18 October 2021, unless the Application Period is shortened or extended.** None of the Company, the Selling Shareholders, any of the Managers or Nordnet may be held responsible for postal delays, unavailable fax lines, issues relating to internet or servers or any other logistical or technical matters that may result in applications not being received on time or at all by any application office. Applications made in the Retail Offering will be irrevocable and binding upon receipt of a duly completed Retail Application Form, or in the case of applications through the VPS online application system, upon registration of the application, irrespective of any shortening or extension of the Application Period, and cannot be withdrawn, cancelled or modified by the applicant after having been received by either of the application offices, or in the case of applications through the VPS online application system, upon registration of the application. Applications made through Nordnet can be amended up to 23:59 hours (CEST) on 18 October 2021, unless the Application Period is being shortened or extended. Following expiry of the Application Period, all applications received by Nordnet will be irrevocable and binding and cannot be withdrawn, cancelled or modified by the applicant.

Price of Offer Shares: The Company and the Lead Selling Shareholders have, in consultation with the Joint Global Coordinators, set an Indicative Price Range for the Offering from NOK 27 to NOK 31 per Offer Share. The Company and the Lead Selling Shareholders will, in consultation with the Joint Global Coordinators, determine the number of Offer Shares and the final Offer Price on the basis of the applications received and not withdrawn in the Institutional Offering during the Bookbuilding Period and the number of applications received in the Retail Offering. The Offer Price will be determined on or about 19 October 2021 and announced through the Oslo Stock Exchange's information system on or about the same date under the ticker code "AUTO". The Indicative Price Range is non-binding and the Offer Price may be set within, below or above the Indicative Price Range. Applicants in the Retail Offering will be permitted, but not required, to indicate when ordering through the VPS online application system or on this Retail Application Form that the applicant does not wish to be allocated Offer Shares should the Offer Price be set higher than the highest price in the Indicative Price Range (i.e. NOK 31 per Offer Share). If the applicant does so, the applicant will not be allocated any Offer Shares in the event that the Offer Price is set higher than the highest price in the Indicative Price Range. If the applicant does not expressly stipulate such reservation when ordering through the VPS online application system or on the Retail Application Form, the application will be binding regardless of whether the Offer Price is set within or above (or below) the Indicative Price Range. Applicants applying for Offer Shares through Nordnet will not be allowed to make this pricing reservation, and should the Offer Price be set above the Indicative Price Range, all applications made through Nordnet will be disregarded without further notice to the applicant. One or multiple applications from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999.

Allocation, payment and delivery of Offer Shares: In the Retail Offering, no allocations will be made for a number of Offer Shares representing an aggregate value of less than NOK 10,500 per applicant provided, however, that all allocations will be rounded down to the nearest number of whole Offer Shares and the payable amount will hence be adjusted accordingly. One or multiple applications from the same applicant in the Retail Offering with a total application amount in excess of NOK 1,999,999 will be adjusted downwards to an application amount of NOK 1,999,999. Carnegie AS ("**Carnegie**"), acting as settlement agent for the Retail Offering, expects to issue notifications of allocation of Offer Shares in the Retail Offering on or around 20 October 2021, by issuing allocation notes to the applicants by mail or otherwise. Any applicant wishing to know the precise number of Offer Shares allocated to it may contact one of the application offices listed above on or around 20 October 2021 during business hours. Applicants who have access to investor services through an institution that operates the applicant's account with the VPS for the registration of holdings of securities ("**VPS account**") should be able to see how many Offer Shares they have been allocated from on or around 20 October 2021. Applicants who have applied for Offer Shares through Nordnet should be able to see how many Offer Shares they have been allocated at their account in Nordnet on or about 20 October 2021. In registering an application through the VPS online application system or by completing a Retail Application Form, each applicant in the Retail Offering will give an irrevocable authorization to Carnegie (on behalf of the Managers) to debit the applicant's Norwegian bank account for the total amount due for the Offer Shares allocated to the applicant. The applicant's bank account number must be stipulated on the VPS online application or on this Retail Application Form. Accounts will be debited on or about 21 October 2021 (the "**Payment Date**"), and there must be sufficient funds in the stated bank account from and including 20 October 2021. Applicants who do not have a Norwegian bank account must ensure that payment for the allocated Offer Shares is made on or before the Payment Date. To ensure that they do not lose their right to any allotment, applicants in the Retail Offering applying for Offer Shares through Nordnet must have sufficient funds available in their account from 23:59 hours (CEST) on 18 October 2021 until 23:59 hours (CEST) on the Payment Date, i.e. 21 October 2021. For applicants who are allocated shares in the Retail Offering, who are Nordnet customers in Sweden and already have an investment savings account at Nordnet, Nordnet will purchase the equivalent number of Offer Shares in the Offering and resell such Offer Shares to the customer at a price equal to the final Offer Price. Further details and instructions will be set out in the allocation notes to the applicant to be issued on or around 20 October 2021, or can be obtained by contacting the Managers or Nordnet (depending on where the application was made). Should any applicant have insufficient funds on his or her account, or should payment be delayed for any reason, or if it is not possible to debit the account, interest will accrue and other terms will apply as set out under the heading "Overdue and missing payment" below. Carnegie (on behalf of the Managers) reserves the right (but has no obligation) to make up to three debit attempts through 27 October 2021 if there are insufficient funds on the relevant account on the Payment Date. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or, from the third day after the Payment Date, otherwise dispose of or assume ownership to the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit there from). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Selling Shareholder and/or the Managers may enforce payment of any such amount outstanding. Subject to timely payment by the applicant, delivery of the Offer Shares allocated in the Retail Offering is expected to take place on or around 22 October 2021 (or such later date upon the successful debit of the relevant account).

Guidelines for the applicant: Please refer to the second page of this Retail Application Form for further application guidelines.

Applicant's VPS account (12 digits):	**I/we apply for Offer Shares for a total of NOK (minimum NOK 10,500 and maximum NOK 1,999,999):**	**Applicant's bank account to be debited (11 digits):**

OFFER PRICE: My/our application is conditional upon the final Offer Price not being set above the Indicative Price Range (insert cross) **(must only be completed if the application is conditional upon the final Offer Price not being set above the Indicative Price Range):**	

I/we hereby irrevocably (i) apply for the number of Offer Shares allocated to me/us, at the Offer Price, up to the aggregate application amount as specified above subject to the terms and conditions set out in this Retail Application Form and in the Prospectus, (ii) authorize and instruct each of the Managers (or someone appointed by any of them) acting jointly or severally to take all actions required to purchase the Offer Shares allocated to me/us on my/our behalf, to take all other actions deemed required by them to give effect to the transactions contemplated by this Retail Application Form, and to ensure delivery of such Offer Shares to me/us in the VPS, (iii) authorize Carnegie to debit my/our bank account as set out in this Retail Application Form for the amount payable for the Offer Shares allocated to me/us, and (iv) confirm and warrant to have read the Prospectus and that I/we are aware of the risks associated with an investment in the Offer Shares and that I/we are eligible to apply for and purchase Offer Shares under the terms set forth therein.

Date and place*: **Binding signature****:

* Must be dated during the Application Period.
** The applicant must be of legal age. If the Retail Application Form is signed by proxy, documentary evidence of authority to sign must be attached in the form of a power of attorney or company registration certificate.

DETAILS OF THE APPLICANT — ALL FIELDS MUST BE COMPLETED	
First name	Surname/Family name/Company name
Home address (for companies: registered business address)	Zip code and town
Identity number (11 digits) / business registration number (9 digits)	Nationality
Telephone number (daytime)	E-mail address
Legal Entity Identifier (LEI) / National Client Identifier (NCI):	

Please note: if the Retail Application Form is sent to the Managers by e-mail, the e-mail will be unsecured unless the applicant itself takes measures to secure it. The Retail Application Form may contain sensitive information, including national identification numbers, and the Managers recommend the applicant to send the Retail Application Form to the Managers in a secured e-mail. **Please refer to the second page of this Retail Application Form for further information on the Managers' processing of personal data.**

GUIDELINES FOR THE APPLICANT

THIS RETAIL APPLICATION FORM IS NOT FOR DISTRIBUTION OR RELEASE, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA (INCLUDING ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES OF AMERICA AND THE DISTRICT OF COLUMBIA), AUSTRALIA, CANADA, THE HONG KONG SPECIAL ADMINISTRATIVE REGION OF THE PEOPLE'S REPUBLIC OF CHINA OR JAPAN, OR ANY OTHER JURISDICTION IN WHICH THE DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL. OTHER RESTRICTIONS ARE APPLICABLE. PLEASE SEE "SELLING RESTRICTIONS" BELOW.

Regulatory issues: Legislation passed throughout the European Economic Area (the "**EEA**") pursuant to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments ("**MiFID II**") implemented in the Norwegian Securities Trading Act, imposes requirements on intermediaries in securities markets. In this respect, the Managers must categorize all new clients in one of three categories: Eligible counterparties, Professional clients and Non-professional clients. All applicants applying for Offer Shares in the Offering who/which are not existing clients of one of the Managers will be categorized as Non-professional clients. The applicant can by written request to the Managers ask to be categorized as a Professional client if the applicant fulfils the provisions of the Norwegian Securities Trading Act and ancillary regulations. For further information about the categorization, the applicant may contact one of the Managers. The applicant represents that it has sufficient knowledge, sophistication and experience in financial and business matters to be capable of evaluating the merits and risks of an investment decision to invest in the Company by applying for Offer Shares, and the applicant is able to bear the economic risk, and to withstand a complete loss of an investment in the Company.

Target market: The target market for the Offering and the Offer Shares is non-professional, professional and other eligible counterparties. Negative target market: An investment in the Offer Shares is not compatible with investors looking for full capital protection or full repayment of the amount invested or having no risk tolerance, or investors requiring a fully guaranteed income or fully predictable return profile.

Execution only: As the Managers are not in the position to determine whether the application for Offer Shares is suitable for the applicant, the Managers will treat the application as an execution only instruction from the applicant to apply for Offer Shares in the Offering. Hence, the applicant will not benefit from the corresponding protection of the relevant conduct of business rules in accordance with the Norwegian Securities Trading Act.

Information Exchange: The applicant acknowledges that, under the Norwegian Securities Trading Act and the Norwegian Financial Undertakings Act and foreign legislation applicable to the Managers there is a duty of secrecy between the different units of the Managers as well as between the Managers and the other entities in the Managers' respective groups. This may entail that other employees of the Managers or the Managers' respective groups may have information that may be relevant to the subscriber, but which the Managers will not have access to in their capacity as Managers for the Retail Offering.

Information barriers: The Managers are securities firms offering a broad range of investment services. In order to ensure that assignments undertaken in the Managers' corporate finance departments are kept confidential, the Managers' other activities, including analysis and stock broking, are separated from their corporate finance departments by information barriers known as "Chinese walls". The applicant acknowledges that the Managers' analysis and stock broking activity may act in conflict with the applicant's interests with regard to transactions in the Offer Shares as a consequence of such Chinese walls.

VPS account and anti-money laundering procedures: The Retail Offering is subject to applicable anti-money laundering legislation, including the Norwegian Money Laundering Act of 1 June 2018 no. 23 and the Norwegian Money Laundering Regulation of 14 September 2018 no. 1324 (collectively, the "**Anti-Money Laundering Legislation**"). Applicants who are not registered as existing customers of the Managers must verify their identity to the Managers with which the order is placed in accordance with the requirements of the Anti-Money Laundering Legislation, unless an exemption is available. Applicants who have designated an existing Norwegian bank account and an existing VPS account on the Retail Application Form or the Employee Application Form, or when registering an application through the VPS online application system, are exempted, unless verification of identity is requested by the Managers. Applicants who have not completed the required verification of identity prior to the expiry of the Application Period may not be allocated Offer Shares. To participate in the Offering, each applicant must have a VPS account. The VPS account number must be stated when registering an application through the VPS online application system or on the Retail Application Form for the Retail Offering. VPS accounts can be established with authorized VPS registrars, which can be Norwegian banks, authorized investment firms in Norway and Norwegian branches of credit institutions established within the EEA. Non-Norwegian investors may use nominee VPS accounts registered in the name of a nominee. The nominee must be authorized by the Norwegian Ministry of Finance.

Selling restrictions: The Offering is subject to specific legal or regulatory restrictions in certain jurisdictions, see Section 18 "Selling and Transfer Restrictions" in the Prospectus. Neither the Company nor the Selling Shareholders assume any responsibility in the event there is a violation by any person of such restrictions. The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or under any securities laws of any state or other jurisdiction of the United States and may not be taken up, offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. There will be no public offer in the United States. The Offer Shares will, and may, not be offered, sold, resold, transferred, delivered or distributed, directly or indirectly, within, into or from any jurisdiction where the offer or sale of the Offer Shares is not permitted, or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any jurisdiction where the offer or sale is not permitted, except pursuant to an applicable exemption. In the Retail Offering, the Offer Shares are being offered and sold to certain persons outside the United States in offshore transactions within the meaning of and in compliance with Rule 903 of Regulation S under the U.S. Securities Act.

Neither the Company nor the Selling Shareholders has authorized any offer to the public of its securities in any Member State of the EEA other than Norway, Sweden, Finland and Denmark. With respect to each Member State of the EEA other than Norway which has implemented the EU Prospectus Regulation (each, a "**Relevant Member State**"), no action has been undertaken or will be undertaken to make an offer to the public of the Offer Shares requiring a publication of a prospectus in any Relevant Member State. Any offers outside Norway, Sweden, Finland and Denmark. will only be made in circumstances where there is no obligation to produce a prospectus.

Stabilization: The Stabilization Manager (Carnegie), or its agents, on behalf of the Managers, may , upon exercise of the over-allotment option, from the first day of "if issued/if sold" trading on the Oslo Stock Exchange effect transactions with a view to support the market price of the Shares at a level higher than what might otherwise prevail, through buying Shares in the open market at prices equal to or lower than the Offer Price. There is no obligation on the Stabilization Manager to conduct stabilization activities and there is no assurance that stabilization activities will be undertaken. Such stabilizing activities, if commenced, may be discontinued at any time, and will be brought to an end at the latest 30 calendar days after the commencement of trading in the Shares on the Oslo Stock Exchange. Save as required by law or regulation, the Stabilization Manager does not intend to disclose the extent of any stabilization transactions in connection with the Offering.

Personal data: The applicant confirms that it has been provided information regarding the Managers' processing of personal data, and that it is informed that the Managers will process the applicant's personal data in order to manage and carry out the Offering and the application from the applicant, and to comply with statutory requirements.

The data controllers who are responsible for the processing of personal data are the Managers. The processing of personal data is necessary in order to fulfil the application and to meet legal obligations. The Norwegian Securities Trading Act and the Norwegian Money Laundering Act require that the Managers process and store information about clients and trades, and control and document activities. The applicant's data will be processed confidentially, but if it is necessary in relation to the aforementioned purposes or obligations, the personal data may be shared between the Managers, with the company(ies) participating in the Offering, with companies within the Managers' groups, VPS, stock exchanges and/or public authorities. The personal data will be processed as long as necessary for the purposes, and will subsequently be deleted unless there is a statutory duty to keep it.

If the Managers transfer personal data to countries outside the EEA, that have not been approved by the EU Commission, the Managers will make sure the transfer takes place in accordance with the legal mechanisms protecting the personal data, for example the EU Standard Contractual Clauses.

As a data subject, the applicants have several legal rights. This includes i.e. the right to access its personal data, and a right to request that incorrect information is corrected. In certain instances, the applicants will have the right to impose restrictions on the processing or demand that the information is deleted. The applicants may also complain to a supervisory authority if they find that the Managers' processing is in breach of the applicable laws. Supplementary information on processing of personal data and the applicants' rights can be found at the Managers' websites.

Investment decisions based on full Prospectus: Investors must neither accept any offer for, nor acquire any Offer Shares, on any other basis than on the complete Prospectus.

Terms and conditions for payment by direct debiting - securities trading: Payment by direct debiting is a service provided by cooperating banks in Norway. In the relationship between the payer and the payer's bank the following standard terms and conditions apply:

1. The service "Payment by direct debiting — securities trading" is supplemented by the account agreement between the payer and the payer's bank, in particular Section C of the account agreement, General terms and conditions for deposit and payment instructions.
2. Costs related to the use of "Payment by direct debiting — securities trading" appear from the bank's prevailing price list, account information and/or information is given by other appropriate manner. The bank will charge the indicated account for incurred costs.
3. The authorization for direct debiting is signed by the payer and delivered to the beneficiary. The beneficiary will deliver the instructions to its bank who in turn will charge the payer's bank account.
4. In case of withdrawal of the authorization for direct debiting the payer shall address this issue with the beneficiary. Pursuant to the Financial Contracts Act, the payer's bank shall assist if payer withdraws a payment instruction which has not been completed. Such withdrawal may be regarded as a breach of the agreement between the payer and the beneficiary.
5. The payer cannot authorize for payment a higher amount than the funds available at the payer's account at the time of payment. The payer's bank will normally perform a verification of available funds prior to the account being charged. If the account has been charged with an amount higher than the funds available, the difference shall be covered by the payer immediately.
6. The payer's account will be charged on the indicated date of payment. If the date of payment has not been indicated in the authorization for direct debiting, the account will be charged as soon as possible after the beneficiary has delivered the instructions to its bank. The charge will not, however, take place after the authorization has expired as indicated above. Payment will normally be credited the beneficiary's account between one and three working days after the indicated date of payment/delivery.
7. If the payer's account is wrongfully charged after direct debiting, the payer's right to repayment of the charged amount will be governed by the account agreement and the Financial Contracts Act.

Overdue and missing payments: Overdue payments will be charged with interest at the applicable rate under the Norwegian Act on Interest on Overdue Payments of 17 December 1976 no. 100, which at the date of the Prospectus is 8.00% per annum. Should payment not be made when due, the Offer Shares allocated will not be delivered to the applicant, and the Managers reserve the right, at the risk and cost of the applicant, to cancel at any time thereafter the application and to re-allot or, from the third day after the Payment Date, otherwise dispose of or assume ownership to the allocated Offer Shares, on such terms and in such manner as the Managers may decide (and the applicant will not be entitled to any profit there from). The original applicant will remain liable for payment of the Offer Price for the Offer Shares allocated to the applicant, together with any interest, costs, charges and expenses accrued, and the Company, the Selling Shareholders and/or the Managers may enforce payment of any such amount outstanding.

APPENDIX I

LAST TWELWE MONTHS (LTM) CALCULATIONS

LAST TWELVE MONTHS (LTM) CALCULATIONS

1. Section 8.2.2.

Over the twelve months ended 30 June 2021, 48% of the Group's revenue was generated from existing customers, and repeat purchases are a key element of the Group's business model.

Section 8.5.3.1

Sales of extensions have grown from approximately USD 22.4 million in 2018 to approximately USD 45.5 million, or 18% of all revenue for the twelve-month period ended 30 June 2021.

	Revenue				Revenue Share
(USD in millions)	**FY2020**	**H2'20**	**H1'21**	**LTM H1'21**	**LTM H1'21**
Reocurring Sales	**94.9**	**57.1**	**64.4**	**121.5**	**48%**
Existing customer - New site	53.0	34.7	30.9	65.6	26%
Existing customer - Extension	32.0	19.5	26.0	45.5	18%
Software Lisences	4.4	0.3	4.5	4.8	2%
Spare Parts / Other	5.4	2.6	3.0	5.6	2%
New Sales	**87.2**	**42.0**	**85.3**	**130.5**	**52%**

2. Section 8.2.3.

Similarly, revenue contribution from BDM generated leads increased from USD 5 million in 2019 to USD 13 million over the last twelve months as of 30 June 2021, representing a 89% CAGR.

(USD million)

Revenue from BDM Generated Leads				
FY2019	**FY2020**	**H2'20**	**1H'21**	**LTM H1'21**
5.0	6.1	3.5	9.6	13

3. Section 8.2.5

AutoStore also has limited seasonality and limited working capital needs, with LTM adjusted net working capital averaging 15.4% of revenue at a normalized level between December 2019 and the first six months of 2021.

*The table below is based on non-audited management accounts which may differ from IFRS audited financial figures

(USD million)	**Dec. 19**	**Jan. 20**	**Feb. 20**	**Mar. 20**	**Apr. 20**	**May .20**	**Jun. 20**	**Jul. 20**	**Aug. 20**	**Sep. 20**	**Oct. 20**	**Nov. 20**	**Dec. 20**	**Jan. 21**	**Feb. 21**	**Mar. 21**	**Apr. 21**	**May .21**	**Jun. 21**	**LTM Avg**
Operational asset	88.3	81.0	42.3	53.8	52.4	47.0	58.5	52.9	47.7	50.7	58.7	67.4	75.0	60.5	64.6	73.5	74.6	78.9	82.6	63.6
Operational liabilities	(45.1)	(37.1)	(30.3)	(31.5)	(22.7)	(25.7)	(25.4)	(23.5)	(22.5)	(27.0)	(22.8)	(20.2)	(38.6)	(27.0)	(29.2)	(37.5)	(88.9)	(38.4)	(43.1)	(33.4)
Total working capital	43.1	43.8	12.0	22.4	29.8	21.3	33.2	29.4	25.2	23.7	35.9	47.2	36.4	33.5	35.4	36.0	(14.3)	40.5	39.5	30.2
Adjusted Net working capital	43.1	43.8	12.0	22.4	29.8	21.3	33.2	29.4	25.2	23.7	35.9	47.2	36.4	33.5	35.4	36.0	34.6	40.5	39.5	34.2
LTM avg. Adj. NWC in % of LTM revenue	14.4 %	16.7 %	16.7 %	15.7 %	16.1 %	16.1 %	15.4 %	15.3 %	15.2 %	15.3 %	14.6 %	15.0 %	16.5 %	15.5 %	15.9 %	15.7 %	14.7 %	14.4 %	13.9 %	15.4 %

4. Section 8.5.5.

End-market	**H2’20** (USD million)	**H1’21** (USD million)	**LTM H1'21** (USD million)	**LTM H1'21** (%)
Apparel & Sports equipment	15.0	21.4	36.4	14%
Electronics	15.2	13.2	28.4	11%
3PL	12.5	22.4	34.8	14%
Retail & Grocery	10.2	14.6	24.8	10%
Luxury & Personal care	1.9	12.9	14.8	6%
Industrial	9.8	25.9	35.8	14%
Automotive	3.2	4.2	7.5	3%
Building & Construction	2.7	2.1	4.8	2%

Other	31.8	32.9	64.7	26%
Total	**102.3**	**149.6**	**252.0**	**100%**

AutoStore has delivered solutions to solve for an array of fulfillment strategies: MFCs, HTP and standard warehouses. Between 2020 and the June 2021 LTM period, order intake grew from USD 171 million to USD 270 million for standard warehouses, USD 19 million to USD 96 million for HTP, and USD 29 million to USD 39 million for MFCs, excluding aftermarket services as spare parts, bin royalties and software licenses.

(USD million)	**H2'20**	**H1'21**	**LTM H1'21**
MFCs	18	21	39
High throughput	19	76	96
Standard	97	173	270
Grand Total	**135**	**270**	**405**

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