The Board of Directors' report 2018 for Victory Partners VIII Norway Holding AS

Operations and locations

Victory Partner VIII Norway Holding AS (Victory) is the parent company of Victory Partners VIII Norway AS, which is the parent company of LINK Mobility Group AS (LINK). Victory Partners VIII Norway AS acquired 100 % of the voting equity interests of LINK Mobility Group AS on 9 October 2018, whereby Victory gained control, and LINK Mobility Group AS was delisted from Oslo Stock Exchange. LINK Mobility Group AS is headquartered in Oslo.

The Group includes, in addition to Victory Partners VIII Norway AS, the following subsidiaries and offices:

Name of entity	Office
LINK Mobility Group AS	Oslo, Norway
LINK Mobility AS	Oslo, Norway
LINK Mobility AB	Stockholm, Sweden
LINK Mobility SIA	Riga, Latvia
LINK Mobility A/S	Kolding, Denmark
LINK Mobile A/S	Kolding, Denmark
LINK Mobility Oy	Tampere, Finland
Labyrintti International Oy	Tampere, Finland
LINK Mobility GmbH	Hamburg, Germany
GfMB Gesellschaft für Mobiles Bezahlen	Hamburg, Germany
LINK Mobility Spain S.L.U	Madrid, Spain
LINK Mobility EAD	Sofia, Bulgaria
LINK Mobility Sp.z.o.o	Gliwice, Poland
LINK Mobility SAS	Paris, France
Horisen Messaging AG	Rorschach, Switzerland
Simple SMS Group	Wels, Austria
Archynet s.r.s	Torino Italy
SMS IT Srl	Milan, Italy
Multiwizz SAS	Marseille, France
Hay Systems Ltd	Edinburgh, Scotland
Dream Interactive Ltd	Budapest, Hungary

LINK is a provider of mobile messaging services and mobile solutions for companies, public services and organizations and is the market leader in Europe.

Market – position and development

The overall market trend towards “mobilization of businesses” is getting stronger, and the total market for B2C mobile services experienced growth in 2018. The market for mobile messaging was slightly negatively impacted by the implementation of the GDPR directive in Europe but does not impact the trend of businesses continue to use mobile platforms as a key part of their communication strategy.

Customers who have first started using mobile communications in one area, tend to move more and more business activities to mobile platforms. The Scandinavian markets are regarded as advanced in terms of adopting mobile technologies and services and are 2-4 years ahead of their counterparts in other markets in taking mobile messaging services into use. LINK has a comparative advantage when entering new markets. Highly developed technological platforms, advanced services and solid reference cases, will enable LINK able to expand the market potential when entering new geographical markets.

In 2018 LINK sent 7.3 billion messages (includes the full year effect of acquired entities) on behalf of its more than 19.000 customers. LINK is regularly delivering mobile messages to the majority of mobile users in its main markets.

LINK is continuing to experience a high degree of recurring revenue combined with increased revenue per customer as most of the customers increase their use of LINK's various mobile services. Through the use of LINK's mobile services, LINK's customers increased their revenue through efficient communication with their end users, and they were at the same time reducing costs by running more efficient internal processes. LINK is experiencing an increased demand for integrated mobile solutions such as customer clubs, statistical and analytical tools, databases, payment solutions, strategic advice and numerous other mobile services.

The market for mobile messaging and mobile solutions is expected to continue to experience growth over the coming years as more and more private companies, public services and organizations recognize the importance of offering their customers and users mobile communication and services. LINK has a clear strategy of continuing the growth by increasing its market share in existing markets and by entering new markets both within and outside the current footprint in Europe. This is to be obtained through a combination of organic growth and acquisitions. The Scandinavian market for developing and deploying state of the art mobile solutions is amongst the most innovative in the world. LINK capitalize on the knowledge from the Nordic markets when accessing and expanding into new less developed markets.

Comments related to the financial statements

Victory was established in May 2018 and on 9 October acquired all shares in LINK. The below comments relate to the full year development of the LINK subsidiaries as outlined in the initial section on operations and detailed in note 24.

Revenue, costs and profits (LINK Proforma)

LINK reported revenue of NOK 1 972 million in 2018. NOK 1 783 million from the business segment LINK Mobile Messaging and NOK 189 million from LINK Mobile Solutions.

Of LINK's total revenue of NOK 1 972 million, NOK 546 million was from the Norwegian subsidiaries, NOK 394 million from the German subsidiaries, NOK 190 million was from the Spanish subsidiary, NOK 167 million from the Swedish subsidiaries, NOK 155 million from the Polish subsidiary, NOK 126 million from the Danish subsidiaries, NOK 104 million from the Swiss subsidiary, NOK 87 million from the French subsidiaries, NOK 70 million from the Italian subsidiaries, NOK 72 million from the Finnish subsidiaries and NOK 4 million from the Baltic subsidiary.

In 2018 LINK's gross margin was NOK 547 million. Operating costs NOK 335 million, non-recurring cost of NOK 97 million (cost connected to restructuring, share based compensation and acquisitions), depreciation NOK 85 million and net financial items of negative NOK 134 million. LINK's total tax expenses were NOK 20 million. This led to a profit of negative NOK 84 million in 2018.

Compared with the financial year 2018, revenue increased by NOK 678 million or 52 per cent, gross margin by NOK 150 million and adjusted EBITDA by NOK 72 million. Net profits were NOK 79 million lower than corresponding period last year, mainly due to higher financial expenses related to LINK being acquired by Victory, non-recurring cost and depreciation.

The pro forma figures for LINK in 2018 including full year result for businesses acquired in 2018, showed a combined revenue of NOK 2 076 million and adjusted EBITDA of NOK 222 million. The acquired business compared to 2017 comprised of Simple SMS (Austria), Archynet (Italy), sms.it (Italy), Multiwizz (France), Hay Systems Limited (UK) and Dream interactive (Hungary).

The parent company Victory's operations during 2018 had a revenue of NOK 0 and a recorded net loss of KNOK 1 in 2018.

Balance sheet, cash flow and liquidity

(Figures in brackets refer to balance 31 December 2017, unless otherwise specifies)

Victory Group's total assets December 31st, 2018 amounted to NOK 5 315 million.

Intangible assets amounted to NOK 4 665 million. Fair value of intangible assets identified on the date of the business combination amounted to 4 595, divided into NOK 2 922 million in goodwill, NOK 899 million in customer relations, NOK 447 million in technology, and 408 million in tradename. Investments in R&D amounted to NOK 28 million. LINK has increased spending on R&D in 2018 to develop the technical platforms and products like Joyn, Mobile Invoice and Mobile Intelligence which will contribute to the future growth within the segments Mobile Solutions and Mobile Intelligence. Equipment and fixture amounted to NOK 12 million.

Trade receivables and other receivables amounted to NOK 421 million (NOK 413 million) and cash equivalents to NOK 169 million (NOK 343 million).

Total equity amounted to NOK 2 421 million of which NOK 1 million were share capital, share premium were NOK 2 700 million and other equity negative, NOK 275 million.

Long term liabilities amounted to NOK 2 343 million, of which NOK 2 062 million related to the funding of the acquisition of LINK Mobility Group AS through Senior Facility Agreement (SFA).

Victory Group's cash flow from operating activities in the period covered in the financial statements were NOK 21 million.

The proforma total cash flow from LINK operating activities for the full year 2018 were 197 million (NOK 125 million).

Cash flow from investing activities were negative NOK 3 507 million, mainly related to the acquisition of LINK Mobility Group AS. Cash flows from financing activities were 3 686 million, NOK 2 696 million from issuing new shares, 2 000 million inflows from borrowings under the new Senior Facility agreement, 1 000 million repayment of LINK Mobility Group's bond loan and sellers credit from previous acquisitions.

Risks

LINK has identified three types of risk factors that can prevent successful implementation of its business strategy or manage its growth effectively: market risk, financial risk and acquisition risk.

Market risk

LINK's market share for B2C mobile services have grown rapidly over time through both organic growth and through acquisitions. LINK benefits from a unique competitive position. LINK is by far the largest player in Europe within its industry resulting in economies of scale relating to capacity and competences for developing and launching new products, broad existing product offerings and a solid expertise in operations and system integrations towards customers.

Based on its market and competitive advantages, LINK builds long term customer relationships through high quality of services, system integration and development of new products and solutions. LINK has very low customer churn in all markets. Customers who have first started using mobile communications in one area, tend to move more and more business activities to mobile platforms.

LINK's revenue, costs and profits are subjected to the risk of changes in customer prices. As the market is expanding, margin pressure is to be anticipated in some parts of the market. The price pressure is likely to be focused on wholesale/bulk SMS and basic mobile payment services. LINK will therefore continue its strategy of delivering value added services to its customers through LINK Solutions and LINK Mobile Intelligence, in order to both maintain its profit margins and to establish even stronger links with its customers. LINK's broad specter of mobile services enables LINK to offer its customers complete mobile solutions that cover multiple needs. This creates high customer satisfaction for LINK's customers, as well as creating close relationships between LINK and its customers. These factors reduce the price risk.

Implementation of the GDPR directive in Europe mid 2018 impacted to some degree negatively marketing messages in less mature markets as customer databases was reduced due to lack of consent at the time of implementation. LINK supports clients to rebuild consent from customers and the negative impact to volumes of marketing messages is expected to diminish through 2019.

Financial risk

LINK's activities expose it to financial risks, such as price, currency, liquidity, interest rate and credit. Overall, these risks are regarded as low.

By being the leading provider and thus the largest buyers of SMS in its markets, LINK is able to purchase SMS from the telecom operators at favorable prices. Additionally, LINK's position ensures priority from the operators securing high quality in terms of delivery reliability.

LINK's subsidiaries are operating in their local currencies NOK, SEK, DKK, PLN, BGN, HUF, GBP and EUR. Revenue and cost transactions are usually carried out in the same currency, which reduces the currency risk. However, as LINK's overall financial reporting is reported in NOK, changes in the value of SEK, DKK, PLN, BGN, HUF, GBP or EUR in relation to NOK, affect LINK's overall revenue and financial position.

LINK is also exposed to exchange risk regarding the EUR share of it's Senior Facility Agreement (loan), Capex Facility and Revolving Facility in EUR.

Victory Partner VIII Norway AS considers its liquidity risk to be limited and has sufficient liquidity available on bank accounts and through the established Revolving Facility as of year-end 2018.

Victory Partner VIII Norway AS established a Senior Facility Agreement in September 2018 Pursuant to the SFA, the Company has undertaken to maintain a consolidated leverage ratio (consolidated total net debt to consolidated pro forma EBITDA) below certain thresholds set out in the SFA's leverage ratio tables. The leverage ratio undertaking shall be tested quarterly, and the Company's consolidated ratios shall be below the threshold for the applicable testing date set out in the SFA. The first leverage ratio testing date is 30 June 2019. Hence, there was no testing of leverage ratios in 2018.

LINK had marginal losses on trade receivables in 2018 and has established efficient routines for the handling of overdue trade receivables.

Management of financial risk is performed with the emphasis on keeping the financial risk at a minimum, and LINK's main principle is to minimize exposure to financial risk. LINK holds no financial assets or liabilities for speculative purposes.

Acquisition risk

LINK's strategy of acquiring new businesses will require that LINK continues to purchase suitable companies at sound multiples, and that LINK manage to integrate the companies successfully and realize synergies through scale advantages. The last years' acquisitions prove that LINK's management has such expertise. During 2018 the LINK organization and main functions were developed and restructured to ensure even more efficient integrations of new businesses.

Going concern

In accordance with the Accounting Act § 3-3a, we confirm that the financial statements have been prepared under the assumption of going concern. This assumption is based on profit forecasts for the year 2019 and the Group's long-term strategic forecasts. The Group's economic and financial position is sound.

Allocation of net income

Victory Partners VIII Norway AS's net loss for the year was KNOK 1. The Board has proposed the net loss to be transferred to accumulated losses.

Organization, workforce and management

LINK's workforce is together with technology our most important asset, both in terms of serving LINK's customers of today and for the future development of the company. To strengthen Innovation power and development capacity LINK has established a development hub in Bulgaria counting 28 employees by the end of 2018. LINK has also strengthened strategic functions within Finance, Legal, Project Management, Sales and Technology by reorganizing existing competences and recruiting new employees. There are two new COO positions in LINK covering South Europe and Small & Medium markets.

By the end of 2018, LINK had 401 employees; LINK Denmark: 12 employees, LINK Sweden: 11 employees, LINK Finland & Baltics: 19 employees, LINK Germany: 26 employees, LINK Austria: 11, LINK Norway: 51 employees, LINK Spain: 29 employees, LINK Italy:15 employees, LINK Bulgaria: 23 employees, LINK Poland: 48 employees, LINK Switzerland: 4 employees, LINK UK: 4 employees, LINK France: 16 employees, LINK Mobility Group ASA: 132 employees.

33% of the total LINK workforce are women, this is an increase of 5 percentage points from 2017. The European Management Board consists of eight people, one woman and seven men.

Equal pay for work of equal value, regardless of gender, is emphasized in LINK. Recruitment, promotion and development of the workforce are based on merit and equal opportunity regardless of ethnicity, color, religion, gender, age, national origin, sexual orientation, marital status and disability. LINK does not accept any discrimination or harassment. The LINK Code of Conduct was introduced to all employees in 2018.

The working environment is regarded as good. The Norwegian unit was awarded the 6th best place to work in Norway in the range businesses 0-50 employees. Average sick leave was below 5% in 2018, and none of LINK's subsidiaries or the parent company recorded work related accidents that resulted in personal injury or property damage.

Environmental impact

Victory aspires to be a responsible corporation in terms environmental protection. The Group's operations are not regulated by licenses or permits and the services does not pollute the external environment.

Oslo 10 April 2019

The Board of Directors of Victory Partners VIII Norway Holding AS

Jens Rugseth
Chairman of the board

Robert Joseph Nicewicz Jr
Board Member

Charles Joseph Brucato
Board Member

Christopher Tyler Ritchie
Board Member

Ralph Paul Choufani
Board Member

Rune Syversen
Board Member

Arild Hustad
CEO

Consolidated Financial Statements

Victory Partners VIII Norway Holding AS

9.05.2018 - 31.12.2018

Victory Partners VIII Norway Holding AS

Consolidated income statement

For the period ended 31 December

(Amounts in NOK 1000)

	Note	09.05.2018 - 31.12.2018
Revenue	6	563 566
Total operating revenue		**563 566**
Cost of services rendered		-411 057
Payroll and related expenses	8	-58 744
Other operating expenses	7, 9	-168 857
Depreciation and amortization	12, 13	-41 332
Total operating expenses		**-679 989**
Operating profit (loss)		**-116 423**
Finance income and finance expenses		
Finance income	10	12 595
Finance expense	10	-203 541
Finance income (expense)		**-190 946**
Profit before income tax		**-307 369**
Income tax	21	31 930
Profit (loss) for the period		**-275 439**

The accompanying notes are an integral part of these financial statements.

Victory Partners VIII Norway Holding AS

Consolidated statement of Comprehensive Income

for the period ended 31 December

(Amounts in NOK 1000)	**31.12.2018**
Profit (loss) for the period	**-275 439**
Other comprehensive income	
Items that may be reclassified to profit or loss	
Translation differences of foreign operations	585
Other comprehensive income for the period	**585**
Total comprehensive income for the period	-274 854

Victory Partners VIII Norway Holding AS

Consolidated statement of financial position

(Amounts in NOK 1000)

ASSETS	Note	31 December 2018
Goodwill	5, 12	2 922 137
Other intangible assets	5, 12	1 742 884
Deferred tax asset	21	48 798
Equipment and fixtures	13	11 601
Total non-current assets		**4 725 420**
Trade and other receivables	14, 17	420 732
Cash and cash equivalents	15, 17	168 610
Total current assets		**589 342**
TOTAL ASSETS		**5 314 762**

EQUITY AND LIABILITIES		
Share capital	16	1 068
Share premium and other reserves		2 695 554
Retained earnings (accumulated losses)		-275 439
Total equity		**2 421 182**
Liabilities		
Long-term borrowings	17, 18	2 062 163
Deferred tax liabilities	21	281 262
Total non-current liabilities		**2 343 424**
Short-term borrowings	17, 18	45 106
Trade and other payables	17, 20	496 934
Income tax payable	21	8 116
Total current liabilities		**550 155**
Total liabilities		**2 893 580**
TOTAL EQUITY AND LIABILITIES		**5 314 762**

The accompanying notes are an integral part of these financial statements.

Victory Partners VIII Norway Holding AS

Consolidated statement of financial position

Oslo, 10 April 2019

The Bord of Directors of Victory Partners VIII Norway Holding AS

Jens Rugseth Chairman of the board	Robert Joseph Nicewicz Jr Board Member	Charles Joseph Brucato Board Member
Christopher Tyler Ritchie Board Member	Ralph Paul Choufani Board Member	Rune Syversen Board Member
	Arild Hustad CEO	

Victory Partners VIII Norway Holding AS

Consolidated statement of Changes in Equity

for the period ended 31 December

(Amounts in NOK 1000)	Note	Share capital	Share premium	Currency translation reserve	Retained earnings (accumulated	Total equity
Balance at 9 May 2018		30	-		-	**30**
Profit for the period		**-**	**-**	**-**	**-275 439**	**-275 439**
Other comprehensive income (loss) for the period, net of income tax		**-**	**-**	**585**	**-**	**585**
Total comprehensive income for the period		**-**	**-**	**585**	**-275 439**	**-274 854**
Issue of ordinary shares		1 068	2 694 969			**2 696 037**
Reduction of capital		-30				**-30**
Balance at 31 December 2018	16	**1 068**	**2 694 969**	**585**	**-275 439**	**2 421 182**

Victory Partners VIII Norway Holding AS

Consolidated statement of cash flows

for the period ended 31 December

(Amounts in NOK 1000)	Note	2018
Cash flows from operating activities		
Profit before income tax		-307 369
Adjustments for:		
Taxes paid		-11 545
Finance income	10	-12 595
Finance expense	10	203 541
Cash effect net finance operational		994
Depreciation and amortization	12, 13	41 332
Expenses related to acquisitions	5	116 872
Change in trade and other receivables	14	-59 089
Change in trade and other payables	20	23 766
Change in other provisions		-16 787
Net cash flows from operating activities		**-20 882**
Cash flows from investing activities		
Payment for equipment and fixtures	13	-1 545
Payment for intangible assets	12	-28 163
Payment for acquisition of subsidiary, net of cash acquired	5	-3 361 156
Expenses related to acquisitions	5	-116 872
Net cash flows from investing activities		**-3 507 736**
Cash flows from financing activities		
Proceeds on issue of shares		2 696 037
Repayment of equity		-30
Proceeds from borrowings	18	1 989 480
Repayment of borrowings	18	-999 823
Interest paid		-
Net cash flows from financing activities		**3 685 664**
Effect og foreign exchange rate changes		11 533
Net change in bank deposits, cash and equivalents		157 047
Cash and equivalents at beginning of period		30
Cash and equivalents at end of the period		**168 610**

The accompanying notes are an integral part of these financial statements.

Victory Partners VIII Norway Holding AS

Notes to the financial statements for the period ended 31 December 2018

Contents notes

Note 1 General information

Victory Partners VIII Norway AS Holding is the parent company of Victory Partners VIII Norway AS. Victory Partners VIII Norway AS owns 100 percent of LINK Mobility Group AS which owns 100 per cent of all its subsidiaries. The Group's subsidiaries at 31 December 2018 are set out below.

Name of entity	Date of acquisition	Place of business / country of registration	Ownership interest 31 Dec 2018
Victory Partners VIII Norway AS	29.06.2018	Oslo, Norway	100 %
Link Mobility Group AS	09.10.2018	Oslo, Norway	100 %
LINK Mobility AS	27.12.2007	Oslo, Norway	100 %
LINK Mobility AB	19.10.2007	Stockholm, Sweden	100 %
LINK Mobility SIA	05.09.2011	Riga, Latvia	100 %
LINK Mobility A/S	30.06.2015	Kolding, Denmark	100 %
LINK Mobile A/S	30.06.2015	Kolding, Denmark	100 %
LINK Mobility Oy	30.09.2016	Tampere, Finland	100 %
Labyrintti International Oy	30.09.2016	Tampere, Finland	100 %
LINK Mobility GmbH	30.09.2016	Hamburg, Germany	100 %
GfMB Gesellschaft für Mobiles Bezahlen	30.09.2016	Hamburg, Germany	100 %
LINK Mobility Spain S.L.U	01.04.2017	Madrid, Spain	100 %
LINK Mobility EAD	02.10.2017	Sofia, Bulgaria	100 %
LINK Mobility Sp.z.o.o	19.10.2017	Gliwize, Poland	100 %
LINK Mobility SAS	31.10.2017	Paris, France	100 %
Horisen Messaging AG	05.01.2018	Rorschash, Switzerland	100 %
Simple SMS Group	24.01.2018	Wels, Austria	100 %
Archynet s.r.s	31.01.2018	Torino Italy	100 %
SMS IT Srl	01.06.2018	Milan, Italy	100 %
Multiwizz SAS	20.11.2018	Marseille, France	100 %
Hay Systems Ltd	14.12.2018	Edinburgh, Scotland	100 %
Dream Interactive Ltd	18.12.2018	Budapest, Hungary	100 %

Note 2 Adoption of new and revised Int Financial Reporting Standards (IFRS)

A number of new or amended IFRSs issued by the International Accounting Standards Board (IASB) and IFRS interpretations issued by the IFRS Interpretations Committee (IFRS IC) are effective for accounting periods commencing on or after 1 January 2018. The Group was established during 2018, and the requirements arising from revised IFRSs or IFRIC interpretations are embedded in the recognition, measurement and disclosures relevant to the consolidated financial statements of the Group from the date of establishment. The accounting policies adopted have been described in note 3 Accounting policies.

The following new and revised IFRSs and IFRIC interpretations are applicable to the Group for the current period:

Standard/ Interpretation	**Title**	**Date of issue**	**Applicable to accounting periods commencing on**
IFRS 9	Financial Instruments	July 2014	1 January 2018
IFRS 15	Revenue from Contracts with Customers	May 2014	1 January 2018
Clarifications to IFRS 15	Revenue from Contracts with Customers	apr.16	1 January 2018
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions	June 2016	1 January 2018
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	sep.16	1 January 2018
Annual improvements	Annual improvements to IFRSs 2014-2016 cycle	December 2016	1 January 2018
Amendments to IAS 40	Transfers of Investment Property	December 2016	1 January 2018
IFRIC 22	Foreign Currency Transactions and Advance Consideration	December 2016	1 January 2018

At the date of authorisation of these financial statements, the following Standards and Interpretations had been issued by the IASB but were not effective for the financial year ended 31 December 2018.
Management anticipates that these Standards and Interpretations will be adopted in the Group's financial statements for the period beginning 1 January 2019 or later:

Standard/ Interpretation	**Title**	**Date of issue**	**Applicable to accounting periods commencing on**
Amendments to IFRS 9	Prepayment features with Negative Compensation	October 2017	1 January 2019
IFRS 16	Leases	January 2016	1 January 2019
IFRS 17[1]	Insurance contracts	May 2017	1 January 2021
IFRIC 23	Uncertainty over Income Tax Treatments	June 2017	1 January 2019
Amendments to IAS 28	Long-term interests in Associates and Joint Ventures	October 2017	1 January 2019
Annual improvements[1]	Annual improvements to IFRSs 2015-2017 cycle	December 2017	1 January 2019
Amendments to IAS 19[1]	Plan Amendment, Curtailment or Settlement	February 2018	1 January 2019
Amendments to Conceptual Framework[1]	Amendments to References to the Conceptual Framework in IFRS Standards	March 2018	1 January 2020
Amendment to IFRS 3[1]	Business Combinations	October 2018	1 January 2020
Amendments to IAS 1 and IAS 8[1]	Definition of Material	October 2018	1 January 2020

[1] The standard/revised standard/amendment has as at the date of issue of these financial statements not yet been adopted by the EU

Management has not yet considered the extent of the potential impact of the adoption of the new and revised/amended Standards and IFRIC interpretations applicable for accounting periods commencing on 1 January 2020 or later. For standards applicable for accounting periods commencing 1 January 2019, IFRS 16 Leases is considered to have a material impact on the financial statements as noted below.

IFRS 16 Leases
IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. The Group is only a lessee in terms of the definitions in IFRS 16 and arrangements entered into. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related Interpretations when it becomes effective for accounting periods beginning on or after 1 January 2019. The date of initial application of IFRS 16 for the Group will be 1 January 2019.The Group has chosen the modified retrospective application of IFRS 16 in accordance with IFRS 16:C5(b). Consequently, the Group will not restate the comparative information for the period prior to first adoption.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the lessee. Control is considered to exist if the lessee has the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that asset.
The Group will apply the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019. In preparation for the first-time application of IFRS 16, the Group has analysed current lease contracts and concluded that the new definition in IFRS 16 will not change the scope of contracts that meet the definition of a lease for the Group.
IFRS 16 will change how the Group accounts for leases previously classified as operating leases under IAS 17, which were off-balance sheet.On initial application of IFRS 16, for all leases (except as noted below), the Group will:
• Recognise right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments;
• Recognise depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss;
• Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated cash flow statement.

Lease incentives (e.g. rent-free period) will be recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease liability incentive, amortised as a reduction of rental expenses on a straight-line basis. Under IFRS 16, right-of-use assets will be tested for impairment in accordance with IAS 36 Impairment of Assets. This will replace the previous requirement to recognise a provision for onerous lease contracts.
For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Group will opt to recognise a lease expense on a straight-line basis as permitted by IFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of KNOK 35 101. The Group will recognise a right-of-use asset and a corresponding lease liability in respect of all these leases. The calculation of the impact has not been finalised.

Under IAS 17, all lease payments on operating leases are presented as part of cash flows from operating activities. The impact of the changes under IFRS 16 would be to reduce the cash generated by operating activities and to increase net cash used in financing activities.

Note 3 Summary of significant accounting policies

3.1 General information
Victory Partners VIII Norway Holding AS ("the Company") is a limited liability Company incorporated and domiciled in Norway. The address of the registered office is Langkaia 1 – Havnelageret, 0150 Oslo, Norway. Victory Partners VIII Norway Holding AS is the parent company of the Victory Partners VIII Norway Holding AS Group ("the Group"). The Group provides services in mobile communication and specialises in mobile messaging services, mobile solutions and mobile intelligence.

These consolidated financial statements, which are the first consolidated financial statements prepared by the Group, were approved for issue by the Board of Directors on date 10 April 2019. Minor rounding differences may occur and the total may deviate from the total of the individual amounts. This is due to the rounding of whole figures to the thousands for presentation purposes.

3.2 Basis for preparation
The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union. The consolidated financial statements have been prepared on the historical cost basis.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in applying the Group's accounting policies. Areas involving a high degree of judgment or complexity, and areas in which assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4. The consolidated financial statements have been prepared on a going-concern basis.

The presentation currency of the consolidated financial statement is Norwegian kroner (NOK), which is also the functional currency of the parent company.

3.3 Principles of consolidation
The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, which are entities controlled by the Company. Control is achieved when the Group has power over the investee, is exposed, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control noted above. The financial statements of the subsidiaries are prepared for the same reporting periods as the parent company and consistent accounting policies are applied. The results of subsidiaries acquired or disposed of during the year are included in the income statement from the date when control is obtained and until control ceases, respectively. Intercompany transactions, balances, revenues, expenses and unrealised Group internal gains or losses are eliminated on consolidation.

When the group ceases to consolidate an investee because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in the carrying amount recognised in profit or loss. The fair value of the retained interest becomes the initial carrying amount for the purposes of subsequent accounting for the investment.

3.4 Business combinations
Business combinations are accounted for using the acquisition method. The consideration transferred and all the identifiable assets and liabilities of acquired entities are measured at fair values at the date of acquisition, except deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements, which are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively. Acquisition-related costs are recognised in profit or loss as incurred.

Goodwill is measured at the amount by which the total consideration transferred exceeds the net fair value of assets acquired. Goodwill is not amortised, but its value is tested for impairment at least annually, or more frequently when there is an indication that the cash-generating unit to which goodwill has been allocated, may be impaired. Goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

When the consideration transferred by the Group in a business combination includes contingent consideration arrangements, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments recognised in goodwill. Measurement period adjustments arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.5 Revenue recognition

Revenues are recognised when goods are delivered or services rendered and measured based on the consideration to which the Group expects to be entitled in a contract with a customer net of discounts and sales related taxes. The Group recognises revenue when it transfers control of a product or service to a customer.

When the Group is acting as an agent, amounts are collected on behalf on the principal. In order to determine whether the Group is acting as a principal or an agent the risks and rewards associated with the service in question are assessed.When the Group is acting as an agent, amounts are collected on behalf on the principal. In order to determine whether the Group is acting as a principal or an agent, the Group assesses whether the Group controls the good or service before it is provided to the customer. Where the Group does not control the good or service, the Group is considered an agent in the transaction.

The services rendered are split into the following groups:

Type of service	Timing of recognition	Measurement of revenue
Mobile messaging transactions	The Group provide services within mobile messaging services, via SMS and other messaging channels as Apps, Facebook, Messenger, WhatsApp, Joyn and email. Revenue from messaging is recognised when the message service has been provided, i.e. the messages are delivered to the recipient.	The revenue is based on the price specified in the sales contract, net of discounts and value added taxes.
Payment services	The Group offers payment solutions where the customer can get their customers (the end user) to pay for goods or services by charging their mobile phone account or credit/debit card. As payment for these services, The Group is entitled to remuneration related to the processed transactions/payment. Revenue is recognised when the payment service is rendered.	For this group of services, the Group acts as an agent. The Groups performance obligation is to arrange for the provision of goods or services by another party. Consequently, only the income from the processed transactions is recognised as revenue.
Licences	License revenue consists of revenue from monthly fees paid by customers for access to the Groups platforms and solutions. No proprietary rights are transferred to the customer. The revenue is recognised throughout the duration of the license agreement.	The revenue is based on the price specified in the sales contract, net of discounts and value added taxes.
Consulting services	Revenue from consulting services is recognised in the accounting period during which the services are rendered.	The revenue is based on the price specified in the sales contract, net of discounts and value added taxes.

3.6 Foreign currency translation

In preparing the financial statements of the individual companies, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated after the transaction date.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement as financial items. All other foreign exchange gains and losses are presented on a net basis in the income statement as other operating expenses. Exchange differences are recognised in profit or loss in the period in which they arise.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group’s foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.
Goodwill and fair value adjustments arising from the acquisition of a foreign entity are considered as assets and liabilities of the foreign entity and translated at the closing rate. These exchange differences are recognised in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Group’s entire interest in a foreign operation), or a disposal involving loss of control over a subsidiary that includes a foreign operation, all of the exchange differences accumulated in a separate component of equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss.

3.7 Intangible assets
Goodwill and intangible assets acquired in business combination
Goodwill and intangible assets acquired in a business combination are recognised initially as set out in 3.4 Business Combinations above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).
Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

Separately acquired intangible assets
Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Subsequent to initial recognition, separately acquired intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired in a business combination.

Internally generated intangible assets – technology
Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development of the Groups technical platforms and products is recognised if, and only if, all the following conditions have been demonstrated:

•the technical feasibility of completing the intangible asset so that it will be available for use or sale;
•the intention to complete the intangible asset and use or sell it;
•the ability to use or sell the intangible asset;
•how the intangible asset will generate probable future economic benefits;
•the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
•the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired in a business combination.

3.8 Equipment and fixtures
Equipment and fixtures are initially recognised at cost, which includes the purchase price (including duties and non-refundable purchase taxes) and any directly attributable costs of bringing the asset to the location and condition necessary for it to be able to operate in the intended manner. Equipment and fixtures are subsequently recognised at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognised so as to reduce the cost of assets less their residual values over their useful lives, using the straight-line method. Depreciation commences when the assets are ready for their intended use.

Estimated useful life, depreciation method and residual values are reviewed at least annually. The straight-line depreciation method is used as this best reflects the consumption of the assets, which often is the passage of time. Residual value is estimated to be zero for all assets.

Repair and maintenance is expensed as incurred. If new parts are capitalised, replaced parts are derecognised and any remaining net carrying amount is recognised in operating profit (loss) as loss on disposal.

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

3.9 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Goodwill and intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Any impairment loss recognised for goodwill is not reversed in a subsequent period.

3.10 Leasing

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. All lease arrangements entered into by the Group as a lessee are classified as operating leases. Rentals payable under operating leases are recognised as an expense on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.11 Government grants

The Group receives Government grant as part of the "Skattefunn" arrangement in Norway, which is an arrangement to stimulate research and development in Norway. The government grant is initially recognised as a deduction to the carrying amount of the relevant asset. The amount is subsequently credited to profit or loss on a straight-line basis over the estimated useful life of the related asset.

3.12 Financial Instruments

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

The categorisation of financial instruments (financial assets and liabilities) for measurement purposes is based on the nature and purpose of the financial instrument and is determined on initial recognition. The Group presents financial assets and liabilities in the following classes: trade and other receivables, cash and cash equivalents, trade and other payables, long term borrowings and short-term borrowings.

Financial assets

The financial assets held by the group, primarily trade and other receivables, are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and are thus measured subsequently at amortised cost less loss allowances. The impairment model in IFRS 9 Financial Instruments requires the recognition of impairment provisions based on expected credit losses (ECL). The Group recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition. The impairment is calculated by taking into account the historic evidence of the level of credit losses experienced and the ageing profile of the trade receivables. Individual trade receivables are impaired when management assesses them not to be wholly or partially collectible.

Financial liabilities

The Group does not have financial liabilities held-for-trading or liabilities designated as at fair value through profit or loss.

Trade and other payables include trade payables and other current and non-current non-interest-bearing financial liabilities. Borrowings (long term and short term) include bank loans and overdrafts. These liabilities are initially recognised in the statement of financial position at fair value (net of any transaction costs), and subsequently measured at amortised cost using the effective interest rate method.

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

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

3.13 Cash and cash equivalents

Cash and cash equivalents include cash, bank deposits and commercial papers with original maturities of three months or less.

The Group presents the statement of cash flows using the indirect method. Cash inflows and outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash line items. Interest received and paid, and dividends received, are reported as a part of operating activities. Dividends distributed are included as a part of financing activities. Value Added Tax and other similar taxes are regarded as collection of tax on behalf of authorities.

3.14 Employee benefits

The Group operates a defined contribution plan for post-retirement benefits. A defined contribution plan is a pension plan under which the Group pays fixed contributions to a separate entity (insurance company). The Group has no legal or constructive obligations to pay further contributions to the pension plan for benefits relating to employee service in the current and prior periods. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

3.15 Taxation

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

Current tax payable is based on taxable profit for the year. Taxable profit differs from profit before tax because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's current tax liability is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.
A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax is recognized based on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets arising from deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which deductible 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 profits will be available to allow all or part of the asset to be recovered.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.16 Provisions

Provisions for e.g. workforce reductions (restructuring), onerous contracts and legal claims are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation, and discounted to its present value.

Note 4 Critical accounting judgements and key sources of estimation variances

In the application of the Group's accounting policies, as described in note 3, management is required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. Estimates and judgments are evaluated on an on-going basis and are based on historical experience and other factors, including expectations of future events that are considered to be relevant. Future events may cause these estimates to change and actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Changes in accounting estimates are recognised in the period when the changes occurred, if they only apply to that period. If the changes also apply to future periods, the effect will be distributed between the current period and future periods.

Business combinations
The Group has completed the acquisition of Link Mobility Group during 2018. The entities acquired represent all the operating business activities in the Group, refer to note 5 for further detail. In order to account for the business combinations and determine the fair value of the underlying assets and liabilities in accordance with IFRS 3, management has used significant judgement. In order to calculate the fair value of the intangible assets in the acquired companies, the expected future cash flows have been reconciled to the purchase price of the acquired companies. The reconciliation is performed via a Business Enterprise Valuation (BEV). Intangible assets have been valued using the Multi Excess Earnings Method ("MEEM") and Relief From Royalty Method ("RFR"). The methods are considered to be appropriate for the type of assets being valued (MEEM for customer relationships and RFR for technology and trade name). The excess of the consideration over the fair value of the net identifiable assets acquired is recognised as goodwill.

Significant input used in the estimation of fair values utilising the above methods are as follows:
-The remaining estimated useful life of customer relationships is between 7 and 10 years
-The remaining estimated useful life of technology is 10 years
-Revenue growth and EBITDA (earnings before interest, tax, depreciation and amortisation) margins are based on estimates of growth and margins in the respective companies

Estimated impairment of goodwill and other intangible assets
The carrying amounts of non-current tangible and intangible assets are assessed by means of impairment tests whenever there is an indication of impairment. Any impairment of goodwill is nevertheless assessed at least annually. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. As of 31 December 2018, the amount of goodwill tested for impairment amounted to KNOK 2 922 137. No impairment losses were recognised in 2018. Please refer to note 3 and 12 for further details related to the impairment testing methodology and results.

Deferred tax assets
Management judgment is required in determining provisions for income taxes, deferred tax assets and liabilities and the extent to which deferred tax assets can be recognized. The Group is also subject to income taxes in various jurisdictions. Judgment is required in determining the Group's provision for income taxes. There may be transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax liability and expense in the period in which such determination is made.

Purchase price of subsidiaries – earn-out
In some events the Group acquires subsidiaries where the preliminary purchase price is based on an assumption that the company will achieve a target EBITDA for the current financial year. The final purchase price is subject to an upwards or downward earn-out adjustment based on the company's actual achieved EBITDA.The earn-out adjustment is accounted in the income statement as other financial income or loss.

Note 5 Business combinations

Acquisitions during the period

2018	**Main business activity**	**Date of business combination**	**Proportion of voting equity acquired**	**Acquiring entity**
LINK Mobility Group AS	Provider of mobile messaging services and mobile solutions	9 Oct 2018	100 %	Victory Partners VIII Norway AS

The above company has been acquired with the purpose of establishing the group's activities under new ownership. The acquired entities provide mobile communication services, specializing in messaging, digital services and data intelligence. 100 % of the voting equity interest of the company was acquired on 9 October 2018 whereby Victory Partners VIII Norway AS gained control and LINK Mobility was delisted from the Oslo Stock Exchange. A purchase price allocation has been performed as of this date. LINK Mobility Group has acquired a number of companies over the last 3 years and the Group consists of a number of legal entities in different countries, which are included in the transaction.

The total consideration paid was in cash at the amount of KNOK 3 396 379.
Assets assumed in connection with the business combination of LINK Mobility Group AS have been recognised at the estimated fair value on the date of the business combination. Management has identified technology, tradename and customer relations as major assets.

Note that the estimates are provisional and may be subject to change during the measurement period, which is one year from the date of the acquisition.

Identifiable assets and liabilities recognised on the date of the business combination

(Amounts in NOK 1 000)	**Acquired 9 October 2018 LINK Mobility Group AS**
Tradename	408 395
Customer relations	899 300
Technology	447 349
Deferred tax assets/other recievables	12 001
Tangible fixed assets	9 975
Trade and other receivables	349 300
Cash and cash equivalents	118 300
Long-term liabilities	(933 400)
Deferred tax liability	(286 626)
Trade and other payables	(468 000)
Fair value of identifiable net assets acquired	**556 593**

Goodwill

(Amounts in NOK 1 000)	***Acquired entities***
Consideration transferred	3 396 379
Fair value of identifiable net assets acquired	-556 593
Goodwill	**2 839 785**

Goodwill originating from the business combination is primarily related to anticipated synergies from on-going operations and the benefit of integrating the entire business into the group. No impairment has been recognised subsequent to the business combination.

Goodwill that has arisen as part of the business acquisition is not tax deductible.

Acquisition related expenses recognised as other operating expenses in the period amount to KNOK 116 872.

From 9 October through 31 December 2018, revenues of KNOK 563 566 and profit (loss) after tax of KNOK -66 930 were recognised for LINK Mobility Group AS.
If the operating businesses had been consolidated from 9 May 2018 (date of establishment of the parent company) the sales revenues for the group would have been KNOK 1 349 931 and the profit (loss) after tax for the group in 2018 would have been KNOK -295 573. For full year operating business of LINK Mobility AS, refer to note 24.

In addition, LINK Mobility Group AS acquired 100 % of the voting equity in additional subsidiaries in the period 9 October through 31 December 2018.

Company	Consideration	Date of Business combination	Proportion of voting equity acquired	Goodwill identified
Multiwizz SAS (France)	49 975	23 Nov 2018	100 %	48 228
Hay Systems Ltd (UK)	10 555	6 Dec 2018	100 %	10 555
Dream Interactive (Hungary)	23 579	18 Dec 2018	100 %	23 579
Total	**84 109**			**82 362**

Note that the estimates for excess value recognised are provisional and may be subject to change during the measurement period, which is one year from the date of the acquisition.

Note 6 Revenue

(Amounts in NOK 1000)

The Group's operations are conducted through subsidiaries in Norway, Sweden, Denmark, Finland, Germany, Spain, France, Poland, Baltics, Bulgaria, Switzerland, Austria and Italy. The Group derives its revenue from contracts with customers for the transfer of goods and services over time and at a point in time from the major product and services listed below. In addition the Group is organized within geographical areas. The performance of these geographical areas are evaluated on a monthly basis by Group management.

The revenue is for the period 9 Oct - 31 Dec, after the acquisition of the LINK Mobility Group.

Business Lines	**Revenue by business line**
Mobile messaging transactions	516 846
Payment services	11 987
Licenses	30 729
Consulting services	4 003
Group	**563 566**

Geographical area	**Revenue**
Norway	149 933
Germany	113 810
Sweden	53 170
Spain	46 610
Poland	42 875
Denmark	33 993
Italy	33 056
Switzerland	28 308
France	26 736
Finland	19 376
Bulgaria	9 560
Austria	5 059
Baltics	1 082
Total	**563 566**

Note 7 Operating lease arrangements

(Amounts in NOK 1000)

The main lease agreements for the Group relate to rental of office space for the different companies in the countries in which the Group operates. The Group has material rental agreements related to premises in Oslo, Stockholm, Copenhagen, Hamburg, Tampere, Gliwice, Sofia, Madrid and Paris.

Minimum lease payments under operating leases recognised as an expense in the period:

	09.05.2018 - 31.12.2018
Rent	3 286
Office equipment	42
Other lease	357
Sub-lease	23
Total minimum lease payments expensed	3 707

At the reporting date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows;

	09.05.2018 - 31.12.2018
Payable within one year	11 329
Payable between one and five years	16 229
Payable later than five years	7 543
Total future minimum lease payments	35 101

Operating lease payments represent rentals payable by the Group for certain of its office properties.

Note 8 Payroll and related expenses

(Amounts in NOK 1000)

	09.05.2018 - 31.12.2018
Wages and salaries	39 632
Social security tax	9 900
Pension expense	5 057
Other benefits	4 155
Total payroll and related expenses	**58 744**

Average number of full time equivalent employees	247

The pension plans in the Group comply with the pension legislation of the respective countries. The pension plans require that the Group pays premiums to public or private administrative pension plans on a mandatory, contractual or voluntary basis. There are no further obligations once the annual premiums are paid. The premiums are accounted for as personnel expenses as soon as they are incurred. Pre-paid premiums are accounted for as an asset to the extent that future benefits can be determined as plausible.

Remuneration of key group employees

Key group employees are defined as employees who are part of LINK Group management. In 2018 and as at 9 October 2018 Group management consisted of the following individuals (note that the amounts below are in NOK):

The reported remuneration below is for the period 9 Oct - 31 Dec for the LINK Group management.

	Wages and Salaries	Pension expense	Other renumeration
Arild Hustad (CEO)	450 000	18 000	2 302
Thomas Berge (CFO)	437 500	17 500	2 235
Krister Tånneryd (CTIO)	363 300	117 100	5 200
Janicke Wrige (Group HR Director)	300 000	12 000	24 930
Total	**1 550 800**	**164 600**	**34 667**

The CEO, CFO and CTIO have agreements that entitle them to 6 months salary in the event of termination of employment.

Arild Hustad has a performance based bonus, limited to KNOK 600 per annum. The criteria for this bonus is a combination of quantitative and qualitative targets decided by the Board.
Thomas Berge has a performance based bonus, limited to 30 % of annual fixed salary. The criteria for this bonus is a combination of quantitative and qualitative targets decided by the Board.
The remaining members of Group management are included in the common bonus agreement for LINK employees. The bonus is calculated on the basis of achievment of budgeted Group income and EBITDA, and yearly decided quantitave and qualitative criteria. The yearly bonus is limited to 3 months salary.

No loans, advances or guarantees have been granted to key group employees or board members.

Remuneration to Board of Directors

The Board of Directors has in the period not received any renumeration.

Note 9 Other operating expenses

(Amounts in NOK 1000)

	09.05.2018 - 31.12.2018
Cost related to acquisition of subsidiaries	116 872
Restructuring costs	15 503
Advisors and consultants	11 581
IT, licenses and hosting	6 893
Other expenses	6 475
Sales and marketing cost	5 773
Cost for premises	4 066
Inventory and equipment	1 694
Total other operating expenses	**168 857**

The table below summarises audit fees for the period 09.05.2018 - 31.12.2018 and fees for audit related services, tax services and other services incurred by the Group during the period. Fees include both Norwegian and foreign subsidiaries.

	09.05.2018 - 31.12.2018
Audit fee	1 527
Other attestation services	59
Tax consulting services	108
Other services	12
Total fee to auditor	**1 707**

Note 10 Finance income and expenses

(Amounts in NOK 1000)

The Group's finance income and finance expense mainly relates to gains and losses from foreign exchange. The finance expense for the period relates to settlement of bond loan, amortised cost recognised in profit and loss on the bond loan and cost price adjustments on the subsidiaries in Poland and Switzerland.

Finance income	09.05.2018 - 31.12.2018
Gain from foreign exchange	10 978
Interest income on bank deposits	61
Other financial income	1 557
Total finance income	**12 595**

Finance expense	09.05.2018 - 31.12.2018
Losses from foreign exchange	74 279
Interest expense bank	38 969
Other finance expense	90 293
Total finance expense	**203 540**
Net finance income (expense)	-190 945

Note 11 Transactions with related parties

(Amounts in NOK 1000)

Balances and transactions between Victory Partners VIII Norway Holding AS and its subsidiaries, which are related parties of Victory Partners VIII Norway Holding AS, have been eliminated on consolidation and are not disclosed in this note. 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.
During the year, the Group has not entered into any transactions with related parties.

At 31 December 2018, the Company had no balances with related parties.

Note 12 Intangible assets

(Amounts in NOK 1000)

Period ended 31 December 2018	Tradename	Customer relations	Technology	Goodwill	Total
Opening net book amount	-	-	-	-	-
Net additions from acquired businesses (PPA)	408 395	899 300	447 349	2 922 137	**4 677 180**
Additions in the period	25	-	27 564	-	**27 589**
Net additions from acquired businesses			1 613		
Disposals in the period		-	-	-	**-**
Translation differences	-0	116	-1 116		
Cost at 31 Desember 2018	408 420	899 416	475 409	2 922 137	4 704 769
Amortisation in the period	-	22 702	17 659	-	**40 361**
Accumulated amortization at 31 December 2018	-	22 702	17 659	-	**40 361**
Net carrying amount at 31 December 2018	**408 420**	**876 715**	**457 750**	**2 922 137**	**4 665 021**
Estimated useful life	indefinite	7-10	3-10	indefinite	
Amortisation method		Straight-line	Straight-line		

Tradename

The LINK name was established in 2008 and has become a known name within the mobile solutions industry. The estimated useful life cannot be determined and is identified as indefinite. This means that the asset is not amortised, but tested for impairment on at least an annual basis and more frequently if there are indicators that the asset may be impaired. Tradename has not been allocated to specific CGUs.

Customer Relationships

For customer relationships identified and recognised through business combinations, the amortisation period is estimated to be 7-10 years. The amortisation period is based on an analysis of customer churn and the remaining useful life of the customer relationships recgonised in the balance sheet.

Technology

For own development cost and technology the amortisation period is 3-10 years. For technology acquired through business combinations the amortisation period is 7-10 years based on an evalution of the type of technological solution. The Group has received grant from the "Skattefunn" arrangement i Norway. Received grant in the period amounting to KNOK 4 361 has been deducted from the carrying amount of development cost. The requirements of the arrangement have been fulfilled.

Goodwill

Goodwill originating from the business combination is primarily related to anticipated growth prospects for the acquired businesses. Included in goodwill is also assembled workforce, at an estimated MNOK 107. No impairment has been recognised subsequent to the business combination.

Impairment test

Goodwill and other intangible assets with an indefinite useful life (tradname) are tested for impairment on an annual basis at a cash generating unit level, and more frequently if there are indications that amounts may be impaired. In accordance with IAS 36 Impairment of assets, the carrying amount of the cash-generating unit (CGU) to which the goodwill has been allocated is compared with the recoverable amount of the cash generating unit. The recoverable amount is determined based on value-in-use calculations. These calculations use cash flow projections approved by management covering a five year period. The assumed growth rate has been based on the management growth estimate for the next five years and subsequently reduced to 2 % for the purpose of determining the terminal value. The pre-tax discount rates applied to the cash flows is calculated based on the weighted average cost of capital (WACC) specific for each CGU and are within the range of 7.1-12.9 %.

Goodwill has been allocated to relevant CGUs as described in the table below. Each geography in which the Group operates has been determined as a CGU:

	Goodwill
Norway	791 585
Sweden	211 267
Denmark	225 873
Finland	65 761
Germany	592 008
Spain	218 886
Poland	237 692
Bulgaria	28 083
France	117 596
Switzerland	279 344
Italy	119 908
	10 555
Hungary	23 579
Total	**2 922 137**

The impairment test shows that the recoverable amounts significantly exceed the carrying amount of the CGUs. Management have concluded that no reasonably possible change in any of the key assumptions used for impairment testing would cause the carrying amounts of the cash-generating units with significant goodwill to exceed recoverable amounts.

Note 13 Equipment and fixtures

(Amounts in NOK 1000)

Period ended 31 December 2018	
Opening net book amount	-
Net additions from acquisition of LINK Mobility Group AS	9 975
Net additions from other acquired businesses	283
Additions	1 924
Disposals	-379
Depreciation charge	-971
Translation differences	769
Closing net book amount 31.12	**11 601**

Cost	12 572
Accumulated depreciation	-971
Net book amount	**11 601**

Estimated useful life and depreciation plan is as follows:

Estimated useful life	3-5 years
Depreciation plan	Straight-line

Note 14 Trade and other receiveables

(Amounts in NOK 1000)

	31.12.2018
Trade receivables	342 031
Other receivables	580
Prepayments	78 121
Total trade and other receivables	**420 732**

The above trade receivables and other receivables represent the group's maximum exposure to credit risk at the balance sheet date.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The Group recognises a loss allowance of 100% against all receivables over 120 days past due, unless it is probable that the receivable will be collected based on past experience with customer and financial position of the debtor. Additional allowances for specific balances are recognised based with reference to past experience and an analysis of the financial position of the debtor along with other relevant factors.

The Group has recognised an allowance for impairment amounted to KNOK 14 440 as at 31.12.2018. Trade receivables recognised as part business combinations on establishment of the Group were recognised at fair value on the date of acquisition, allowance for impairment amounted to KNOK 11 507.

Ageing of past due but not impaired trade receivables

31.12.2018	Not past due	<30	31-60	61-90	91-120	>120	Total
Carrying amount	202 922	88 411	15 349	5 723	7 571	22 055	**342 031**

The maturity analysis is based on the original transaction date in the underlying company, which for some amounts is prior to the establishment of the Group.

Note 15 Cash and cash equivalents

(Amounts in NOK 1000)

	31.12.2018
Cash and cash equivalents in the Group's cash pool systems	79 528
Cash and cash equivalents outside the Group's cash pool systems	89 082
Total cash and cash equivalents	**168 610**

Restricted cash	**31.12.2018**
Taxes withheld	4 364
Other restricted cash	1 427
Total restricted cash	**5 791**

Cash and cash equivalents include restricted cash related to regulatory requirements.

The Group has established cash pool systems. Under these agreements, Link Mobility Group AS is the Group account holder and the other companies in the Group are sub-account holders or participants.

Note 16 Share capital and shareholder information

Share capital as at 31 December 2018 is KNOK 1 068, comprised of 10 547 465 ordinary shares at a nominal value of NOK 0.10 each, and 129 158 preference shares at a nominal value of NOK 0.10 each. All shares are fully paid; each ordinary share carries one vote at any general meeting and preference shares do not entitle holders to vote at any general meeting.

The movement in the number of shares during the year was as follows:

	31.12.2018
Ordinary shares:	
Issue of ordinary shares at foundation (9 May 2018)	30
Redemption of ordinary shares (04 October 2018)	-30
Issue of ordinary shares (04 October 2018)	8 322 001
Issue of ordinary shares (08 October 2018)	2 225 464
Ordinary shares at the end of the period	10 547 465
Preference shares:	
Issue of preference shares (04 October 2018)	129 158
Preferemce shares at the end of the period	129 158
Total number of shares at the end of the period	10 676 623

Victory Partners VIII Norway Holding AS has the following hareholders as at 31 December 2018:

Shareholder	**Number of shares**	**Percentage of ordinary shares and voting rights**
Arisona Holding AS	50 000	0,47 %
Rugz AS	727 821	6,90 %
Rugz II AS	311 394	2,95 %
Sevencs AS	378 282	3,59 %
Sundahl ApS	757 967	7,19 %
Victory Partners VIII Limited	8 451 159	78,90 %
Total	10 676 623	100,00 %

Note 17 Classes and categories of financial instruments

(Amounts in NOK 1000)

31.12.2018	Carrying value Amortised cost	Total
Current financial assets		
Trade receivables	342 031	**342 031**
Cash and cash equivalents	168 610	**168 610**
Non-current financial liabilities		
Long-term borrowings	2 062 163	**2 062 163**
Current liabilities		
Short-term borrowings	45 106	**45 106**
Trade payables	323 743	**323 743**

The financial assets held by the Group are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and are thus measured subsequently at amortised cost less loss allowances.

The Group does not have financial liabilities held-for-trading or liabilities designated as at fair value through profit or loss. All financial liabilities are measured at amortized cost.

The carrying amounts of financial assets and liabilities approximate their fair value as at 31 December 2018. Arrangements with financial institutions are entered into on market terms, and the carrying value at the reporting date has been assessed as approximating fair value.

Fair value hierarchy levels are based on the extent to which fair values are observable.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: fair value measurement are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable input).

Fair value of the arrangements with financial institutions fall within level 3 of the fair value hierachy.

Note 18 Interest-bearing liabilities

(Amounts in NOK 1000)

Interest bearing liabilities are measured at amortised

Non-current financial liabilities	**31.12.2018**
Debt to financial institutions	2 062 163
Total	**2 062 163**

Current liabilities	**31.12.2018**
Sellers credit short term	7 285
Debt to financial institutions*	37 821
Total	**45 106**

*Instalments falling due within a 12 month period, including non-capitalised interest, are classified as current.

The fair value of borrowings is estimated to approximate their fair value.

Senior facility agreement (SFA)

Victory Partners VIII Norway AS (the Company) entered into a senior facility agreement on 27 September 2018 (the "SFA"). The SFA provided the Company with a EUR 119m and a NOK 755m committed acquisition finance, utilised by the Company in connection with the acquisition of all the shares in LINK Mobility Group AS in October 2018. Furthermore, the SFA provides additional committed financing, with a EUR 85m capital expenditure facility and a EUR 25m revolving credit facility for working capital needs.

The Company's direct subsidiary, LINK Mobility Group AS, has acceded to the SFA as an additional borrower and a guarantor, and several other indirect subsidiaries of the Company has acceded to the SFA as guarantors.

Facility / Currency	**Debt out-standing**	**Amortized cost EUR**	**Amortized cost NOK**	**Maturity**	**Term**	**Interest p. a.**	**Due date Interest**
Acquisition Finance - EUR	119 000	114 973	1 145 695	4 Oct 2025	7 years	EURIBOR + 6,5 %	Quarterly
Acquisition Finance - NOK	755 000	-	734 576	4 Oct 2025	7 years	NIBOR + 6,75 %	Quarterly
CAPEX facility - EUR	9 000	8 846	88 074	4 Oct 2025	7 years	EURIBOR + 6,5 %	Quarterly
Revolving facility - EUR	10 000	9 401	93 817	4 Oct 2024	6 years	EURIBOR + 3,5 %	Half yearly
Sellers cred Simple SMS - EUR	361	361	3 524	Within 2019		5 %	Quarterly
Holdback amount Dream Interactive - EUR	384	384	3 761	18 Jun 2020		No interest accrues	
Total			**2 069 448**				

EURIBOR is subject to a zero % floor and NIBOR is subject to a 1 % floor

	31.12.2018
Principal amount	2 068 368
Transaction costs	-67 318
Amortization	1 615
Currency translation effects	66 783
Accrued interest and fees	37 821
Carrying amount	**2 107 269**

Maturity analysis of borrowings (including interest)

	< 3 months	**3 months - 1 year**	**1 - 2 years**	**2 - 5 years**	**5 years**
Senior Facilities	36 298	111 242	147 945	442 621	2 418 769
Sellers Credit		3 507	3 761		
Total	**36 298**	**114 749**	**151 705**	**442 621**	**2 418 769**

Covenants
Pursuant to the SFA, the Company has undertaken to maintain a consolidated leverage ratio (consolidated total net debt to consolidated pro forma EBITDA) below certain thresholds set out in the SFA's leverage ratio tables. The leverage ratio undertaking shall be tested quarterly, and the Company's consolidated ratios shall be below the threshold for the applicable testing date set out in the SFA.
The first leverage ratio testing date is 30 June 2019. Hence, there was no testing of leverage ratios in 2018.

Collateral
In connection with the SFA, Lucid Trustee Services Limited (as security agent under the SFA) has been granted certain guarantees and security interests for the benefits of the SFA lenders.

These securities include, with some carve-outs and exceptions due to local regulations and otherwise pursuant to the agreed security principles set out in the SFA: (i) security over the shares in any subsidiary deemed material pursuant to the SFA; (ii) non-blocking charges over material bank accounts held by Victory Partners VIII Norway AS (the Company) and any subsidiary deemed material pursuant to the SFA; and (iii) security over material intra-group loans between the Company and LINK Mobility Group AS and between the Company and its parent company, Victory Partners VIII Norway Holding AS.

Furthermore, all direct or indirect subsidiaries of the Company which is deemed to be a material subsidiary (as defined in the SFA) have, or will if such material threshold is met in the future, accede to the SFA as guarantors. Each guarantor guarantees the performance of the borrowers and the other guarantors' performance under the SFA on a joint and several basis, however subject to any local law restrictions.
Additionally, the SFA includes an annual guarantor coverage test ensuring that if the guarantors' consolidated EBITDA is less than 80% of the group's consolidated pro forma EBITDA, additional subsidiaries will have to accede to the SFA as guarantors in order to increase the guarantors' consolidated EBITDA to be above the 80% threshold. Such additional acceding subsidiaries must provide collateral as if they were deemed a material subsidiary pursuant to the SFA.

See table below for changes in liabilities arising from financing activities, both cash flows and no cash flow changes.

	Sellers credits	**Bond loan**	**Senior facilities**	**Total**
09.05.2018	184 596	752 626	-	937 222
Cash flows				-
New debt	3 761		2 061 082	2 064 843
Cancellation of debts	-181 089	-752 626		-933 715
Effects of foreign exchange			66 783	66 783
Transaction costs			-67 318	-67 318
Amortization			1 615	1 615
Accrued interest and fees			37 839	37 839
31.12.2018	**7 267**	**-**	**2 100 001**	**2 107 269**

Note 19 Financial instruments risk management objectives and policies

Through its operations the Group is exposed to the the following financial risks;
- Interest rate risk
- Foreign exchange risk
- Credit risk
- Liquidity risk

Interest rate risk
Interest rate risk arises as a consequence of long-term debt. In September 2018 (prior to the establishment of the Group) the Company entered into a Senior facility agreemtent (SFA) of KEUR 133 220. See note 18 for further information about the SFA.
The sensitivity analysis below is based on the exposure to changes in interest rates for non-derivative instruments at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount outstanding at reporting date was outstanding for the whole year. A one per cent increase or decrease represents management's assessment of the reasonably

If interest rates had been one per cent higher/lower and all other variables were held constant, the Group's profit for the period ended 31 December 2018 and equity as at 31 December 2018 would decrease/increase by KNOK 5164. This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Foreign exchange risk
The Group undertakes business in foreign currencies and is consequently exposed to fluctuations in exchange rates. Foreign exchange risk arises from transactions related to operations conducted, and assets and liabilities arising in foreign currencies. The Group undertakes transactions denominated in NOK, SEK, DKK, EUR, BGN, CHF and PLN. Revenue and cost transactions within foreign subsidiaries are normally carried out in the same currency, which reduces the currency risk.

However, as the Group's overall financial reporting is presented in NOK, changes in the value of SEK, DKK, EUR, BGN, CHF or PLN in relation to NOK 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 NOK/EUR, NOK/USD and NOK/DKK have the most significant impact on the financial reporting of financial assets and liabilities. The table below summarises the impact a change in these currencies will have on the consolidated income statement and on retained earnings/accumulated losses as at 31 December 2018. The analysis is based on the assumption that the foreign exchange

	31 December 2018		
(amounts in NOK'000)	NOK/EUR impact	NOK/DKK impact	NOK/USD impact
Trade receivables	521	7	0
Trade payables	436	44	250
Borrowings	133 111	0	0

Credit Risk
Credit risk is the risk of a counterparty defaulting. The Group's credit risk is limited to trade and other receivables and is mitigated by the Group's guidelines to ensure that credit sales are only made to customers with high credit rating. Customers with low credit rating are required to prepay for services rendered by the Group.

The Group's credit risk related to trade receivables is assessed to be limited due to the high number of customers into the Group's customers' base. See note 14 for additional information related to trade and other receivables.

The carrying value of trade and other receivables represent the group's maximum exposure to credit risk at the balance sheet date.

Liquidity risk
Liquidity risk is the risk that the Group is unable to meet its financial obligations when they mature, resulting in default.

The Group considers its liquidity risk to be limited, and has sufficient liquidity available on bank accounts as of year-end. See note 18 and 20 for information about maturity of trade and other payables and borrowings.

The Group has no credit facilities. Subsidiaries receive all funding from the Group and are under Group policy not permitted to raise external financing.

The Company has financial debt covenants related to the Senior Facility Agreement. See note 18 for more information about these convenants.

Capital management
The Group focuses on maintaining sufficient cash resources to ensure the ability to finance further activities.

Note 20 Trade and other payables

(Amounts in NOK 1000)

Trade and other payables	31.12.2018
Trade payables	323 743
Public duties	38 291
Accrued vacation pay	16 809
Accrued expenses	118 091
Total trade and other payables	496 934

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs.

Trade and other payables are due within three months.

Note 21 Income tax

(Amounts in NOK 1000)

Specification of income tax expense

The tax benefit/(expense) is calculated based on profit before income tax and consists of current tax and deferred tax.

	09.05.2018-31.12.2018
Deferred tax expense	10 476
Current tax expense	(42 406)
Income tax	(31 930)

Income tax payable (balance sheet)	**09.05.2018-31.12.2018**
Income tax payable	8 116
Current tax liabilities (balance sheet)	8 116

Effective Tax Rate

The difference between income tax calculated at the applicable income tax rate and the income tax exepense attributable to loss before income tax was as follows:

	09.05.2018-31.12.2018
Profit/(loss) before income tax	-206 846
Statutory income tax rate*	21,3 %
Expected income tax expense/(benefit)	-44 115
Tax effect on non-taxable income/expenses	-8 588
Effect of changes in tax rules and rates	2 106
Change in deferred tax asset not recognized	18 668
Income tax expense/income (-) for the year	**-31 930**
Effective tax rate	15,4 %

* The statutory income tax rate is a weighted tax rate for all the countries in the Group.

Specification of the tax effect of temporary differences and losses carried forward

Tax losses carried forward

Tax losses carried forward mainly relate to the Norwegian companies.

Not time limited	84 856
Total tax losses carried forward	84 856
Of which not recognized as deferred tax assets	84 856
Deferred tax assets recognized from tax losses carried forward	-

Deferred tax assets are not recognized for carry forward of unused tax losses when the Group cannot demonstrate that it is probable that taxable profits will be available against which the deductible temporary difference can be utilized.

Tax effect of temporary differences and tax losses carried forward as of 31 December

	31.12.2018
Tangible and intangible assets	370
Interest	712
Other non-current items	2 392
Total tax effect of temporary differences	3 474
Deferred tax asset arising from tax losses carried forward	-
Deferred tax assets	**3 474**

	31.12.2018
Intangible assets (mainly due to PPA business combinations)	275 828
Untaxed reserves	5 308
Equipment and fixtures	126
Deferred tax liabilities	**281 262**

Note 22 Contingencies and legal claims

The Group is not involved in any disputes or trials as at the balance sheet date or as of the date of the approval of these financial statements, that would lead to the recognition of a liability or require disclosure. Management and the Board are not aware of any such incidents that may have a negative impact on the Group.

Note 23 Events after the reporting date

On 9 January 2019, LINK Mobility Group AS acquired 100 % of the shares in Netsize S.A (France) with subsidiaries Netsize SL (Spain), Netsize Ltd (UK), Netsize IPX AB (Sweden) and Netsize SRL (Italy) at a total consideration of MEUR 35. The consideration is divided in an upfront cash payment of MEUR 20, and an earn out based consideration limited to a maximum of MEUR 15. The earn out will equal 5 times the amount by which the actual EBITDA of the Business exceeds the Base Case EBITDA of MEUR 2,75 for 2019 and 2020.
Netsize is an omnichannel messaging company, headquartered in France, with offices in Sweden, Italy, UK and Spain. Netsize has more than 600 clients, with a strong footprint in the Enterprise market in Europe, and especially France, that gives LINK potential for further growth in the French market and other European markets.

The initial accounting for the business combination is incomplete at the time the financial statements are authorised for issue, i.e. the determination of fair values of identifiable assets and liabilities has not been finalised.

Note 24 Proforma LINK Mobility Group AS full year 2018

(Amounts in NOK 1000)

Victory Partners VIII Norway AS was established 9 May 2018, and acquired all shares in LINK Mobility Group AS as of 9 October. The below figures show the full year consolidated income statement 2018 of LINK Mobility Group AS.

Revenue	1 972 009
Total operating revenue	**1 972 009**
Cost of services rendered	1 424 796
Payroll and related expenses	223 169
Other operating expenses	208 604
Depreciation and amortization	85 548
Total operating expenses	**1 942 117**
Operating profit (loss)	**29 892**
Finance income and finance expenses	
Net finance income (expense)	-134 409
Profit before income tax	**-104 517**
Income tax	20 409
Profit (loss) for the period	**-84 108**

Included in Other operating expenses are share based payment cost amounted to KNOK 23 087 and M&A related expenses amounted to KNOK 40 532

Annual Report

Victory Partners VIII Norway Holding AS

09.05.2018 - 31.12.2018

Victory Partners VIII Norway Holding AS

Income Statement

For the period ended 31 December

(Amounts in NOK 1000)

	Note	09.05.2018 - 31.12.2018
Finance income and finance expenses		
Finance expense		1
Finance expense		**-1**
Loss before income tax		**-1**
Income tax	11	-
Loss for the period		**-1**

The accompanying notes are an integral part of these financial statements.

Victory Partners VIII Norway Holding AS

Statement of Comprehensive Income

for the period ended 31 December

(Amounts in NOK 1000)	**31.12.2018**
Profit (loss) for the period	**-1**
Other comprehensive income	
Items that may be reclassified to profit or loss	
Translation differences of foreign operations	-
Other comprehensive income for the period	**-**
Total comprehensive income for the period	-1

Victory Partners VIII Norway Holding AS

Statement of Financial Position

(Amounts in NOK 1000)

ASSETS	Note	31 December 2018
Investment in Victory Partners VIII Norway AS	5	2 696 092
Total non-current assets		**2 696 092**
Cash and cash equivalents	6, 8	30
Total current assets		**30**
TOTAL ASSETS		**2 696 121**
EQUITY AND LIABILITIES		
Share capital		1 068
Share premium		2 694 969
Retained earnings (accumulated losses)		-1
Total equity	7	**2 696 036**
Liabilities		
Other payables	8, 10	86
Total current liabilities		**86**
Total liabilities		**86**
TOTAL EQUITY AND LIABILITIES		**2 696 121**

The accompanying notes are an integral part of these financial statements.

Victory Partners VIII Norway Holding AS

Statement of Financial Position

Oslo, 10 April 2019

The Bord of Directors of Victory Partners VIII Norway Holding AS

Jens Rugseth Chairman of the board	Robert Joseph Nicewicz Jr Board Member	Charles Joseph Brucato Board Member
Christopher Tyler Ritchie Board Member	Ralph Paul Choufani Board Member	Rune Syversen Board Member
	Arild Hustad CEO	

Victory Partners VIII Norway Holding AS

Statement of Changes in Equity

for the period ended 31 December

(Amounts in NOK 1000)	Note	Share capital	Share premium	Retained earnings (accumulated losses)	Total equity
Balance at 9 May 2018		**30**	**-**	**-**	**30**
Share redemption (4 October 2018)		-30	-		**-30**
Share issuance (4 October 2018)		832	1 871 610		**1 872 442**
Share issuance (4 October 2018)		13	322 872		**322 885**
Share issuance (8 October 2018)		223	500 487		**500 709**
Net result for the period				-1	**-1**
Balance at 31 December 2018	7	**1 068**	**2 694 969**	**-1**	**2 696 036**

Victory Partners VIII Norway Holding AS

Statement of Cash Flows

for the period ended 31 December

(Amounts in NOK 1000)	Note	2018
Cash flows from operating activities		
Loss for the period		-1
Adjustments for:		
Change in trade and other payables	8, 10	86
Net cash flows from operating activities		**85**
Cash flows from investing activities		
Net cash outflow on acquisition of subsidiaries	5	-2 696 092
Net cash flows from investing activities		**-2 696 092**
Cash flows from financing activities		
Proceeds on issue of shares	7	2 696 037
Net cash flows from financing activities		**2 696 037**
Effect og foreign exchange rate changes		
Net change in bank deposits, cash and equivalents		30
Cash and equivalents at beginning of period		-
Cash and equivalents at end of the period		**30**

The accompanying notes are an integral part of these financial statements.

Victory Partners VIII Norway Holding AS

Notes to the financial statements for the period ended 31 December 2018

Contents notes

Note 1 General information

Victory Partners VIII Norway Holding AS is the parent company of Victory Partners VIII Norway AS. The Company's subsidiary as at 31 December 2018 are set out below.

Name of entity	Date of acquisition	Place of business / country of registration	Ownership interest 31 December 2018
Victory Partners VIII Norway AS	29 June 2018	Oslo, Norway	100 %

Note 2 Adoption of new and revised Int Financial Reporting Standards (IFRS)

A number of new or amended IFRSs issued by the International Accounting Standards Board (IASB) and IFRS interpretations issued by the IFRS Interpretations Committee (IFRS IC) are effective for accounting periods commencing on or after 1 January 2018. The Group was established during 2018, and the requirements arising from revised IFRSs or IFRIC interpretations are embedded in the recognition, measurement and disclosures relevant to the consolidated financial statements of the Group from the date of establishment. The accounting policies adopted have been described in note 3 Accounting policies.

The following new and revised IFRSs and IFRIC interpretations are applicable to the Group for the current period:

Standard/ Interpretation	**Title**	**Date of issue**	**Applicable to accounting periods commencing on**
IFRS 9	Financial Instruments	July 2014	1 January 2018
IFRS 15	Revenue from Contracts with Customers	May 2014	1 January 2018
Clarifications to IFRS 15	Revenue from Contracts with Customers	apr.16	1 January 2018
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions	June 2016	1 January 2018
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	sep.16	1 January 2018
Annual improvements	Annual improvements to IFRSs 2014-2016 cycle	December 2016	1 January 2018
Amendments to IAS 40	Transfers of Investment Property	December 2016	1 January 2018
IFRIC 22	Foreign Currency Transactions and Advance Consideration	December 2016	1 January 2018

At the date of authorisation of these financial statements, the following Standards and Interpretations had been issued by the IASB but were not effective for the financial year ended 31 December 2018.
Management anticipates that these Standards and Interpretations will be adopted in the Group’s financial statements for the period beginning 1 January 2019 or later:

Standard/ Interpretation	**Title**	**Date of issue**	**Applicable to accounting periods commencing on**
Amendments to IFRS 9	Prepayment features with Negative Compensation	October 2017	1 January 2019
IFRS 16	Leases	January 2016	1 January 2019
IFRS 17[1]	Insurance contracts	May 2017	1 January 2021
IFRIC 23	Uncertainty over Income Tax Treatments	June 2017	1 January 2019
Amendments to IAS 28	Long-term interests in Associates and Joint Ventures	October 2017	1 January 2019
Annual improvements[1]	Annual improvements to IFRSs 2015-2017 cycle	December 2017	1 January 2019
Amendments to IAS 19[1]	Plan Amendment, Curtailment or Settlement	February 2018	1 January 2019
Amendments to Conceptual Framework[1]	Amendments to References to the Conceptual Framework in IFRS Standards	March 2018	1 January 2020
Amendment to IFRS 3[1]	Business Combinations	October 2018	1 January 2020
Amendments to IAS 1 and IAS 8[1]	Definition of Material	October 2018	1 January 2020

[1] The standard/revised standard/amendment has as at the date of issue of these financial statements not yet been adopted by the EU

Management has not yet considered the extent of the potential impact of the adoption of the new and revised/amended Standards and IFRIC interpretations applicable for accounting periods commencing on 1 January 2020 or later. For standards applicable for accounting periods commencing 1 January 2019, IFRS 16 Leases is considered to have a material impact on the financial statements as noted below.

IFRS 16 Leases
IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. The Group is only a lessee in terms of the definitions in IFRS 16 and arrangements entered into. IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related Interpretations when it becomes effective for accounting periods beginning on or after 1 January 2019. The date of initial application of IFRS 16 for the Group will be 1 January 2019.The Group has chosen the modified retrospective application of IFRS 16 in accordance with IFRS 16:C5(b). Consequently, the Group will not restate the comparative information for the period prior to first adoption.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the use of an identified asset is controlled by the lessee. Control is considered to exist if the lessee has the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that asset.
The Group will apply the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or modified on or after 1 January 2019. In preparation for the first-time application of IFRS 16, the Group has analysed current lease contracts and concluded that the new definition in IFRS 16 will not change the scope of contracts that meet the definition of a lease for the Group.
IFRS 16 will change how the Group accounts for leases previously classified as operating leases under IAS 17, which were off-balance sheet.On initial application of IFRS 16, for all leases (except as noted below), the Group will:
• Recognise right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments;
• Recognise depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss;
• Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated cash flow statement.

Lease incentives (e.g. rent-free period) will be recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease liability incentive, amortised as a reduction of rental expenses on a straight-line basis. Under IFRS 16, right-of-use assets will be tested for impairment in accordance with IAS 36 Impairment of Assets. This will replace the previous requirement to recognise a provision for onerous lease contracts.
For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Group will opt to recognise a lease expense on a straight-line basis as permitted by IFRS 16.

As at 31 December 2018, the Company has no operating lease commitments

Under IAS 17, all lease payments on operating leases are presented as part of cash flows from operating activities. The impact of the changes under IFRS 16 would be to reduce the cash generated by operating activities and to increase net cash used in financing activities.

Note 3 Summary of significant accounting policies

3.1 General information
Victory Partners VIII Norway Holding AS ("the Company") is a limited liability Company incorporated and domiciled in Norway. The address of the registered office is Langkaia 1 – Havnelageret, 0150 Oslo, Norway. Victory Partners VIII Norway Holding AS is the parent company of the Victory Partners VIII Norway Holding AS Group (“the Group”). The Group provides services in mobile communication and specialises in mobile messaging services, mobile solutions and mobile intelligence.

These financial statements, which are the first financial statements prepared by the Company, were approved for issue by the Board of Directors on date 10 April 2019. Minor rounding differences may occur and the total may deviate from the total of the individual amounts. This is due to the rounding of whole figures to the thousands for presentation purposes.

3.2 Basis for preparation
The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the European Union. The financial statements have been prepared on the historical cost basis.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in applying the Company's accounting policies. Areas involving a high degree of judgment or complexity, and areas in which assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4. The financial statements have been prepared on a going-concern basis.

The presentation currency of the financial statement is Norwegian kroner (NOK), which is also the functional currency of the parent company.

3.3 Principles of consolidation
The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, which are entities controlled by the Company. Control is achieved when the Group has power over the investee, is exposed, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power to affect its returns. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control noted above. The financial statements of the subsidiaries are prepared for the same reporting periods as the parent company and consistent accounting policies are applied. The results of subsidiaries acquired or disposed of during the year are included in the income statement from the date when control is obtained and until control ceases, respectively. Intercompany transactions, balances, revenues, expenses and unrealised Group internal gains or losses are eliminated on consolidation.

When the group ceases to consolidate an investee because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in the carrying amount recognised in profit or loss. The fair value of the retained interest becomes the initial carrying amount for the purposes of subsequent accounting for the investment.

3.4 Business combinations
Business combinations are accounted for using the acquisition method. The consideration transferred and all the identifiable assets and liabilities of acquired entities are measured at fair values at the date of acquisition, except deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements, which are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively. Acquisition-related costs are recognised in profit or loss as incurred.

Goodwill is measured at the amount by which the total consideration transferred exceeds the net fair value of assets acquired. Goodwill is not amortised, but its value is tested for impairment at least annually, or more frequently when there is an indication that the cash-generating unit to which goodwill has been allocated, may be impaired. Goodwill is allocated to each of the Group’s cash-generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

When the consideration transferred by the Group in a business combination includes contingent consideration arrangements, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments recognised in goodwill. Measurement period adjustments arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

3.5 Revenue recognition

Revenues are recognised when goods are delivered or services rendered and measured based on the consideration to which the Group expects to be entitled in a contract with a customer net of discounts and sales related taxes. The Group recognises revenue when it transfers control of a product or service to a customer.

When the Group is acting as an agent, amounts are collected on behalf on the principal. In order to determine whether the Group is acting as a principal or an agent the risks and rewards associated with the service in question are assessed.When the Group is acting as an agent, amounts are collected on behalf on the principal. In order to determine whether the Group is acting as a principal or an agent, the Group assesses whether the Group controls the good or service before it is provided to the customer. Where the Group does not control the good or service, the Group is considered an agent in the transaction.

The services rendered are split into the following groups:

Type of service	Timing of recognition	Measurement of revenue
Mobile messaging transactions	The Group provide services within mobile messaging services, via SMS and other messaging channels as Apps, Facebook, Messenger, WhatsApp, Joyn and email. Revenue from messaging is recognised when the message service has been provided, i.e. the messages are delivered to the recipient.	The revenue is based on the price specified in the sales contract, net of discounts and value added taxes.
Payment services	The Group offers payment solutions where the customer can get their customers (the end user) to pay for goods or services by charging their mobile phone account or credit/debit card. As payment for these services, The Group is entitled to remuneration related to the processed transactions/payment. Revenue is recognised when the payment service is rendered.	For this group of services, the Group acts as an agent. The Groups performance obligation is to arrange for the provision of goods or services by another party. Consequently, only the income from the processed transactions is recognised as revenue.
Licences	License revenue consists of revenue from monthly fees paid by customers for access to the Groups platforms and solutions. No proprietary rights are transferred to the customer. The revenue is recognised throughout the duration of the license agreement.	The revenue is based on the price specified in the sales contract, net of discounts and value added taxes.
Consulting services	Revenue from consulting services is recognised in the accounting period during which the services are rendered.	The revenue is based on the price specified in the sales contract, net of discounts and value added taxes.

3.6 Foreign currency translation

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated after the transaction date.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement as financial items. All other foreign exchange gains and losses are presented on a net basis in the income statement as other operating expenses. Exchange differences are recognised in profit or loss in the period in which they arise.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.
Goodwill and fair value adjustments arising from the acquisition of a foreign entity are considered as assets and liabilities of the foreign entity and translated at the closing rate. These exchange differences are recognised in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation), or a disposal involving loss of control over a subsidiary that includes a foreign operation, all of the exchange differences accumulated in a separate component of equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss.

3.7 Intangible assets

Goodwill and intangible assets acquired in business combination

Goodwill and intangible assets acquired in a business combination are recognised initially as set out in 3.4 Business Combinations above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost).

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

Separately acquired intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Subsequent to initial recognition, separately acquired intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired in a business combination.

Internally generated intangible assets – technology

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development of the Groups technical platforms and products is recognised if, and only if, all the following conditions have been demonstrated:

•the technical feasibility of completing the intangible asset so that it will be available for use or sale;
•the intention to complete the intangible asset and use or sell it;
•the ability to use or sell the intangible asset;
•how the intangible asset will generate probable future economic benefits;
•the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
•the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired in a business combination.

3.8 Equipment and fixtures

Equipment and fixtures are initially recognised at cost, which includes the purchase price (including duties and non-refundable purchase taxes) and any directly attributable costs of bringing the asset to the location and condition necessary for it to be able to operate in the intended manner. Equipment and fixtures are subsequently recognised at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognised so as to reduce the cost of assets less their residual values over their useful lives, using the straight-line method. Depreciation commences when the assets are ready for their intended use.

Estimated useful life, depreciation method and residual values are reviewed at least annually. The straight-line depreciation method is used as this best reflects the consumption of the assets, which often is the passage of time. Residual value is estimated to be zero for all assets.

Repair and maintenance is expensed as incurred. If new parts are capitalised, replaced parts are derecognised and any remaining net carrying amount is recognised in operating profit (loss) as loss on disposal.

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

3.9 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Goodwill and intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. Any impairment loss recognised for goodwill is not reversed in a subsequent period.

3.10 Leasing

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. All lease arrangements entered into by the Group as a lessee are classified as operating leases. Rentals payable under operating leases are recognised as an expense on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

3.11 Government grants

The Group receives Government grant as part of the "Skattefunn" arrangement in Norway, which is an arrangement to stimulate research and development in Norway. The government grant is initially recognised as a deduction to the carrying amount of the relevant asset. The amount is subsequently credited to profit or loss on a straight-line basis over the estimated useful life of the related asset.

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

The categorisation of financial instruments (financial assets and liabilities) for measurement purposes is based on the nature and purpose of the financial instrument and is determined on initial recognition. The Group presents financial assets and liabilities in the following classes: trade and other receivables, cash and cash equivalents, trade and other payables, long term borrowings and short-term borrowings.

Financial assets
The financial assets held by the group, primarily trade and other receivables, are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and are thus measured subsequently at amortised cost less loss allowances. The impairment model in IFRS 9 Financial Instruments requires the recognition of impairment provisions based on expected credit losses (ECL). The Group recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition. The impairment is calculated by taking into account the historic evidence of the level of credit losses experienced and the ageing profile of the trade receivables. Individual trade receivables are impaired when management assesses them not to be wholly or partially collectible.

Financial liabilities
The Group does not have financial liabilities held-for-trading or liabilities designated as at fair value through profit or loss.

Trade and other payables include trade payables and other current and non-current non-interest-bearing financial liabilities. Borrowings (long term and short term) include bank loans and overdrafts. These liabilities are initially recognised in the statement of financial position at fair value (net of any transaction costs), and subsequently measured at amortised cost using the effective interest rate method.

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

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

3.13 Cash and cash equivalents
Cash and cash equivalents include cash, bank deposits and commercial papers with original maturities of three months or less.

The Group presents the statement of cash flows using the indirect method. Cash inflows and outflows are shown separately for investing and financing activities, while operating activities include both cash and non-cash line items. Interest received and paid, and dividends received, are reported as a part of operating activities. Dividends distributed are included as a part of financing activities. Value Added Tax and other similar taxes are regarded as collection of tax on behalf of authorities.

3.14 Employee benefits
The Group operates a defined contribution plan for post-retirement benefits. A defined contribution plan is a pension plan under which the Group pays fixed contributions to a separate entity (insurance company). The Group has no legal or constructive obligations to pay further contributions to the pension plan for benefits relating to employee service in the current and prior periods. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

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

Current tax payable is based on taxable profit for the year. Taxable profit differs from profit before tax because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's current tax liability is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.
A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax is recognized based on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets arising from deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which deductible 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 profits will be available to allow all or part of the asset to be recovered.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.16 Provisions
Provisions for e.g. workforce reductions (restructuring), onerous contracts and legal claims are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation, and discounted to its present value.

Note 4 Critical accounting judgements and key sources of estimation variances

In the application of the Company's accounting policies, as described in note 3, management is required to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. Estimates and judgments are evaluated on an on-going basis and are based on historical experience and other factors, including expectations of future events that are considered to be relevant. Future events may cause these estimates to change and actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Changes in accounting estimates are recognised in the period when the changes occurred, if they only apply to that period. If the changes also apply to future periods, the effect will be distributed between the current period and future periods.

Business combinations
The Group has completed the acquisition of Link Mobility Group during 2018. The entities acquired represent all the operating business activities in the Group, refer to note 5 for further detail. In order to account for the business combinations and determine the fair value of the underlying assets and liabilities in accordance with IFRS 3, management has used significant judgement. In order to calculate the fair value of the intangible assets in the acquired companies, the expected future cash flows have been reconciled to the purchase price of the acquired companies. The reconciliation is performed via a Business Enterprise Valuation (BEV). Intangible assets have been valued using the Multi Excess Earnings Method ("MEEM") and Relief From Royalty Method ("RFR"). The methods are considered to be appropriate for the type of assets being valued (MEEM for customer relationships and RFR for technology and trade name). The excess of the consideration over the fair value of the net identifiable assets acquired is recognised as goodwill.

Significant input used in the estimation of fair values utilising the above methods are as follows:
-The remaining estimated useful life of customer relationships is between 7 and 10 years
-The remaining estimated useful life of technology is 10 years
-Revenue growth and EBITDA (earnings before interest, tax, depreciation and amortisation) margins are based on estimates of growth and margins in the respective companies

Estimated impairment of goodwill and other intangible assets
The carrying amounts of non-current tangible and intangible assets are assessed by means of impairment tests whenever there is an indication of impairment. Any impairment of goodwill is nevertheless assessed at least annually. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. As of 31 December 2018, the amount of goodwill tested for impairment amounted to KNOK 2 922 137. No impairment losses were recognised in 2018. Please refer to note 3 and 12 for further details related to the impairment testing methodology and results.

Deferred tax assets
Management judgment is required in determining provisions for income taxes, deferred tax assets and liabilities and the extent to which deferred tax assets can be recognized. The Group is also subject to income taxes in various jurisdictions. Judgment is required in determining the Group's provision for income taxes. There may be transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax liability and expense in the period in which such determination is made.

Purchase price of subsidiaries – earn-out
In some events the Group acquires subsidiaries where the preliminary purchase price is based on an assumption that the company will achieve a target EBITDA for the current financial year. The final purchase price is subject to an upwards or downward earn-out adjustment based on the company's actual achieved EBITDA.The earn-out adjustment is accounted in the income statement as other financial income or loss.

Note 5 Investment in subsidiary

The Company has the following investment in a subsdiary:

Acquisitions during the period

Entity	Country	Industry	Date of acquisition	Proportion of voting equity acquired
Victory Partners VIII Norway AS	Norway	Mobile messaging services and solutions	29 June 2018	100 %

The above company has been acquired with the purpose of establishing the Company's activities under new ownership. The acquired entity is the holding company of LINK Mobility Group AS which provides mobile communication services and specializes in messaging, digital services and data intelligence. 100% of the voting equity interest of the company was acquired on 29 June 2018 whereby Victory Partners VIII Norway Holding AS gained control of Victory Partners VIII Norway AS.

The total amortized cost as of 31 December 2018:

(Amounts in NOK 1 000)	Victory Partners VIII Norway AS
Consideration, cash as of 29 June 2018	45
Capital increase subsidiary	2 696 047
Total consideration	**2 696 092**

Note 6 Cash and cash equivalents

(Amounts in NOK 1000)

	31.12.2018
Cash and cash equivalents	30
Total cash and cash equivalents	**30**

Restricted cash	**31.12.2018**
Restricted cash	-
Total cash and cash equivalents	**30**

Note 7 Share capital and shareholder information

Share capital as at 31 December 2018 is KNOK 1 068 (09 May 2018: 30), comprised of 10 547 465 ordinary shares at a nominal value of NOK 0.10 each (09 May 2018: 30 shares at NOK 1 000 each) and 129 158 preference shares at a nominal value of NOK 0.10 each (09 May 2018: nil). All shares are fully paid; each ordinary share carries one vote at any general meeting and preference shares do not entitle holders to vote at any general meeting.

The movement in the number of shares during the year was as follows:

	31.12.2018
Ordinary shares:	
Issue of ordinary shares at foundation (9 May 2018)	30
Redemption of ordinary shares (04 October 2018)	-30
Issue of ordinary shares (04 October 2018)	8 322 001
Issue of ordinary shares (08 October 2018)	2 225 464
Ordinary shares at the end of the period	10 547 465
Preference shares:	
Issue of preference shares (04 October 2018)	129 158
Preferemce shares at the end of the period	129 158
Total number of shares at the end of the period	10 676 623

Victory Partners VIII Norway Holding AS has the following hareholders as at 31 December 2018:

Shareholder	Number of shares	Percentage of ordinary shares and voting rights
Arisona Holding AS	50 000	0,47 %
Rugz AS	727 821	6,90 %
Rugz II AS	311 394	2,95 %
Sevencs AS	378 282	3,59 %
Sundahl ApS	757 967	7,19 %
Victory Partners VIII Limited	8 451 159	78,90 %
Total	10 676 623	100,00 %

Note 8 Classes and categories of financial instruments
(Amounts in NOK 1000)

	Carrying value	
31.12.2018	**Amortised cost**	**Total**
Current financial assets		
Cash and cash equivalents	30	**30**
Current liabilities		
Trade payables	86	**86**

The financial assets held by the Company are held within a business model with the objective to hold financial assets in order to collect contractual cash flows and are thus measured subsequently at amortised cost less loss allowances.

The Company does not have financial liabilities held-for-trading or liabilities designated as at fair value through profit or loss. All financial liabilities are measured at amortized cost.

The carrying amounts of financial assets and liabilities approximate their fair value as at 31 December 2018. Arrangements with financial institutions are entered into on market terms, and the carrying value at the reporting date has been assessed as approximating fair value.

Fair value hierarchy levels are based on the extent to which fair values are observable.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for

Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: fair value measurement are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable input).

Fair value of the arrangements with financial institutions fall within level 3 of the fair value hierachy.

Note 9 Financial instruments risk management objectives and policies

Through its operations the Group is exposed to the the following financial risks;
- Interest rate risk
- Foreign exchange risk
- Credit risk
- Liquidity risk

Interest rate risk
Interest rate risk arises as a consequence of long-term debt. As at 31 December 2018, there is no long-term debt held and as such there is no sensitivity analysis performed.

Foreign exchange risk
The Company is a holding company and does not actively undertake business in foreign currencies; as a consequence, exposure to fluctuations in exchange rates is limited. Foreign exchange risk arises from transactions related to operations conducted, and assets and liabilities arising in foreign currencies.

Credit Risk
Credit risk is the risk of a counterparty defaulting. The Company's credit risk is limited and there are no trade or other receivables held as at 31 December 2018.

Liquidity risk
Liquidity risk is the risk that the Company is unable to meet its financial obligations when they mature, resultir

The Company considers its liquidity risk to be limited, and has sufficient liquidity available on bank accounts as of year-end. See note 10 for information about maturity of trade and other payables.

The Company has no credit facilities.

Note 10 Trade and other payables

(Amounts in NOK 1000)

Trade and other payables	**31.12.2018**
Other accruals	86
Total trade and other payables	86

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing

Trade and other payables are due within three months.

Note 11 Income tax

(Amounts in NOK 1000)

Specification of income tax expense

The tax benefit/(expense) is calculated based on profit before income tax and consists of current tax and deferred tax.

	09.05.2018-31.12.2018
Deferred tax expense	-
Current tax expense	-
Income tax	-

Income tax payable (balance sheet)	**09.05.2018-31.12.2018**
Income tax payable	-
Current tax liabilities (balance sheet)	-

Effective Tax Rate

The difference between income tax calculated at the applicable income tax rate and the income tax exepense attributable to loss before income tax was as follows:

	09.05.2018-31.12.2018
Loss before income tax	-1
Statutory income tax rate*	23,0 %
Expected income tax benefit	-
Tax effect on non-taxable income/expenses	-
Effect of changes in tax rules and rates	-
Change in deferred tax asset not recognized	-
Income tax expense/income (-) for the year	-
Effective tax rate	0,0 %

* The statutory income tax rate in Norway for 2018 (2019: 22%).

Specification of the tax effect of temporary differences and losses carried forward

Tax losses carried forward

Not time limited	-1
Total tax losses carried forward	-1
Of which not recognized as deferred tax assets	(1)
Deferred tax assets recognized from tax losses carried forward	-

Deferred tax assets are not recognized for carry forward of unused tax losses when the Group cannot demonstrate that it is probable that taxable profits will be available against which the deductible temporary difference can be utilized.

Note 12 Contingencies and legal claims

The Company is not involved in any disputes or litigation as at the balance sheet date or as at the date these financial statements are approved, that would lead to the recognition of a liability or require additional disclosure. Management and the Board of Directors are not aware of any such incidents that may have a negative impact on the Company.

Note 13 Events after the reporting date

(Amounts in NOK 1000)

There are no events after the reporting date and up to the date these financial statements are approved that would require further disclosure or restatement.