

Auditor's report

To the general meeting of the shareholders of Designit Sweden AB, corporate identity number 556732-6870

Report on the annual accounts

Opinions

We have audited the annual accounts of Designit Sweden AB for the financial year 2016-17.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Designit Sweden AB as of 31 March 2017 and its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of Designit Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Designit Sweden AB for the financial year 2016-17 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the member of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section. We are independent of Designit Sweden AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether the member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, We exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm, 31 May 2017

Ernst & Young AB

Sd/-

Linn Haslum Lindgren
Authorized Public Accountant

Directors Report

Operations

General Information about the Enterprise

The company is engaged in design activities for products in various industries such as the medical industry and the white goods industry.

The company is wholly owned subsidiary of Designit A / S (35398910), based in Copenhagen, Denmark.

The company is based in Stockholm.

Important Occurrences during the Fiscal Year

During the fiscal year, investments have been made in preparing operations for growth in the form of steering processes and increased operations. Stable customer relationships have ensured a good turnover and a further large customer account has been won during the year.

Multi-year overview (Tkr)	2016/17	2015/16	2014	2013
		(15 mon)		
Net turnover	22 573	25 059	5 977	4 029
Profit/loss after financial items	-1 825	263	-1 483	-633
Balance sheet total	9 976	13 252	1 921	1 344
Equity/assets ratio (%)	4,0	neg	neg	6,3

For definitions of key ratios, see Note 1 Accounting principles.

The focus of the year has been on securing infrastructure and securing ongoing projects to create a platform for growth. Increased customer base, extended fiscal year and increased confidence in existing customers have resulted in both increased turnover and employee expansion.

Changes in Equity

	Share capital	Retained profit/loss	Profit/loss this year	Total
Amount at the opening of the year	100 000	-1 482 703	262 549	-1 120 154
Appropriation of earnings as per decision of the Annual General Meeting:		262 549	-262 549	0
Shareholders' contributions received		3 341 337		3 341 337
Profit/loss for the year			-1 825 096	-1 825 096
Amount at the closing of the year	100 000	2 121 183	-1 825 096	396 087

No refunded conditional liability amounts at the balance sheet date to 3 384 316 (342 979)Sek.

Allocation of profits

The Board of Directors recommends that the profit/loss and brought forward profits available for disposition (SEK):

profit carried forward	2 121 184
year's loss	-1 825 096
	296 088

be distributed so that they are carried over	296 088
	296 088

Income Statement	Note	2016-04-01 -2017-03-31	2015-01-01 -2016-03-31 (15 months)
<i>Revenue, changes in stock etc</i>			
Net turnover		22 573 053	25 058 669
Total operating income, change of stock goods etc.		22 573 053	25 058 669
<i>Operating expenses</i>			
Goods for resale		-4 306 449	-8 531 336
Other external costs		-5 280 987	-4 213 791
Personnel costs	2	-13 930 867	-11 635 116
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets		-581 817	-244 295
Total operating costs		-24 100 120	-24 624 538
Operating profit/loss		-1 527 067	434 131
Financial items			
Interest expense and similar profit/loss items	3	-298 029	-171 582
Total profit/loss from financial items		-298 029	-171 582
Profit/loss after financial items		-1 825 096	262 549
Pre-tax profit/loss		-1 825 096	262 549
Net profit/loss for the year		-1 825 096	262 549

Balance Sheet	Note	2017-03-31	2016-03-31
ASSETS			
<i>Fixed assets</i>			
<i>Tangible fixed assets</i>			
Equipment, tools and installations	4	345 237	296 162
Expenditures for improvement on another s property	5	941 423	1 216 006
Total tangible fixed assets		1 286 660	1 512 168
Total fixed assets		1 286 660	1 512 168
<i>Current assets</i>			
<i>Inventories etc</i>			
Work in progress on behalf of others		970 132	0
Total inventories, etc.		970 132	0
<i>Current receivables</i>			
Accounts receivable		5 834 302	11 195 352
Receivables from group companies		300 413	0
Other receivables		109 194	78 571
Total current receivables		6 243 909	11 273 923
<i>Cash on hand and in bank</i>			
Cash on hand and in bank		1 475 423	466 309
Total cash on hand and in bank		1 475 423	466 309
Total current assets		8 689 464	11 740 232
TOTAL ASSETS		9 976 124	13 252 400

Balance Sheet	Note	2017-03-31	2016-03-31
EQUITY AND LIABILITIES			
<i>Equity</i>			
<i>Restricted reserves</i>			
Share capital		100 000	100 000
Total restricted reserves		100 000	100 000
<i>Non-restricted equity</i>			
Accumulated profit/loss		2 121 184	-1 482 702
Profit/loss for the year		-1 825 096	262 549
Total non-restricted reserves		296 088	-1 220 153
Total equity		396 088	-1 120 153
<i>Current liabilities</i>			
Work in progress on behalf of others		0	90 143
Accounts payable		103 862	251 622
Liabilities to group companies		5 579 924	11 142 782
Other liabilities		1 135 109	2 106 919
Accrued expenses and deferred income		2 761 141	781 087
Total current liabilities		9 580 036	14 372 553
TOTAL EQUITY AND LIABILITIES		9 976 124	13 252 400

Notes

Note 1 Accounting principles

General information

The annual report is drawn up in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board (BFNAR 2016:10) Annual Reporting in Smaller Companies.

Service and construction contracts

The company's revenues from commissions on a fixed price are posted according to the main rule.

Fixed assets

The following depreciation time is applied:

Definition of Key Business Ratios

Net turnover

Main operating revenues, invoiced expenses, side income and revenue adjustments.

Profit/loss after financial items

Profits after financial items and costs, but before taxes.

Balance sheet total

Company's gathered assets.

Equity/assets ratio (%)

Adjusted equity (equity and untaxed reserves with deductions for deferred tax) as a percent of the balance sheet total.

Note 2 Average number of employees

	2016-04-01 -2017-03-31	2015-01-01 -2016-03-31
Average number of employees	21	14

Note 3 Other interest income and similar profit/loss items

	2016-04-01 -2017-03-31	2015-01-01 -2016-03-31
Interest expenses to group companies	-188 087	-179 355
Other interest expenses	-109 942	-32 573
Exchange differences	0	40 346
	<hr/>	<hr/>
	-298 029	-171 582

Note 4 Equipment, Tools and Installations

	2017-03-31	2016-03-31
Acquisition value, opening balance	465 435	228 763
Purchasing	266 447	236 672
Accumulated acquisition value, closing balance	731 882	465 435
Depreciation, opening balance	-169 273	-95 920
Depreciation for the year	-217 372	-73 353
Accumulated depreciation, closing balance	-386 645	-169 273
Book value, closing balance	345 237	296 162

Note 5 Expenditures for improvement on another s property

	2017-03-31	2016-03-31
Acquisition value, opening balance	1 402 372	407 595
Purchasing	89 862	994 777
Accumulated acquisition value, closing balance	1 492 234	1 402 372
Depreciation, opening balance	-186 366	-15 424
Depreciation for the year	-364 445	-170 942
Accumulated depreciation, closing balance	-550 811	-186 366
Book value, closing balance	941 423	1 216 006

Note 6 Contingent liabilities and collateral

The company has no contingent liabilities or collateral.

Note 7 Significant events after the financial year

After the fiscal year, additional investments have been made in relocation to a larger office space and strategic positions have been appointed to broaden the local offer to the market.

Stockholm

Sd/-

Adam Hassan
Managing Director

Sd/-

Avinash Rao

Our auditor's report was submitted

Ernst & Young AB

Sd/-

Linn Håslum Lindgren
Authorized Public Accountant