

## 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 2017-18.

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 2018 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 2017-18 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 members 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, June 11th 2018

Ernst & Young AB



Linn Haslum Lindgren  
Authorized Public Accountant

# Annual Report

## Designit Sweden AB

Corporate ID No. 556732-6870

Financial year 2017-04-01 - 2018-03-31

This financial report is a translation from the official Swedish annual report.

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## **Annual Report for the Financial Year 2017-04-01 - 2018-03-31**

The Board of Directors and the managing director for Designit Sweden AB hereby submit the following annual financial statement.

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Company headquarters: Stockholm

The company's reporting currency: Swedish Krona (SEK)

Unless otherwise stated, all amounts are posted in Swedish kronor (SEK).

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## 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 household appliances industry.

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

The company is based in Stockholm, Sweden.

#### *Significant events during the Fiscal Year*

Customer base growth with a few new larger accounts as well as increased sales to existing customers has led to increased sales for the year. A large focus has been put on recruitment to reduce dependence on suppliers and related costs in order to reach better profitability in the future. Designit Sweden has moved to a larger office space during the year, and investments have been made to build additional capacity to cover the company's core offer.

Multi-year overview (Tkr)	2017/18	2016/17	2015/16 (15 mon)	2014
Net turnover	30 505	22 573	25 059	5 977
Profit/loss after financial items	-3 352	-1 825	263	-1 483
Balance sheet total	11 729	9 976	13 252	1 921
Equity/assets ratio (%)	1,2	4,0	neg	neg

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

### Changes in Equity

	Share capital	Retained profit/loss	Profit/loss this year	Total
Amount at the opening of the year	100 000	2 121 184	-1 825 096	396 088
Appropriation of earnings as per decision of the Annual General Meeting:		-1 825 096	1 825 096	0
Shareholders' contributions received		3 100 000		3 100 000
Profit/loss for the year			-3 351 826	-3 351 826
<b>Amount at the closing of the year</b>	<b>100 000</b>	<b>3 396 088</b>	<b>-3 351 826</b>	<b>144 262</b>

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	3 396 088
year's loss	-3 351 826
	<b>44 262</b>

be distributed so that they are carried over	44 262
	<b>44 262</b>

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Income Statement	Note	2017-04-01 -2018-03-31	2016-04-01 -2017-03-31
<i>Revenue, changes in stock etc</i>			
Net turnover		30 504 749	22 573 053
Other operating income		323 906	0
<b>Total operating income, change of stock goods etc.</b>		<b>30 828 655</b>	<b>22 573 053</b>
<i>Operating expenses</i>			
Goods for resale		-8 061 115	-4 306 449
Other external costs		-6 794 934	-5 280 987
Personnel costs	2	-17 681 310	-13 930 867
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets		-627 351	-581 817
Other operating expenses		-988 076	0
<b>Total operating costs</b>		<b>-34 152 786</b>	<b>-24 100 120</b>
<b>Operating profit/loss</b>		<b>-3 324 131</b>	<b>-1 527 067</b>
<b>Financial items</b>			
Other interest income and similar profit/loss items		106 712	0
Interest expense and similar profit/loss items	3	-134 407	-298 029
<b>Total profit/loss from financial items</b>		<b>-27 695</b>	<b>-298 029</b>
<b>Profit/loss after financial items</b>		<b>-3 351 826</b>	<b>-1 825 096</b>
<b>Pre-tax profit/loss</b>		<b>-3 351 826</b>	<b>-1 825 096</b>
<b>Net profit/loss for the year</b>		<b>-3 351 826</b>	<b>-1 825 096</b>

<b>Balance Sheet</b>	<b>Note</b>	<b>2018-03-31</b>	<b>2017-03-31</b>
<b>ASSETS</b>			
<i>Fixed assets</i>			
<i>Tangible fixed assets</i>			
Equipment, tools and installations	4	474 338	345 237
Expenditures for improvement on another's property	5	1 261 867	941 423
<b>Total tangible fixed assets</b>		<b>1 736 205</b>	<b>1 286 660</b>
<b>Total fixed assets</b>		<b>1 736 205</b>	<b>1 286 660</b>
<i>Current assets</i>			
<i>Inventories etc</i>			
Work in progress on behalf of others		167 313	970 132
<b>Total inventories, etc.</b>		<b>167 313</b>	<b>970 132</b>
<i>Current receivables</i>			
Accounts receivable		7 374 641	5 834 302
Receivables from group companies		1 295 024	300 413
Other receivables		418 430	109 194
<b>Total current receivables</b>		<b>9 088 095</b>	<b>6 243 909</b>
<i>Cash on hand and in bank</i>			
Cash on hand and in bank		737 050	1 475 423
<b>Total cash on hand and in bank</b>		<b>737 050</b>	<b>1 475 423</b>
<b>Total current assets</b>		<b>9 992 458</b>	<b>8 689 464</b>
<b>TOTAL ASSETS</b>		<b>11 728 663</b>	<b>9 976 124</b>



<b>Balance Sheet</b>	<b>Note</b>	<b>2018-03-31</b>	<b>2017-03-31</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
<i>Restricted reserves</i>			
Share capital		100 000	100 000
<b>Total restricted reserves</b>		<b>100 000</b>	<b>100 000</b>
<i>Non-restricted equity</i>			
Accumulated profit/loss		3 396 088	2 121 184
Profit/loss for the year		-3 351 826	-1 825 096
<b>Total non-restricted reserves</b>		<b>44 262</b>	<b>296 088</b>
<b>Total equity</b>		<b>144 262</b>	<b>396 088</b>
<i>Current liabilities</i>			
Accounts payable		48 802	103 862
Liabilities to group companies		9 353 566	5 579 924
Other liabilities		601 526	1 135 109
Accrued expenses and deferred income		1 580 507	2 761 141
<b>Total current liabilities</b>		<b>11 584 401</b>	<b>9 580 036</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>11 728 663</b>	<b>9 976 124</b>

## 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.

#### The conversion of the records in foreign currency

Receivables and liabilities in foreign currencies have been valued at the closing day rate. Exchange gains and losses on operating receivables and operating liabilities are reported in operating profit, while exchange gains and losses on financial receivables and liabilities are reported as financial items.

#### Fixed assets

The following depreciation time is applied:

Equipment, tools and installations	5 years
Expenditures for improvement on another's property	7 years

#### 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.

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### Note 2 Average number of employees

	2017-04-01 -2018-03-31	2016-04-01 -2017-03-31
Average number of employees	25	21

**Note 3 Other interest income and similar profit/loss items**

	2017-04-01 -2018-03-31	2016-04-01 -2017-03-31
Interest expenses to group companies	-100 562	-188 087
Other interest expenses	-33 845	-109 942
	<b>-134 407</b>	<b>-298 029</b>

**Note 4 Equipment, Tools and Installations**

	2018-03-31	2017-03-31
Acquisition value, opening balance	731 882	465 435
Purchasing	370 606	266 447
<b>Accumulated acquisition value, closing balance</b>	<b>1 102 488</b>	<b>731 882</b>
Depreciation, opening balance	-386 645	-169 273
Depreciation for the year	-241 505	-217 372
<b>Accumulated depreciation, closing balance</b>	<b>-628 150</b>	<b>-386 645</b>
<b>Book value, closing balance</b>	<b>474 338</b>	<b>345 237</b>

**Note 5 Expenditures for improvement on another's property**

	2018-03-31	2017-03-31
Acquisition value, opening balance	1 492 234	1 402 372
Purchasing	706 290	89 862
<b>Accumulated acquisition value, closing balance</b>	<b>2 198 524</b>	<b>1 492 234</b>
Depreciation, opening balance	-550 811	-186 366
Depreciation for the year	-385 846	-364 445
<b>Accumulated depreciation, closing balance</b>	<b>-936 657</b>	<b>-550 811</b>
<b>Book value, closing balance</b>	<b>1 261 867</b>	<b>941 423</b>

**Note 6 Contingent liabilities and collateral**

The company has no contingent liabilities or collateral.

**Note 7 Significant events after the financial year**

No significant events have occurred after the end of the fiscal year.

Stockholm

Sd/-

Adam Hassan  
Managing Director

Sd/-

Ashish Chawla  
Chairman of the Board

Sd/-

Christian Sogaard

Our auditor's report was submitted  
Ernst & Young AB

Sd/-

Linn Haslum Lindgren  
Authorized Public Accountant

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