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Statsautoriserte revisorer
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**INDEPENDENT AUDITOR'S REPORT**

To the Annual Shareholders' Meeting of Designit Oslo AS

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Designit Oslo AS, which comprise the balance sheet as at 31 March 2017, the income statement for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 March 2017 and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

### Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on other legal and regulatory requirements

### Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.

## Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Oslo, 7 June 2017
ERNST & YOUNG AS

Sd/-
Kjetil Andersen
State Authorised Public Accountant (Norway)

(This translation from Norwegian has been made for information purposes only.)

## Income statement

| | Note | 01.04-2016- 31.03.2017 | 01.01-2015- 31.03.2016 |
|---|---|---|---|
| **Revenue** | | | |
| Sales revenue | | 64 810 556 | 31 464 855 |
| Change advance from customers | | 7 460 961 | 4 965 830 |
| Gains on sale of tangible fixed assets | | 0 | - |
| Other operating income | | 60 295 | 617 400 |
| **Total operating income** | | 72 331 811 | 37 048 085 |
| | | | |
| **Operating expenses** | | | |
| Cost of stocks | | 10 203 786 | 2 957 273 |
| Payroll expenses | 2 | 37 198 703 | 24 585 403 |
| Depreciation of tangible fixed assets and gw | 3 | 1 537 243 | 305 430 |
| Bad debts | 6 | 729 118 | 6 068 |
| Other operating expenses | 2 | 13 062 468 | 6 809 870 |
| **Total operating expenses** | | 62 731 317 | 34 664 044 |
| | | | |
| **Financial income and expenses** | | | |
| Interest income | | 3 255 | 1 788 |
| Other financial income | | 162 500 | - |
| Interest expenses group companies | | 382 473 | -268 110 |
| Other financial expenses | | 8 571 | -53 458 |
| **Net financial items** | | -225 288 | -319 780 |
| | | | |
| **Ordinary result before tax** | | 9 375 206 | 2 064 261 |
| Tax on ordinary result | 5 | 2 251 250 | 553 726 |
| **Net profit or loss for the year** | | 7 123 956 | 1 510 536 |
| | | | |
| **Net profit for the year** | | 7 123 956 | 1 510 536 |
| | | | |
| **Allocated as follows** | | | |
| Transferred to other equity | 4 | 7 123 956 | 1 510 536 |
| **Total transfers and disposals** | | **7 123 956** | **1 510 536** |

## Balance sheet as of March 31

| | Note | 31.03.2017 | 31.03.2016 |
|---|---|---|---|
| **Intangible assets** | | | |
| Deferred tax asset | 5 | 293 607 | 102 838 |
| **Total intangible assets** | | 293 607 | 102 838 |
| | | | |
| **Fixed assets** | | | |
| Office equipment and EDB | 3 | 7 209 338 | 1 730 130 |
| **Total current assets** | | 7 209 338 | 1 730 130 |
| | | | |
| **Total fixed assets** | | 7 502 945 | 1 832 968 |
| | | | |
| **Current assets** | | | |
| **Receivables** | | | |
| Trade receivables | | 11 859 303 | 5 019 048 |
| Group receivables | | - | - |
| Other receivables | | 4 907 099 | 3 356 149 |
| Total accounts receivable | | 16 766 402 | 8 375 197 |
| | | | |
| Cash and cash equivalents | | 5 970 852 | 4 217 625 |
| | | | |
| **Total current assets** | | **22 737 254** | **12 592 822** |
| | | | |
| **Total assets** | | **30 240 199** | **14 425 790** |

## Balance sheet as of March 31

| | Note | 31.03.2017 | 31.03.2016 |
|---|---|---|---|
| **Equity** | | | |
| Paid-in capital | | | |
| Share capital | 4 | 100 000 | 100 000 |
| Premiums | 4 | 4 000 | 4 000 |
| **Total paid-in capital** | | 104 000 | 104 000 |
| | | | |
| **Retained earnings** | | | |
| Other equity | 4 | 8 439 149 | 1 312 254 |
| **Total retained earnings** | | 8 439 149 | 1 312 254 |
| | | | |
| **Total equity** | 4 | **8 543 149** | **1 416 254** |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade creditors | | 2 471 467 | 984 561 |
| Tax payable | | 2 442 018 | - |
| VAT | | 2 317 598 | 1 171 648 |
| Employee taxes | | 2 458 890 | 1 255 932 |
| Salary and holiday pay | | 6 846 384 | 3 879 853 |
| Debt to the group | | 5 160 691 | 5 717 543 |
| Other short-term liabilities | | - | - |
| **Total current liabilities** | | 21 697 049 | 13 009 536 |
| | | | |
| **Total liabilities** | | **21 697 049** | **13 009 536** |
| | | | |
| **Total equity and liabilities** | | **30 240 199** | **14 425 790** |

Oslo, 31. May 2017

Sd/-

Christian Sørgaard
Chairman of the Board / General Manager

## Note 1 Accounting principles

The annual report is prepared according to the Norwegian Accounting Act 1998 and generally accepted accounting principles for small companies.

*Sales revenue*

Revenue from sales of goods is recognized in the income statement when delivery has taken place and most of the risk and return are transferred.
Revenues from the sale of services and long-term asset projects are recognized in the income statement as the completion rate of the project, when the outcome of the transaction can be estimated reliably. Progress is measured as accrued hours in relation to total estimated hours. When the transaction's outcome can not be estimated reliably, only revenue corresponding to accrued project costs will be recognized as income. During the period it is identified that a project will produce a negative result, the estimated loss on the contract will be recognized in full in the income statement.

***Balance sheet classification***
Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

***Trade and other receivables***
Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

***Foreign currency translation***
Transactions in foreign currency are translated at the exchange rate at the transaction date. Monetary items in foreign currency are translated into Norwegian kroner using the exchange rate at the balance sheet date. Non-monetary items measured at historical rates expressed in foreign currency are translated into Norwegian kroner using the exchange rate at the time of the transaction. Non-monetary items measured at fair value expressed in foreign currency are translated at the exchange rate determined on the measurement date. Exchange rate fluctuations are recognized in the income statement during the accounting period under other financial items.

***Property, plant and equipment***
Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the esimated future cash flows are discounted to their present value.

***Income tax***
Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at  percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

To what extent group contribution not is registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.

## Note 2 Salaries and allowances

| Salaries | 01.04.2016-31.03.2017 | 01.01.2015-31.03.2016 |
|---|---|---|
| Salaries | 30 419 256 | 20 114 273 |
| Payroll tax | 4 192 002 | 2 721 814 |
| Pension costs | 1 051 183 | 1 059 918 |
| Other payments | 1 536 262 | 689 398 |
| Total | 37 198 703 | 24 585 403 |
| | | |
| FTEs | 52 | 28 |

**Management remuneration**

| | General manager* |
|---|---|
| Salaries | 1 371 945 |
| Payroll tax | 759 890 |
| Pension costs | 54 878 |
| Other payments | 8 142 |
| Total | 2 194 855 |

*Salary General Manager applies only for the year 2016.

The Board has not received any compensation for 2016/2017.
Leading employees do not have an agreement on share-based remuneration.

**Remuneration to the auditor**
It was expensed in 2016/17. 187 872 (ex VAT) in regular audit fees and kr. 0 (ex VAT) regarding other services provided by the auditor.

## Note 3 Fixed assets

| | Data and office equipment | Premises | Total |
|---|---|---|---|
| Acquisition cost 31.03.16 | 841 961 | 1 312 682 | 2 154 643 |
| Adjustment IB | | 57 252 | |
| Acquisition cost 01.04.16 | | 1 369 934 | |
| Access purchased assets | 1 127 953 | 5 831 247 | 6 959 199 |
| Acquisition cost 31.03.17 | 1 969 914 | 7 201 181 | 9 171 094 |
| | | | - |
| Accumulated depreciation 31.03.16 | -417 221 | -7 294 | -424 515 |
| Ordinary depreciation during the year | -398 739 | -1 138 504 | -1 537 243 |
| Accumulated depreciation 31.03.17 | -815 960 | -1 145 798 | -1 961 758 |
| Book value per. 31.03.17 | 1 153 954 | 6 055 384 | 7 209 338 |
| | | | |
| Economic life: | 3-5 year | 10 year | |

## Note 4 Equity and shareholder information

| | Share capital | Premiums | Other equity | Tptal |
|---|---|---|---|---|
| Equity as at 01.04.16 | 100 000 | 4 000 | 1 312 254 | 1 416 254 |
| Profit for the year | - | - | 7 123 956 | 7 123 956 |
| Adjustment currency | | | 2 940 | 2 940 |
| Equity at 31.03.2017 | 100 000 | 4 000 | 8 439 149 | 8 543 149 |

The company has as of 31 March 2017 the following shareholders:
Designit Group, 100 shares.

## Note 5 Income taxes

| Income tax expenses | 31.03.2017 | 31.03.2016 |
|---|---|---|
| Payable tax | 2 442 018 | - |
| Change in deferred tax | -190 769 | 553 726 |
| **Total income tax expense** | 2 251 250 | 553 726 |
| | | |
| Ordinary result before tax | 9 375 204 | 2 064 261 |
| Permanent differences | - | 9 375 |
| Changes in temporary differences | 1 033 604 | 4 235 |
| Allocation of loss to be brought forward | 233 731 | 2 077 872 |
| **Tax base** | **10 175 077** | 0 |
| **Allocation of loss to be brought forward** | **233 731** | 2 077 872 |
| | | |
| Tax payable in the balance sheet: | | |
| Payable tax on profit for the year | 2 442 018 | - |
| **Total tax payable in the balance sheet** | **2 442 018** | - |

The tax effect of temporary differences and write-downs for carry-forward that gave rise to deferred tax and deferred tax asset, specified on types of temporary differences:

| | 31.03.2017 | 31.03.2016 | Change |
|---|---|---|---|
| Fixed assets | -403 609 | -183 691 | 10 304 |
| Receivables | -819 755 | 6 068 | 27 251 |
| **Total** | **-1 223 363** | **-177 622** | **37 555** |
| | | | |
| Accumulated loss brought forward 01.01 | 233 731 | 2 311 603 | |
| Tax base | 10 408 808 | 2 077 872 | |
| **Basis for calculation of deferred tax** | -1 223 363 | -411 354 | 37 555 |
| | | | |
| **Deferred income tax liability (24% this year, 25% last year)** | **-293 607** | **-102 838** | **10 140** |
| | | | |
| **This year's tax effect of change in tax rate** | **7 999** | **8 227** | |

**Deferred tax assets are capitalized**

**Note 6 Provisions for unsecured receivables / loss for the year on receivables**

| | 31.03.2017 | 31.03.2016 |
|---|---|---|
| Realized losses on customers | 729 118 | - |
| Provision of loss on customers per. 31.03. | 735 186 | 6 068 |
| Provision of loss on customers per. 1.4. | - | - |
| Loss on receivables for the year | 1 464 304 | 6 068 |