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This is an English translation of the Swedish annual report of AWA Holding AB. In the event of any discrepancy between the Swedish version and this English translation, the Swedish version shall prevail.

AWA at a glance

AWA is a leading consulting firm in Intellectual Property (IP) with clients all around the world. They range from local startups to the owners of international, well-known brands and patent portfolios. Our clients are innovation-intensive and view IP as a key strategic asset. They know that IP is a fantastic competitive tool when managed properly. With our legal, technical and business expertise, we do our very best to help them make a successful business out of their ideas and innovations. In addition to our own IP consultants on two continents, our vast global partner network continues to grow and we are able to offer our clients the right quality and the best solutions in all markets.

NET SALES IN 2018 TOTALLED

€70

MILLION (SEK 714 MILLION)



100%

COMPLETELY OWNED BY THE EMPLOYEES



OUR MANAGERS ARE 55:45 WOMEN AND MEN

THE AVERAGE AGE IS

43 YEARS

300

300 EMPLOYEES

120 + 40 + 20 = 180

PATENT ATTORNEYS

ATTORNEYS AT LAW

OTHER IP EXPERTS

IP CONSULTANTS



16

OFFICES IN 4 COUNTRIES

SWEDEN, DENMARK, GERMANY AND CHINA/HONG KONG

3,200

CLIENTS IN ALMOST 60 COUNTRIES.



ABOUT

65

EUROPEAN PATENT ATTORNEYS

ABOUT

30

EUROPEAN TRADEMARK OR DESIGN ATTORNEYS



10

10 OF OUR EUROPEAN PATENT ATTORNEYS HOLD THE CEIPI DIPLOMA IN EUROPEAN PATENT LITIGATION (CENTER FOR INTERNATIONAL INTELLECTUAL PROPERTY STUDIES)

Starting the Journey to 2022

2018 started with a new strategy for the Group. Developed throughout 2017, the Strategic Plan AWA 2022 was discussed and debated in many forums, went through several rounds of revisions and we dedicated time during AWA's 120th anniversary company trip. The Strategic Plan covers four areas: Clients, Dedicated People, Collaboration and Developing the Market. They were the focus of the AWA Group's development last year.



Magnus Hallin
CEO of the AWA Group and AWA Sweden

We realised in 2018 that greater attention was needed on improving our operations and processes. As with all plans, they must evolve to the needs of the business and we added a fifth area to the Strategic Plan: Operational Excellence. Resources have been allocated to increasing operational efficiency and simplifying everyday work for the committed people of AWA throughout 2019.

Growth continued and Net Sales increased by 8% to 714 MSEK last year. Since 1 July 2014, Net Sales over a twelve-month period have increased by around 180 MSEK – this is a great achievement and we should all be proud. Profit before Tax increased by 22% to 38.5 MSEK. We have started several initiatives to grow and enhance our offering, but in 2019 and the years ahead, our focus is to increase profit levels.

We bid farewell to Awapatent on 7 May as the Group's main brand name changed to AWA. Increasing use of AWA in other parts of the business encouraged us to take the final and natural step to phase out Awapatent. AWA reflects the extensive and true full-service offering of intellectual property services provided by the Group today, while still encompassing our proud history. This was well-received by the market with many commenting and supporting the change.

On 1 March we established Business Area Sweden, bringing together the main part of the Swedish business to improve collaboration, provide a stronger focus on our clients and advance and develop our core offering.

The change has already led to increased development in areas like recruitment.

We have collaborated with Dotkeeper since 2016 and acquired 15% of their shares on 20 June 2018, with the remaining 85% to be acquired between 2021 and 2023. The acquisition creates an integrated offering within the growing fields of trademarks, domain names and digital IP. It has also led to new opportunities and clients for both sides. In 2018, Dotkeeper grew from 7 to 13 people and Net Sales from around 9 to 17 MSEK, with improved profit.

We teamed up with Great Place to Work® last year to help in achieving our strategic area to attract, retain and develop dedicated people. The association aids in professionally developing our culture and AWA as an employer. We aim to have all parts of the business certified as a Great Place to Work® and congratulations to our colleagues in Denmark, who received their certification in 2018.

The market for IP services is expected to remain strong in 2019, despite signs the economy is slowing down. I am confident that our enhanced and unique offering fulfils our clients' needs and will be the differentiating factor in attracting new clients for all business units of the AWA Group. 2022 may seem far away, but our focus is on realising the goals of the Strategic Plan. As a market leader in Europe, an ever-strengthening position in Asia and a stronger digital offering through our AWA Client Portal, I believe we will have a great year ahead.

OUR MISSION

Our expertise in Intellectual Property supports the companies of today in building the prosperity of tomorrow

OUR VISION

We will be the first choice in IP for clients and dedicated people everywhere by developing the market – together

OUR CORE VALUES

Courage – Openness – Passion

OUR PROMISE

We create intellectual prosperity

Group financial summary

Amounts in thousands of euros	2018	2017	2016	2015	2014	
Average exchange rate acc. to Swedish Central Bank	10.2567	9.6326	9.4704	9.3562	9.0968	
Closing day rate acc. to Swedish Central Bank	10.2753	9.8497	9.5669	9.1350	9.5155	
Income statement						
Net sales	69,579	68,468	65,669	63,418	59,492	
Profit after financial income and expense	3,750	3,271	3,245	3,519	3,226	
Profit for the year	2,777	2,370	2,307	2,509	2,335	
Balance sheet						
Cash and bank balances	1,719	2,100	2,802	6,209	3,943	
Other assets	21,767	21,058	20,239	19,073	18,869	
Total assets	23,486	23,158	23,041	25,282	22,813	
Equity	12,350	12,303	12,925	15,367	13,639	
Other liabilities	11,136	10,855	10,117	9,915	9,174	
Total equity and liabilities	23,486	23,158	23,041	25,282	22,813	
Key figures						
Profit margin, %	(1)	5.4	4.8	4.9	5.6	5.4
Equity/assets ratio, %	(2)	48	47	51	57	57
Number of employees, FTEs	(3)	276	267	255	249	251

Definitions

- (1) Profit after financial income and expense in per cent of net sales
(2) Equity after proposed share dividend in per cent of balance sheet total reduced by proposed share dividend
(3) Full-time equivalents

Annual report and consolidated financial statements of AWA Holding AB

Corporate id no. 556388-3940

The Board of Directors and Chief Executive Officer of AWA Holding AB herewith submit the annual report and consolidated financial statements for the financial year 1/1/2018–31/12/2018.

All amounts in SEK unless otherwise stated. Amounts in parentheses relate to the previous year.

ADMINISTRATION REPORT

Nature and specialisation of the operations

AWA Holding AB is the parent company of the wholly-owned subsidiaries AWA Sweden AB, Awapatent GmbH, AWA Denmark A/S and AWA IPro AB. AWA Holding AB also owns 70% of Hong Kong-based AWA Asia Ltd., which in turn owns Chinese AWA IP (Beijing) Co., Ltd. to 100%.

The companies within the Group conduct consulting operations in the fields of intellectual property rights and marketing law, and offer services relating to the establishment, defence, commercialisation and management of intellectual property rights, as well as providing general advice on intellectual property rights, marketing law and associated matters.

The Group has operations in Sweden, Denmark, Hong Kong, China and Germany.

Ownership

The company is entirely employee-owned. On 31 December 2018, 54% (51%) of all employees were shareholders.

The largest shareholders (including the holdings of related parties, where relevant) were:

	Number of shares	Share, %
Awanti Foundation	15,610	6.24%
Urban Lind	8,330	3.33%
Ole Bokinge	6,250	2.50%
Fabian Edlund	6,250	2.50%
Magnus Hallin	6,250	2.50%
Göran Hallkvist	6,250	2.50%
Ai-Leen Lim	6,250	2.50%
Joacim Lydén	6,250	2.50%
Niklas Mattsson	6,250	2.50%
Lars Nilsson	6,250	2.50%
Ulf Willquist	6,250	2.50%
Christian Winblad	6,250	2.50%
Linlin Zheng	6,250	2.50%

Significant events during the financial year

In June the Group acquired 15% of the shares in Dotkeeper AB (CIN 556942-2164), a consultancy firm within domain names and digital IP that the AWA Group previously cooperated with for a period of time. We also reached an agreement to acquire the remaining shares within 3–5 years. During the year, the Group changed its main brand from Awapatent to AWA.

Development of the operations, position and profit

The Group

(MSEK)	2018	2017	2016	2015	2014
Net sales	713.7	659.5	621.9	593.4	541.2
Profit/loss after financial income and expense	38.5	31.5	30.7	32.9	29.3
Profit for the year	28.5	22.8	21.9	23.5	21.2
Balance sheet total	241.3	228.1	220.4	231.0	217.1
Equity/assets ratio ⁽¹⁾	48%	47%	50%	57%	57%
Dividend per share, SEK ⁽²⁾	85	100	100	164	65
Dividend ratio ⁽³⁾	75%	110%	114%	96%	77%
Profit margin ⁽⁴⁾	5.4%	4.8%	4.9%	5.6%	5.4%
Return on equity ⁽⁵⁾	24%	20%	19%	18%	18%
Number of employees, FTEs ⁽⁶⁾	276	267	255	249	251

⁽¹⁾ Equity after proposed share dividend in per cent of balance sheet total reduced by proposed share dividend

⁽²⁾ Number of shares: 250,000. The figure for 2015 includes an extra dividend of SEK 74/share. Payment occurred in 2016.

⁽³⁾ Proposed dividend as a per cent of profit for the year.

⁽⁴⁾ Profit/loss after financial income and expense in per cent of net sales
⁽⁵⁾ Profit/loss after financial income and expense reduced by 22% tax in per cent of equity

⁽⁶⁾ Full-time equivalents

Parent company

(MSEK)	2018	2017	2016	2015	2014
Profit/loss after financial income and expense	4.5	6.3	46.9	-2.9	-2.3
Profit for the year	28.5	30.5	73.6	21.1	6.0
Balance sheet total	96.6	98.6	97.8	94.5	90.0
Equity/assets ratio ⁽¹⁾	86%	78%	71%	30%	31%
Group contributions, received	30.0	30.0	33.3	30.0	10.0
Net liability to subsidiaries	10.9	16.4	20.9	50.3	50.7

⁽¹⁾ Equity after proposed share dividend in per cent of balance sheet total reduced by proposed share dividend

Significant events after the end of the financial year

In 2019, no significant events occurred in addition to the regular operations.

Significant risks and uncertainty factors

Through its operations, the Group is exposed to a range of risks. The principal financial risks are considered to be market risks, credit risks, liquidity risks, financing risks and currency risks. **Market risks** arise as a result of fluctuations in prices and exchange rates. **Credit risks** refer to the risk that a counterparty will not fulfil its obligations. The Group is exposed to credit risks on accounts receivable. The Group's clients are subject to credit control on an ongoing basis, with information on clients' financial positions obtained from credit rating agencies.

Liquidity risks refer to the risk that liquidity will not be available to meet payment obligations. Surplus liquidity is invested only with highly rated issuers in accordance with the investment policy adopted by the Board of Directors. **Financing risk** is defined as the risk that financing cannot be obtained. The availability of immediate financing is assured through unutilised bank overdraft facilities.

As the Group operates internationally, it is exposed to a variety of **currency risks**. The Group did not hedge its payment flows during the financial year, since the flows in accounts receivable and accounts payable are largely in balance. Exposures in foreign subsidiaries are not hedged.

Another type of risk that the Group is exposed to is **regulatory risk**. The patent office industry is constantly exposed to risks related to amendments to laws, rules and conventions within intangible rights. One example is the new European patent system, which is described below and affects the Group.

Sustainability Report

In accordance with Chapter 6, section 11 of the Annual Accounts Act, the Group has chosen to prepare the statutory Sustainability Report separate from the Annual Report. The Sustainability Report has been submitted to the auditor at the same time as the Annual Report. The Sustainability Report is available at www.awa.com. This sustainability report includes Awa Holding AB and its subsidiaries.

Expected future development

The Group's overriding goal continues to be to maintain and develop its leading position in the Swedish and Danish markets, and to achieve a corresponding leading position in the European market among European companies as well as the North American and Asian companies and representatives. It is also the Group's goal to achieve in the long run a similar position on the Chinese market as among European companies and North American companies and agents, where the Group has already achieved a strong position for its brand, and the position within patents started to demonstrate strong growth.

Proposed appropriation of profit (SEK)

The following profit is at the disposal of the annual general meeting:	
Profit carried forward	54,246,695.26
Profit for the year	28,474,123.05
	82,720,818.31
The Board of Directors proposes that	
is distributed to shareholders	21,250,000.00
is carried forward	61,470,818.31
	82,720,818.31

Group contributions of SEK 30,000,000 (TSEK 30,000) were received from subsidiaries.

The Board of Directors' statement on the proposed dividend

The Board of Directors proposes that SEK 21,250,000 be distributed as dividend, which is equivalent to SEK 85 per share. The dividend will be paid on 17 May 2019. The Board of Directors considers that the proposed dividend is justified for both the company and the Group in the light of the demands which the nature, scope and risks of the operations impose on the size of the company's and the Group's equity, as well as the company's and the Group's consolidation requirements, liquidity and position in general.

For the profit and position of the parent company and the Group in general, refer to the following profit and loss account, balance sheet, statement of equity, statement of cash flows as well as notes.

Consolidated income statement

Amounts in SEK	Note	2018	2017
Operating income			
Net sales	3	713,653,678	659,524,919
Other operating income	4	813,507	555,878
Total operating income		714,467,185	660,080,797
Operating expense			
Other external expense	5,13	-368,955,133	-341,888,889
Personnel costs	6	-299,538,249	-278,831,082
Depreciation/amortisation of tangible and intangible assets	12	-7,732,702	-7,697,169
Total operating expense		-676,226,084	-628,417,140
Operating profit/loss		38,241,101	31,663,657
Profit/loss from financial income and expense			
Other interest income and similar income	8	477,966	94,914
Interest expense and similar expenses	9	-254,624	-245,093
Net financial income and expense		223,342	-150,179
Profit/loss after financial income and expense		38,464,443	31,513,478
Tax on profit for the year	11	-9,983,802	-8,679,509
PROFIT/LOSS FOR THE YEAR		28,480,641	22,833,969
Attributable to:			
Shareholders of the parent company		27,808,740	22,549,903
Minority interests		671,901	284,066

Consolidated balance sheet

Amounts in SEK	Note	31 Dec 2018	31 Dec 2017
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Concessions, patents, licences, trademarks and similar rights		611,040	814,896
Goodwill		0	4,430,576
Ongoing projects for intangible assets		4,580,360	0
Total intangible assets		5,191,400	5,245,472
Tangible assets			
Accrued expenses on leased property		689,067	577,348
Fixtures and fittings		9,747	31,904
Equipment		6,398,196	7,522,979
Total tangible assets		7,097,010	8,132,231
Financial assets			
Participations in associates and joint ventures	15	2,250,000	0
Other non-current receivables	17	2,510,998	1,771,782
Total financial assets		4,760,998	1,771,782
Total non-current assets		17,049,408	15,149,485
CURRENT ASSETS			
Current receivables			
Accounts receivable - trade		160,102,418	135,807,698
Accumulated uninvoiced income	18	15,564,634	13,731,008
Current tax assets		10,878,759	11,444,388
Other receivables		8,429,800	14,220,309
Prepaid expenses and accrued income	19	11,640,980	10,259,067
Total current receivables		206,616,591	185,462,470
Investments in securities, etc.			
Other investments in securities, etc.		0	6,800,000
Total investments in securities, etc.		0	6,800,000
Cash and bank balances	21	17,661,423	20,686,807
Total current assets		224,278,014	212,949,277
TOTAL ASSETS		241,327,422	228,098,762

Amounts in SEK	Note	31 Dec 2018	31 Dec 2017
EQUITY AND LIABILITIES			
EQUITY			
Share capital (250,000 shares)		2,500,000	2,500,000
Other paid-up capital		543,612	532,972
Other equity including profit for the year		118,952,649	114,251,436
Equity attributable to the parent company's shareholders		121,996,261	117,284,408
Minority interests		4,900,999	3,898,069
Total equity		126,897,260	121,182,477
PROVISIONS			
Provisions for pensions, PRI		543,713	555,025
Other provisions for pensions		6,600	6,600
Deferred tax liability	16	498,540	583,216
Total provisions		1,048,853	1,144,841
CURRENT LIABILITIES			
Liabilities to credit institutions	21	12,932,342	9,690,181
Advance payments from customers		2,465,229	2,202,794
Accounts payable – trade		19,795,933	21,271,899
Current tax liabilities		944,934	7,972
Other current liabilities		16,708,731	16,273,884
Accrued expenses and deferred income	20	60,534,140	56,324,714
Total current liabilities		113,381,309	105,771,444
TOTAL EQUITY AND LIABILITIES		241,327,422	228,098,762

Consolidated statement of changes in equity

Amounts in SEK	Equity attributable to the parent company's shareholders					Total equity
	Share capital	Other paid-up capital	Other equity including profit/loss for the year	Total equity attributable to the parent company's shareholders	Minority interests	
Opening balance on 1 January 2017	2,500,000	525,902	116,675,815	119,701,717	3,946,585	123,648,302
Profit/loss for the year			22,549,903	22,549,903	284,066	22,833,969
Translation differences		7,070	25,718	32,788	-332,582	-299,794
Total changes in value	0	7,070	22,575,621	22,582,691	-48,516	22,534,175
Transactions with owners:						
Dividend to owners			-25,000,000	-25,000,000	0	-25,000,000
Total transactions with shareholders	0	0	-25,000,000	-25,000,000	0	-25,000,000
CLOSING BALANCE ON 31 DECEMBER 2017	2,500,000	532,972	114,251,436	117,284,408	3,898,069	121,182,477

Share capital 250,000 shares at a quota value of SEK 100.

Amounts in SEK	Equity attributable to the parent company's shareholders					Total equity
	Share capital	Other paid-up capital	Other equity including profit/loss for the year	Total equity attributable to the parent company's shareholders	Minority interests	
Opening balance on 1 January 2018	2,500,000	532,972	114,251,436	117,284,408	3,898,069	121,182,477
Profit/loss for the year			27,808,740	27,808,740	671,901	28,480,641
Translation differences		10,640	1,892,473	1,903,113	331,029	2,234,142
Total changes in value	0	10,640	29,701,213	29,711,853	1,002,930	30,714,783
Transactions with owners:						
Dividend to owners			-25,000,000	-25,000,000	0	-25,000,000
Total transactions with shareholders	0	0	-25,000,000	-25,000,000	0	-25,000,000
CLOSING BALANCE ON 31 DECEMBER 2018	2,500,000	543,612	118,952,649	121,996,261	4,900,999	126,897,260

Share capital 250,000 shares at a quota value of SEK 100.

Consolidated statement of cash flows

Amounts in SEK	Note	2018	2017
OPERATING ACTIVITIES			
Operating profit/loss		38,241,101	31,663,657
Adjustments for items not included in the cash flow:			
Depreciation/amortisation		7,732,702	7,697,168
Other items not affecting cash flow		24,510	-143,567
Gains/losses from the sale of current investments		379,069	0
Received interest and similar income		98,897	94,914
Paid interest and similar expenses		-254,624	-245,093
Paid income tax		-8,577,224	-8,533,752
Cash flow from operating activities before changes in working capital		37,644,431	30,533,327
Cash flow from changes in working capital			
Decrease(+)/increase(-) of other current receivables		-19,745,797	-22,453,333
Decrease(-)/increase(+) of other current liabilities		5,807,742	9,703,441
Cash flow from operating activities		23,706,376	17,783,435
Investing activities			
Acquisition of intangible assets		-4,580,360	0
Acquisition of tangible assets		-1,747,771	-2,036,677
Investments in other financial assets		-2,250,000	0
Settlement of financial assets		-665,275	3,513,980
Cash flow from investing activities		-9,243,406	1,477,303
FINANCING ACTIVITIES			
Paid dividend		-25,000,000	-25,000,000
Cash flow from financing activities		-25,000,000	-25,000,000
Cash flow for the year		-10,537,030	-5,739,262
Cash and cash equivalents at start of year		27,486,807	33,610,760
Exchange rate difference in cash and cash equivalents		711,646	-384,691
Cash and cash equivalents at end of year	21	17,661,423	27,486,807

Parent company's income statement

Amounts in SEK	Note	2018	2017
Operating income			
Net sales		0	0
Total operating income		0	0
Operating expense			
Other external expense	5	-49,289	-50,092
Personnel costs	6	-946,913	-880,517
Total operating expense		-996,202	-930,609
Operating profit/loss		-996,202	-930,609
Profit/loss from financial income and expense			
Profit from interests in Group companies	7	6,945,409	10,000,000
Other interest income and similar income	8	0	3,557
Interest expense and similar expenses	9	-1,402,888	-2,747,065
Net financial income and expense		5,542,521	7,256,492
Profit/loss after financial income and expense		4,546,319	6,325,883
Balance sheet appropriations			
Group contribution received	10	30,000,000	30,000,000
Profit before tax		34,546,319	36,325,883
Tax on profit for the year	11	-6,072,196	-5,790,912
PROFIT/LOSS FOR THE YEAR		28,474,123	30,534,971

Parent company's balance sheet

Amounts in SEK	Note	31 Dec 2018	31 Dec 2017
ASSETS			
NON-CURRENT ASSETS			
Financial assets			
Participations in Group companies	14	91,374,205	91,374,205
Participations in associates and joint ventures	15	2,250,000	0
Total financial assets		93,624,205	91,374,205
Total non-current assets		93,624,205	91,374,205
CURRENT ASSETS			
Current receivables			
Current tax assets		2,993,109	3,274,397
Other receivables		5,959	3,975,955
Total current receivables		2,999,068	7,250,352
Cash and bank balances		4,981	1,270
Total current assets		3,004,049	7,251,622
TOTAL ASSETS		96,628,254	98,625,827

Parent company's balance sheet, continued

Amounts in SEK	Note	31 Dec 2018	31 Dec 2017
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity			
Share capital (250,000 shares)		2,500,000	2,500,000
Statutory reserve		500,000	500,000
Total restricted equity		3,000,000	3,000,000
Non-restricted equity			
Profit/loss carried forward		54,246,695	48,711,724
Profit/loss for the year		28,474,123	30,534,971
Total non-restricted equity		82,720,818	79,246,695
Total equity		85,720,818	82,246,695
CURRENT LIABILITIES			
Liabilities to group companies		10,907,436	16,379,132
Total current liabilities		10,907,436	16,379,132
TOTAL EQUITY AND LIABILITIES		96,628,254	98,625,827

The parent company's statement of changes in equity

Amounts in SEK	Restricted equity		Non-restricted equity		Total equity
	Share capital	Statutory reserve	Profit/loss carried forward	Profit/loss for the year	
Opening balance on 1 January 2017	2,500,000	500,000	161,666	73,550,058	76,711,724
Allocation of profit of previous year			73,550,058	-73,550,058	0
Profit/loss for the year				30,534,971	30,534,971
Total changes in value	0	0	73,550,058	-43,015,087	30,534,971
Transactions with owners:					
Dividend to owners			-25,000,000		-25,000,000
Total transactions with shareholders	0	0	-25,000,000	0	-25,000,000
CLOSING BALANCE ON 31 DECEMBER 2017	2,500,000	500,000	48,711,724	30,534,971	82,246,695

Share capital 250,000 shares at a quota value of SEK 100.

Amounts in SEK	Restricted equity		Non-restricted equity		Total equity
	Share capital	Statutory reserve	Profit/loss carried forward	Profit/loss for the year	
Opening balance on 1 January 2018	2,500,000	500,000	48,711,724	30,534,971	82,246,695
Allocation of profit of previous year			30,534,971	-30,534,971	0
Profit/loss for the year				28,474,123	28,474,123
Total changes in value	0	0	30,534,971	-2,060,848	28,474,123
Transactions with owners:					
Dividend to owners			-25,000,000		-25,000,000
Total transactions with shareholders	0	0	-25,000,000	0	-25,000,000
CLOSING BALANCE ON 31 DECEMBER 2018	2,500,000	500,000	54,246,695	28,474,123	85,720,818

Share capital 250,000 shares at a quota value of SEK 100.

Parent company's statement of cash flows

Amounts in SEK	2018	2017
OPERATING ACTIVITIES		
Operating profit/loss	-996,202	-930,609
Adjustments for items not included in the cash flow:		
Received interest and similar income	0	3,557
Paid interest and similar expenses	-1,402,888	-2,747,065
Paid income tax	-5,790,908	-6,635,617
Cash flow from operating activities before changes in working capital	-8,189,998	-10,309,734
Cash flow from changes in working capital		
Decrease(+)/increase(-) of other current receivables	3,969,996	-3,554
Decrease(-)/increase(+) of other current liabilities	24,528,304	35,314,196
Cash flow from operating activities	20,308,302	25,000,908
INVESTING ACTIVITIES		
Investments in other financial assets	-2,250,000	0
Cash flow from investing activities	-2,250,000	0
FINANCING ACTIVITIES		
Dividend received	6,945,409	0
Dividend paid	-25,000,000	-25,000,000
Cash flow from financing activities	-18,054,591	-25,000,000
Cash flow for the year	3,711	908
Cash and cash equivalents at start of year	1,270	362
Cash and cash equivalents at end of year	4,981	1,270

Notes

NOTE 1 – GENERAL DISCLOSURES

AWA Holding AB, CIN 556388-3940, is a limited company registered in Sweden with its head office in Malmö. The address of the head office is Matrosгатan 1, 200 71 Malmö, Sweden. The company and its subsidiaries' ("the Group's") operations comprise consulting operations in the fields of intellectual property rights and marketing law, and offer services relating to the establishment, defence, commercialisation and management of intellectual property rights, as well as providing general advice on intellectual property rights, marketing law and associated matters.

NOTE 2 – ACCOUNTING AND VALUATION PRINCIPLES

The Group and the company apply the Swedish Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board's general advice and guidelines, BFNAR 2012:1 Annual report and consolidated financial statements ("K3").

Consolidated financial statements

The consolidated financial statements cover the parent company AWA Holding AB and the companies over which the parent company directly or indirectly has a controlling influence (subsidiary). Controlling influence entails an entitlement to structure another company's financial and operational strategies with the aim of obtaining financial benefits. During the assessment of whether controlling influence exists, the holding of financial instruments which are potentially qualified to vote should be taken into account as well as financial instruments which, without delay, can be utilised or converted to equity instruments qualified to vote. It should also be considered whether the company, through an agent, has the opportunity to control the operations. Controlling influence normally exists when the parent company directly or indirectly has shares which represent more than 50% of the votes.

A subsidiary's income and expense are included in the consolidated financial statements as of the timing of the acquisition up until the time the parent company no longer has a controlling influence over the subsidiary. See the section Business combinations below for reporting of acquisition and transfer of subsidiary.

The accounting principles for the subsidiary conform to the Group's accounting principles. All intra-group transactions, dealings and unrealised gains and losses attributable to intra-group transactions have been eliminated during the preparation of the consolidated financial statements.

Business combinations

Business combinations are recognised in accordance with the acquisition method.

The purchase price of the business combination is measured at the fair value at the time of acquisition, which is calculated as the total of fair values on the acquisition date for paid assets, accrued or assumed liabilities as well as issued equity instruments and expenses which are directly attributable to the business combination. Examples of expenses are transaction costs. The purchase price includes contingent consideration, provided that on the acquisition date it is likely that the purchase price will be adjusted at a later date and that the amount can be estimated in a reliable manner. The acquisition value of the acquired entity is adjusted on the balance sheet date and when the final purchase price has been determined, however no later than one year after the acquisition date.

The identifiable acquired assets and assumed liabilities are recognised at fair value on the acquisition date with the following exceptions:

- pension commitments are determined in accordance with K3, chapter 28 Employee benefits,
- deferred tax assets and deferred tax liabilities are determined in accordance with K3, chapter 29 Income taxes,
- liabilities for share-related benefits are determined in accordance with K3, chapter 26 Share-related benefits,
- intangible assets without an active market, as well as
- contingent liabilities which are measured in accordance with K3, chapter 21 Provisions, contingent liabilities and contingent assets.

A provision which refers to expenses of restructuring of the acquired entity's operations is included in the acquisition analysis only to the extent the acquired entity already before the acquisition date fulfils the conditions for recognising a provision.

Goodwill and negative goodwill

In a business combination where the sum of the purchase price, fair value of the minority's participations and fair value on the acquisition date of previous shareholdings exceeds the fair value on the acquisition date of identifiable acquired net assets, the difference is recognised as goodwill in the consolidated balance sheet. If the difference is negative, the value of identifiable assets and liabilities should be reconsidered. Negative goodwill which corresponds to expected future losses is taken up as income as the losses are incurred. Negative goodwill which corresponds to the fair value of non-monetary assets is dissolved in the profit and loss account during the assets' remaining weighted average useful life. The share of negative goodwill which exceeds the identifiable non-monetary assets' fair value is recognised directly in the profit and loss account. Also see the section Goodwill below.

Goodwill

Goodwill comprises the difference between the acquisition value and the Group's share of the fair value of an acquired subsidiaries' identifiable assets and liabilities on the acquisition date. On the acquisition date, goodwill is recognised at acquisition value and after the first accounting date it is measured at the acquisition value less deductions for depreciation and any write-downs. Goodwill is amortised over the expected useful life, which according to the description in Note 12 is estimated to be 10 years.

On each balance sheet date, the company assesses whether there is any indication of that the goodwill value is lower than the carrying amount. If there is such an indication, the company calculates the recoverable amount of goodwill and prepares a write-down review.

During reviews of the write-down requirement, goodwill is distributed among the cash generative entities which are expected to benefit from the acquisition. If the recoverable amount of a cash generative entity is determined at a lower value than the carrying amount, the amount of write-down is distributed, first the carrying amount of goodwill attributable to the cash generative entity is reduced, and then the carrying amount of other assets in proportion to the carrying amount of each asset in the entity is reduced.

A disclosed write-down of goodwill is re-entered in a later period only if the write-down was the result of a specific external circumstance of an unusual nature which is not expected to be repeated and subsequent events have occurred which reverse the effects of this circumstance.

Income

Income is recognised at the fair value of the compensation which has been received or will be received, after deducting value-added tax, discounts, returns and similar deductions.

The Group's income mainly comprises:

Sales of services

Income from sales of services on current account is recognised as income in the period the work is performed and material is delivered or used.

Income from sale of services at fixed price is recognised with application of the so-called 'percentage of completion method.' This means that income and expenses are recognised in relation to the contract's stage of completion on the balance sheet date. The stage of completion is determined through a calculation of the relationship between the accrued contract costs for performed work on the balance sheet date and the estimated total contract costs. An expected loss for an official order is immediately recognised as a cost. When the outcome of an official order cannot be calculated in a reliable manner, revenue recognition only takes place by amounts which correspond to accrued contract costs which will probably be compensated by the purchaser. Contract costs are recognised as expenses in the period they are incurred.

Dividend and interest income

Dividend income is recognised when the owner's entitlement to receive payment has been determined.

Leases

In a finance lease, the economic risks and benefits associated with ownership of an asset are transferred in all essential respects from the lessor to lessee. Other leases are classified as operational leases. Subsidiaries hire vehicles from Handelsbanken Finans. This is done through finance leasing. In view of the fact that the value is insignificant for the Group as a whole, leasing is treated as operating leases in the financial statements.

Leasing fees for operational leases are expensed linearly over the leasing period.

Foreign currency

The parent company's accounting currency is Swedish kronor (SEK).

Translation of items in foreign currency

On each balance sheet date, monetary items in foreign currencies are translated at the exchange rate on the balance sheet date. Non-monetary items that are measured at historical cost in a foreign currency are not translated. Exchange rate differences are recognised in operating profit/loss or as financial income and expense based on the underlying business transaction, in the period they arise, with the exception of hedging transactions that meet the criteria for hedge accounting of cash flows or net investments.

Translation of subsidiaries and foreign operations

During preparation of the consolidated financial statements, the assets and liabilities of foreign subsidiaries are translated to Swedish kronor in accordance with the rate on the balance sheet date. Income and expense items are translated at average rates of exchange in the period, unless the rate of exchange has fluctuated significantly in the period, when the rate of exchange ruling on the transaction date is used instead. Potential translation differences which arise are recognised directly against equity. When selling a foreign subsidiary, such translation differences are recognised in the profit and loss account as a part of the capital gain.

Goodwill and adjustments of fair value which arise during acquisition of a foreign business are addressed as assets and liabilities in this business and are translated to the rate on the balance sheet date.

Employee benefits

Employee benefits in the form of salaries, bonuses, paid holidays, paid sickness absence etc. as well as pensions are recognised as they are accrued. In terms of pensions and other benefits after the employment has ended, these are classified as defined contribution or defined benefit pension plans. The Group only has defined benefit pension plans in the form of payments to PRI under personal management. In accordance with the simplification rule in points 28.18-28.22, the pension liability is recognised in accordance with the amount data which is received from the independent company PRI. There are no other long-term employee benefits.

Defined contribution plans

For defined contribution plans for Alecta, the Group pays fixed fees to a separate independent legal entity and has no obligation to pay additional fees. The consolidated earnings are encumbered for costs in line with benefits being accrued, which normally does not coincide with the premium payment date.

Income taxes

The tax expense comprises the total of current tax and deferred tax.

Current tax

Current tax is calculated on the taxable profit for the period. The taxable profit differs from the recognised profit in the profit and loss account as it has been adjusted for non-taxable income and non-deductible expenses and for income and expenses which are taxable or deductible in other periods. The consolidated current tax liability is calculated in accordance with the tax rates which apply on the balance sheet date.

Deferred tax

Deferred tax is recognised for temporary differences between the carrying amount of assets and liabilities in the financial reports and the tax base which is used for calculation of the taxable profit. Deferred tax is recognised in accordance with the balance sheet liability method. Deferred tax liabilities are recognised for practically all taxable temporary differences, and deferred tax assets are recognised practically for all deductible temporary differences to the extent it is likely that the amounts can be used to offset future taxable profits. Deferred tax liabilities and deferred tax assets are not recognised if the temporary difference is attributable to goodwill.

The measurement of deferred tax is based on how the company, on the balance sheet date, expects to recover the carrying amount of the corresponding asset or regulate the measured value of corresponding debt. Deferred tax is calculated based on the tax rates and tax rules which have been determined before the balance sheet date.

Tangible assets

Tangible assets are recognised at the acquisition value less deduction for accumulated depreciation and any write-downs.

The acquisition value comprises of the purchase price, expenses which are directly attributable to the acquisition of bringing it on site and in a condition it can be used, as well as estimated expenses of dismantling and removal of the asset and restoration of its location. Additional expenses are only included in the asset or recognised as a separate asset, when it is likely that future financial benefits associated with the item will accrue to the

Group and that its acquisition value can be measured in a reliable manner. All other costs of repair and maintenance and additional expenses are recognised in the profit and loss account in the period they are incurred.

When the difference in the consumption of a tangible asset's significant components is not considered as essential, the assets have not been divided among the components.

Depreciation of tangible assets is expensed so that the asset's acquisition value, possibly reduced with the estimated residual value during the end of the useful life, is depreciated linearly over its estimated useful life. If an asset has been divided among different components, each component is depreciated separately over its useful life. Depreciation starts when the tangible asset can be utilised. The useful life of tangible assets is stated in note 12.

Depreciation of tangible assets and intangible assets excluding goodwill

On each balance sheet date, the Group analyses the carrying amounts of tangible assets and intangible assets to determine whether there is any indication that the value of these assets has declined. If this is the case, the asset's recoverable amount is calculated to be able to determine the value of any depreciation. When it is not possible to estimate the recoverable amount of an individual asset, the Group calculates the recoverable amount of the cash generative entity to which the asset belongs.

Cash and cash equivalents

Cash and cash equivalents include cash resources and disposable deposits in banks and other credit institute as well as other current liquid investments which can easily be converted to cash and are the subject of an insignificant risk of fluctuations in value. In order to be classified as cash and cash equivalents, the term may not exceed three months from the date of acquisition.

Provisions

Provisions are recognised when the Group has an existing commitment (legal or informal), which as a result of an event that has occurred, it is likely that an outflow of resources will be necessary to settle the commitment, and the amount can be reliably measured.

Statement of Cash Flows

The statement of cash flows shows the Group's changes to the companies' cash and cash equivalents during the financial year. The statement of cash flows has been prepared in accordance with the indirect method. The recognised cash flow only covers transactions which entailed inward and outward payments.

Accounting principles for the parent company

The differences between the accounting principles of the parent company and the Group are described below:

Subsidiaries

Interests in subsidiaries are recognised at the acquisition value. Dividends from subsidiaries are recognised as income when the entitlement to receive dividends is assessed as safe and can be calculated in a reliable manner.

Group contributions

Received and paid group contributions are recognised as balance sheet appropriations in the profit and loss account.

Taxes

In the parent company untaxed reserves including deferred tax liability are recognised. However, in the consolidated financial statements untaxed reserves are divided among deferred tax liability and equity.

NOTE 3 – NET SALES BY GEOGRAPHICAL MARKET

	The Group	
	2018 (MSEK)	2017 (MSEK)
Sweden	399	377
Denmark	86	80
USA	71	65
Switzerland	18	13
Germany	17	16
China	13	11
Malta	12	10
Norway	12	9
Japan	11	10
Belgium	9	8
Great Britain	9	10
Other	57	51
Total	714	660

NOTE 4 – OTHER OPERATING INCOME

	The Group	
	2018	2017 (TSEK)
Exchange gains	813,507	556
Total	813,507	556

NOTE 5 – DISCLOSURE OF REMUNERATION TO THE AUDITOR

	The Group	
	2018	2017 (TSEK)
Deloitte AB		
Audit engagement	210,000	213
Other audit-related fees	7,800	10
Tax consultancy fees	98,250	83
Other services	306,515	55
Grant Thornton		
Audit engagement	151,382	142
Other audit-related fees	30,276	26
Tax consultancy fees	4,679	11
HT Secretaries Limited		
Audit engagement	26,616	25
Tax consultancy fees	5,545	5
Other services	1,608	2
Beijing Zhong He Hua Hao Financial Consulting Co., Ltd		
Audit engagement	6,568	6
Other audit-related fees	4,991	5
Tax consultancy fees	2,627	3
Other services	105,122	106
Total	961,979	692

The audit fee for the parent company was expensed in its entirety in the operating subsidiary, Awa Sweden AB.

Audit engagement refers to the auditor's remuneration for the statutory audit. The work entails review of the annual report, consolidated financial statements and accounting, as well as management by the Board and CEO and remuneration for tax consultancy which is provided in connection with the audit engagement.

NOTE 6 – NUMBER OF EMPLOYEES, SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY EXPENSES

Average number of employees	2018		2017	
	Number of employees	Of which men	Number of employees	Of which men
Sweden	216	96	217	95
Hong Kong	5	1	6	1
China	13	2	5	0
Denmark	42	21	39	20
Total in the Group	276	120	267	116

The Parent company has no employees.

Division senior executives on the balance sheet date	The Group		Parent company	
	2018	2017	2018	2017
Women:				
Members of the Board of Directors	2	2	1	1
other persons in the company's management incl. CEO	4	6	4	6
Men:				
Members of the Board of Directors	8	8	4	4
other persons in the company's management incl. CEO	6	6	6	6
Total	20	22	15	17

	2018		2017	
	Salaries and other benefits	Social security expenses (of which pension costs)	Salaries and other benefits	Social security expenses (of which pension costs)
Salaries, other benefits, etc.			(TSEK)	(TSEK)
Parent company	732,000	214,913	681	199
		(0)		(0)
Subsidiaries	195,176,498	84,003,872	181,089	76,489
		(32,445,930)		(29,136)
Total in the Group	195,908,498	84,218,785	181,770	76,688
		(32,445,930)		(29,136)

	2018		2017	
	Board of Directors and CEO (of which bonuses and similar)	Other employees	Board of Directors and CEO (of which bonuses and similar)	Other employees
Salaries and other benefits divided between members of the Board of Directors and employees			(TSEK)	(TSEK)
Parent company	732,000	0	681	0
	(0)		(0)	
Subsidiaries	8,113,638	187,062,861	8,671	172,418
	(587,858)		(389)	
Total in the Group	8,845,638	187,062,861	9,352	172,418
	(587,858)		(389)	

SEK 12,123,628 (TSEK 9,198) of the Group's total salary costs relates to performance-related variable salary. In addition, a provision of SEK 2,556,090 (TSEK 2,109) including special employers' contribution was made to the profit-sharing trust.

Pensions

The Group's cost for defined contribution plans amounts to SEK 27,030,988 (TSEK 24,329). The parent company's cost for defined contribution plans amounts to SEK 0 (TSEK 0). The Group does not have any defined benefit pension plans besides payments to PRI.

SEK 521,892 (TSEK 461) of pension costs relates to the Group's Board of Directors and CEO.

Severance pay agreements

A period of notice of six months applies to the CEO of the parent company. In the event that notice of termination is given by the company, compensation equivalent to 18 months' salary is payable.

A period of notice of six months applies to the CEO of AWA Denmark A/S if the CEO gives notice, and twelve months if notice of termination is given by the company.

NOTE 7 – PROFIT FROM INTERESTS IN GROUP COMPANIES

	Parent company	
	2018	2017 (TSEK)
Dividends from subsidiaries	6,945,409	0
Anticipated dividend from subsidiaries	0	10,000
Total	6,945,409	10,000

NOTE 8 – OTHER INTEREST INCOME AND SIMILAR INCOME

	The Group		Parent company	
	2018	2017 (TSEK)	2018	2017 (TSEK)
Interest income, external	98,897	95	0	4
Capital gain on investments in securities, etc.	379,069	0	0	0
Total	477,966	95	0	4

NOTE 9 – INTEREST EXPENSE AND SIMILAR EXPENSES

	The Group		Parent company	
	2018	2017 (TSEK)	2018	2017 (TSEK)
Interest expense, external	254,624	245	0	0
Interest expense, group companies	0	0	1,402,888	2,747
Total	254,624	245	1,402,888	2,747

NOTE 10 – BALANCE SHEET APPROPRIATIONS

	Parent company	
	2018	2017 (TSEK)
Group contribution received	30,000,000	30,000
Total	30,000,000	30,000

NOTE 11 – TAX ON PROFIT/LOSS FOR THE YEAR

	The Group		Parent company	
	2018	2017 (TSEK)	2018	2017 (TSEK)
Current tax	-10,090,164	-8,586	-6,072,196	-5,791
Deferred tax	106,362	-93	0	0
Tax on profit for the year	-9,983,802	-8,679	-6,072,196	-5,791

Reconciliation tax expense of the year

	The Group		Parent company	
	2018	2017 (TSEK)	2018	2017 (TSEK)
Disclosed profit before tax	38,464,443	31,513	34,546,319	26,326
Tax estimated in accordance with Swedish tax rate (22 %)	-8,462,177	-6,933	-7,600,190	-5,792
Tax effect of non-deductible expenses	-1,021,240	-991	0	0
Tax effect of tax-exempt income	90,860	27	1,527,990	1
Tax effect of temporary differences in depreciation of non-current assets	141,749	-83		
Tax effect of utilised loss carry-forwards in foreign subsidiaries	0	180		
Effect of other tax rates for foreign subsidiaries	-31,139	-49	0	0
Non-deductible expense for goodwill	-1,013,999	-954	0	0
Non-reported deferred tax claim/liability for deficit deductions in Asia	314 827	123		
Other	0	0	0	0
Total	-9,981,119	-8,680	-6,072 200	-5,791
Adjustments which are recognised this year for current tax of previous year	-2,683	0	4	0
Recognised tax expense of the year	-9,983,802	-8,680	-6,072 196	-5,791

NOTE 12 – NON-CURRENT ASSETS

Non-current assets are depreciated/amortised on a straight-line basis over their estimated economic life. The following depreciation/amortisation periods are applied:

Intangible assets	5 years
Goodwill	10 years
Computer equipment	3–5 years
Equipment and fittings	5 years
Accrued expenses on leased property	20 years

The acquisition of AWA Denmark A/S (formerly Internationalt Patent-Bureau A/S) was a strategic acquisition with a major impact on the Group's long-term profit generation. For this reason, it is estimated to have an economic life of 10 years. The last depreciation was made during the year.

Concessions, patents, licences, trademarks and similar rights

	The Group	
	2018	2017 (TSEK)
Opening acquisition value	1,019,300	1,019
Purchasing	0	0
Closing accumulated acquisition value	1,019,300	1,019
Opening depreciation/amortisation	-204,404	0
Depreciation for the year according to plan	-203,856	-204
Closing accumulated depreciation/amortisation	-408,260	-204
Closing carrying amount according to plan	611,040	815

	The Group	
	2018	2017 (TSEK)
Opening acquisition value	43,277,497	42,100
Translation difference	1,737,120	1,178
Closing accumulated acquisition value	45,014,617	43,278
Opening depreciation/amortisation	-38,846,921	-33,480
Depreciation for the year according to plan	-4,609,086	-4,337
Translation difference	-1,558,610	-1,030
Closing accumulated depreciation/amortisation	-45,014,617	-38,847
Closing carrying amount according to plan	0	4,431

	The Group	
	2018	2017 (TSEK)
Opening acquisition value	805,369	805
Purchasing	233,067	0
Translation difference	7,692	0
Closing accumulated acquisition value	1,046,128	805
Opening depreciation for the year according to plan	-228,021	-166
Depreciation for the year according to plan	-126,903	-62
Translation difference	-2,137	0
Closing accumulated depreciation according to plan	-357,061	-228
Closing carrying amount according to plan	689,067	577

	The Group	
	2018	2017 (TSEK)
Opening acquisition value	326,481	326
Closing accumulated acquisition value	326,481	326
Opening depreciation for the year according to plan	-294,577	-251
Depreciation for the year according to plan	-22,157	-44
Closing accumulated depreciation according to plan	-316,734	-295
Closing carrying amount according to plan	9,747	31

	The Group	
	2018	2017 (TSEK)
Opening acquisition value	41,741,677	52,010
Purchasing	1,514,705	2,037
Sales/disposals	0	-12,343
Translation difference	194,765	38
Closing accumulated acquisition value	43,451,147	41,742
Opening depreciation for the year according to plan	-34,218,698	-43,523
Sales/disposals	0	12,342
Depreciation for the year according to plan	-2,770,700	-3,050
Translation difference	-63,553	12
Closing accumulated depreciation according to plan	-37,052,951	-34,219
Closing carrying amount according to plan	6,398,196	7,523

NOTE 13 – LEASES**Operational leases – lessee**

Subsidiaries hire vehicles from Handelsbanken Finans. This is done through finance leasing. In view of the fact that the value is insignificant for the Group as a whole, leasing is treated as operating leases in the financial statements. The year's total expensed leasing fees amount to SEK 3,897,357 (TSEK 4,006) in the Group. Future minimum lease payments for non-cancellable operational leases mature in accordance with the following:

	The Group	
	2018	2017 (TSEK)
Maturity date:		
Within one year	2,817,455	2,670
Later than one year but within five years	2,549,784	3,411
Total	5,367,239	6,081

The credit limit for vehicle leasing is SEK 11,000,000 (TSEK 11,000), of which SEK 7,558,676 (TSEK 8,341) has been utilised.

NOTE 14 – PARTICIPATIONS IN GROUP COMPANIES

	Parent company	
	2018	2017 (TSEK)
Opening acquisition value	97,974,205	97,974
Shareholders' contribution paid to AWA Asia Ltd.	0	0
Closing accumulated acquisition value	97,974,205	97,974
Opening balance, impairment	-6,600,000	-6,600
Closing accumulated depreciation	-6,600,000	-6,600
Closing carrying amount	91,374,205	91,374

Name of company	Share of equity	Share of voting	Number of shares	Carrying amount	
				2018	2017 (TSEK)
AWA Sweden AB	100%	100%	4,000	39,935,305	39,935
AWA Denmark A/S	100%	100%	1,500	41,177,395	41,178
AWA IPro AB	100%	100%	1,000	100,000	100
Awapatent GmbH	100%	100%		228,320	228
AWA Asia Ltd.	70%	70%	1000	9,933,185	9,933
Total				91,374,205	91,374

Name of company	Corporate identity number	Registered office
AWA Sweden AB	556082-7023	Malmö
AWA Denmark A/S	26379342	Copenhagen
AWA IPro AB	556862-2723	Malmö
Awapatent GmbH	HRB9651	Wolfenbüttel
AWA Asia Ltd.	2121077	Hong Kong

NOTE 15 – PARTICIPATIONS IN ASSOCIATES AND JOINT VENTURES

	The Group		Parent company	
	2018	2017 (TSEK)	2018	2017 (TSEK)
Opening carrying amount	0	0	0	0
Acquisitions of associates and joint ventures	2,250,000	0	2,250,000	0
Closing carrying amount	2,250,000	0	2,250,000	0

During the year, AWA Holding AB acquired 15% of the shares in Dotkeeper AB, CIN 556942-2164.

NOTE 16 – DEFERRED TAX ASSET AND DEFERRED TAX LIABILITY

	The Group	
	2018	2017 (TSEK)
Deferred tax asset		
Temporary differences for tangible assets	0	0
Total deferred tax asset	0	0
Deferred tax liability		
Additional depreciation	80,312	45
Temporary differences for tangible assets	418,228	538
Deferred tax asset on deficit	0	0
Total deferred tax liability	498,540	583

Deferred tax assets are measured at maximum the amount which will probably be recovered based on the current and future taxable profit.

The tax rate for estimation of deferred tax amounts to 22.0 % (22.0%).

NOTE 17 – OTHER NON-CURRENT RECEIVABLES

	The Group	
	2018	2017 (TSEK)
Opening acquisition value	1,771,782	5,216
Additional receivables	680,895	0
Settled claims	-12,797	-3,590
Translation difference	71,118	146
Closing accumulated acquisition value	2,510,998	1,772
Closing carrying amount	2,510,998	1,772

NOTE 18 – ACCUMULATED UNINVOICED INCOME

	The Group	
	2018	2017 (TSEK)
Created remunerations	12,418,251	10,958
Expensed outlay	3,146,383	2,773
Total	15,564,634	13,731

NOTE 19 – PREPAID EXPENSES AND ACCRUED INCOME

	The Group	
	2018	2017 (TSEK)
Prepaid rents	6,556,888	6,084
Prepaid insurance premiums	561,750	543
Other items	4,522,342	3,632
Total	11,640,980	10,259

NOTE 20 – ACCRUED EXPENSES AND DEFERRED INCOME

	The Group		Parent company	
	2018	2017 (TSEK)	2018	2017 (TSEK)
Accrued salaries and holiday pay	39,031,842	36,374	0	0
Accrued social security contributions	13,404,704	12,283	0	0
Tax on returns/special employer's contribution	6,108,913	5,455	0	0
Other items	1,988,681	2,213	0	0
Total	60,534,140	56,325	0	0

NOTE 21 – BANK OVERDRAFT FACILITIES

The bank overdraft facility in Denmark amounts to DKK 16,000,000 (TDKK 16,000), which is equivalent to SEK 22,016,000, and for AWA Sweden AB to SEK 30,000,000 (TSEK 30,000). The Group's unutilised credit facilities at the end of the year amounted to SEK 39,083,658 (TSEK 41,476). Liabilities to credit institutions refer in their entirety to utilised bank overdraft facilities, which will be repaid within one year.

NOTE 22 – PLEDGED ASSETS AND CONTINGENT LIABILITIES

	The Group		Parent company	
	2018	2017 (TSEK)	2018	2017 (TSEK)
Pledged assets				
Floating charges	30,000,000	30,000	0	0
Total	30,000,000	30,000	0	0
Contingent liabilities				
Surety warrant bank on behalf of subsidiaries	0	0	7,558,676	8,341
Guarantees, FPG	10,874	11	10,874	11
Guarantee, PRI on behalf of subsidiaries	0	0	543,713	555
Total	10,874	11	8,113,263	8,907

NOTE 23 – SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

In 2019, no significant events occurred in addition to the regular operations.

NOTE 24 – APPROPRIATION OF PROFIT

The following profit is at the disposal of the annual general meeting	
Profit carried forward	54,246,695,26
Profit for the year	28,474,123,05
	82,720,818,31
The Board of Directors proposes that	
is distributed to shareholders	21,250,000,00
is carried forward	61,470,818,31
	82,720,818,31

Malmö, April 3, 2019

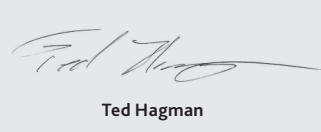


Nina Linander

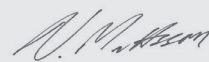
Chairman of the Board of Directors



Christian Lindfors



Ted Hagman



Niklas Mattsson



Per Wassén



Joacim Lydén



Magnus Hallin

Chief Executive Officer

Our audit report was submitted on April 4, 2019

Deloitte AB



Maria Ekelund

Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of AWA Holding AB corporate identity number 556388-3940

Report on the annual accounts and consolidated accounts*Opinions*

We have audited the annual accounts and consolidated accounts of AWA Holding AB for the financial year 2018-01-01 – 2018-12-31. The annual accounts and consolidated accounts of the company are included on pages 7–28 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company and the group as of 31 December 2018 and its financial performance and cash flow 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 for the parent company and the group.

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 the parent company and the group 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.

Other Information than the annual accounts and consolidated accounts

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises page 3–6 but does not include the annual accounts, consolidated accounts and our auditor's report thereon.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

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 and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the

assessment of the company's and the group'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. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated 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 and consolidated accounts.

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated 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 and consolidated 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 and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated 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 and consolidated accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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 and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of AWA Holding AB for the financial year 2018-01-01 – 2018-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to 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 the parent company and the group 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 and the group's type of operations, size and risks place on the size of the parent company's and the group'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 any 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 scepticism 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 the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Malmö 2019-04-04
Deloitte AB

Signature on Swedish original

Maria Ekelund
Authorized Public Accountant