ANNUAL REPORT
and
CONSOLIDATED FINANCIAL STATEMENTS
2015-01-01--2015-12-31

för

Edgeware AB
556691-7554

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The annual report and consolidated financial statements comp **Sida**

CERTIFICATE OF ADOPTION

The undersigned Board member [or CEO] hereby certifies that this
is a true copy of the original annual report and consolidated financial statements
and that the parent company’s income statement and balance sheet as well as
the consolidated income statement and balance sheet were adopted on

Stockholm, dated

Name

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS OF EDGEWARE AB

The Board of Directors and the Chief Executive Officer of Edgeware AB hereby submit the annual report and consolidated financial statements for the fiscal year from January 1, 2015 to December 31, 2015.

ADMINISTRATION REPORT

Nature and orientation of the enterprise
Edgeware is a leading company within TV and video distribution solutions that are specifically aimed at those providing services via operator networks or an open internet.
The company provides infrastructure that is specially adapted to allow the network operators to offer a wide range of video services with the intention of generating new revenue streams and increasing loyalty among existing customers. Edgeware's product range consists of a combination of hardware and cloud-based software to build a content network – what we call a TV CDN (content delivery network) – that is optimized for TV distribution. The solution supports both traditional pay TV services and the most advanced new web TV services.

In addition to being used by operators to build their own video services, the company also has products aimed at content owners and TV companies wanting to utilize an open internet to reach viewers. These operators are known within the industry as "over-the-top providers" or OTTs. This segment will be increasingly significant going forward, as the TV landscape is transformed and with the expected dramatically increases in traffic volumes.

2015 was a very successful year for Edgeware, which continued to strengthen its position in all markets through significant growth. In total, net sales increased by 37.4% to SEK 203.6 (142.8) million compared with 2014. Today, Edgeware has over 150 active customers in more than 60 countries.

Together they represent a significant base of recurring business through upgrades, expansion and additional services. The Services area, which includes support, extended warranties on installed equipment and various customer support services, represent a stable and increasingly significant revenue stream.

AMERICAS (North and South America) continued to develop very positively and a number of strategically important contracts were won during the year. In particular, Edgeware won a major contract with Televisa, which means that the region now represents 27.2% of total net sales. In total, at the end of 2015 Edgeware had 11 employees in the region, of which 7 were in South America and 4 in North America.

APAC (the Asia-Pacific region) also performed very well and increased sales by 93.4% to SEK 12.5 (6.5) million. In particular, the contract with PCCW continued to develop positively, while the new contract with TVB.COM also contributed to significant growth. Edgeware also increased its presence in the region and now has 3 employees in Hong Kong and 1 in Singapore.

In EMEA (Europa, Middle East and Africa), Benelux contributed to continued positive growth in the region, which now represents 66.7% of the company's total net sales. In total the number of employees were at end of 2015 74.

Today the company has employees for sales support as well as other support in all regions, which is part of the company's strategy for tracking its customers' growth in the local markets.
Alongside the subsidiary in the US and the offices in Hong Kong, Singapore and Mexico City, Edgeware is represented by its own staff in sales and technical sales support in a number of European countries such as the Netherlands, Belgium, Germany, Spain, Sweden and the UK.

During the year, Edgeware switched subcontractor to Orbit One in order to reduce its costs and also increase the manufacturing quality of its hardware products. The company has thereby also succeeding in gradually adapting production volumes to meet the growth in sales while also ensuring the highest possible quality.

Significant events and future development
The focus has shifted to working more specifically with customers that can help scale up the company's business over a long period, in order to further secure growth.

The company's products match demand in the market well. The specific differentiation of the products as regards scalability and flexibility – with a single platform that can also be used for different services – has become increasingly important as customers' traffic volumes have grown and as the number of different TV and video services has increased.

During the year the company invested its surplus in developing its R&D function, which increased to 41 people (34). In addition, R&D was reorganized with a focus on Lean and Agile in order to further streamline and improve the company's development of hardware and software.

The company also moved its head office to new premises in Stockholm that are better suited to the various functions.

New accounting principles

This is Edgeware AB's first consolidated financial statements prepared in accordance with EU-approved International Financial Reporting Standards (IFRS) and with interpretations by the IFRS Interpretations Committee (IFRIC). In addition, the Group applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups. Previously the Group applied framework BFNAR 2012:1, Annual report and consolidated financial statements, from the Swedish Accounting Standards Board ("K3"). The date of transition to IFRS has been established as January 1, 2013 and the comparison figures for the 2014 and 2013 fiscal years have been restated in accordance with IFRS.

Effective January 1, 2015 the parent company applies RFR 2, Accounting for Legal Entities, and the Swedish Annual Accounts Act. Previously the parent company applied framework BFNAR 2012:1, Annual report and consolidated financial statements, from the Swedish Accounting Standards Board ("K3") and the Swedish Annual Accounts Act. For further information refer to Note 1 for the parent company.

Development of operations, position and results (Group)

(SEK 000)	IFRS 2015	IFRS 2014	IFRS 2013
Net sales	203 556	148 175	128 253
Operating profit	13 301	13 035	7 244
Pre-tax profit	13 969	16 823	5 617
Total assets	135 977	105 958	86 128
Equity/assets ratio[1]	50,2%	56,9%	60,2%
Return on equity[2]	16,8%	19,2%	3,8%
Return on total capital[3]	12,2%	20,0%	11,1%
Average number of employees	80	63	64

[1] Adjusted equity / Total assets
[2] Profit for the year / Average adjusted equity
[3] (Pre-tax profit + interest expense) / Average total assets

Comments on operations, earnings and position

Net sales

Net sales for 2015 amounted to SEK 203.6 (142.8) million, which is an increase of 37.4% compared with 2014. Adjusted for currency effects the increase was 35.4%. The increase is mainly due to the success on the South American market, where Edgeware won a number of major contracts over the past year. In the AMERICAS region (North and South America) as a whole, sales increased by 318.9% to SEK 55.3 (13.2) million. APAC (the Asia-Pacific region) also performed very well and increased sales by 93.4% to SEK 12.5 (6.5) million. Growth in APAC is driven by new customers in Hong Kong and China.

Despite relatively weak market development in the EMEA region (Europe, Middle East and Africa), net sales grew organically to SEK 135.8 (128.5) million, which is an increase of 5.7% year-on-year. During the year, EMEA accounted for 66.7% (86.7%) of the Group's net sales, AMERICAS for 27.2% (8.9%) and APAC for 6.1% (4.4%).

Net sales from the PRODUCTS business stream, which comprises hardware, software and licenses, totaled SEK 167.8 (118.7) million, which is an increase of 41.4% compared with 2014. The SERVICES business stream, which comprises support contracts and other services, amounted to SEK 35.7 (29.5) million. In 2015, SERVICES represented 17.6% (19.9%) of the Group's net sales. A relatively large proportion of new projects and customers explain why the SERVICES share of total net sales decreased somewhat in 2015.

Earnings
Gross profit for full-year 2015 amounted to SEK 140.9 (106.7) million, corresponding to a gross margin of 69.2% (72.0%). The lower gross margin compared to 2014 comes from a combination of increased amortization of intangible assets and the customer mix. This is partly countered by SERVICES making up a lower proportion of net sales.
Operating expenses increased by SEK 33.9 million to SEK 127.6 (93.7) million. The increase is mainly due to research and development expenses and to increased selling expenses. In 2015, Edgeware divided its research and development into three independent teams: R&D, CTO and Products. Furthermore, the work process was streamlined through the introduction of Lean and Agile as working methods. The transformation was completed in Q4 2015. Further, the substantial sales increase in the AMERICAS region meant that bonus payments to the sales organization were significantly higher than in the previous year. A high level of recruitment and the relocation of the head office in Stockholm also contributed to higher costs.

Total research and development expenses increased during the year by SEK 12.1 million to SEK 49.3 (37.3) million, of which 18.9% (12.1%) was capitalized in the balance sheet. In total, the net value of capitalized expenses for development work amounts to SEK 12.6 (7.0) million as of December 31, 2015.

Operating profit amounted to SEK 13.3 (13.0) million, which is an increase of 2.0% and corresponds to an operating margin of 6.5% (8.8%).

Net financial income for the year is positive at SEK 0.7 (3.8) million as a result of exchange gains on trade accounts receivable, which in 2015 amounted to SEK 1.4 (6.0) million net, primarily related to USD. Net interest expense was SEK -0.6 (-0.8) million.

Pre-tax profit amounted to SEK 14.0 (16.8) million and net prodit for the year was SEK 10.8 (10.8) million, which corresponds to a net margin of 6.9% (11.4%).

Cash flow and financial position

Cash flow for 2015 amounted to SEK 5.3 (2.7) million. Cash flow was negatively affected by, among other things, increased inventories and a greater proportion of development expenses compared with 2014. The operations generated a positive cash flow of SEK 17.7 (10.5) million.

Cash and cash equivalents at year-end amounted to SEK 21.1 (17.2) million. Equity totaled SEK 67.6 (60.3) million, with an equity/assets ratio of 49.9% (56.9%).

Parent company
The parent company's net sales during the year totaled SEK 196.0 (146.0) million, which is an increase of 34.6%, and the result for the period was a loss of SEK -2.1 (18.6) million. The loss for the year includes impairment losses on shares in the wholly owned subsidiary Edgeware Inc. of SEK -19.6 (0) million.

Significant events after the end of the financial year
On March 31, an extraordinary general meeting resolved to increase the share capital by 30,221 preference shares of series P6. Payment for the new shares will take the form of offsetting against previous claims on the company. The share capital was thereafter raised with SEK 30.221. The issue is at the end of the period in progress. See note 31.

Significant risks and uncertainties
Edgeware's operations, sales and earnings are affected by a number of internal and external risk factors. The company has a continuously ongoing process for identifying and assessing how each risk is to be managed. The main risks facing the company are delivery risk, technical development and financial risk. Financial risk is described under the accounting principles and in the notes.

Delivery risk
In addition to hardware and software deliveries, Edgeware also performs services in the form of installation and integration. Any delays in these services could result in claims for compensation and damages. The company is insured against any claims arising from the company's products or through incorrect work by personnel. In addition, the company's products undergo extensive product testing before being delivered. To counter any delays, during the year Edgeware substantially reinforced its human resources pre-sales and post-sales. The company continuously carries out resource and delivery planning and also evaluates previous projects for customers.

Technical development
Edgeware operates in a dynamic and changing sector that is characterized by rapid technical development and intense competition. If the company does not succeed in keeping up with technical developments, this could negatively impact its income and expenses. The collective knowledge and expertise of the research and development department, along with the broad experience of other functions and close collaboration with our major customers, helps to minimize this risk. The company assesses that the overall level of technical development risk is normal for this type of business.

Financial instruments and risk management

The company's main financial risks are credit risk, currency risk and liquidity and financial risk. Credit risk consists of credit that the company provides to its customers. Currency risk arises in conjunction with the company's exposure to foreign currencies, which is a result of the company's global operations. Liquidity risk is a combination of seasonal variations in sales and mismatches between payment terms to suppliers and from customers. For further information on the company's financial risks and risk management, refer to Note 4.

Research and development

Edgeware's research and development department consists of the functions Products, CTO Office and R&D. There is a major focus on lean and agile working methods.

Edgeware complies with IAS 38 as regards the capitalization of development expenses. The costs of research and product maintenance (including directly attributable costs) are expensed as they arise.

Directly attributable expenses are capitalized as part of the products and include the expenses for employees and consultants as well as a reasonable share of indirect costs. Other development expenses that do not fulfill the above criteria are expensed as they arise. In 2015, expenses of SEK 9.3 (4.5) million were capitalized, which is 23.3% (13.7%) of net research and development expenses in 2015. The value of capitalized expenses for research and development amounts to SEK 12.6 (7.0) million as of December 31, 2015.

Personnel

Employees

The average number of employees in 2015 was 80 (60). The company has employees in 11 countries and works in four main teams, consisting of Sales and Marketing, Administration, Research and Development and Post-sales. The breakdown between the various main teams and regions as of December 31, 2015 is 88 (71) individuals, of whom 71 (62) are in EMEA, 12 (7) in AMERICAS and 5 (2) in APAC. See Note 12 for further information on the number of employees.

General principles and relations with employees:

Relations with employees are based on reciprocal respect and trust. The company's terms of employment are based on equal treatment regardless of age, gender or origin and comply with national legislation. Particular emphasis is placed on principles such as:

* Equality and non-discrimination
* Work environment and safety
* Working hours

The environment and the code of conduct

In its business activities, Edgeware endeavors to comply with the ten principles of the UN Global Compact relating to: human rights, labor standards, the environment and anti-corruption.

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Proposed allocation of earnings (SEK)

The following funds are available for distribution by the shareholders' meeting:

Retained earnings	70 875 151
Profit/loss for the year	-7 620 692
	63 254 459

Proposal by the Board of Directors:

carried forward	63 254 459
	63 254 459

As regards the parent company's and the Group's earnings and financial position in general, please refer to the income statements, balance sheets, statements of changes in equity, cash flow statements and notes below. All amounts are in thousands of Swedish kronor unless otherwise indicated.

CONSOLIDATED INCOME STATEMENT

(SEK 000)	Note	2015	2014	2013
Operating income				
Net sales	5, 6	203 556	148 175	128 253
Cost of goods and services		-62 615	-41 428	-37 763
Gross profit		**140 941**	**106 747**	**90 490**
Operating expenses				
Selling expenses		-58 128	-37 342	-32 003
Administration expenses		-28 824	-23 767	-19 370
Research and development expenses		-39 999	-32 767	-31 317
Other operating income/expenses	7	-689	164	-556
Operating profit	8,9,10,11,12	**13 301**	**13 035**	**7 244**
Profit from financial items				
Financial income	13	1 463	6 130	1 281
Financial expense	14	-795	-2 342	-2 908
Pre-tax profit		**13 969**	**16 823**	**5 617**
Tax	15	-3 173	-6 073	-3 686
PROFIT FOR THE YEAR		**10 796**	**10 750**	**1 931**
Attributable to:				
Owners of the parent		10 796	10 750	1 931
Earnings per share, SEK	16			
Before dilution		16,63	16,42	2,97
After dilution		16,37	16,42	2,97

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK 000)	Note	2015	2014	2013
Profit for the year		**10 796**	**10 750**	**1 931**
Other comprehensive income				
Items that may be reclassified to profit or loss:				
Translation differences for the year, investment in subsidiary		-3 776	106	-2 725
Tax effect for securing netinvestments		658	0	0
Total items that may be reclassified to profit or loss		-3 118	106	-2 725
COMPREHENSIVE INCOME FOR THE YEAR		**7 678**	**10 856**	**-794**
Attributable to:				
Owners of the parent		7 678	10 856	-794

CONSOLIDATED BALANCE SHEET

(SEK 000)	Note	2015-12-31	2014-12-31	2013-12-31	2013-01-01
ASSETS					
Non-current assets					
Intangible assets					
Capitalized expenditure on development work	18	12 598	7 015	4 764	0
		12 598	**7 015**	**4 764**	**0**
Property, plant and equipment					
Equipment, tools and installations	19	4 004	3 068	1 684	3 065
		4 004	**3 068**	**1 684**	**3 065**
Deferred tax asset	15	17 840	20 181	25 920	29 105
Total non-current assets		**34 442**	**30 264**	**32 368**	**32 170**
Current assets					
Inventories	20	13 671	7 046	6 266	4 397
		13 671	**7 046**	**6 266**	**4 397**
Current receivables					
Trade accounts receivable	21	55 907	43 839	28 791	21 194
Other receivables		6 212	1 970	4 142	825
Prepaid expenses and accrued income	22	4 688	5 622	1 525	1 798
		66 807	**51 431**	**34 458**	**23 817**
Cash and cash equivalents	23	**21 057**	**17 217**	**13 036**	**7 203**
Total current assets		**101 535**	**75 694**	**53 760**	**35 417**
TOTAL ASSETS		**135 977**	**105 958**	**86 128**	**67 587**

CONSOLIDATED BALANCE SHEET

(SEK 000)	Note	2015-12-31	2014-12-31	2013-12-31	2013-01-01
EQUITY AND LIABILITIES					
Equity					
Share capital	24	649	649	649	649
Other paid-in capital	25	82 001	82 001	82 001	82 001
Translation reserve	26	-2 550	-1 766	960	855
Retained earnings including net profit for the year		-11 823	-20 584	-31 792	-33 884
Equity attributable to owners of the parent		**68 277**	**60 300**	**51 818**	**49 621**
Total equity		**68 277**	**60 300**	**51 818**	**49 621**
Provisions					
Other provisions	15	515	1 200	1 200	1 200
		515	**1 200**	**1 200**	**1 200**
Current liabilities					
Trade accounts payable		8 393	6 642	6 786	4 927
Current tax liabilities		0	0	0	472
Other current liabilities		12 595	12 410	11 905	1 160
Accrued expenses and deferred income	27	46 197	25 406	14 419	10 207
		67 185	**44 458**	**33 110**	**16 766**
TOTAL EQUITY AND LIABILITIES		**135 977**	**105 958**	**86 128**	**67 587**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(SEK 000)

	Share capital	Other paid-in capital	Translation reserve	Retained earnings including net profit for the year	Total equity attributable to owners of the parent	Total equity
Balance, January 1, 2013	**649**	**82 001**	**855**	**-33 884**	**49 621**	**49 621**
Profit for the year				1 931	1 931	1 931
Other comprehensive income:						
Translation differences			105	0	105	105
Total other comprehensive income			**105**	**0**	**105**	**105**
Total comprehensive income			**105**	**1 931**	**2 036**	**2 036**
Transactions with owners:						
Share-based remuneration				161	161	161
Total transactions with owners	**0**	**0**	**0**	**161**	**161**	**161**
Balance, December 31, 2013	**649**	**82 001**	**960**	**-31 792**	**51 818**	**51 818**

	Share capital	Other paid-in capital	Translation reserve	Retained earnings including net profit for the year	Total equity attributable to owners of the parent	Total equity
Balance, January 1, 2014	**649**	**82 001**	**960**	**-31 792**	**51 818**	**51 818**
Profit for the year				10 750	10 750	10 750
Other comprehensive income:						
Translation differences			-2 726	0	-2 726	-2 726
Total other comprehensive income			**-2 726**	**0**	**-2 726**	**-2 726**
Total comprehensive income			**-2 726**	**10 750**	**8 024**	**8 024**
Transactions with owners:						
Share-based remuneration				458	458	458
Total transactions with owners	**0**	**0**	**0**	**458**	**458**	**458**
Balance, December 31, 2014	**649**	**82 001**	**-1 766**	**-20 584**	**60 300**	**60 300**

	Share capital	Other paid-in capital	Translation reserve	Retained earnings including net profit for the year	Total equity attributable to owners of the parent	Total equity
Balance, January 1, 2015	**649**	**82 001**	**-1 766**	**-20 584**	**60 300**	**60 300**
Profit for the year				10 796	10 796	10 796
Other comprehensive income:						
Translation differences on financial expense, subsidiary				-2 334	-2 334	-2 334
Translation differences			-784	0	-784	-784
Total other comprehensive income			**-784**	**-2 334**	**-3 118**	**-3 118**
Total comprehensive income			**-784**	**8 462**	**7 678**	**7 678**
Transactions with owners:						
Share-based remuneration				299	299	299
Total transactions with owners	**0**	**0**	**0**	**299**	**299**	**299**
Balance, December 31, 2015	**649**	**82 001**	**-2 550**	**-11 823**	**68 277**	**68 277**

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CONSOLIDATED CASH FLOW STATEMENT

(SEK 000)	Note	2015	2014	2013
Cash flow from operating activities				
Operating profit		13 301	13 035	7 244
Adjustments for non-cash items:				
Depreciation/amortization		5 969	5 366	2 364
Warrant expenses		299	458	161
Changed assessment of provision for guarantee reserve		-685	0	0
Exchange-rate effects		-159	78	-1 222
Interest received		0	1	0
Interest paid		-221	-871	-1 485
Cash flow from current operations before changes in working capital		**18 504**	**18 067**	**7 062**
Changes in working capital				
Decrease(+)/increase(-) in inventories		-9 023	-5 185	-2 133
Decrease(+)/increase(-) in trade accounts receivable		-12 068	-15 048	-7 597
Decrease(+)/increase(-) in other current liabilities		-3 308	-1 926	-2 938
Decrease(-)/increase(+) in trade accounts payable		1 751	-144	1 859
Decrease(-)/increase(+) in other current liabilities		19 491	11 492	4 484
Cash flow from operating activities		**15 347**	**7 256**	**737**
Investing activities				
Acquisition of intangible assets	18	-9 330	-4 495	-5 390
Acquisition of property, plant and equipment	19	-760	-81	-93
Cash flow from investing activities		**-10 090**	**-4 576**	**-5 483**
Financing activities				
New loans		0	0	10 000
Cash flow from financing activities		**0**	**0**	**10 000**
Cash flow for the year		**5 257**	**2 680**	**5 254**
Cash and cash equivalents at beginning of year		**17 217**	**13 036**	**7 203**
Currency-rate effect in cash and cash equivalents		**-1 417**	**1 501**	**579**
Cash and cash equivalents at year-end	23	**21 057**	**17 217**	**13 036**

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 General information

Edgeware AB, corporate identity number 556691-7554, is a public limited company registered and domiciled in Sweden. The address of the head office is Mäster Samuelsgatan 42, 11tr, 111 57 Stockholm. Edgeware is a leading company within TV and video distribution solutions that are specifically aimed at those providing services via operator networks or an open internet. The company provides infrastructure that is specially adapted to allow the network operators to offer a wide range of video services with the intention of generating new revenue streams and increasing loyalty among existing customers. Edgeware's product range consists of a combination of hardware and cloud-based software to build a content network – what we call a TV CDN (content delivery network) – that is optimized for TV distribution. The solution supports both traditional pay TV services and the most advanced new web TV services. In addition to being used by operators to build their own video services, the company also has products aimed at content owners and TV companies wanting to utilize an open internet to reach viewers. This segment will be increasingly significant going forward, as the TV landscape is transformed and with the expected dramatically increases in traffic volumes.

The Group comprises the parent company Edgeware AB, which is domiciled in Stockholm, and the subsidiary Edgeware Inc., domiciled in the US. The parent company of the largest group to which Edgeware AB belongs is Edgeware AB, corp. ID no. 556691-7554, domiciled in Stockholm, Sweden.

Note 2 Significant accounting principles

This is Edgeware AB's first consolidated financial statements prepared in accordance with EU-approved International Financial Reporting Standards (IFRS) and with interpretations by the IFRS Interpretations Committee (IFRIC). In addition, the Group applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary Accounting Rules for Groups. Previously the Group applied framework BFNAR 2012:1, *Annual report and consolidated financial statements* from the Swedish Accounting Standards Board ("K3"). The date of transition to IFRS has been established as January 1, 2013 and the comparison figures for the 2013 and 2014 financial years have been restated in accordance with IFRS.

In the consolidated financial statements items have been measured at cost, with the exception of certain financial instruments that are measured at fair value. The significant accounting principles applied are described below.

New and revised standards and interpretations not yet in force

New and revised standards and interpretations that have been issued but which enter into force for financial years commencing after January 1, 2016 have not yet begun to be applied by the Group. The new and revised standards and interpretations that are expected to have an impact on the Group's financial reports in the period in which they are first applied are described below.

IFRS 15 *Revenue from contracts with customers* was issued on May 28, 2014 and will replace IAS 18 *Revenue* and IAS 11 *Construction Contracts* . IFRS 15 provides a model for revenue recognition for almost any income arising from contracts with customers, except leases, financial instruments and insurance policies. The basic principle for revenue recognition according to IFRS 15 is that an entity should recognize revenue in a way that reflects the transfer of the promised goods or services to the customer for the amount that the company expects to be entitled to receive in exchange for the goods or services. Revenue is recognized when the customer assumes control of the goods or services. IFRS 15 is applicable to financial years commencing on or after January 1, 2018. Earlier application is permitted. The standard has not yet been adopted by the EU.

IFRS 9 *Fincial instrument* was issued on July 24, 2014 and will replace IAS 39 *Finacial instrument* : Account and valuing. IFRS 9 consists of new principles regarding classification and assessed for impairment testing of financial assets and hedging. IFRS 9 is applicable to financial years commencing on or after January 1, 2018. The standard has not yet been adopted by the EU.

IFRS 16 Leases was issued on January 13, 2016 and will replace IAS 17 Leases. IFRS 16 introduces a "right of use" model and, for lessees, largely means that all leases are to be recognized in the balance sheet and therefore will not be classified into operating and finance leases. Leases with a term of 12 months or less and leases where the underlying asset has a low value are exempted. Depreciation of the asset and interest expenses for the liability are recognized in profit or loss. The standard contains more extensive disclosure requirements than the present standard. For lessors, IFRS 16 results in no differences compared with IAS 17. IFRS 16 is applicable to financial years commencing on January 1, 2018. Earlier application is permitted, provided that IFRS 15 is applied at the same time. The standard has not been adopted by the EU.

The company management has not yet conducted a detailed analysis of the effects of the application of IFRS 15 and IFRS 9, so the effects cannot yet be quantified. The company management has assessed that other new and revised standards and interpretations not yet in force will not have a material impact on the Group's financial reports when applied for the first time.

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Basis of consolidation
The consolidated financial statements cover the parent company Edgeware AB and the companies over which the parent company has a controlling interest. A controlling interest exists when the Group is exposed to, or has the right to, variable returns from its involvement in a company and can use its influence over the company to affect its return. A controlling interest usually exists where the parent company directly or indirectly holds shares representing more than 50% of the votes.

Subsidiaries are consolidated from the date of acquisition until the date when the parent company no longer has a controlling interest in the subsidiary. Where necessary, the accounting principles for subsidiaries have been adjusted to comply with the Group's accounting principles. All intra-group transactions, balances and unrealized gains and losses attributable to intra-group transactions have been eliminated in the preparation of the consolidated financial statements.

When the parent company loses its controlling interest in a subsidiary, the gain or loss on disposal is calculated as the difference between
i) the sum of the fair value of the consideration received and the fair value of any remaining holding, and
ii) the previous carrying amounts of the subsidiary's assets (including goodwill), and liabilities and any non-controlling interests.

Segment reporting
An operating segment is a component of a company that carries out business operations that may result in the receipt of income and is evaluated regularly by the highest executive decision-maker and about which separate financial information is available. The company's reporting of operating segments accords with the internal reporting to the highest executive decision-maker. The highest executive decision-maker is the function responsible for allocation of resources and assessment of the operating segments' results. The CEO is the highest executive decision-maker. The accounting principles for the reporting segments are the same as those applied by the Group as a whole.

Revenue
Revenue is recognized at the fair value of what has been received or will be received, less value-added tax, discounts, returns and similar deductions. The Group recognizes revenue when the amount of the revenue can be reliably measured, when it is probable that future economic benefits will flow to the company and the specific criteria are met for each of the Group's revenue types.

The Group's revenues consist mainly of the provision of infrastructure customized to allow network operators to offer video services. The products are a combination of hardware or cloud-based software that supports both traditional pay TV services and the new web TV services. The Group also provides services in the form of installation, integration, support and training.

Sales of products
Revenue from the sale of products is recognized when the significant risks and benefits associated with the products have been transferred to the customer. This generally takes place upon delivery. If integration is a significant part if the delivery to the customer, revenue from the sale of products is recognized when integration has been carried out.

Sales of support
Revenue from support contracts is recognized as revenue on a straight-line basis over the contract period.

Sales of other services
Revenue from sales of training and installation is recognized in the period in which the services are performed.

Interest income
Interest income is allocated over the relevant term using the effective interest method.

Leases
Lessee
A finance lease is a contract under which the financial risks and benefits associated with ownership of an asset are essentially transferred from the lessor to the lessee. Other leases are classified as operating leases. The Group has only operating leases. Lease payments for operating leases are expensed on a straight-line basis over the term of the lease, unless a different systematic approach better reflects the user's financial benefit over time.

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Foreign currency
Items included in the financial reports for the various entities in the Group are recognized in the currency of the primary economic environment where the entity in question mainly conducts its operations (functional currency). In the consolidated financial statements all amounts are translated into Swedish kronor (SEK), which is the functional currency and reporting currency of the parent company.

Foreign currency transactions are translated in each entity into the entity's functional currency at the exchange rates on the transaction date. On each closing day, monetary items in foreign currencies are translated at the exchange rate on the closing day. Non-monetary items measured at fair value in a foreign currency are translated at the exchange rate on the day fair value was established. Non-monetary items measured at historical cost in a foreign currency are not translated.

Exchange-rate differences are recognized in profit or loss for the period in which they arise, with the exception of hedging transactions that meet the criteria for hedge accounting of cash flows or of net investments, in which case gains and losses are recognized in other comprehensive income.

In the preparation of consolidated financial statements, assets and liabilities in foreign subsidiaries are translated into Swedish kronor at the exchange rate on the closing day. Income and expense items are translated at the average exchange rate for the period, unless the exchange rate fluctuated significantly during the period, in which case the exchange rate on the transaction date is used instead. Any translation differences arising are recognized in other comprehensive income and are transferred to the translation reserve. On the divestment of a foreign subsidiary, such translation differences are recognized in the income statement as part of the capital gain or loss.

Employee benefits
Employee benefits in the form of salary, bonuses, vacation pay, sick pay, etc. and pensions are recognized as they are earned. Pensions and other post-employment benefits are classified as defined-contribution or defined-benefit pension plans. The Group has only defined-contribution pension plans.

Defined-contribution plans

In defined-contribution plans the Group makes fixed payments to a separate independent legal entity and has no obligation to make further payments. The Group's costs are expensed as the benefits are earned, which usually coincides with the date of payment of the premiums.

Share-based remuneration

Share-based remuneration settled using equity instruments are measured at fair value on the date of allocation, which is the date that the company enters into an agreement on share-based remuneration. The fair value established on the date of allocation is expensed on the date of allocation, with a corresponding adjustment to equity distributed across the earnings period, based on the Group's estimate of the number of warrants that are expected to be able to be exercised. Fair value is calculated using the Black-Scholes model. Social insurance contributions attributable to the share-based remuneration accrue in the same way as the cost of the services received, and the liability is remeasured at each reporting date until it is settled.

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Taxes
Tax expense comprises the sum of current tax and deferred tax.

Current tax
Current tax is calculated on the taxable profits for the period. Taxable profit differs from the profit recognized in the income statement since it has been adjusted for tax-exempt income and non-deductible expenses, and for income and expenses that are taxable or deductible in other periods. The Group's current tax liability is calculated using the tax rates applicable on the closing day.

Deferred tax
Deferred tax is recognized on temporary differences between the recognized value of assets and liabilities in the financial reports and the fiscal value used to calculate taxable profits. Deferred tax is recognized according to the balance sheet method. Deferred tax liabilities are recognized for practically all taxable temporary differences, and deferred tax assets are recognized for practically all deductible temporary differences, to the extent it is likely that the amounts can be utilized against future taxable surpluses. Deferred tax liabilities and tax assets are not recognized if the temporary difference is attributable to goodwill or if it arises from a transaction that is the first reporting of an asset or liability (that is not a business combination) and which at the transaction date does not affect reported or taxable profits.

A deferred tax liability is recognized for taxable temporary differences attributable to investments in subsidiaries, except where the Group can determine the date of reversal of the temporary differences and it is likely that such reversal will not take place within the foreseeable future. The deferred tax assets attributable to deductible temporary differences in respect of such investments are only recognized to the extent that it is probable that the amounts can be utilized against future taxable surpluses and it is likely that such utilization will take place within the foreseeable future.

The carrying amount of deferred tax assets is tested on each closing day and reduced to the extent that it is no longer probable that there will be sufficient taxable surplus available to utilize the deferred tax asset, either in full or in part.

Deferred tax is calculated using the tax rates that are expected to apply in the period when the asset is recovered or the liability is settled, based on the tax rates (and the tax legislation) that are enacted or have been announced as of the closing day.

Deferred tax assets and tax liabilities are offset where they relate to income tax debited by the same authority and where the Group intends to settle the tax in a net amount.

Current and deferred tax for the period
Current and deferred tax is recognized as an expense or as income in the income statement, except where the tax is attributable to transactions recognized in other comprehensive income or directly in equity. In such cases the tax is also reported in other comprehensive income or directly in equity. In the case of current and deferred tax arising when reporting business combinations, the tax effect is to be reported in the acquisition calculation.

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Property, plant and equipment
Property, plant and equipment are reported at cost following deductions for accumulated depreciation and any impairment losses.

Cost includes purchase price plus expenses directly attributable to the asset in order to bring it to the location and condition to be used, as well as estimated expenses for dismantling and removal of the asset and restoration of its location. Further expenditures are included in the asset or recognized as a separate asset only if it is probable that future economic benefits associated with the asset will accrue to the Group and the cost of these can be reliably estimated. All other costs for repairs and maintenance, as well as further expenditures, are recognized in the income statement in the period in which they are incurred.

Depreciation of property, plant and equipment is expensed such that the asset’s cost, decreased by any estimated residual value at the end of its useful life, is depreciated on a straight-line basis over its expected useful life. Depreciation begins when the item of property, plant and equipment can be taken into use. The useful life of equipment, tools and installations has been estimated at 3 years.

The estimated useful life, residual value and depreciation method is reviewed at least at the close of each reporting period, and the effect of any changes in estimates is reported from then on.

The carrying amount of a property, plant and equipment item is removed from the balance sheet when it is disposed of or divested, or when no further economic benefits are expected from the use or disposal/divestment of the asset. The gain or loss arising from the disposal or divestment of the asset is the difference between any net proceeds of the divestment and its carrying amount, and is recognized in profit or loss in the period when the asset is removed from the balance sheet.

Intangible assets
Internally generated intangible assets – Capitalized product development expenses
Internally generated intangible assets arising from the Group’s product development are recognized only if the following conditions are met:
• it is technically feasible to complete the intangible asset and to use or sell it,
• the company intends to complete the intangible asset and to use or sell it,
• the conditions are in place for using or selling the intangible asset,
• the company shows how the intangible asset will generate probable future economic benefits,
• there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
• the expenditure attributable to the intangible asset during its development can be reliably measured.

If it is not possible to recognize an internally generated intangible asset, then the development costs are expensed in the period in which they are incurred.

After initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and any accumulated impairment losses. Useful life is estimated at 3 years. The estimated useful life and depreciation method is reviewed at least at the close of each fiscal year, and the effect of any changes in estimates is reported from then on.

Impairment of property, plant and equipment and intangible assets
At each closing day, the Group analyzes the carrying amounts of property, plant and equipment and of intangible assets to establish whether there is any indication that these have decreased in value. If this is the case, the asset’s recoverable amount is calculated in order to establish the level of any impairment loss. Where it is not possible to calculate the recoverable amount of an individual asset, the Group calculates the recoverable amount for the cash-generating unit to which the asset belongs.

Intangible assets with an indeterminate useful life, and intangible assets that are not yet ready for use, are to be tested for impairment annually or when there is an indication of a decrease in value.

The recoverable amount is the higher of the fair value minus selling expenses and its value in use. When calculating value in use, estimated future cash flows are discounted to present value using a discount rate before tax that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount for an asset (or cash-generating unit) is established to be lower than the carrying amount, then the carrying amount for the asset (or cash-generating unit) is written down to the recoverable amount. Any write-down is to be expensed in the income statement straight away.

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When an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased to the remeasured recoverable amount, but the increased carrying amount must not exceed the carrying amount that would have been established if the asset (cash-generating unit) had not been written down in previous years. A reversal of an impairment loss is recognized directly in profit or loss.

Financial instruments
A financial asset or financial liability is recognized in the balance sheet when the Group becomes a party to the instrument's contractual terms. A financial asset is removed from the balance sheet when the contractual right to the cash flow from the asset ceases, is settled or when the Group loses control over it. A financial liability, or part thereof, is removed from the balance sheet when the agreed obligation is fulfilled or otherwise ceases.

At each reporting date, the company assesses whether there are objective indications of impairment of a financial asset or group of financial assets on the basis of events that have occurred. Examples of such events include a substantial deterioration in the counterparty's financial position or failure to pay amounts due.

Financial assets and financial liabilities that are not measured at fair value through profit or loss on the subsequent reporting date are recognized on initial recognition at fair value plus or minus transaction expenses. Financial assets and financial liabilities that are measured at fair value through profit or loss on the subsequent reporting date are recognized on initial recognition at fair value. In subsequent reporting, financial instruments are measured at amortized cost or at fair value depending on their initial categorization according to IAS 39.

On initial recognition, a financial instrument is classified in one of the following categories:

Financial assets:
a) At fair value through profit or loss
b) Loan receivables and trade accounts receivable
c) Held-to-maturity investments
d) Available-for-sale financial assets

Financial liabilities
a) At fair value through profit or loss
b) Other financial liabilities at amortized cost

Fair value of financial instruments
The fair value of financial assets and financial liabilities is determined as follows:
The fair value of financial assets and liabilities traded on an active market is determined by reference to quoted market prices.

The fair value of other financial assets and liabilities is determined according to generally accepted measurement models such as discounting of future cash flows and using information taken from relevant market transactions.

For all financial assets and liabilities, the carrying amount is considered to be a good approximation of their fair value unless specifically stated otherwise in subsequent notes.

Amortized cost
Amortized cost refers to the amount at which the asset or liability was initially recognized less repayments, supplements or deductions for accumulated accruals using the effective interest method of the initial difference between the amount received/paid and the amount payable/receivable on the due date, and less impairment losses.

The effective interest rate is the rate at which discounting of all future expected cash flows over the expected term results in the initial carrying amount of the financial asset or financial liability.

Offsetting of financial assets and liabilities
Financial assets and financial liabilities are offset and reported as a net amount in the balance sheet where there is a legal right to offset the amounts and it is intended that the items will be settled by a net amount or that the asset will be realized and the liability settled simultaneously.

Cash and cash equivalents
Cash and cash equivalents include cash at hand and bank balances, as well as other short-term liquid deposits that can be readily converted into cash and for which the risk of changes in value is insignificant. To be classified as cash and cash equivalents, the maturity must not exceed three months from the date of acquisition. Cash at hand and bank balances are categorized as "Loan receivables and trade accounts receivable", and are therefore measured at amortized cost. Since bank deposits are payable on demand, the amortized cost is equal to the nominal amount. Short-term investments are categorized as "Held for trading" and measured at fair value, with changes in value recognized through profit or loss.

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Trade accounts receivable
Trade accounts receivable are categorized as “Loan receivables and trade accounts receivable” and are therefore measured at amortized cost. The anticipated duration of trade receivables is short, however; for this reason, they are reported at nominal amounts without discounting. Deductions are made for receivables assessed to be doubtful. Write-downs of trade accounts

Trade accounts payable
Trade accounts payable are categorized as “Other financial liabilities”, and are therefore measured at amortized cost. The anticipated duration of trade payables is short, however; for this reason, they are recognized at nominal amounts without discounting.

Inventories
Inventories are measured at the lower of cost and net realizable value. Cost is determined using the first in, first out principle (FIFO). Net realizable value is the estimated selling price less the estimated costs of completion and estimated costs required to achieve a sale.

Provisions
A provision is recognized when the Group has a present (legal or constructive) obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Provisions are made at the amount which is the best estimate of the expenditure required to settle the present obligation on the closing day, taking into account the risks and uncertainties associated with the obligation. When a provision is calculated by estimating the outflows that are expected to be required in order to settle the obligation, the carrying amount must equal the present value of these outflows.

Where part or all of the amount required to settle a provision is expected to be compensated by a third party, the compensation is to be reported separately as an asset in the statement of financial position when it is as good as certain that it will be received if the company settles the obligation and the amount can be reliably calculated.

Note 3 Key estimates and judgments

The main assumptions concerning the future are reported below, along with other significant sources of uncertainty in estimates on the closing day which represent a material risk of significant adjustments to the carrying amounts of assets and liabilities in the subsequent fiscal year. The main judgments made by the company management when applying the Group’s accounting principles and that have the most significant effect on the amounts recognized in the financial reports are also detailed.

Testing capitalized development expenses for impairment
Capitalized development expenses that are not yet ready for use and thus are not subject to depreciation are tested for impairment at least annually. When assessing impairment, the company management makes assumptions concerning expected cash flow (based on budget) from the asset, and discounts this using a discount rate to establish the recoverable amount. Budgeted revenues and the discount rate are significant assumptions that could result in a need to apply impairment losses.

Capitalization of loss carryforwards
Capitalization of loss carryforwards is recognized to the extent that it is probable that the amounts can be used against future taxable surpluses. To establish how much of the carryforward can be capitalized, the company management makes judgments concerning the amounts and concerning when taxable surpluses may arise. The Group has a deficit totaling SEK 82,126 million, of which 82,126 is capitalized.

Company management bases its judgment concerning capitalization on forecasts of taxable surpluses based on a forecast for the foreseeable future.

Tax loss carryforwards of SEK 82,126 million are attributable to the parent company Edgeware AB. The carryforwards cannot be utilized by another entity within the Group, and since the subsidiary has made a loss in recent years and has no taxable temporary differences, it is judged that there are no factors to provide grounds for capitalizing the carryforwards.

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Note 4 Financial risk management and financial instruments

Through its operations the Group is exposed to various types of financial risk, such as market risk, liquidity risk and credit risk. The main market risks are interest-rate risk and currency risk. The company's Board of Directors has the ultimate responsibility for exposure, management and monitoring of the Group's financial risk. The frameworks that apply to exposure, management and monitoring of financial risk are established by the Board of Directors in a financial policy adopted in 2016 that is revised annually. In the financial policy, the Board has delegated responsibility for day-to-day risk management to the company's CFO. The Board may decide to deviate temporarily from the established financial policy.

Market risk

Currency risk

Currency risk is the risk that fair value or future cash flows will fluctuate due to changes in foreign exchange rates. Exposure to currency risk arises mainly from payment flows in foreign currency – which is known as transaction exposure – and from the translation of foreign subsidiaries' income statements and balance sheets into Swedish kronor, the Group's reporting currency – known as translation exposure.

Transaction exposure

Transaction exposure is the risk that earnings will be negatively impacted by fluctuations in exchange rates for cash flows that take place in foreign currency. The Group's outflows are mainly in EUR, USD and MXN, and at the same time the Group's inflows are mainly in EUR, USD and MXN. The Group is therefore considerably affected by changes in these exchange rates as regards operational transaction exposure. Where financial transaction exposure is concerned, this is largely limited to intra-group financing.

The company's policy allows forecast cash flows to be hedged on an ongoing basis. Under the financial policy, transaction exposure may be reduced through the use of derivative instruments. As of the closing day, 0% of the cash flows in EUR, USD and MXN were hedged. Hedge accounting is not applied.

The table below shows the nominal net amounts of the major flows giving rise to transaction exposure. The exposure is stated based on the Group's payment flows in the most significant currencies and is presented in Swedish kronor.

Currency	**2015-12-31**	**2014-12-31**	**2013-12-31**
EUR	121 011	122 511	104 122
USD	11 143	-6 803	-10 033
MXN	5 089	0	0

As of the closing day, the net book value of the Group's monetary assets and liabilities that are subject to translation into SEK amount to the sums below, presented in Swedish kronor:

Currency	**2015-12-31**	**2014-12-31**	**2013-12-31**
EUR	30 506	44 318	28 900
USD	29 243	26 152	13 543
MXN	18 237	0	0

Translation exposure

Translation exposure is the risk that the value of the Group's net investments in foreign currency will be negatively impacted by changes in foreign exchange rates. The Group consolidates the net assets in SEK on the closing day. This risk is known as translation exposure and is not currency-hedged under the Group's financial policy.

The translation exposure for net investments in foreign currency is stated in local currency.
The Group's net investments refer to investments in the foreign subsidiary Edgeware Inc. in the US. The net investments equal the value of the company's equity and amount to USD -3,110,000 net as of December 31, 2015.

The table below, "*Sensitivity analysis for market risk* ", presents the effects of exchange rate fluctuations against Swedish kronor for the most significant foreign currencies.

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Interest-rate risk
Interest-rate risk is the risk that fair value or future cash flows will fluctuate due to changes in market interest rates. The Group is exposed to interest-rate risk through its loan financing. Interest is paid on the loans, which means that the Group's future financial expense is not affected by changes in market interest rates.

Under the Group's financial policy, interest-rate risk is not to be hedged.

The table below, "Sensitivity analysis for market risk", presents the effects of changes in market interest rates.

Sensitivity analysis for market risk
The Sensitivity analysis for *currency risk* shows the Group's sensitivity to a 10% increase or decrease respectively in the exchange rate for SEK against the most significant foreign currencies. For *transaction exposure*, the table shows how the Group's earnings after tax would have been affected by a change in the exchange rate. This also includes outstanding monetary assets and liabilities in foreign currency on the closing day, including loans between Group companies where the currency effect impacts the Group's income statement. For *translation exposure*, the table shows how the Group's earnings after tax and equity would have been affected by a change in the exchange rate.

The Sensitivity analysis for *interest-rate risk* shows the Group's sensitivity to a 1% increase in the market interest rate. The interest-rate sensitivity shows the effect on earnings after tax of a change in the market interest rate, as regards both interest income and expense. Since the Group does not report changes in value in other comprehensive income or equity, there is a corresponding effect on equity.

	2015	2015-12-31	2014	2014-12-31	2013	2013-12-31
	Effekt på resultat	**Effekt på eget kapital**	**Effekt på resultat**	**Effekt på eget kapital**	**Effekt på resultat**	**Effekt på eget kapital**
Transaction exposure						
EUR	8 530		7 828		3 580	3 580
USD	11		-1 155		-714	-714
MXN	359		0		0	0
Translation exposure						
USD		-2 607		-3 424		-2 431
Interest						
SEK						
Financial costs	-70		-64		-34	

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Liquidity and financing risk
Liquidity risk is the risk that the Group has problems meeting its commitments related to the Group's financial liabilities. Financing risk is the risk that the Group is unable to obtain sufficient financing at a reasonable cost.

The maturity profile of contractual payment commitments related to the Group's and the parent company's financial liabilities, excluding derivatives, is presented in the tables below. The amounts in these tables are not discounted values and they also include interest payments where relevant, which means that these amounts cannot be reconciled with the amounts reported in the balance sheets. Interest payments are established based on the conditions applicable on the closing day. Amounts in foreign currency have been translated into Swedish kronor at closing day exchange rates. The Group's loan agreements contain no special conditions that could result in the payment date being significantly earlier that that shown in the tables.

The information below shows that the expected outflow amounts to SEK 22,000,000 over the coming 12 months. The Group's liquidity reserve is defined as cash and cash equivalents, which amounted to SEK 27,057,000 at year-end, and this will be used to meet this outflow. In addition, there is the possibility of borrowing against trade accounts receivable if further funds should be needed in the short term. In March 2016 has the short term liabilities to related parties been converted into shares.

2015-12-31	**Within 3 months**	**3–12 months**	**1–5 years**	**More than 5 years**	**Total**
Trade accounts payable	8 393		0	0	8 393
Other current liabilities	1 438	1 492	0	0	2 930
Liabilities to related parties		10 180	0	0	10 180
Total	**9 831**	**11 672**	**0**	**0**	**21 503**

2014-12-31	**Within 3 months**	**3–12 months**	**1–5 years**	**More than 5 years**	**Total**
Trade accounts payable	6 642		0	0	6 642
Other current liabilities	1 853	1 685	0	0	3 538
Liabilities to related parties		10 143	0	0	10 143
Total	**8 495**	**11 828**	**0**	**0**	**20 323**

2013-12-31	**Within 3 months**	**3–12 months**	**1–5 years**	**More than 5 years**	**Total**
Trade accounts payable	6 786		0	0	6 786
Other current liabilities	1 220	1 802	0	0	3 022
Liabilities to related parties		10 083	0	0	10 083
Total	**8 006**	**11 885**	**0**	**0**	**19 891**

Credit and counterparty risk
Credit risk is the risk that a counterparty in a transaction will not fulfill its contractual obligations, thereby incurring a loss for the Group. The Group's exposure to credit risk is mainly attributable to [trade accounts receivable]. To limit the Group's credit risk, each new customer undergoes a credit check. The situation of existing customers is also monitored continually, in order to identify warning signs at an early stage.

Credit risk also arises when the company"s surplus liquidity is invested in various types of financial instruments. Under the financial policy, surplus liquidity may only be placed in interest-bearing bank accounts or in interest-bearing securities. The financial policy states that credit risk from the investment of surplus liquidity is to be reduced by only investing with counterparties that have a very good rating. The financial policy also states that investments shall normally be spread across multiple counterparties or issuers.

Trade accounts receivable are spread across a large number of customers, and no customer represents a significant portion of the total trade accounts receivable. Neither are trade accounts receivable concentrated on a specific geographical area. The Group therefore assesses that the concentration risk is limited.

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The Group's maximum exposure to credit risk is judged to be reflected in the recognized values of all financial assets, and is shown in the table below.

	2015-12-31	2014-12-31	2013-12-31
Trade accounts receivable	55 907	43 839	28 791
Other current receivables	3 178	842	0
Cash and cash equivalents	21 057	17 217	13 036
Maximum exposure to credit risk	**80 142**	**61 898**	**41 827**

Categorization of financial instruments
The carrying amount of financial assets and financial liabilities by measurement category according to IAS 39 is shown in the table below. All financial assets and liabilities are recognized at amortized cost, which is a good approximation of fair value.

	2015-12-31	2014-12-31	2013-12-31
Financial assets			
Loans and accounts receivables			
Trade accounts receivable	55 907	43 839	28 791
Other current receivables	10 900	7 592	5 667
Cash and cash equivalents	21 057	17 217	13 036
Total	**87 864**	**68 648**	**47 494**
Financial liabilities			
Short term liabilities			
Other current liabilities	11 971	11 171	10 371
Trade accounts payable	8 393	6 642	6 786
Total	**20 364**	**17 813**	**17 157**

Measurement of financial instruments at fair value
Financial assets and financial liabilities that are measured at fair value in the balance sheet, or for which fair value disclosures are made, are classified at one of three levels based on the information used to establish fair value.

Level 1 – Financial instruments for which fair value is established based on observable quoted prices (unadjusted) on active markets for identical assets or liabilities. A market is regarded as active if quoted prices from a stock market, broker, industry group, pricing service or supervisory authority are readily and regularly available and these prices represent actual and regularly occurring market transactions at arm's length.

Level 2 – Financial instruments for which fair value is established using measurement models that are based on observable data for the assets or liabilities other than quoted prices included in level 1, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Examples of observable data within level 2 are:
• Quoted prices for similar assets or liabilities
• Data that can provide a basis for price assessment, e.g. market interest rates and yield curves.

Level 3 – Financial instruments for which fair value is established using measurement models in which input data is based on non-observable data.

Capital management
The Group's aim as regards capital management is to ensure the Group's ability to continue its operations in order to generate a reasonable return to shareholders and for the benefit of other stakeholders.

The Group defines capital as equity.

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Note 5 Segment information

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Operating segments are reported in a manner that accords with the internal reports submitted to the highest executive decision-maker. The Group's sales are monitored by region, the regions being: EMEA, APAC and AMERICAS, and based on two business areas: Products and Services. The outcomes by region and business area consist of the sum of invoices issued for products and services sold from different parts of the Group. These are not, however, reflected in separate income statements and balance sheets.

The Group's regions and business areas use common resources for sales activities, development work and administration and, accordingly, dividing up the company's costs is only possibly through allocation of the costs. The same applies to assets and liabilities. The Group management team has determined that the allocation of profit/loss and balance sheet items does not result in a more true and fair view of the Group's operations and therefore monitors the outcome for the Group as a whole. The Group has not therefore identified any operating segments.

Redovisningsprinciperna för de rapporterbara segmenten överensstämmer med koncernens redovisningsprinciper. Försäljning mellan segment sker på marknadsmässiga grunder.

Note 6 Net sales by business stream and geographical market

The table below shows net sales by business stream and geographical market.

Revenue by business stream	**2015**	**2014**	**2013**
Product (hardware, software and licenses)	167 828	118 696	107 809
Services (maintenance, support and services)	35 728	29 479	20 444
Total	**203 556**	**148 175**	**128 253**

Net sales by geographical market	**2015**	**2014**	**2013**
EMEA (Europe, Middle Europe and Africa)	135 768	128 489	106 160
AMERICAS (North and South America)	55 303	13 232	11 732
APAC (Asia-Pacific)	12 485	6 454	10 361
Total	**203 556**	**148 175**	**128 253**

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Note 7 Other operating income/expenses

	2015	2014	2013
Net exchange gains/losses	-689	164	-556
Total	**-689**	**164**	**-556**

Note 8 Operating expenses

	2015	2014	2013
Cost of goods and materials	-62 615	-41 428	-37 763
Remuneration to employees (Note 12, 18)	-92 923	-77 144	-72 235
Depreciation Notes 9, 18, 19)	-5 969	-4 130	-2 364
Other operating expenses (Notes 8, 9, 10, 11, 12)	-28 748	-12 427	-8 647
Total	**-190 255**	**-135 129**	**-121 009**

Note 9 Depreciation/amortization and impairment of property, plant and equipment and intangible non-current

	2015	2014	2013
Cost of goods sold	-3 747	-2 244	-626
Research and development expenses	-2 222	-1 886	-1 738
Total	**-5 969**	**-4 130**	**-2 364**

Note 10 Auditor's fees

	2015	2014	2013
Deloitte AB			
Audit assignments	205	190	180 000
Auditing activity other than audit assignments	243	103	0
Other services	0	30	113
Total	**448**	**323**	**180 113**

The audit assignment amounts are the fees paid to the auditor for the statutory audit. The audit involves examining the annual accounts and consolidated accounts and accounting records and the administration of the company by the Board of Directors and CEO, as well as fees for audit advisory services provided in connection with the audit assignment.

Auditing activity over and above the audit assignment refers to work performed in connection with the transition to K3 and IFRS.

Note 11 Leases

Operating leases – lessees
The Group is a lessee in operating leases for rented premises. The total amount of expensed lease payments for the year for the Group’s operating leases is SEK 2,406,000 (2,238,000) (and SEK 2,238,000 for 2013). Future minimum lease payments and variable payments for non-cancellable operating leases fall due as follows:

Maturity:	2015	2014	2013
Future minimum lease payments			
Within one year	3 556	1 678	2 238
Later than one year but within five years	6 224	0	0

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Note 12 Number of employees, personnel expenses and senior executives

Average number of employees

	Average number 2015			Average number 2014		
	Women	**Men**	**Total**	**Women**	**Men**	**Total**
Parent company:						
Sweden	10	64	74	7	50	57
Total in parent company	**10**	**64**	**74**	**7**	**50**	**57**
Subsidiaries						
USA	1	5	6	1	5	6
Totalt i dotterföretag	**1**	**5**	**6**	**1**	**5**	**6**
Totalt i koncernen	**11**	**69**	**80**	**8**	**55**	**63**

	Average number 2013		
	Women	**Men**	**Total**
Parent company			
Sweden	4	53	57
Total in parent company	**4**	**53**	**57**
Subsidiaries			
USA	0	7	7
Total in subsidiaries	**0**	**7**	**7**
Total in Group	**4**	**60**	**64**

Number of board members and other senior executives

	2015-12-31	**2014-12-31**	**2013-12-31**
Parent company			
Women:			
Board of Directors	0	0	0
Other senior executives incl. CEO	0	1	1
Men:			
Board of Directors	4	4	4
Other senior executives incl. CEO	9	6	6
Total in parent company	**13**	**11**	**11**
Group			
Women:			
Board of Directors	0	0	0
Other senior executives incl. CEO	0	1	1
Men:			
Board of Directors	4	4	4
Other senior executives incl. CEO	9	6	6
Total in Group	**13**	**11**	**11**

Cost of employee remuneration

	2015	**2014**	**2013**
Parent company			
Salaries and other remuneration	60 891	45 399	42 259
Share-based remuneration	299	161	458
Social insurance contributions	14 487	12 825	11 589
Pension expenses, defined-contribution plans	6 785	5 695	5 158
Subsidiaries			
Salaries and other remuneration	15 754	9 713	9 435
Share-based remuneration	0	0	0
Social insurance contributions	433	394	441
Pension expenses, defined-contribution plans	381	195	225
Total salaries and other remuneration, Group	*76 645*	*55 112*	*51 694*
Total share-based remuneration, Group	*299*	*161*	*458*
Total social insurance contributions, Group	*14 920*	*13 219*	*12 030*
Total pension expenses, Group, defined contribution	*7 166*	*5 890*	*5 383*
Total in Group	**98 731**	**74 221**	**69 107**

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Salaries and other remuneration for senior executives and other employees

	2015	2014	2013
Parent company			
Salaries and other remuneration, senior executives (10 individuals)	12 825	9 913	8 767
of which bonuses and similar remuneration	3 913	3 550	1 673
Salaries and other remuneration, other employees	47 275	35 139	33 294
Total salaries and other remuneration, parent company	**60 100**	**45 052**	**42 061**

Salaries and other remuneration, as well as pension expenses for senior executives to senior executives

	2015	2014	2013
Group			
Salaries and other remuneration, senior executives (10 individuals)	12 825	9 913	8 767
of which bonuses and similar remuneration	3 913	3 550	1 673
Pension expenses, other senior executives	47 306	35 148	33 294
Total salaries and other remuneration, as well as pension expenses for senior executives, Group	**60 131**	**45 061**	**42 061**

Remuneration to senior executives

The Chairman of the Board and board members receive fees as decided upon by the shareholders' meeting. No special fees are paid for committee work.

The shareholders' meeting has adopted the following guidelines for remuneration of the management team.

Remuneration to the CEO and other senior executives consists of a basic salary, variable remuneration, other benefits and pension benefits etc. Other senior executives are the 10 individuals who, along with the CEO, make up the Group management team.

The amount of variable remuneration in relation to basic salary is to be in proportion to the senior executive's responsibility and authority. The variable component is based on net sales in relation to the budget for the year.

Pension benefits and other benefits for the CEO and other senior executives make up part of the total remuneration package.

Remuneration to senior executives in 2015	Salary/Fees	Variable remuneration	Other benefits	Share-based remuneration	Pension expenses	Total
Chairman of the Board Michael Ruffolo	1 961	0	0	299	31	2 291
Board member Kalle Henriksson	1 014	0	0	0	190	1 204
Board member Jason Pinto	0	0	0	0	0	0
Board member Staffan Helgesson	0	0	0	0	0	0
Chief Executive Officer Joachim Roos	1 361	667	0	0	293	2 321
Other senior executives (9 individuals)	7 551	3 246	0	0	1 168	11 965
Total remuneration to senior executives	**11 887**	**3 913**	**0**	**299**	**1 682**	**17 781**

Remuneration to senior executives in 2014	Salary/Fees	Variable remuneration	Other benefits	Share-based remuneration	Pension expenses	Total
Chairman of the Board Michael Ruffolo	1 435	0	0	458	9	1 902
Board member Kalle Henriksson	962	0	0	0	185	1 147
Board member Jason Pinto	0	0	0	0	0	0
Board member Staffan Helgesson	0	0	0	0	0	0
Chief Executive Officer Joachim Roos	1 294	987	0	0	171	2 452
Other senior executives (7 individuals)	5 068	2 564	0	0	977	8 609
Total remuneration to senior executives	**8 759**	**3 551**	**0**	**458**	**1 342**	**14 110**

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Remuneration to senior executives in 2013	Salary/Fees	Variable remuneration	Other benefits	Share-based remuneration	Pension expenses	Total
Chairman of the Board BS/MR	658	0	0	161	0	819
Board member Kalle Henriksson	844	0	0	0	165	1 009
Board member Jason Pinto	0	0	0	0	0	0
Board member Staffan Helgesson	0	0	0	0	0	0
Chief Executive Officer Joachim Roos	1 252	396	0	0	253	1 901
Other senior executives (7 individuals)	5 843	1 276	0	0	764	7 883
Total remuneration to senior executives	**8 597**	**1 672**	**0**	**161**	**1 182**	**11 612**

Pensions
The retirement age for the CEO is 65. The pension premium amounts to 22 percent of pensionable salary for 2015. The pensionable salary is the basic salary.
The retirement age for other senior executives varies between 60 and 65. The pension agreement states that the pension premium is to amount to18–22 percent of pensionable salary.

Severance pay agreement
There is a mutual period of notice of termination between the company and the CEO of six months. In the case of termination by the company, severance pay equivalent to six monthly salaries is payable. Other income is not deducted from the severance pay. If the CEO resigns, no severance pay is payable.

Share-based remuneration
The Group has paid share-based remuneration in the form of equity instruments issued to Michael Ruffolo. The share-based remuneration consists of warrants. Warrants have been issued for 2013 and 2014 and expire at the time of a change in the ownership of at least a majority of the shares. A total of 13,659 warrants have been issued and the average exercise price is SEK 400. The vesting period for the warrants is three years, but full conversion rights apply if there is a change in the company's ownership before the end of the vesting period.

Costs for the year for share-based remuneration, which is in the form of equity instruments in the Group, amount to TSEK 299 (458) (and 161 for 2013). The effect on the Group’s financial position amounts to TSEK 299 (458) (and 161 for 2013).

Above for the group also applies to the parent company.

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Note 13 Financial income

	2015	2014	2013
Interest income	0	1	125
Interest income, Group companies	83	0	0
Exchange gains	1 380	6 129	1 156
Total	**1 463**	**6 130**	**1 281**

Note 14 Financial expenses

	2015	2014	2013
Interest expense	-56	-804	-559
Factoring fees	-85	-866	-1 486
Exchange-rate differences	-654	-103	-863
Other	0	-580	0
Total	**-795**	**-2 353**	**-2 908**

Note 15 Tax

	2015	2014	2013
Current tax			
Current tax on profit for the year	-3 918	-5 213	-2 478
Previous years' adjustments recognized in the current year current tax	21	-365	-159
Deferred tax			
Deferred tax attributable to temporary differences	724	-495	-1 049
Total	**-3 173**	**-6 073**	**-3 686**

Reconciliation of the year's tax expenses

	2015	2014	2013
Pre-tax profit	13 969	16 823	5 617
Tax based on Swedish tax rate (22 percent)	-3 073	-3 701	-1 236
The tax effect of non-deductible expenses and losses:			
The deficit for the year for which no deferred tax assets have been reported	-774	-1 955	-2 063
Temporary differences for the year for which no deferred tax assets have been reporte	0	495	1 049
Other non-deductible expenses and losses	-117	-74	-38
Deduction for recaptured accelerated depreciation and changes in accelerated depreci	46	21	-80
Interest income on tax account	0	1	0
Other non-deductible expenses	0	0	-110
Total	**-3 918**	**-5 213**	**-2 478**
Deferred tax attributable to temporary differences	724	-495	-1 049
Adjustments recognized in current year for previous year's current tax	21	-365	-159
Tax expenses recognized for the year	**-3 173**	**-6 073**	**-3 686**

Current tax recognized directly in equity amounts to SEK 0 (0) (and 0 in 2013). Deferred tax recognized directly in equity amounts to SEK 0 (0) (and 0 in 2013). Current tax recognized directly in other comprehensive income amounts to TSEK 685 (0) (and 0 in 2013). Deferred tax recognized directly in other comprehensive income amounts to SEK 0 (0) (and 0 in 2013).

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Deferred tax assets and deferred tax liabilities
The Group's deferred tax assets and deferred tax liabilities relate to the following items:

	2015-12-31	2014-12-31	2013-12-31
Deferred tax assets			
Withholding tax	589	396	428
Unutilized tax loss carryforwards	18 069	21 328	26 541
Deferred tax assets	**18 658**	**21 724**	**26 969**
Deferred tax liabilities			
Capitalized expenditure on development work	-818	-1 544	-1 049
Deferred tax liabilities	**-818**	**-1 544**	**-1 049**

Deferred tax assets are measured at no more than the amount that is likely to be recovered based on current and future taxable profits. The company has unutilized loss carryforwards amounting to TSEK 82 126 (96 947) of which SEK 82 126 (96 947) (and 120 641 for 2013) are not related to recognized loss carryforwards. The US subsidiary has additional unrecognized loss carryforwards. The company is not certain whether or not these loss carryforwards will be able to be used as it is uncertain about when in the future a sufficient taxable surplus will be generated.

Note 16 Earnings per share

Earnings per share before dilution
The following amounts for profits and weighted average number of ordinary shares have been used in calculating earnings per share before dilution:

	2015	2014	2013
Profit for the year attributable to owners of the parent	10 796	10 750	1 931
Average number of outstanding ordinary shares, before dilution	649 171	649 171	649 171
Earnings per share before dilution, SEK	**16,63**	**16,56**	**2,97**

Earnings per share after dilution
The following amounts for profits and weighted average number of ordinary shares have been used in calculating earnings per share after dilution:

	2015	2014	2013
Profit for the year attributable to owners of the parent	10 796	10 750	1 931
Average number of outstanding ordinary shares, before dilution	649 171	649 171	649 171
Effect of warrants, number of shares	10 150	5 597	1 423
Earnings per share after dilution, SEK	**16,37**	**16,42**	**2,97**

Note 17 Investments in subsidiaries

The Group had the following subsidiary as of December 31, 2013, 2014 and 2015:

Namn	Org.nr och verksamhetsland	Verksamhet	Innehav (%) [1]
Edgeware Inc	USA	Responsible for sales within North, Central and South America	100%

[1] The holding is the percentage of ownership and percentage of voting power.

The Group has no significant non-controlling interests

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Not 18 Capitalized expenditure on development work

	2015-12-31	2014-12-31	2013-12-31
Cost as of January 1	**9 885**	**5 390**	**0**
Assets developed internally	9 330	4 495	5 390
Accumulated cost as of December 31	**19 215**	**9 885**	**5 390**
Depreciation as of January 1	-2 870	-626	0
Depreciation for the year	-3 747	-2 244	-626
Accumulated depreciation as of December 31	**-6 617**	**-2 870**	**-626**
Carrying amount as of December 31	**12 598**	**7 015**	**4 764**

Not 19 Equipment, tools and installations

	2015-12-31	2014-12-31	2013-12-31
Cost as of January 1	**15 097**	**11 827**	**11 471**
Purchases	760	81	93
Reclassifications	2 398	3 189	263
Accumulated cost as of December 31	**18 255**	**15 097**	**11 827**
Depreciation as of January 1	-12 029	-10 143	-8 405
Depreciation for the year	-2 222	-1 886	-1 738
Accumulated depreciation as of December 31	**-14 251**	**-12 029**	**-10 143**
Carrying amount as of December 31	**4 004**	**3 068**	**1 684**

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Not 20 Inventories

Inventories consist of components, third-party products and finished products. Inventories recognized as costs during the year include the cost of goods sold amounting to TSEK 121 (1 217) (and 389 for 2013).

Not 21 Trade accounts receivable

	2015-12-31	2014-12-31	2013-12-31
Trade accounts receivable, gross	56 107	43 839	28 791
Reserve for doubtful receivables	-200	0	0
Trade accounts receivable, net after reserve for doubtful	**55 907**	**43 839**	**28 791**

Management considers the carrying amount of trade accounts receivable, net after reserves for doubtful receivables, to be the same as fair value. The company has not had any customer losses during 2013-2015. 2015 an accrual for doubtful debts of TSEK 219 was made.

	2015-12-31	2014-12-31	2013-12-31
Reserve for doubtful receivables during the year	200	0	0
Total	**200**	**0**	**0**

Age analysis, trade accounts receivable	2015-12-31	2014-12-31	2013-12-31
Not overdue	44 821	21 634	23 789
Overdue by 30 days	3 970	19 279	1 838
Overdue by 31–60 days	490	569	1 332
Overdue by 61–90 days	3 716	1 085	951
Overdue by >90 days	2 910	1 272	881
Total	**55 907**	**43 839**	**28 791**

The company expects payment to be received for trade accounts receivable that are overdue but have not been written down as the customers have a good payment history.

Not 22 Prepaid expenses and accrued income

	2015-12-31	2014-12-31	2013-12-31
Prepaid costs for goods sold	1 048	0	22
Other items	0	0	127
Förutbetalda kostnader för såld vara	1 329	3 805	92
Other items	2 311	1 817	1 284
Carrying amount	**4 688**	**5 622**	**1 525**

Note 23 Cash and cash equivalents

	2015-12-31	2014-12-31	2013-12-31
Available funds on accounts at banks and other credit institutions	21 057	17 217	13 036
Total	**21 057**	**17 217**	**13 036**

Note 24 Share capital

At the beginning of the 2015, 2014 and 2013 financial years the registered share capital amounted to SEK 649,171 shares at a quota value of SEK 1.

Note 25 Other paid-in-capital

Other paid-in capital consists of the share premium reserve.

Note Translation reserve

The translation reserve is for translation differences upon translation of foreign operations to SEK.

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Note 27 Accured expenses and deferred income

	2015-12-31	2014-12-31	2013-12-31
Accrued salaries	11 233	7 393	6 220
Accrued vacation pay	2 254	1 978	1 451
Accrued social insurance contributions	1 930	1 628	1 249
Prepaid income	27 866	12 486	4 677
Accrued interest expense	1 971	0	0
Other items	943	1 921	822
Carrying amount	**46 197**	**25 406**	**14 419**

Note 28 Assets pledged and contingent liabilities

	2015-12-31	2014-12-31	2013-12-31
Chattel mortgage	6 000	6 000	6 000
Total	**6 000**	**6 000**	**6 000**
Contingent liabilities			
None	0	0	0

Note 29 Transactions with related parties

Transactions between the company and its subsidiaries, which are parties related to the company, were eliminated upon consolidation and therefore no disclosures about these transactions are provided in this note. There are no other related parties.

Loans to related parties

Loans to related parties	2015-12-31	2014-12-31	2013-12-31
Liabilities to related parties	10 180	10 143	10 083
Total	**10 180**	**10 143**	**10 083**

Liabilities to related parties are reported under other current liabilities.

Disclosures on remuneration to senior executives are presented in Note 12.

Note 30 Events after the closing day

On March 31, an extraordinary general meeting resolved to increase the share capital by 30,221 preference shares of series P6. Payment for the new shares will take the form of offsetting against previous claims on the company. The share capital was thereafter raised with SEK 30.221. The issue is at the end of the period in progress. See note 31.

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Note 31 Transition to IFRS

This is Edgeware's first financial report to be prepared in accordance with the EU-adopted International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (formerly IFRIC). In the past Edgeware has applied the Swedish Annual Accounts Act and the Swedish Accounting Standards Board (BFN) general guideline BFNAR 2012:1 Annual accounts and consolidated accounts ("K3").

The transition date to IFRS was set at January 1, 2013. The transition to IFRS is reported in accordance with the standard IFRS 1 *First-time Adoption of International Financial Reporting Standards.* The main principle in IFRS 1 requires that a company applies all of the IFRS standards retrospectively when establishing the opening balance according to IFRS. Accordingly, the comparative figures for 2013 and 2014 have been restated according to IFRS.

The following tables present and quantify the material effects of the transition to IFRS as deemed by the company.

CONSOLIDATED BALANCE SHEET 2013-01-01	**Reference**	**Previous accounting principles**	**Effect of transition to IFRS**	**IFRS**
ASSETS				
Intangible non-current assets		0	0	0
Property, plant and equipment		3 065	0	3 065
Financial assets		29 105	0	29 105
Current assets		35 417	0	35 417
TOTAL ASSETS		**67 587**	**0**	**67 587**
EQUITY AND LIABILITIES				
Equity				
Share capital		649	0	649
Other paid-in capital		82 001	0	82 001
Other equity including equity		0	0	0
Translation reserve		0	0	0
Retained earnings including profit for the year		-33 030	0	-33 030
Total equity		**49 620**	**0**	**49 620**
Non-current liabilities		1 200	0	1 200
Current liabilities		16 767	0	16 767
TOTAL EQUITY AND LIABILITIES		**67 587**	**0**	**67 587**

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CONSOLIDATED INCOME STATEMENT 2013	Reference	Previous accounting principles	Effect of transition to IFRS	IFRS
Net sales		128 253	0	128 253
Cost of goods and services sold		-37 137	-626	-37 763
Gross income		**91 116**	**-626**	**90 490**
Operating expenses				
Selling expenses		-32 003	0	-32 003
Administrative expenses		-19 370		-19 370
Research and development expenses		-36 707	5 390	-31 317
Other operating income		0		0
Other operating expenses		-556		-556
Operating income		**2 480**	**4 764**	**7 244**
Profit/loss from financial items				
Financial income		1 281	0	1 281
Financial expense		-2 908	0	-2 908
Profit after financial items		**853**	**4 764**	**5 617**
Pre-tax profit		**853**	**4 764**	**5 617**
Tax on profit for the year		-2 637	-1 049	-3 686
PROFIT FOR THE YEAR		**-1 784**	**3 715**	**1 931**
Attributable to:				
Owners of the parent		-1 784	3 715	1 931

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 2013	Reference	Previous accounting principles	Effect of transition to IFRS	IFRS
Profit for the year		**-1 784**	**3 715**	**1 931**
Other comprehensive income				
Items that may be transferred to profit or loss:				
Translation differences for the year		-2725	0	-2 725
Total items that may be transferred to profit or loss		-2725	0	-2 725
COMPREHENSIVE INCOME FOR THE YEAR		**-4 509**	**3 715**	**-794**
Attributable to:				
Owners of the parent		-4 509	3 715	-794

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CONSOLIDATED BALANCE SHEET 2013-12-31	Reference	Previous accounting principles	Effect of transition to IFRS	IFRS
ASSETS				
Intangible non-current assets		0	4 764	4 764
Property, plant and equipment		1 684	0	1 684
Financial assets		26 969	-1 049	25 920
Current assets		53 760	0	53 760
TOTAL ASSETS		**82 413**	**3 715**	**86 128**
EQUITY AND LIABILITIES				
Equity				
Share capital		649	0	649
Other paid-in capital		82 001	0	82 001
Other equity including equity		0	0	0
Translation reserve		0	0	0
Retained earnings including profit for the year		-34 547	3 715	-30 832
Total equity		**48 103**	**3 715**	**51 818**
Non-current liabilities		1 200	0	1 200
Current liabilities		33 110	0	33 110
TOTAL EQUITY AND LIABILITIES		**82 413**	**3 715**	**86 128**

Description of material impact on cash flow for 2013

The transition to IFRS has not has any material impact on the Group’s cash flow

CONSOLIDATED INCOME STATEMENT 2014	Reference	Previous accounting principles	Effect of transition to IFRS	IFRS
Net sales		148 175	0	148 175
Cost of goods and services sold		-39 184	-2 244	-41 428
Gross income		**108 991**	**-2 244**	**106 747**
Operating expenses				
Selling expenses		-37 342		-37 342
Administrative expenses		-23 767		-23 767
Research and development expenses		-37 262	4 495	-32 767
Other operating income		0		0
Other operating expenses		164		164
Operating income		**10 784**	**2 251**	**13 035**
Profit/loss from financial items				
Financial income		6 130	0	6 130
Financial expense		-2 342		-2 342
Profit after financial items		**14 572**	**2 251**	**16 823**
Pre-tax profit		**14 572**	**2 251**	**16 823**
Tax on profit for the year		-5 578	-495	-6 073
PROFIT FOR THE YEAR		**8 994**	**1 756**	**10 750**
Attributable to:				
Owners of the parent		8 994	1 756	10 750

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 2014	Reference	Previous accounting principles	Effect of transition to IFRS	IFRS
Profit for the year		**8 994**	**1 756**	**10 750**
Other comprehensive income				
Items that may be transferred to profit or loss:				
Translation differences for the year		106	0	106
Total items that may be transferred to profit or loss		106	0	106
COMPREHENSIVE INCOME FOR THE YEAR		**9 100**	**1 756**	**10 856**
Attributable to:				
Owners of the parent		9 100	1 756	10 856

CONSOLIDATED BALANCE SHEET 2014-12-31	Reference	Previous accounting principles	Effect of transition to IFRS	IFRS
ASSETS				
Intangible non-current assets		0	7 015	7 015
Property, plant and equipment		3 068	0	3 068
Financial assets		21 725	-1 544	20 181
Current assets		75 694	0	75 694
TOTAL ASSETS		**100 487**	**5 471**	**105 958**
EQUITY AND LIABILITIES				
Equity				
Share capital		649	0	649
Other paid-in capital		82 001	0	82 001
Other equity including equity		0	-1 766	-1 766
Translation reserve		0	0	0
Retained earnings including profit for the year		-27 821	7 237	-20 584
Total equity		**54 829**	**5 471**	**60 300**
Non-current liabilities		1 200	0	1 200
Current liabilities		44 458	0	44 458
TOTAL EQUITY AND LIABILITIES		**100 487**	**5 471**	**105 958**

Description of material impact on cash flow for 2014

The transition to IFRS has not had any material impact on the Group’s cash flow

PARENT COMPANY'S INCOME STATEMENT

(SEK thousand)	Note	2015	2014	2013
Net sales	2	195 989	145 602	126 459
Cost of goods and services sold		-61 206	-40 713	-36 881
Gross income		**134 783**	**104 889**	**89 578**
Operating expenses				
Selling expenses		-44 012	-28 995	-27 206
Administrative expenses	3	-34 927	-22 107	-18 082
Research and development expenses		-38 392	-32 166	-27 534
Other operating income/expenses		-689	164	-525
Operating income	4,5,6	**16 763**	**21 785**	**16 231**
Profit/loss from financial items				
Impairment of financial fixed assets	7	-19 603	-7 156	-16 854
Interest expense and similar profit/loss items	8	1 463	6 266	1 670
Interest expense and similar profit/loss items	9	-737	-2 342	-2 907
Profit after financial items		**-2 114**	**18 553**	**-1 860**
Pre-tax profit/loss		**-2 114**	**18 553**	**-1 860**
Tax on profit for the year	10	-3 173	-6 073	-3 686
PROFIT FOR THE YEAR		**-5 287**	**12 480**	**-5 546**

PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

(SEK thousand)	Note	2015	2014	2013
Profit for the year		**-5 287**	**12 480**	**-5 546**
Other comprehensive income				
Translation difference on financial expense of subsidiary		-2 992	0	0
Tax effect of translation difference on financial expense of subsidiary		658	0	0
COMPREHENSIVE INCOME FOR THE YEAR		**-7 621**	**12 480**	**-5 546**

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PARENT COMPANY'S BALANCE SHEET

(SEK thousand)

	Note	2015-12-31	2014-12-31	2013-12-31	2013-01-01
ASSETS					
Non-current assets					
Intangible non-current assets					
Capitalized expenditure for development work	11	12 598	7 015	4 764	0
		12 598	**7 015**	**4 764**	**0**
Property, plant and equipment					
Equipment, tools and installations	12	3 972	3 015	1 608	2 970
		3 972	**3 015**	**1 608**	**2 970**
Financial non-current assets					
Deferred tax assets	13	17 840	20 181	25 920	29 105
		17 840	**20 181**	**25 920**	**29 105**
Total non-current assets		**34 410**	**30 211**	**32 292**	**32 075**
Current assets					
Inventories					
Raw materials and supplies	15	13 671	7 046	6 266	4 397
		13 671	**7 046**	**6 266**	**4 397**
Current receivables					
Trade accounts receivable		49 885	39 100	26 873	18 871
Receivables from Group companies	14	5 021	14 296	9 187	17 119
Other receivables		5 210	1 969	4 142	1 429
Prepaid expenses and accrued income	16	4 365	5 420	1 241	1 594
		64 481	**60 785**	**41 443**	**39 013**
Cash and bank balances		**14 481**	**16 027**	**12 066**	**5 951**
Total current assets		**92 633**	**83 858**	**59 775**	**49 361**
TOTAL ASSETS		**127 043**	**114 069**	**92 067**	**81 436**

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PARENT COMPANY'S BALANCE SHEET (SEK thousand)	**Note**	**2015-12-31**	**2014-12-31**	**2013-12-31**	**2013-01-01**
EQUITY AND LIABILITIES					
Equity					
Restricted equity					
Share capital (649,171 shares)		649	649	649	649
		649	**649**	**649**	**649**
Unrestricted equity					
Share premium reserve		82 001	82 001	82 001	82 001
Retained earnings		-11 125	-23 907	-18 816	-52 333
Profit/loss for the year		-7 621	12 480	-5 546	34 276
		63 255	**70 574**	**57 639**	**63 944**
Total equity		**63 904**	**71 223**	**58 288**	**64 593**
Provisions					
Other provisions	17	515	1 200	1 200	1 200
		515	**1 200**	**1 200**	**1 200**
Current liabilities					
Trade accounts payable		8 223	6 446	6 674	4 567
Other current liabilities	19	12 044	12 411	11 905	2 708
Accrued expenses and prepaid income	18	42 357	22 789	14 002	8 368
		62 624	**41 646**	**32 581**	**15 643**
TOTAL EQUITY AND LIABILITIES		**127 043**	**114 069**	**92 069**	**81 436**
MEMORANDUM ITEMS	20				
Assets pledged		**6 000**	**6 000**	**6 000**	**6 000**
Contingent liabilities		**0**	**0**	**0**	**0**

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PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

(SEK thousand)

	Restricted equity	*Unrestricted equity*			
	Share capital	Share premium reserve	Retained earnings or losses	Profit/loss for the year	**Total equity**
Depreciation on January 1, 2013	**649**	**82 001**	**-52 332**	**33 355**	**63 673**
Appropriation of previous year's profits			33 355	-33 355	**0**
Profit/loss for the year		0		-5 546	**-5 546**
Other comprehensive income			0		**0**
Total comprehensive income			**0**	**-5 546**	**-5 546**
Transactions with owners:					
Share-based remuneration			161		**161**
Total transactions with owners	**0**	**0**	**161**		**161**
Balance, December 31, 2013	**649**	**82 001**	**-18 816**	**-5 546**	**58 288**

	Restricted equity	*Unrestricted equity*			
	Share capital	Share premium reserve	Retained earnings or losses	Profit/loss for the year	**Total equity**
Balance, January 1, 2014	**649**	**82 001**	**-18 816**	**-5 546**	**58 288**
Appropriation of previous year's profits			-5 546	5 546	0
Profit/loss for the year			0	12 480	12 480
Other comprehensive income			0	0	0
Total comprehensive income			**0**	**12 480**	**12 480**
Transactions with owners:					
Share-based remuneration			458		458
Total transactions with owners		**0**	**458**	**0**	**458**
Balance, December 31, 2014	**649**	**82 001**	**-23 904**	**12 480**	**71 226**

	Restricted equity	*Unrestricted equity*			
	Share capital	Share premium reserve	Retained earnings or losses	Profit/loss for the year	**Total equity**
Balance, January 1, 2015	**649**	**82 001**	**-23 904**	**12 480**	**71 226**
Appropriation of previous year's profits			12 480	-12 480	0
Profit/loss for the year			0	-5 287	-5 287
Other comprehensive income			0	-2 334	-2 334
Total comprehensive income			**0**	**-7 621**	**-7 621**
Transactions with owners:					
Share-based remuneration			299		299
Total transactions with owners		**0**	**299**	**0**	**299**
Balance, December 31, 2015	**649**	**82 001**	**-11 125**	**-7 621**	**63 904**

PARENT COMPANY'S CASH FLOW STATEMENT

(SEK thousand)	Note	2015	2014	2013
Cash flow from operating activities				
Operating income		16 763	21 785	16 231
Adjustments for items not included in cash flow:				
Depreciation/amortization		5 924	5 301	2 320
Warrants		299	458	161
Changed assessment of provision for guarantee reserve		-685	0	0
Interest received		1	0	0
Interest paid		-221	-871	-1 485
Cash flow from operating activities before changes in working capital		**22 081**	**26 673**	**17 227**
Changes in working capital				
Decrease (+)/increase (-) in inventories		-6 625	-1 996	-1 871
Decrease (+)/increase (-) in trade accounts receivable		-10 785	-12 227	-8 001
Decrease (+)/increase (-) in other current receivables		8 796	-4 761	-5 258
Decrease (+)/increase (-) in trade accounts payable		1 777	-228	2 108
Decrease (+)/increase (-) in other current liabilities		18 401	8 850	3 909
Cash flow from operating activities		**33 645**	**16 311**	**8 114**
Investing activities				
Acquisition of intangible non-current assets	11	-9 330	-4 495	-5 390
Acquisition of property, plant and equipment	12	-3 134	-3 248	-619
Income from other financial non-current assets	13	-21 310	-6 107	-6 569
Cash flow from investing activities		**-33 774**	**-13 850**	**-12 578**
Financing activities				
Borrowings		0	0	10 000
Cash flow from financing activities		**0**	**0**	**10 000**
Cash flow for the year		**-129**	**2 461**	**5 536**
Cash and cash equivalents at beginning of year		**16 027**	**12 065**	**5 951**
Currency-rate effect in cash and cash equivalents		**-1 417**	**1 501**	**579**
Cash and cash equivalents at year-end	21	**14 481**	**16 027**	**12 066**

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NOTES FOR THE PARENT COMPANY

Note 1 Accounting principles

The Parent Company has prepared its annual accounts in compliance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's Recommendation RFR 2 *Accounting for Legal Entities* . According to RFR 2 the parent company is to apply all of the International Financial Reporting Standards adopted by the EU to the extent possible within the framework of the rules in the Swedish Annual Accounts Act.

Transition to RFR 2

As of January 1, 2015, the parent company is applying RFR 2 *Accounting for Legal Entities* and the Swedish Annual Accounts Act. In the past the parent company applied the Swedish Accounting Standards Board (BFN) general guideline BFNAR 2012:1 *Annual Accounts and Consolidated Accounts* ("K3"). RFR 2 is applied retroactively and, accordingly, the comparative figures for 2014 and 2013 have been restated according to RFR 2. The transition date to RFR 2 was set at January 1, 2013. The transition to RFR 2 has not had any material impact on the comparative figures for 2013 and 2014.

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

Classification and presentation

The parent company's income statement and balance sheet are prepared according to the schedules in the Swedish Annual Accounts Act. The differences compared to IAS 1 *Presentation of Financial Statements* , which is used in the presentation of the consolidated financial statements, are mainly in the recognition of financial income and expense, non-current assets, equity, and that provisions are presented under a separate heading.

Subsidiaries

Shares in subsidiaries are recognized at cost in the parent company's financial statements. Acquisition-related costs for subsidiaries, which are expensed in the consolidated accounts, are included as a portion of the cost of shares in subsidiaries.

Financial instruments

The parent company does not apply IAS 39 *Financial Instruments* : *Recognition and Measurement* . The parent company applies a method based on cost according to the Swedish Annual Accounts Act.

Note 2 Disclosures on purchases and sales within the Group

	2015	**2014**	**2013**
Sales	0,0%	3,0%	3,0%

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Note 3 Auditor's fees

	2015	2014	2013
Deloitte AB			
Audit assignments	205	190	180
Auditing activity over and above audit assignments	243	103	0
Other services	0	30	113
Total	**448**	**323**	**293**

Note 4 Leases

Operating leases – lessees
The Group is a lessee in operating leases for rented premises. The total amount of expensed lease payments for the year for the Group's operating leases is TSEK 2 406 (2 238) (and TSEK 2 238 for 2013). Future minimum lease payments and variable payments for non-cancellable operating leases fall due as follows:

Maturity:	2015	2014	2013
Future minimum lease payments			
Within one year	3 556	1 678	2 238
Later than one year but within five years	6 224		

Note 5 Personnel expenses

Salaries, remuneration, social insurance contributions and pension expenses	**2015**	**2014**	**2013**
Salaries and other remuneration	60 522	45 399	42 259
Pension expenses	6 785	5 695	5 158
Total	**67 307**	**69 614**	**64 164**

See Group Note 12 for information on the average number of employees, salaries and remuneration, as well as gender distribution on the Board of Directors and among senior executives.

Note 6 Depreciation/amortization and impairment of property, plant and equipment and intangible non-current assets

	2015	2014	2013
Cost of goods sold	-3 747	-2 244	-626
Research and development expenses	-2 177	-1 841	-1 694
Total	**-5 924**	**-4 085**	**-2 320**

Note 7 Impairment of financial non-current assets

	2015	2014	2013
Impairment losses	-19 603	-7 156	-16 854
Total	**-19 603**	**-7 156**	**-16 854**

Note 8 Other interest income and similar profit/loss items

	2015	2014	2013
Interest income	0	1	131
Interest income, Group companies	83	126	383
Exchange-rate differences	1 380	6 139	1 156
Total	**1 463**	**6 266**	**1 670**

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Note 9 Interest expense and similar profit/loss items

	2015	2014	2013
Interest expense	2	-804	-558
Factoring fees	-85	-866	-1 486
Exchange-rate differences	-617	-103	-863
Other	0	-569	0
Total	**-700**	**-2 342**	**-2 907**

Note 10 Tax on profit for the year

	2015	2014	2013
Current tax	-3 918	-5 213	-2 478
Adjustments recognized in current year for previous year's current tax	21	-365	-159
Deferred tax attributable to temporary differences	724	-495	-1 049
Tax on profit for the year	**-3 173**	**-6 073**	**-3 686**

Reconciliation of the year's tax expenses

	2015	2014	2013
Reported pre-tax profit	-2 114	18 553	-1 860
Tax based on Swedish tax rate (22 percent).	465	-4 082	409
Tax effect of:			
Impairment of financial assets	-4 313	-1 574	-3 708
Deduction for recaptured accelerated depreciation and changes in acccelerated depreciation	46	21	-80
Temporary differences for the year for which no deferred tax assets	0	495	1 049
Non-deductible expenses and losses	-117	-74	-38
Interest income on tax account	1	1	0
Other non-deductible expenses	0	0	-110
Total	**-3 918**	**-5 213**	**-2 478**
Deferred tax attributable to temporary differences	724	-495	-1 049
Adjustments recognized in current year for previous year's current tax	21	-365	-159
Tax expenses recognized for the year	**-3 173**	**-6 073**	**-3 686**

Current tax recognized directly in equity amounts to SEK 0 (0). Deferred tax recognized directly in equity amounts to SEK 0 (0).

Deferred tax assets and deferred tax liabilities
The parent company's deferred tax assets and deferred tax liabilities relate to the following items:

	2015-12-31	2014-12-31	2013-12-31
Deferred tax assets			
Unutilized tax loss carryforwards	18 658	21 725	26 541
Deferred tax assets	**18 658**	**21 725**	**26 969**
Deferred tax liabilities			
Capitalized expenditure for development work	-818	-1 544	-1 049
Net, recognized deferred tax [asset/liability]	**17 840**	**20 181**	**25 920**

Deferred tax assets are measured at no more than the amount that is likely to be recovered based on current and future taxable profits. The company has unutilized loss carryforwards amounting to TSEK 82 126 (96 947) of which TSEK 82 126 (96 947) (and 120 641 for 2013) are not related to recognized loss carryforwards. The US subsidiary has additional unrecognized loss carryforwards. The company is not certain whether or not these loss carryforwards will be able to be used as it is uncertain about when in the future a sufficient taxable surplus will be generated.

The tax rate on which the deferred tax is calculated is 22 percent

Note 11 Capitalized expenditure for development work

	2015-12-31	2014-12-31	2013-12-31
Cost as of January 1	**9 885**	**5 390**	**0**
Assets developed internally	9 330	4 495	5 390
Accumulated cost as of December 31	**19 215**	**9 885**	**5 390**
Depreciation as of January 1	-2 870	-626	0
Depreciation for the year	-3 747	-2 244	-626
Accumulated depreciation as of December 31	**-6 617**	**-2 870**	**-626**
Carrying amount as of December 31	**12 598**	**7 015**	**4 764**

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Note 12 Equipment, tools and installations

	2015-12-31	2014-12-31	2013-12-31
Cost as of January 1	**14 933**	**11 685**	**11 354**
Purchases	737	59	68
Reclassifications	2 397	3 189	263
Accumulated cost as of December 31	**18 067**	**14 933**	**11 685**
Depreciation as of January 1	-11 918	-10 077	-8 383
Depreciation for the year	-2 177	-1 841	-1 694
Accumulated depreciation as of December 31	**-14 095**	**-11 918**	**-10 077**
Carrying amount as of December 31	**3 972**	**3 015**	**1 608**

Note 13 shares in Group companies

	2015-12-31	2014-12-31	2013-12-31
Cost as of January 1	**1 470**	**1 470**	**1 470**
Reclassification	19 603	0	0
Accumulated cost as of December 31	**21 073**	**1 470**	**1 470**
Impairment losses as of January 1	**-1 470**	**-1 470**	**-1 470**
Depreciation of the year	-19 603	0	0
Accumulated impairment losses as of December 31	**-21 073**	**-1 470**	**-1 470**
Carrying amount as of December 31	**0**	**0**	**0**

The company's holdings of shares in Group companies

			Carrying amount		
Company name	**Percentage of capital[1]**	**No. of shares**	**2015-12-31**	**2014-12-31**	**2013-12-31**
Edgeware Inc	100%	1 000	0	0	0
Total			**0**	**0**	**0**

[1] Percentage of capital is the same as percentage of voting power.

Company name	Registered office
Edgeware Inc	Incorporated in Delaware, USA (located in Chicago)

Note 14 Receivables from Group companies

	2015	1905-07-06	2013
Cost as of January 1	**39 243**	**26 978**	**19 527**
New receiavables	26 376	10 418	11 518
Paid receiavables	-13 799	-1 432	-2 579
Reclassification	-21 851	0	0
Exchange differences	0	3 280	-17
Accumulated cost as of December 31	**29 969**	**39 244**	**28 449**
Impairment losses as of January 1	**-24 948**	**-17 792**	**-2 408**
Reclassification	19 603	0	0
Impairment of the year	-19 603	-7 156	-16 854
Accumulated impairment losses as of December 31	**-24 948**	**-24 948**	**-19 262**
Carrying amount as of December 31	**5 021**	**14 296**	**9 187**

Note 15 Raw materials and supplies

Inventories consist of components, third-party products and finished products. Inventories recognized as a cost during the year include the cost of goods sold amounting to TSEK 121 (1 217) (and 389 for 2013).

Note 16 Prepaid expenses and accrued income

	2015-12-31	2014-12-31	2013-12-31
Accrued interest income	0	0	127
Other items	3 317	5 420	1 114
Carrying amount	**4 365**	**5 420**	**1 241**

Note 17 Other operating receivables

	2015-12-31	2014-12-31	2013-12-31
At beginning of year	1 200	1 200	1 200

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Provisions added	781	1 200	1 200
Amount utilized	-781	-672	-518
Reversal of unutilized amount	-685	-528	-682
Carrying amount	**515**	**1 200**	**1 200**

Guarantee provisions

Note 18 Accrued expenses and prepaid income

	2015-12-31	2014-12-31	2013-12-31
Accrued salaries	537	0	0
Accrued vacation pay	2 254	1 978	1 451
Accrued social insurance contributions	1 930	1 628	1 249
Prepaid income	27 866	12 486	4 677
Other items	7 799	6 697	6 625
Carrying amount	**42 357**	**22 789**	**14 002**

Note 19 Financial instruments

Maturity structure, financial liabilities

2015-12-31	Within 3 months	3–12 months	1–5 years	More than 5 years	Total
Other non-current liabilities	8 223	0	0	0	0
Total	**8 223**	**12 044**	**0**	**0**	**0**

2014-12-31	Within 3 months	3–12 months	1–5 years	More than 5 years	Total
Other non-current liabilities	6 446	0	0	0	0
Other current liabilities	582	11 829	0	0	0
Total	**7 028**	**11 829**	**0**	**0**	**0**

2013-12-31	Within 3 months	3–12 months	1–5 years	More than 5 years	Total
Other non-current liabilities	6 674	0	0	0	0
Other current liabilities	301	11 604	0	0	0
Total	**6 975**	**11 604**	**0**	**0**	**0**

Categorization of financial instruments

2015-12-31	Loan receivables and trade accounts receivable	Other liabilities	Carrying amount
Financial assets			
Trade accounts receivable	49 885	0	49 885
Other receivables	3 178	0	3 178
Cash and cash equivalents	14 481	0	14 481
Financial liabilities			
Trade accounts payable		-8 223	-8 223
Other liabilities	0	-11 971	-11 971
Total	**67 544**	**-20 194**	**47 350**

2014-12-31	receivables and trade accounts receivable	Other liabilities	Carrying amount
Financial assets			
Trade accounts receivable	39 100	0	39 100
Other receivables	842	0	842
Cash and cash equivalents	16 027	0	16 027
Financial liabilities			
Trade accounts payable		-6 446	-6 446
Other liabilities	0	-11 171	-11 171
Total	**55 969**	**-17 617**	**38 352**

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2013-12-31	Loan receivables and trade accounts receivable	Other liabilities	Carrying amount
Financial assets			
Trade accounts receivable	26 873	0	26 873
Other receivables	0	0	0
Cash and cash equivalents	12 066	0	12 066
Finansiella skulder			
Other liabilities	0	-10 371	-10 371
Total	**38 939**	**-10 371**	**21 894**

Note 20 Memorandum items

Assets pledged	2015-12-31	2014-12-31	2013-12-31
Chattel mortgage	6 000	6 000	6 000
Total	**6 000**	**6 000**	**6 000**

Note 21 Cash and cash equivalents in cash flow

	2015-12-31	2014-12-31	2013-12-31
Available funds on accounts at banks and other credit institutions	14 481	16 027	12 065
Total	**14 481**	**16 027**	**12 065**

Note 22 Transactions with related parties

Transactions between the parent company and its subsidiaries, which are related parties to the parent company, and disclosures about transactions between them are presented below.

Sale of goods and services	2015	2014	2013
Edgeware Inc	32 820	5 750	5 514
Total	**32 820**	**5 750**	**5 514**

Sales and purchases of goods and servicesare executed on market terms.

Loans to related parties	2015-12-31	2014-12-31	2013-12-31
Loans to related parties, convertibles	10 000	10 000	10 000
Total	**10 000**	**10 000**	**10 000**

Loans to related parties refers to a convertible promissory note of TSEK 10,000 with a coupon interest rate of 8 percent. The promissory note will mature at its nominal amount or can be converted into shares. Conversion may take place at a rate of SEK 400 per share as established at the time of issue.

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Note 23 Events after the closing day

On March 31 an extraordinary general meeting was held at which a resolution was passed to increase the share capital by 30,221 preference shares of series P6. Payment for the new shares was received in the form of offsetting of a past claim on the company.

The parent company’s annual accounts and the consolidated annual accounts were approved for issuance by the Board of Directors on mm dd, 2016. The consolidated income statement and balance sheet and the parent company’s income statement and balance sheet are subject to adoption by the Annual General Meeting on mm dd, 2016.

The Board of Directors and the Chief Executive Officer hereby confirm that the annual accounts have been prepared in accordance with

Stockholm April, 29th 2016

Mike Ruffolo
Chairman of the Board

Karl Thedéen
Board member

Kent Sander
Board member

Sigrun Hjelmquist
Board member

Lukas Holm
Board member

Jason Pinto
Board member

Staffan Helgesson
Board member

Joachim Roos
CEO

Our audit report was submtted on
Deloitte AB

Erik Olin
Authorized Public Accountant