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SONOS NORDICS APS
STRANDVEJEN 60, 2900 HELLERUP
ANNUAL REPORT
1 OCTOBER 2016 - 30 SEPTEMBER 2017

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 23 February 2018**

Gerben Anton Bomers

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 32 31 24 62

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COMPANY DETAILS

Company	Sonos Nordics ApS Strandvejen 60 2900 Hellerup CVR no.: 32 31 24 62 Established: 17 June 2014 Registered Office: Hellerup Financial Year: 1 October 2016 - 30 September 2017
Board of Executives	Gerben Anton Bomers Volker Weisshaar Ulrik Hvid
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V

STATEMENT BY BOARD OF EXECUTIVES

Today the Board of Executives have discussed and approved the Annual Report of Sonos Nordics ApS for the *financial year* 1 October 2016 - 30 September 2017.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the *Financial Statements* give a true and fair view of the the Company's financial position at 30 September 2017 and of the results of the the Company's operations for the *financial year* 1 October 2016 - 30 September 2017.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.

We recommend the Annual Report be approved at the Annual General Meeting.

Hellerup, 23 February 2018

Board of Executives

Gerben Anton Bomers

Volker Weisshaar

Ulrik Hvid

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Sonos Nordics ApS

Opinion

We have audited the Financial Statements of Sonos Nordics ApS for the financial year 1 October 2016 - 30 September 2017, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 30 September 2017 and of the results of the Company operations for the financial year 1 October 2016 - 30 September 2017 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such Internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.*
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.*

INDEPENDENT AUDITOR'S REPORT

- *Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.*
- *Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.*
- *Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.*

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

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 23 February 2018

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Iben Larsen
State Authorised Public Accountant
MNE no. mne34474

MANAGEMENT'S REVIEW

Principal activities

The principal activities are to develop and provide sales distribution channels for Sonos Europe B.V.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

INCOME STATEMENT 1 OCTOBER - 30 SEPTEMBER

	Note	2016/17 EUR	2015/16 EUR
GROSS PROFIT		1.214.852	1.110.852
Staff costs.....	1	-1.137.875	-1.010.972
OPERATING PROFIT		76.977	99.880
Other financial expenses.....		-1.044	-2.768
PROFIT BEFORE TAX		75.933	97.112
Tax on profit/loss for the year.....	2	-19.256	-22.631
PROFIT FOR THE YEAR		56.677	74.481
PROPOSED DISTRIBUTION OF PROFIT			
Accumulated profit.....		56.677	74.481
TOTAL		56.677	74.481

BALANCE SHEET AT 30 SEPTEMBER

ASSETS	Note	2017 EUR	2016 EUR
Equity investments in group enterprises.....		5.320	5.320
Rent deposit.....		16.794	19.022
Fixed asset investments.....	3	22.114	24.342
FIXED ASSETS.....		22.114	24.342
Trade receivables.....		6.827	0
Receivables from group enterprises.....		488.034	277.534
Other receivables.....		31.121	64.349
Prepayments and accrued income.....		16.815	11.953
Receivables.....		542.797	353.836
Cash and cash equivalents.....		43.392	302.726
CURRENT ASSETS.....		586.189	656.562
ASSETS.....		608.303	680.904

BALANCE SHEET AT 30 SEPTEMBER

EQUITY AND LIABILITIES	Note	2017 EUR	2016 EUR
Share capital.....		6.706	6.706
Retained profit.....		184.247	127.570
EQUITY.....	4	190.953	134.276
Corporation tax.....		15.088	22.631
Long-term liabilities.....	5	15.088	22.631
Trade payables.....		59.467	264.192
Corporation tax.....		0	16.652
Payables to management.....		920	920
Other liabilities.....		341.875	242.233
Current liabilities.....		402.262	523.997
LIABILITIES.....		417.350	546.628
EQUITY AND LIABILITIES.....		608.303	680.904
 Contingencies etc.	 6		

NOTES

	2016/17 EUR	2015/16 EUR	Note
Staff costs			1
Average number of employees 7 (2015/16: 6)			
Wages and salaries.....	963.018	854.253	
Pensions.....	81.486	72.801	
Other staff costs.....	93.371	83.918	
	1.137.875	1.010.972	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	19.256	22.631	
	19.256	22.631	
Fixed asset investments			3
	Equity investments in group enterprises	Rent deposit	
Cost at 1 October 2016.....	5.320	19.022	
Additions.....	0	16.794	
Disposals.....	0	-19.022	
Cost at 30 September 2017.....	5.320	16.794	
Carrying amount at 30 September 2017.....	5.320	16.794	
Equity			4
	Share capital	Retained profit	Total
Equity at 1 October 2016.....	6.706	127.570	134.276
Proposed distribution of profit.....		56.677	56.677
Equity at 30 September 2017.....	6.706	184.247	190.953
Long-term liabilities			5
	1/10 2016 total liabilities	30/9 2017 total liabilities	Repayment next year
			Debt outstanding after 5 years
Corporation tax.....	22.631	15.088	0
	22.631	15.088	0

NOTES**Note****Contingencies etc.****6**

The company have made an interminable rental agreement until february 2020. The remaining amount of the liability is ('000) EUR 106.

ACCOUNTING POLICIES

The annual report of Sonos Nordics ApS for 2016/17 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B with additional choice of rules relating to reporting class C.

The Annual Report is prepared consistently with the accounting principles used last year.

Consolidated financial statements

The group comply with the exemption clause of the § 110 for financial reporting for smaller groups in the Danish Financial Statements Act and therefore consolidated financial statements have not been prepared.

INCOME STATEMENT

Net revenue

The net revenue from sale of services is recognised in the income statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Other external expenses

Other external expenses include costs relating to distribution, sale, advertising, administration, premises, loss on bad debts, operating lease expenses and similar expenses.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses in general

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax on profit for the year

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Fixed asset investments

Equity investments in subsidiaries are measured at cost. If the cost exceeds the net realisable value, this is written down to the lower value.

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

ACCOUNTING POLICIES

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Amortised cost of current liabilities usually corresponds to nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.