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Havneholmen 29
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CVR no. 20 22 26 70

SONOS NORDICS APS
STRANDVEJEN 56 ST., 2900 HELLERUP
ANNUAL REPORT
1 OCTOBER 2018 - 30 SEPTEMBER 2019

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 29 February 2020**

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 56 st. 2900 Hellerup CVR No.: 32 31 24 62 Established: 17 June 2014 Registered Office: Hellerup Financial Year: 1 October 2018 - 30 September 2019
Board of Executives	Gerben Anton Bomers Volker Weisshaar
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
Bank	Danske Bank Holmens Kanal 2-12 1092 Copenhagen K

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 2018 - 30 September 2019.

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 Company's financial position at 30 September 2019 and of the results of the Company's operations for the financial year 1 October 2018 - 30 September 2019.

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, 25 February 2020

Board of Executives

Gerben Anton Bomers

Volker Weisshaar

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 2018 - 30 September 2019, 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 2019 and of the results of the Company's operations for the financial year 1 October 2018 - 30 September 2019 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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, 25 February 2020

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

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.

Development in activities and financial position

The profit for the year was at Eur ('000) 20, which is in line with managements expectations.

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	2018/19 EUR	2017/18 EUR
GROSS PROFIT		577.945	1.275.048
Staff costs.....	1	-529.252	-1.195.928
Depreciation, amortisation and impairment.....		-9.123	-12.479
OPERATING PROFIT		39.570	66.641
Other financial expenses.....		-420	-1.932
PROFIT BEFORE TAX		39.150	64.709
Tax on profit/loss for the year.....	2	-9.890	-15.218
PROFIT FOR THE YEAR		29.260	49.491
PROPOSED DISTRIBUTION OF DIVIDEND			
Retained earnings.....		29.260	49.491
TOTAL		29.260	49.491

BALANCE SHEET AT 30 SEPTEMBER

ASSETS	Note	2019 EUR	2018 EUR
Other plants, machinery, tools and equipment.....		6.597	7.362
Leasehold improvements.....		15.702	24.061
Tangible fixed assets.....	3	22.299	31.423
Equity investments in group enterprises.....		5.320	5.320
Rent deposit.....		0	16.865
Fixed asset investments.....	4	5.320	22.185
FIXED ASSETS.....		27.619	53.608
Trade receivables.....		0	1.204
Receivables from group enterprises.....		35.799	274.377
Deferred tax assets.....		898	898
Other receivables.....		30.458	13.145
Prepayments and accrued income.....		18.258	10.772
Receivables.....		85.413	300.396
Cash and cash equivalents.....		374.366	160.594
CURRENT ASSETS.....		459.779	460.990
ASSETS.....		487.398	514.598

BALANCE SHEET AT 30 SEPTEMBER

EQUITY AND LIABILITIES	Note	2019 EUR	2018 EUR
Share capital.....		6.706	6.706
Retained profit.....		262.997	233.738
EQUITY.....	5	269.703	240.444
Corporation tax.....		11.580	11.983
Other liabilities.....		3.866	0
Long-term liabilities.....	6	15.446	11.983
Trade payables.....		28.521	36.021
Other liabilities.....		173.728	226.150
Current liabilities.....		202.249	262.171
LIABILITIES.....		217.695	274.154
EQUITY AND LIABILITIES.....		487.398	514.598
 Contingencies etc.	 7		

NOTES

	2018/19 EUR	2017/18 EUR	Note
Staff costs			1
Average number of employees 3 (2017/18: 7)			
Wages and salaries.....	446.313	1.015.295	
Pensions.....	37.376	93.140	
Other staff costs.....	45.563	87.493	
	529.252	1.195.928	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	9.890	16.116	
Adjustment of deferred tax.....	0	-898	
	9.890	15.218	
Tangible fixed assets			3
	Other plants, machinery, tools and equipment	Leasehold improvements	
Cost at 1 October 2018.....	19.841	24.061	
Cost at 30 September 2019.....	19.841	24.061	
Depreciation and impairment losses at 1 October 2018.....	7.830	4.650	
Depreciation for the year.....	5.414	3.709	
Depreciation and impairment losses at 30 September 2019...	13.244	8.359	
Carrying amount at 30 September 2019.....	6.597	15.702	
Fixed asset investments			4
	Equity investments in group enterprises	Rent deposit	
Cost at 1 October 2018.....	5.320	16.865	
Disposals.....	0	-16.865	
Cost at 30 September 2019.....	5.320	0	
Carrying amount at 30 September 2019.....	5.320	0	

NOTES

	Note
Equity	5

	Share capital	Retained profit	Total
Equity at 1 October 2018.....	6.706	233.737	240.443
Proposed distribution of profit.....		29.260	29.260
Equity at 30 September 2019.....	6.706	262.997	269.703

Long-term liabilities	6
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	30/9 2019 total liabilities	Repayment next year	Debt outstanding after 5 years	30/9 2018 total liabilities	Current portion at the beginning of the year
Corporation tax.....	11.580	0	0	11.983	0
Other liabilities.....	3.866	0	0	0	0
	15.446	0	0	11.983	0

Contingencies etc.	7
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The company have in the following period terminated their office lease with expiration date October 2019. The remaining amount of the liability is (´000) EUR 6.

ACCOUNTING POLICIES

The Annual Report of Sonos Nordics ApS for 2018/19 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

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

The Financial Statements for 2018/19 are presented in EUR.

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.

Investments in subsidiaries

Dividend from subsidiary is recognised in the financial year when the dividend is declared.

Financial income and expenses

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

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

Tangible fixed assets

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.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

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

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.