

Annual report

for

BIAB International AB

556127-3177

Financial year

2019

This financial report is a translation from the official Swedish annual report.

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Director's report

Operations

General information about the Enterprise

The company has been active since 1980 as a niched confirming house towards the UN and similar international organisations. The company is a leading actor from Sweden within this area. The business concept is built on delivering products that are demanded for aid and evolvment of developing nations.

The sales are performed directly with all customers. The company makes it's purchases mostly in China direct from factories through a purchase-agent. In the purpose of offering innovative, environment-friendly and sustainable solutions, efforts are made to establish cooperation with both Swedish and Nordic manufacturers of innovative products in diverse areas.

General information about the parent company

Biab International AB is a subsidiary company to Right Direction AB, 556925-2835 with headquarters in Västra Götalands Län, Göteborg kommun.

The company is headquarted in Västra Götalands Län, Göteborg kommun.

Multi-year overview (TKr)

	2019-01-01 -2019-12-31	2018-01-01 -2018-12-31	2017-01-01 -2017-12-31	2016-01-01 -2016-12-31
Net turnover	64 661 533	70 719 295	57 919	72 235
Profit/loss after financial items	1 382 315	2 413 724	577	6 579
Equity/assets ratio (%)	40%	31%	40%	33%

Changes in Equity

	Share capital	Statutory reserve	Retained profit/loss	Profit/loss this year	Total
Amount at the opening of the year	200 000	40 000	6 257 650	1 404 780	7 662 430
Appropriation of earnings as per decision of the Annual General Meeting:			1 404 780	-1 404 780	-
Dividends			-300 000		-300 000
Profit/loss of the year				1 079 827	1 079 827
Amount at the closing of the year	200 000	40 000	7 362 430	1 079 827	8 442 257

Allocation of profits

The Board of Directors recommends that the profit/loss and brought forward profits available for disposition (SEK):

profit carried forward

	8 442 257
Summa	<u>8 442 257</u>

The company's earnings and financial position in general are indicated in the following income statement and balance sheet with notes.

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Income Statement

<i>Amount in SEK</i>	<i>Note</i>	<i>2019-01-01 -2019-12-31</i>	<i>2018-01-01 -2018-12-31</i>
Revenue, changes in stock etc			
Net turnover	1	64 661 533	70 719 295
Other operating income		<u>1 525</u>	<u>6 175</u>
Total operating income, change of stock goods etc		64 663 058	70 725 470
Operating expences			
Goods for resale		-59 374 256	-63 802 495
Other external costs		-3 211 260	-3 251 030
Personnel costs	2	<u>-617 444</u>	<u>-1 187 895</u>
Total operating costs		<u>-63 202 960</u>	<u>-68 241 420</u>
Operating profit/loss		1 460 098	2 484 050
Financial items			
Other interest income and similar profit/loss items		12 940	6 181
Interest expense and similar profit/loss items		<u>-90 723</u>	<u>-76 507</u>
Total profit/loss from financial items		<u>-77 783</u>	<u>-70 326</u>
Profit/loss after financial items		1 382 315	2 413 724
Appropriations			
Change in tax allocation reserves		<u> </u>	<u>-600 000</u>
Total appropriations		<u> </u>	<u>-600 000</u>
Pre-tax profit/loss		1 382 315	1 813 724
Taxes			
Tax on profit for the financial year		<u>-302 488</u>	<u>-408 944</u>
Net profit/loss for the year		<u>1 079 827</u>	<u>1 404 780</u>

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Balance Sheet

<i>Amount in SEK</i>	<i>Note</i>	<i>2019-12-31</i>	<i>2018-12-31</i>
ASSETS			
Fixed assets			
<i>Financial assets</i>			
Other long-term securities	3	944 445	944 445
Total financial assets		<u>944 445</u>	<u>944 445</u>
Total fixed assets		944 445	944 445
Current assets			
<i>Current receivables</i>			
Accounts receivables		20 165 883	26 096 369
Receivables from group companies		1 445 922	1 150 710
Tax receivables		89 838	-
Other receivables		61 519	320 448
Deferred expense and accrued income		57 794	2 115 148
Total current receivables		<u>21 820 956</u>	<u>29 682 675</u>
<i>Cash on hand and in bank</i>			
Cash on hand and in bank		3 919 608	735 039
Total cash on hand and in bank		<u>3 919 608</u>	<u>735 039</u>
Total current assets		<u>25 740 564</u>	<u>30 417 714</u>
TOTAL ASSETS		<u>26 685 009</u>	<u>31 362 159</u>

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EQUITY AND LIABILITIES

Equity

Restricted reserves

Share capital	200 000	200 000
Statutory reserve	40 000	40 000
Total restricted reserves	<u>240 000</u>	<u>240 000</u>

Non-restricted equity

Accumulated profit/loss	7 662 430	6 257 650
Deposit or withdrawal current year	-300 000	
Profit/loss for the year	1 079 827	1 404 780
Total non-restricted equity	<u>8 442 257</u>	<u>7 662 430</u>
Total equity	<u>8 682 257</u>	<u>7 902 430</u>

Untaxed reserves

Tax allocation reserves	2 504 500	2 504 500
Total untaxed reserves	<u>2 504 500</u>	<u>2 504 500</u>

Long-term liabilities

Bank overdraft facilities	4, 5	-	955 502
Total long-term liabilities		<u>-</u>	<u>955 502</u>

Current liabilities

Accounts payable		14 033 711	7 682 232
Liabilities to group companies		815 000	515 000
Other liabilities		347 157	440 185
Accrued expenses and deferred income		302 384	11 362 310
Total current liabilities		<u>15 498 252</u>	<u>19 999 727</u>
		<u>15 498 252</u>	<u>20 955 229</u>

TOTAL EQUITY AND LIABILITIES		<u>26 685 009</u>	<u>31 362 159</u>
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Notes

Amount in SEK if nothing else is stated

Accounting principles

General information

The annual report is drawn up in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board (BFNAR 2016:10) Annual Reporting in Smaller Companies.

Depreciation

The following depreciation time is applied: 5 years

Note 1	Exceptional income	2019-01-01	2018-01-01
		-2019-12-31	-2018-12-31
	Sales to group companies	2 880 229	2 606 149
Note 2	Employees and Personnel Costs	2019-01-01	2018-01-01
		-2019-12-31	-2018-12-31
	<i>Average number of employees</i>		
	Women	-	-
	Men	1	2
	Total	1	2
	Salaries and other remunerations and social security expenses incl pension costs	2019-12-31	2018-12-31
	Salaries and other remunerations	464 955	958 954
	Social security expenses and pension costs <i>(of which pension costs)</i>	98 712 (-)	177 845 (-)
	Total salaries, other remunerations, social security expenses and pension costs	563 667	1 136 799
Note 3	Other long-term securities	2019-12-31	2018-12-31
	<i>Ackumulatad aquisition values</i>		
	Aquisition value, opening balance	944 445	944 445
	Aquisition value, closing balance	944 445	944 445
	Book valaue, closing balance	944 445	944 445
Note 4	Bank Overdraft Facilities	2019-12-31	2018-12-31
	Bank overdraft facilities amount to	5 000 000	5 000 000
	Unused overdraft facilities	-5 000 000	-4 044 498
	Used overdraft facilities	-	955 502

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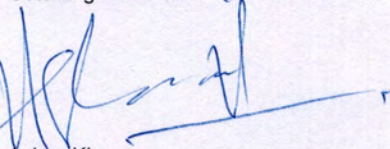
Note 5	Pledged Assets	2019-12-31	2018-12-31
		Corporage Mortgages	5 000 000
	Other Pledged Assets	5 150 558	509 588
		<u>10 150 558</u>	<u>5 509 588</u>

Note 6 Significant occurrences after closing of the financial year

During the beginning of 2020 a large part of the world and Sweden has been affected by the Corona-virus, Covid-19. It is today impossible to review the impacts of Covid-19, but we can establish that it has allready during the first quarter of the year had a severe negative impact on community, business life and the financial markets. Since we are mainly exporting goods to the UN, we evaluate that it won't affect our possibilities to provide for our services and keep and continue to develop our business. We have received a large number of inquiries regarding delivery of protection gear and are doing our best to secure orders from our customers.

Göteborg 2020-

04-28



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My auditor's report was submitted 2020- 04-28



Mikael Thorsson
Authorized Public Accountant



Auditor's report

To the general meeting of the shareholders of BIAB International AB, corporate identity number 556127-3177

Report on the annual accounts

Opinions

I have audited the annual accounts of BIAB International AB for the year 2019.

In my opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of BIAB International AB as of 31 December 2019 and its financial performance for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

I therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet.

Basis for Opinions

I conducted my audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the *Auditor's Responsibilities* section. I am (are) independent of ABC AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors is also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors is responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is not applied if decision has been taken to discontinue the operations.

Auditor's responsibility

My objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate,

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they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

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

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

I must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. I must also inform of significant audit findings during my audit, including any significant deficiencies in internal control that I identified.

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Report on other legal and regulatory requirements

Opinions

In addition to my audit of the annual accounts, I have also audited the administration of the Board of Directors of BIAB International AB for the year 2019 and the proposed appropriations of the company's profit or loss.

I recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors be discharged from liability for the financial year.

Basis for Opinions

I conducted the audit in accordance with generally accepted auditing standards in Sweden. My responsibilities under those standards are further described in the *Auditor's Responsibilities* section. I am independent of ABC AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled my ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

Auditor's responsibility

My objective concerning the audit of the administration, and thereby my opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

My objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby my opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

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Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, I exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on my professional judgment with starting point in risk and materiality. This means that I focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. I examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to my opinion concerning discharge from liability. As a basis for my opinion on the Board of Directors' proposed appropriations of the company's profit or loss I examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Gothenburg 2020- 04-28



Mikael Thorsson

Authorized Public Accountant