



# Annual Report

The Internet Infrastructure Foundation

802405-0190

The board of the Internet Infrastructure Foundation hereby submits their report on the Foundation's development for the accounting year 2014-01-01 - 2014-12-31

Unless otherwise specified, all amounts are in rounded SEK.

## Table of Contents

Management report	2 - 3
Income Statement	4
Balance Sheet	5 - 6
Cash Flow Analysis	7
Additional Information	8 - 15
Signatures	16

## Management Report

The board of the Internet Infrastructure Foundation hereby submits their report for the accounting year 2014-01-01 - 2014-12-31.

## Operations

The past year shows that the takeover of the administration for the top-level domain .nu and the start of the technical test organization for ICANN have been very successful. The Foundation's total operating revenue landed at 169.0 MSEK (140.7 MSEK), an increase of almost 20%. The resulting profit for the Foundation was 30.5 MSEK (-7.4 MSEK).

The Foundation's Board judges that in the long-term, the financial reserves need to increase in light of the increased size, slowing growth of the .se domain name and diversifying of operations. The ambition is to return to an equity ratio between 35 and 40%, which is the equity ratio the Foundation had before 2009.

The domain operations generated 145.4 MSEK (122.6 MSEK), an increase of 19%. The domain operation revenues were positively driven by the .nu revenues and by one-time revenues from the auctions held at the end of the year.

The revenues from development operations generated 23,6 MSEK (18,1 MSEK), an increase of 30%. The development operations now stand for 14% of the total operating revenue.

The costs for development and other internet investments amounted to 57 MSEK (79 MSEK). The reason for the decrease in costs was that during 2013, .SE had higher establishment costs for the new testing operations. The campaign Digidel also ended in 2013.

The total number of domain names administered by .SE has only increased from 1,590,409 to 1,597,138. This is a strong contrast from earlier years. The growth of the .se domain name has completely stopped and was negative, -0,4% (6,4%). At the end of 2014, there were 1,331,167 registered .se domain names. Luckily, the growth for .nu domain names is looking better. At the end of 2014, there were 265,971 .nu domain names, an increase of 7%.

.SE Direkt (.SE's own registrar) administered almost 167,000 .se domain names at the end of 2014, a decrease of around 20,000 compared with the end of 2013. Thereby, as expected, the .SE Direkt market share decreased from 14 to 12.5%. This development is completely in line with the overall strategy that was determined during the transition to the new business model in 2009.

.SE has a mission to promote good stability in the infrastructure for the internet in Sweden and to promote "research, training, and education within data and telecommunication, with special emphasis on the internet."

Also during 2014, .SE's services and activities were expansive. For example, 60,000 students learned to build websites through Webbstjärnan, .SE's internet guides reached 250,000 readers, Internet Days had 2,000 visitors and our blog increased in unique page views by 50%.

An important investment is the establishment of federation operator services for the school community (skolfederation.se) and e-health (samba.se). Skolfederation.se has really taken off during 2014 and has already gained 70 members, both schools and service operators. Sambi is expected to go into full operation during 2015.

#### Subsidiaries

The Foundation owns 100% of the NIC-SE Network Information Centre Sweden AB and OpenDNSSEC AB (svb).

The subsidiaries conducted no operations with the accounting year's end and have no employees.

#### Significant events

At the yearly strategy review, the board decided not to continue with the existing activities within the OpenDNSSEC AB (svb) company. Instead, .SE will increase its grant to existing open source projects within DNSSEC and other investments important for .SE's internet infrastructure. During 2015, the OpenDNSSEC AB (svb) company will be discontinued.

#### Future development

In spite of the negative growth of the .se domain name during 2014, a recovery is expected during 2015 and the revenue from the .se domain name is expected to be stable for the coming three years.

The two new development areas, the .nu domain name and the test service for ICANN are expected to give a stable positive contribution to the operating profit during the coming three years.

The new area of federation operator services already has the potential to contribute significantly to the income.

#### Risk and uncertainty factors

The Foundation has had to deal with areas of risk, such as marketing development. The Foundation's takeover of the administration of the top-level domain .nu causes a risk in case of a market downturn, for example through a new technical development that makes domain names less important since the operations by character is dependent on an active development of the domain name market.

The Foundation is exposed to currency risks from different foreign exchange rates, through the Euro (EUR) and the U.S. Dollar (USD). The currency risk is exposed through future business transactions, reporting assets and liabilities.

#### Multi-year Summary

The amounts in the yearly summary are stated in SEK thousands if not otherwise stated.

	<b>1401-1412</b>	<b>1301-1312</b>	<b>1201-1212</b>	<b>1101-1112</b>
Net Sales	168 079	139 913	119 272	110 351
Profit after financial items	19 845	-3 370	4 524	-3 853
Solidity %	22	17	31	30
Cash liquidity %	112	76	102	105

Solidity

Adjusted equity in percent of total capital.

Cash liquidity

Current assets in percent of short-term liabilities.

The Foundation's results and position can be read by the subsequent result and balance sheets with additional information.

	1, 2	2014-01-01 2014-12-31	2013-01-01 2013-12-31
<b>Income Statement</b>			
<b>Operating income</b>	<b>3</b>	<b>168 078 825</b>	<b>139 912 769</b>
Net sales		890 346	793 562
Other operating income		168 969 171	140 706 331
<b>Total operating income</b>		<b>168 969 171</b>	<b>140 706 331</b>
<b>Operating expenses</b>	<b>3</b>		
Other external expenses	4, 5	-67 931 017	-82 606 245
Staff costs	6	-61 863 896	-61 137 328
Depreciation of tangible and intangible fixed assets		-8 630 838	-4 357 403
<b>Total operating expenses</b>		<b>-138 425 751</b>	<b>-148 100 976</b>
<b>Operating income</b>		<b>30 543 420</b>	<b>-7 394 645</b>
<b>Financial items</b>			
Earnings from other financial assets		2 287 659	2 113 543
Interest income and similar income items	7	-11 787 913	2 241 248
Interest expense and similar profit items		-1 197 825	-330 355
<b>Total financial items</b>		<b>-10 698 079</b>	<b>4 024 436</b>
<b>Profit after financial items</b>		<b>19 845 341</b>	<b>-3 370 209</b>
<b>Profit before tax</b>		<b>19 845 341</b>	<b>-3 370 209</b>
<b>Taxes</b>			
Tax on profit for the year	8	-3 260 640	0
<b>Net profit</b>		<b>16 584 701</b>	<b>-3 370 209</b>

**Balance Sheet**

		2014-12-31	2013-12-31
<b>Assets</b>			
<b>Fixed assets</b>			
<i>Intangible assets</i>			
Access rights	9	84 037 568	90 184 604
<i>Total intangible assets</i>		<i>84 037 568</i>	<i>90 184 604</i>
 <i>Tangible fixed assets</i>			
Equipment	10	5 472 877	5 738 064
Improvements Leasehold	11	1 176 267	1 567 868
<i>Total tangible assets</i>		<i>6 649 144</i>	<i>7 305 932</i>
 <i>Financial assets</i>			
Shares in group companies	12	156 259	156 259
Other long-term securities holdings	13	0	25 256 249
<i>Total financial assets</i>		<i>156 259</i>	<i>25 412 508</i>
<b>Total fixed assets</b>		<b>90 842 971</b>	<b>122 903 044</b>
 <b>Current assets</b>			
<i>Current receivables</i>			
Accounts receivable		5 676 423	7 178 485
Current tax assets		0	769 824
Other receivables		4 196 412	445 315
Prepayments and accrued income	14	6 994 689	4 113 128
<i>Total current receivables</i>		<i>16 867 524</i>	<i>12 506 752</i>
 <i>Current investments</i>			
Current investments	15	114 365 387	56 374 093
<i>Total current investments</i>		<i>114 365 387</i>	<i>56 374 093</i>
 <i>Cash and bank balances</i>			
Cash and bank balances		15 659 506	23 606 870
<i>Total cash and cash equivalents</i>		<i>15 659 506</i>	<i>23 606 870</i>
<b>Total current assets</b>		<b>146 892 417</b>	<b>92 487 715</b>
<b>TOTAL ASSETS</b>		<b>237 735 388</b>	<b>215 390 759</b>

		2014-12-31	2013-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>16</b>		
<i>Restricted equity</i>			
Foundation Capital		200 000	200 000
<i>Total restricted equity</i>		<i>200 000</i>	<i>200 000</i>
<i>Unrestricted equity</i>			
Retained earnings		36 144 496	39 933 305
Net profit		16 584 701	-3 370 209
<i>Total unrestricted equity</i>		<i>52 729 197</i>	<i>36 563 096</i>
<b>Total equity</b>		<b>52 929 197</b>	<b>36 763 096</b>
<b>Long-term liabilities</b>			
<b>Other debts</b>	<b>17, 19</b>	54 209 144	56 669 505
<b>Total Long term liabilities</b>		<b>54 209 144</b>	<b>56 669 505</b>
<b>Current liabilities</b>			
Accounts payable		10 653 949	14 987 061
Current tax liabilities		2 561 114	0
Other debts	18, 19	17 910 943	17 900 895
Accrued expenses and deferred income	20	99 471 041	89 070 202
<b>Total short-term liabilities</b>		<b>130 597 047</b>	<b>121 958 158</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>237 735 388</b>	<b>215 390 759</b>
<b>PLEGDED ASSETS AND LIABILITIES</b>			
<b>Pledged assets</b>			
<i>Pledges and comparable securities given for own liabilities and provisions</i>			
Bank guarantee for future payments	18	72 974 310	60 853 620
<b>Total pledged assets</b>		<b>72 974 310</b>	<b>60 853 620</b>
<b>Contingent liabilities</b>		<b>None</b>	<b>None</b>

## CASH FLOW STATEMENT

	2014-01-01 2014-12-31	2013-01-01 2013-12-31
<b>Operating activities</b>		
Operating income	30 543 420	-7 394 645
Adjustments for items not included in cash flow, etc.		
- Depreciation	8 630 838	4 357 403
- Impairment	146 499	190 458
- Disposals	0	-111 491
Interest received and similar items	3 910 249	4 825 087
Interest paid and similar items	-15 425 670	-1 624 355
income tax paid	70 298	-129 357
<i>Cash flow from operating activities before changes in working capital</i>	<i>27 875 634</i>	<i>113 100</i>
Changes in working capital		
- Increase (-) / decrease (+) in operating receivables	-5 130 599	1 315 231
- Increase (+) / decrease (-) in operating liabilities	6 503 551	34 080 548
<b>Cash flow from operating activities</b>	<b>29 248 586</b>	<b>35 508 879</b>
<b>Investment</b>		
Acquisition of intangible assets	0	-85 620 969
Acquisition of tangible assets	-1 827 012	-4 015 998
Acquisition of financial assets	-82 998 405	-8 099 663
Sale of financial assets	50 116 861	18 545 506
Dividend received	817 344	823 704
<b>Bags Flow from financing activities</b>	<b>-33 891 212</b>	<b>-78 367 420</b>
<b>Cash flow</b>	<b>-7 947 364</b>	<b>11 724 221</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>23 606 870</b>	<b>11 882 649</b>
<b>Cash and cash equivalents at end of year</b>	<b>15 659 506</b>	<b>23 606 870</b>

## **ADDITIONAL INFORMATION**

### **Note 1 GENERAL INFORMATION**

#### **Accounting - and valuation principles**

The annual report was drawn up for the first time in accordance with BFNAR 2012:1, Annual Report and consolidated financial statements, which meant a change in accounting principle. The company has not re-calculated comparative figures because they are not changed with the different accounting principle. For better comparability between years, some adjustments of the previous year were made. A portion of long-term debt has been reclassified as a short-term liability. During previous years, net sales included other operating income. This is now reported separately. Based on these adjustments, cash flow statement and key figures in the multiple year overview in the management report have been recalculated.

#### **Revenue Recognition**

The company's revenues mainly consist of domain name revenues and external assignments. Domain revenue and federation services have been recognized in the agreed period, which corresponds to the performance. Other income is recognized when the work has been completed.

#### **Leases**

A finance lease is a lease under which the risks and benefits associated with owning an asset are essentially transferred from the lessor to the lessee. An operating lease is a lease that is not a financial lease.

The company reports all financial lease contracts according to the rules for operating leases. This means that the leasing fee is expensed over the lease period.

#### **Income tax**

The company's tax consists of current tax. Current tax is income tax (corporation tax and coupon tax) for the current financial year relating to the taxable income and the part of the previous fiscal income that has not yet been reported.

The company has no temporary differences.

#### **Intangible assets**

Depreciation is linear over the expected utilization period taking into account the essential residual value. The following utilization period is used.

<b>Type</b>	<b>Utilization period</b>	<b>Percent</b>
Utilization period	15	6,66



The utilization period is expected to provide economic benefits and a positive cash flow for 15 years, which is why a longer utilization period applies than Chapter 4: 4 states.

**Tangible fixed assets**

Depreciation is linear over the expected utilization period, taking into account the essential residual value. The following utilization periods are used.

Type	Utilization period	Percent
Equipment	5	20
Improvements on leasehold	10	10

**Financial instruments**

The company's financial instruments are valued based on purchase value under Chapter 11 of BFNAR 2012:1.

Previous years' long-term securities have been sold in their entirety. This year, all securities are classified as current assets.

**Receivables**

Receivables are reported to the amounts expected to be received.

**Receivables and payables in foreign currencies**

Receivables and payables in foreign currencies are valued at the closing rate.

Exchange gains and losses on monetary items are recognized in the income statement the year they arise. Exchange differences arising on operating receivables and liabilities are recognized in operating income and rate differences on financial receivables and liabilities are reported among financial items.

**Other assets and liabilities**

Other assets and liabilities are valued based on acquisition value unless otherwise stated below.

**Stipends**

Paid stipends are recognized directly in equity.

***Estimates and judgments***

**Assumptions of the future**

The subsidiary OpenDNSSEC AB (SVB) will be liquidated in the coming year. Otherwise, the Foundation's activities are expected to continue at the current level in the coming year.

***Other information***

**Exemptions from the obligation to draw up consolidated accounts**

The company is a parent company, but with reference to the exemption rules in the Annual Accounts Act, Chapter 7, Section 3a §, a consolidated account is not prepared.

**Note 2 Income statement distributed on domain and development activities**

	Development	Domain	Total
Revenue	23 561 564	145 407 607	168 969 171
Financial income / expenses	0	-10 698 079	-10 698 079
Other expenses	-33 590 655	-34 340 362	-67 931 017
Staff costs	-12 752 388	-49 111 508	-61 863 896
Internal time	-10 201 574	10 201 574	0
Depreciation	-244 672	-8 386 167	-8 630 838
Results	-33 227 725	53 073 065	19 845 341

**Note 3 Purchase and försälning between Group companies**

	2014-12-31	2013-12-31
Purchases from other companies in corporate group	45 550	0
Sales to other companies in corporate group	0	0

**Note 4 Operating leasing fees**

	2014-12-31	2013-12-31
<i>Maturities of future leasing fees</i>		
Within a year	369 276	247 214
Later than one year but before five years	492 188	584 758
Later than five years	0	0
<i>Expensed leasing fees</i>		
Leasing fees expensed during the financial year	708 015	642 739

*Concluded significant leasing fees*

The company's leasing fees relate to the leasing of office equipment and also some vehicles. The leasing fee applies from a period of 12 - 60 months.

**Note 5 Fees to auditors**

	2014-12-31	2013-12-31
Auditing firm KPMG AB	200 000	175 000
Tax advice	130 000	0
	<b>330 000</b>	<b>175 000</b>

<b>Note 6</b>	<b>Employees</b>	<b>2014-12-31</b>	<b>2013-12-31</b>
<i>Salaries and other benefits</i>			
	Board and CEO and equivalent management	2 669 941	2 659 223
	Other employees	37 077 810	36 195 801
	<b>Total salaries and other remuneration</b>	<b>39 747 751</b>	<b>38 855 024</b>
<i>Social costs and pension costs</i>			
	Social expenses	18 116 922	17 498 162
	(pension costs for the Board and CEO and equivalent)	657 842	644 307
	(pension costs to other employees)	3 745 469	3 463 071
	<b>Total salaries, other remunerations and social costs and pensions</b>	<b>57 864 673</b>	<b>56 353 186</b>
<i>The average number of employees</i>			
	Men	44	45
	Women	28	27
	<b>The average number of employees</b>	<b>72</b>	<b>72</b>
<i>Gender distribution of the company's Board of Directors</i>			
	Men	4	7
	Women	4	1
<i>Gender distribution of company management</i>			
	Men	6	6
	Women	5	5

Agreements on severance pay.

Notice period is 12 months from the Foundation's side and 6 months from the employee. If terminated by the Foundation, a severance pay is made of 12 months' salary.

<b>Note 7 Interest income and similar items</b>	<b>2014-12-31</b>	<b>2013-12-31</b>
Interest income	144 402	310 164
Exchange rate fluctuations	-11 932 315	1 931 084
	<b>-11 787 913</b>	<b>2 241 248</b>

<b>Note 8</b>	<b>Tax on profit</b>	<b>2014-12-31</b>	<b>2013-12-31</b>
	Reported profit before tax	19 845 341	-3 370 209
	Non-deductible expenses	1 857 529	1 238 184
	Tax-free income	-2 958	-1 476
	Standard income investment funds	201 973	214 920
	Deficit deduction	-7 080 791	-5 162 210
	<b>Closing taxable profit</b>	<b>14 821 094</b>	<b>-7 080 791</b>

Taxes for the year amount to 3,260,640 SEK (0 SEK previous year) i.e. 22% of 14,821,094 SEK.

<b>Note 9</b>	<b>Utilization rights</b>	<b>2014-12-31</b>	<b>2013-12-31</b>
	Opening cost	92 205 548	6 584 579
	Purchases	0	85 620 969
	Closing cost	92 205 548	92 205 548
	Depreciation	-2 020 944	-109 743
	Depreciation for the year	-6 147 036	-1 911 201
	Closing depreciation	-8 167 980	-2 020 944
	<b>Reported amount</b>	<b>84 037 568</b>	<b>90 184 604</b>

<b>Note 10</b>	<b>Inventories</b>	<b>2014-12-31</b>	<b>2013-12-31</b>
	Opening cost	13 587 335	10 011 494
	Purchases	1 827 012	3 833 141
	Sales / disposals	-212 660	-257 300
	Closing cost	15 201 687	13 587 335
	Depreciation	-7 849 271	-5 870 714
	Reversal of amortization on sales and disposals	212 660	111 491
	Depreciation for the year	-2 092 199	-2 090 048
	Closing depreciation	-9 728 810	-7 849 271
	<b>Reported amount</b>	<b>5 472 877</b>	<b>5 738 064</b>

<b>Note 11</b>	<b>Improvements Leasehold</b>	<b>2014-12-31</b>	<b>2013-12-31</b>
	Opening cost	3 916 808	3 476 651
	Purchases	0	440 157
	Closing cost	3 916 808	3 916 808
	Depreciation	-2 348 940	-1 992 785
	Depreciation for the year	-391 601	-356 155
	Closing depreciation	-2 740 541	-2 348 940
	<b>Reported amount</b>	<b>1 176 267</b>	<b>1 567 868</b>

<b>Note 12</b>	<b>Shares in group companies</b>	<b>2014-12-31</b>	<b>2013-12-31</b>
	Opening cost	156 259	156 259
	Closing cost	156 259	156 259
	<b>Reported amount</b>	<b>156 259</b>	<b>156 259</b>

<b>Subsidiaries</b>	<b>Org. No</b>	<b>Seat</b>
NIC-SE Network Information Centre Sweden AB	556542-8033	Stockholm

Number of shares	2 500	2 500
Own equity	243 532	246 703
Net profit	-3 171	-6 613
Shared equity	100	100
Voting rights	100	100
Reported amount	100 000	100 000

<b>Subsidiaries</b>	<b>Org. No</b>	<b>Seat</b>
OpenDNSSEC AB (SVB)	556838-6733	Stockholm

Number of shares	1 000	1 000
Own equity	55 249	531 691
Net profit	-495 290	26 781
Shared equity	100	100
Voting rights	100	100
Reported amount	56 259	56 259

<b>Note 13</b>	<b>Other long-term securities</b>	<b>2014-12-31</b>	<b>2013-12-31</b>
	Acquisition value on bonds and fixed income securities	0	25 256 249
	Closing balance	0	25 256 249
	Market value	0	25 497 980

<b>Note 14</b>	<b>Prepaid expenses and accrued income</b>	<b>2014-12-31</b>	<b>2013-12-31</b>
	Property rental	1 559 903	1 452 871
	Business insurance	249 505	244 499
	Other prepaid expenses	3 662 045	1 215 469
	Accrued interest income	0	184 081
	Other accrued income	1 523 236	1 016 208
		<b>6 994 689</b>	<b>4 113 128</b>

<b>Note 15</b>	<b>Short-term investments</b>	<b>2014-12-31</b>	<b>2013-12-31</b>
	Acquisition value stocks, shares and debt securities	114 365 387	56 374 093
	Closing balance	114 365 387	56 374 093
	Market value	125 021 091	64 699 540

<b>Note 16</b>	<b>Equity</b>			
	<b>Foundation capital</b>	<b>Retained balance</b>	<b>Profit for the year</b>	<b>Total</b>
	200 000	39 933 305	-3 370 209	36 763 096
		-3 370 209	3 370 209	0
		-418 600		-418 600
			16 584 701	16 584 701
	<b>200 000</b>	<b>36 144 496</b>	<b>16 584 701</b>	<b>52 929 197</b>

<b>Note 17 Non-current liabilities</b>	<b>2014-12-31</b>	<b>2013-12-31</b>
Payment due between one and five years	38 389 996	42 310 318
Maturing later than five years	15 819 148	14 359 187
	<b>54 209 144</b>	<b>56 669 505</b>

Liability attributable to the acquisition of utilization has been discounted. Discounting is based on maturity and the market rate

<b>Note 18</b>	<b>Debts for which collateral is set</b>			
	<b>Current year</b>		<b>Previous year</b>	
	<b>Debt</b>	<b>Security</b>	<b>Debt</b>	<b>Security</b>
Other debts	69 751 245		72 637 383	
Safety: Bank guarantee		72 974 310		60 853 620

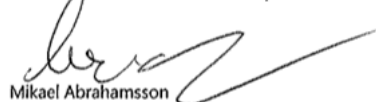
<b>Note 19</b>	<b>Other liabilities</b>	<b>2014-12-31</b>	<b>2013-12-31</b>
	Opening liability	72 637 383	0
	Borrowings	0	74 261 129
	Annotation	-17 453 225	0
	Changes in exchange rates and discount rates	14 567 087	-1 623 746
	Outgoing debt	69 751 245	72 637 383
	Opening a current liability	-15 967 878	0
	Change in current liabilities	425 777	-15 967 878
	Output current liability	-15 542 101	-15 967 878
	<b>Outgoing long-term debt</b>	<b>54 209 144</b>	<b>56 669 505</b>
<b>Note 20</b>	<b>Accrued expenses and deferred income</b>	<b>2014-12-31</b>	<b>2013-12-31</b>
	Accrued salary / Board remuneration incl. social contributions	7 040 775	7 173 713
	Prepaid domain revenues	86 130 034	76 080 718
	Other items	6 300 232	5 815 771
		<b>99 471 041</b>	<b>89 070 202</b>

Signatures

Stockholm 2015-03-16



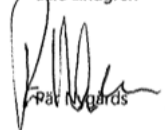
Ylva Hambræus Björling



Mikael Abrahamsson



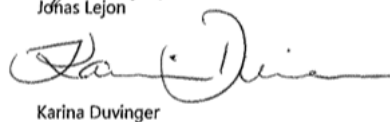
Lars Lindgren



Pär Nygård



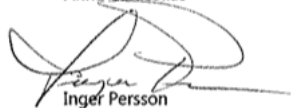
Jonas Lejon



Karina Duvinger



Anna Caracolias



Inger Persson

Our audit report was submitted 2015-03-23

KPMG AB



Ms Wernelind  
Chartered Accountant





## **Audit report**

To the Board of the Foundation for Internet Infrastructure, org nr. 802405-0190

### **Report on the annual report**

I conducted an audit of the financial statements for the Internet Infrastructure Foundation for the year 2014.

#### *The Board's responsibility for financial statements*

The Board is responsible for preparing an annual report that gives a true and fair view in accordance with the Annual Accounts Act and for such internal control as the board deems necessary to establish an annual report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted the audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements do not contain material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The auditor decides which actions to take, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control that is relevant for the Foundation, prepares financial statements to give a true and fair view 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 Foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall financial statement presentation.

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

#### *Statements*

In my opinion, the financial statements prepared in accordance with the Annual Accounts Act are presented fairly, in all material respects, and give a true and fair view of the Foundation for the Internet Infrastructure's financial position as of December 31, 2014 and of its financial performance and cash flows for the year, according to the Annual Accounts Act.

### **Report on the other requirements under the laws and regulations**

In addition to my audit of the financial statements, I have also performed an audit of the Board's management of the Internet Infrastructure Foundation for the year 2014.

#### *The Board's responsibility*

The Board of Directors is responsible for the administration under the Foundations Act and Foundation's Regulations.

#### *Auditor's responsibility*

My responsibility is to reasonably express an opinion on the administration based on my audit. I conducted my audit in accordance with generally accepted auditing standards in Sweden.

As a basis for my opinion concerning management, in addition to my audit of the financial statements, I examined significant

decisions, actions and circumstances in the Foundation in order to assess whether a director is liable to the Foundation or if there are grounds for dismissal.

I also examined whether any director has otherwise acted in contravention of the Foundation Act, the Foundation Decree or the Annual Accounts Act.

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

*Statement*

In my opinion, the directors have not acted in contravention of the Foundation Act, the Foundation Decree or the Annual Accounts Act.

Stockholm, March 23, 2015-07-22



Gunilla Wernelind

Chartered Accountant