

ANNUAL REPORT

MAY 2013–APRIL 2014

by JAYS



JAYS®

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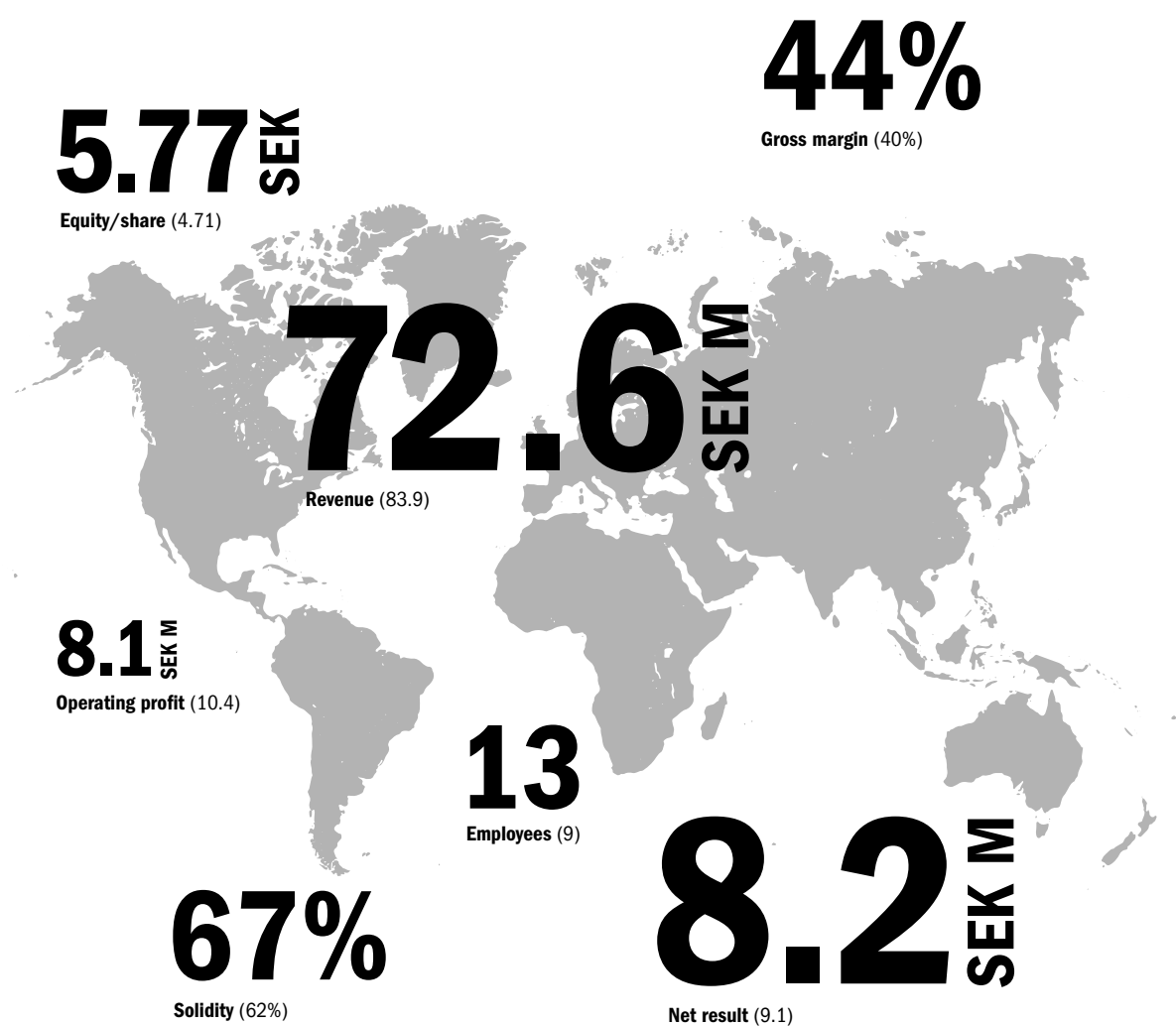
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THE YEAR IN BRIEF

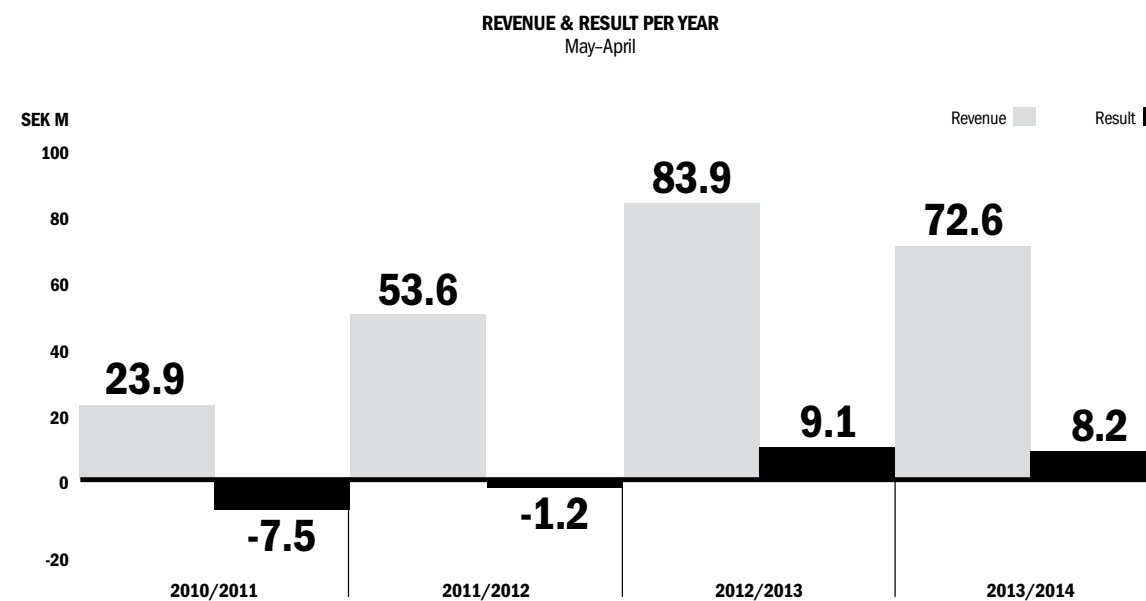
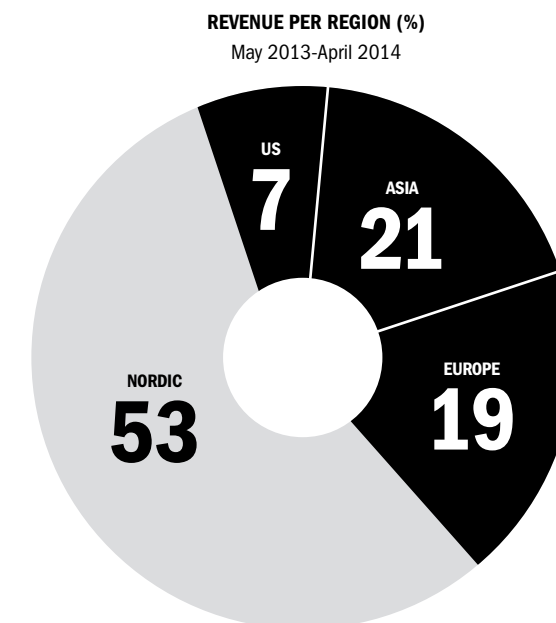


EVENTS

- Jays launches a-JAYS Five series, in three versions for iOS, Windows och Android (iWA)
- Jays expands in Nordic and Baltic regions with Brightstar 20:20 Mobile
- Jays is partnering with Al Fahim Avenue Group for distribution in the United Arab Emirates, Arabem, Qatar, Saudi Arabia, Kuwait and Bahrain
- New agreement is signed with Frequency for distribution in Belgium, Holland och Luxemburg
- a-JAYS Five for Windows Phone gets available at Microsoft Retail Stores in the USA

EVENTS AFTER YEAR END

- Jays teams up with T-Mobile
- Jays teams up with Mobileistic for the US
- Jays establishes branch in France
- Jays launches new updated website/webstore



CEO COMMENTS

OUR LATEST PRODUCT SERIES HAS STRENGTHENED JAYS POSITION BUT INDIRECTLY SLOWED DOWN GROWTH FOR THE YEAR

It has been an eventful and important year for Jays in several respects. With the new a-JAYS Five product model, launched during the autumn of 2013 – where we introduced the iWA platform concept – we have strengthened the premium position that the JAYS brand truly represents. Thanks to a higher price point, the model also contributed to the good profit trend for the year. Although revenue fell during the financial year from the previous year's level of SEK 83.9 M to SEK 72.6 M, we generated a net profit of SEK 8.2 M, equivalent to a net margin of 11%. Given a year of turbulence and strong competition where many players went from profitability to loss, we are proud of our performance. It demonstrates stability and a long-term approach as a company, even though naturally we would have liked to see our growth curve go straight up this year too.

STRONG CLOSE AND INCREASED GROSS MARGINS FOR THE YEAR

The year closed strongly with sales of SEK 21 M and growth of 23% in the fourth quarter. However, due to a weak beginning to the year, where May-August were characterised by restraint on the part of distributors in making orders while waiting for the new product series, it still added up negative growth for the full year. When the deliveries of a-JAYS Five series started during September after some delays due to our very stringent quality requirements, revenue increased significantly and during the last six months of the financial year, November 2013 - April 2014, year-on-year sales growth was 13%.

We also improved the gross margin to 44% (39) for the full year, much thanks to the a-JAYS Five series and increased sales via Jays webstore, which we recently launched a new updated version of.

NEW OPPORTUNITIES IN SEVERAL MARKETS

During the year, we saw a continued strong performance in the Nordic region, which accounted for 53% of the year's revenue, and where our products today have a natural position among leading telecoms stores, electronics chains and retailers. We have boosted our retail presence during the year and we worked in a dedicated way with store activities and exposure in order to stimulate greater sales volume. With our domestic market as a successful example, we have a clearly defined strategy for advancing this concept further in our other international markets where growth needs to gain additional momentum. One example is the UK, where we have worked together with our distributor to train retailers as part of our business model in order to generate increased sales volume.

While the Nordic market has shown a stable and positive development, we have had challenges to deal with and opportunities to manage in other markets. This is partly due to an overheated market, which is affecting many players and is contributing to general caution in some markets. For instance, this has been the situation in the Asian market, where sales decreased by 18% during the year, but where we are now seeing a recovery with large orders from our main markets Singapore and Hong Kong, which generated growth in the fourth quarter.

"With the new a-JAYS Five series we have strengthened our position as a company and generated good profitability for the year"

We have also made changes in France, which is a reference market for Jays and where we have seen good growth in recent years. After the end of the financial year, we departed from our normal distribution strategy, as a result of changed conditions at our French distributor, and opened up the possibility of delivering directly to our resellers main warehouses. With our new branch set-up in Paris, which involves key personnel who have been working with Jays products for years, we can ensure the highest level of service and continued deliveries to important chains which account for a majority of Jays' sales in France. Over time we also expect this set-up to provide higher margins and increased possibilities to strengthen Jays position further on the French market.

Last but not least, it is also a pleasure to report on positive changes in the US market. The sluggish performance in the US in recent years was partly connected to a distributor's exclusive right to distribute Jays products in the US market. When the agreement became non-exclusive during the spring the opportunity arose to divide up the market and to also include the telecom sector. An effect of this was seen in May when

"Our new agreements represents completely new possibilities in the telecom segment in the US market"

the leading US telecom operator T-Mobile began to list Jays products in its core audio assortment in 3,000 stores, and where the first delivery was made in May. The account represents a huge potential for Jays, but generates lower margins than we are used to, however. This may be generally expected in the US where retail demands a larger share of the profit, but should naturally be weighed against a significantly higher growth potential. Our continued strategy in the US is to work with dedicated distributors in each segment, since telecom and consumer electronics dealers need to be handled differently and require different competencies, for example. Our new agreement with one of the leading distributors for mobile accessories, Mobileistic, is part of this strategy and is expected to provide Jays with completely new opportunities in the telecom segment in the US market.

CONTINUED FOCUS ON PREMIUM AND JAYS' CORE VALUES

During the year, we dealt with challenges in several markets and managed to turn difficulties to our advantage. In a turbulent market, it is even more important to have a long-term and clear corporate strategy as well as an unwavering focus on the core business in order to be able to take the right decisions and act quickly. We keep our core values continually present and we work persistently and purposefully on communicating these values, on always exceeding our expectations and on staying one step ahead. This approach pervades our innovative product development team to the highest possible degree, which is currently working intensively on our future products. We expect these products to be unique in the market and that they will strengthen Jays premium position even further.

We have also recently launched a completely new website with the aim of providing a better visual experience, simplifying the buying process and more authentically reflecting Jays' products and what we are as a company. With new exciting distribution possibilities and fantastic product releases on the way, we have high expectations for 2014/2015.



Rune Torbjörnson
CEO



ABOUT JAYS

BUSINESS CONCEPT

Jays shall develop, design and market earphones, headphones and other music-related products under its own brand in the international market for use together with mobile phones, tablets and media players.

VISION

Our vision is that Jays through innovative product development should be a globally respected brand, representing timeless, functional and qualitative audio products for a target group that consciously seeks a better musical experience.

STRATEGY

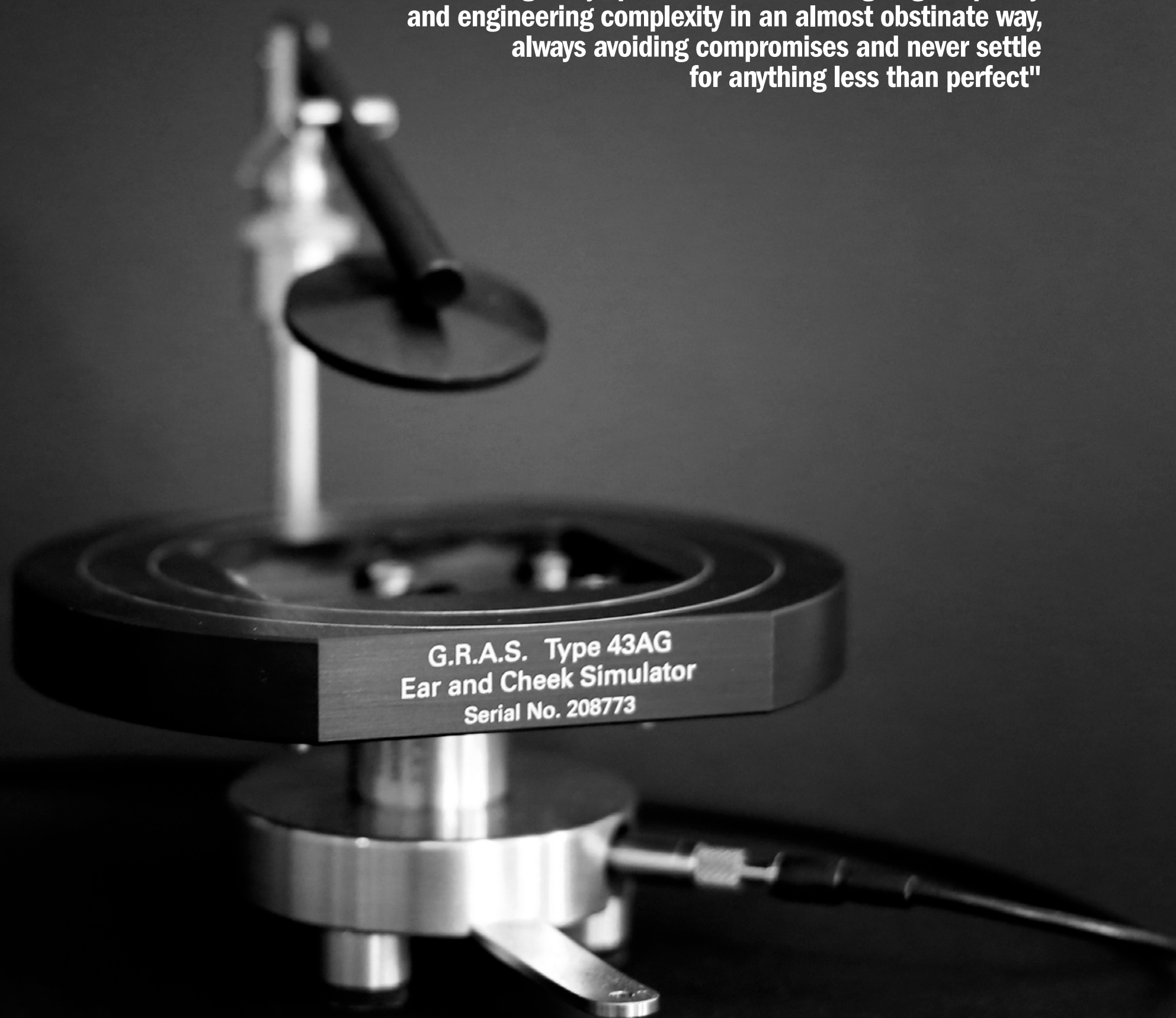
Jays strategy is built on a strong desire to offer users of portable sound a much better alternative than what is available today. A dedicated development team with unique experience and skills continually works on creating the best music experience using design and technology in well thought out user-friendly quality products with a high added value. Everyone has the right to great sound and well designed products. We are passionate about being able to offer this through each product and price point we provide.

We are a young company but have come a long way in a short time. We work on a long-term and strategic basis. Through innovative product development, creative marketing communications and driven, skilled, international distribution, we have raised awareness about our brand, boosted sales and expanded our markets.

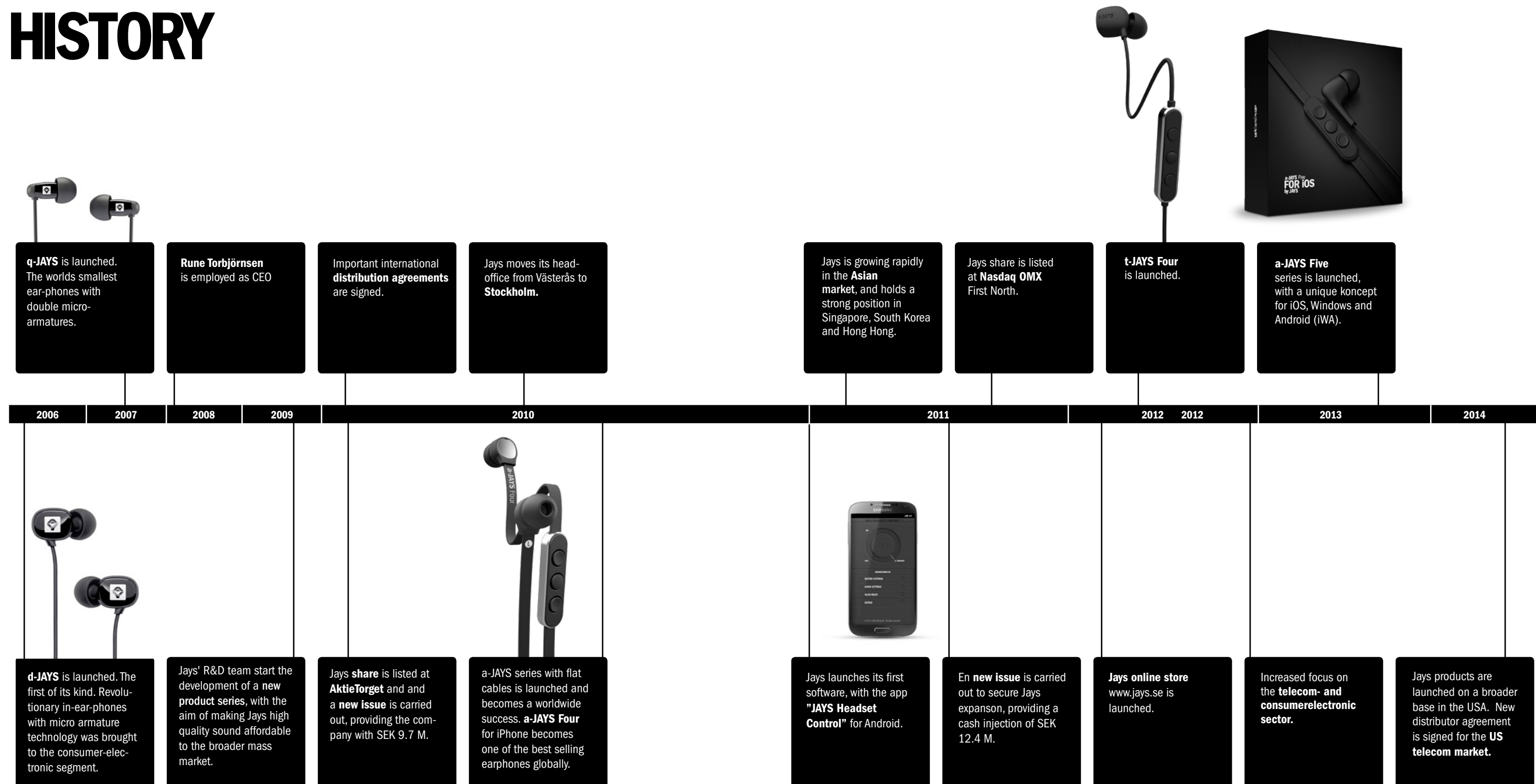
CORE VALUES

We do this because we genuinely care and want to do things better. In an industry that is increasingly moving towards mass consumption, we want to promote sustainable and better, long-term alternatives. As a small efficient organization in a rapidly growing and changing market, we are quick to adapt and have a firm focus and strong sense of purpose to deliver our core values; innovation, quality and functionality.

"Creating a Jays product is about designing simplicity and engineering complexity in an almost obstinate way, always avoiding compromises and never settle for anything less than perfect"



HISTORY



*Före emissionskostnader

PRODUCTS

The prestigious products by JAYS are designed and developed by a truly devoted in-house team. Awarded with highest grade and beloved by many international reviewers and consumers, JAYS products are continuously breaking new ground and earning new users. What gives the JAYS products their unique trade mark style and reputee is a relentless focus on acoustic performance, innovative technologies, quality and functionality down to the last detail. It is by designing simplicity and engineering complexity in an almost obstinate way, always avoiding compromises and never settle for anything less than perfect. We strive to create genuinely better products. We strive to create genuinely better products. We believe in developing honest, timeless and long-lasting products which can really stand the test of time- products continuing to deliver and getting the finest out of the music, over and over again.

DEVELOPING A JAYS PRODUCT

At Jays, we truly believe that if something shall be made, it shall be made properly. With that in mind, we always develop products with a purpose, trying to do better than what is available and exceed our customers high expectations. We do not achieve this by walking down beaten paths but by looking at things differently.

Every new product is put through innumeros phases and iterations of analysis, quality tests and evaluation models before being released. When initiating a project, sketches, sketch models and prototypes are being produced by our in-house team to create a first rough idea of what the new product will be about. In parallell, the sound signature which in similar ways as the physical form should fit the target audience. We're not only relying on advanced acoustic measuring equipment to evaluate and design the sound. Actually, the most important instruments and what we use the most, are our ears.

In many ways, earphones and headphones are just like your home speaker system where diaphragm size, materials, volumes and acoustic vents all affect what you are finally hearing. Not quite like your home speaker, small in-ear earphones are much more sensitive to even the smallest changes in inner volumes or tolerances which can

create significant differences to the end result. At Jays, the sound is the absolute most important part in our products and that is also the reason why it often is the last part we sign off as we often end up fine tuning it up till just a week before mass production.

The physical prototypes are being fabricated in Stockholm where we use rapid prototyping to create precise fine tolerance parts and models from 3D software for evaluating ergonomics, size, form and assembly feasibility. It is a very instant process and we can evaluate large numbers of models and form iterations in very short time. The rapid prototype assemblies are also used for the initial acoustic review. With the 3D software connected to one of the most powerful render engines available today, we are also able to render photo realistic images of the earphones in correct material, color and form to get a prooper understanding of what the finished product will be like, long before production even started.

We design and develop all products from our office in Stockholm. Contract manufacturers and partners in Asia thereafter produce the parts from our 3D- and construction drawings and assemble them to finished JAYS products.



a-JAYS Series

The entry level a-JAYS Series is all about peeling off all that does not need to be there and to bring out the essence of what an earphone should be about; music and user friendliness. The in-ear earphones come with their trademark flat, tangle-free cables and powerful sound signature. The a-JAYS Series includes several different models and have been rewarded top grades in a large number of international reviews and is loved by a growing number of users for their quality, functionality and sound.

a-JAYS One+

Our first Android oriented in-ear earphones was our a-JAYS One+. They are based on our a-JAYS One model and come with a one-button remote and a free Android app to enhance the music experience for Android users. The remote comes with a built-in microphone and works with the most mobile phones. a-JAYS One+ is our entry level to good Android music experiences.

a-JAYS Four

One of the world's first in-ear earphones with three-button remote for iPhone. a-JAYS Four is one of our most acclaimed products and has been rewarded highest grade in many reviews for their tangle-free cables, detailed and powerful sound as well as for their high speech quality which is made possible by our 360-degree MEMS microphone which significantly increases sound quality compared to traditional microphones. a-JAYS Four keeps impressing and is today one of our most popular products.

a-JAYS Five

Our latest product, and second generation a-JAYS Series, is our a-JAYS Five which comes available in three different models for iOS, Windows and Android. All come with full-feature three-button remotes for each operating system. The latest MEMS microphones, improved drivers for even more detailed sound in same beloved sound signature and our most durable construction to date makes the a-JAYS Five our absolute prestige model within the a-JAYS Series. They were released in autumn 2013 but has already won a large number of awards and been praised worldwide among iOS, Android, and most of all, Windows users where they are the world's first of its kind.



t-JAYS Series

t-JAYS was created for users demanding more from their in-ear earphones in sound quality, mobility and ergonomics. The slim form factor which embodies a powerful 10mm driver and the angled sound tube make it possible to fit the earphones in your ears completely. The lightweight cable can run straight down or behind the ear and down your back to minimize cable noise and keep your hands free. t-JAYS has won a number of tests and is used in many different ways, for example as stage monitors by artists, music accessory by athletes and much more.

t-JAYS Four

t-JAYS Four was based on t-JAYS Three and comes with a full-feature three-button remote for iPhone. For t-JAYS Four we also created the iOS app Curves. Besides a built-in music player, Curves comes with a tailor made DSP which optimizes the signal and improves the impulse response significantly. The result is a much more detailed sound signature with deeper, tighter bass and an overall more authentic and transparent sound.

v-JAYS

We wanted to create a really small and lightweight headphone without compromising on sound quality. The result was v-JAYS. With powerful 40mm drivers and a total weight of 59 grams, v-JAYS is one of the markets absolute lightest and is praised worldwide being compared and benchmarked for their sound quality with headphones costing 15 times as much. v-JAYS is the ultimate on-the-go headphone whenever you want something light and small without compromising on sound quality.



REVIEWS & AWARDS

"The a-JAYS Five is the best sounding in-ear headphone product for under \$100 on the market."

Beatweek Magazine on a-JAYS Five

"The handsome pair offers impressive sound, tangle-free flat cables, and device-specific remote mics for your iPhone, Android, or Windows Phone. Bass nuts will find a lot to like here — and so should just about anyone else — at a price that won't break the bank."

- The Verge - Christmas Gift Guide 2013 on a-JAYS Five

"As a former audio engineer I've tested hundred of speakers, in ear headphones, and headsets. To say I'm picky about my audio quality is an understatement. The audio quality on the a-JAYS Five is impeccable, there's no other way to put it. The a-JAYS Five award winning custom drivers pump out amazing, balanced audio. The bass frequencies are clean and clear even at high volume, while the mids and highs ring true at all times."

- Best Stuff on a-JAYS Five

"We have never seen such dedication from other brands as much as Jays puts effort into engineering three entirely different experiences in order to make everyone happy. It's groundbreaking."

- Gadget Mac on a-JAYS Five

"With a proud heritage dating back to the Industrial Design Council of Australia (IDCA) established in 1958, the Australian Good Design Awards is recognized by the International Council of Societies of Industrial Design (ICSID) as Australia's peak design endorsement program. The Good Design Awards is Australia's longest standing national design award and promotion program, and one of the few forums for professional Industrial Designers and manufacturers to showcase their design expertise to national and international audiences."

- Good Design Award on a-JAYS Five

"The a-Jays Five is the perfect 'everyday' headphone; it's not so exorbitantly priced that you worry about breakage when you bring it out, and yet it sounds killer. With the added bonus of a very well thought-out control system and competent mic quality, this is the best all-rounder for the money."

- T3 Gadget Magazine on a-JAYS Five



BUSINESS MODEL

As the surge for smartphones over the last few years has drastically inflated the demand for head-phones, with new brands fueled by large capital investments entering the market at rapid speed, competition in this segment has been fierce.

Although these changing market dynamics brought success to many new entrants, growth as the only driver of value, has proven unsustainable as a business model. As consumers mature more brands are becoming acutely aware that - without convincing products, profit is becoming increasingly difficult to obtain.

The question we ask ourselves; is not merely how to grow, but how we can build and maintain a truly profitable and sustainable business. Here we will look at some of the factors that make JAYS competitive in this respect.

Our business model rests on three fundamental components: innovative product development, a pragmatic approach to retail and creative market communication, executed by a small and flexible team of highly skilled individuals targeting an increasing community of educated consumers.

INNOVATIVE PRODUCT DEVELOPMENT AND FIRST CLASS SOUND

Our products are designed and developed in their entirety in-house by our dedicated research and development team in Stockholm. This innovative product development force is the core of our business and essential for a sustainable competitiveness in a demanding market of rapidly changing consumer preferences. Every single product has received the highest marks by established media and gained a reputation by both consumers and critics. We own the know-how and intangible assets in connection with our products.

FINDING SOLUTIONS THAT WORK IN RETAIL

Retail is very straight forward, it is about minimizing shelf space and maximizing profit. Although it is possible to buy your way in, it is not sustainable in the long term, if these two conditions are not met. Our products have been selected by some of the most established retailers in the world and for a protracted period of time. By being more effective in finding creative solutions that increase sales for our retailers; our sales, administration and marketing costs are also comparably lower than other sizeable industry participants of other major competing brands.

CAPITALIZING ON THE DECLINING COST OF INFORMATION

People have never been as connected as they are today. As social networks, microblogging, and independent review services proliferate, consumers now have easy access to near-perfect market information. It is a world where transparency, engagement and bonding prevails and serves as a platform for storytelling. By being present and authentic

with our community, we have created an emotional connection with our users, thus making them advocates for the brand through their social connections.

SMALL, COMPETENT AND FLEXIBLE ORGANIZATION

Our organization is small by choice. It allows us to be focused yet flexible enough to pivot when necessary. Instead of optimizing our organization for predictable and repetitive processes, ours on the contrary, inherits uncertainty as an integrated part of who we are. That keeps us, not only at the forefront of innovation in product development, but also in a position of successfully carrying it into the market; a process which has been tailored through iterations and guided by an experienced core management team. By outsourcing our manufacturing assembly and sales distribution to dedicated partners we ensure our business can scale up without expanding the organization.

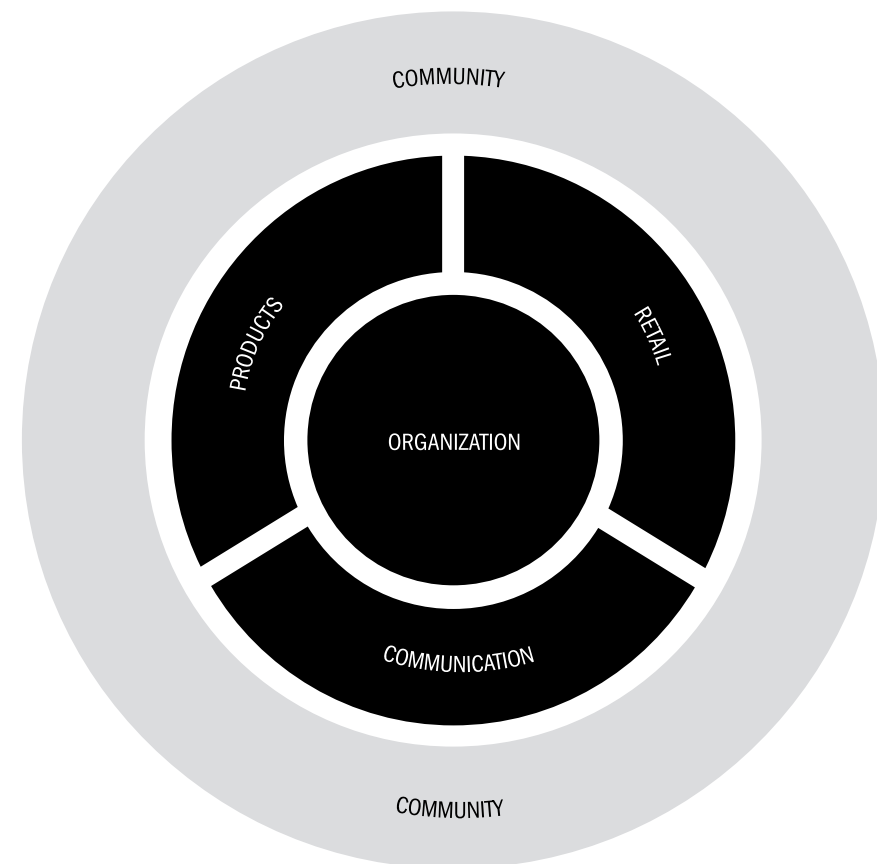
EDUCATED AND DEMANDING COMMUNITY OF CONSUMERS

Our message appeals to a growing demographic of educated consumers looking for authentic brands with beautiful products that are innovative, functional and easy to use. They have their own set of standards and identity that lacks geographical, age and subcultural belonging, but are linked in the connected society. They do not blindly follow trends and are not easily persuaded but once convinced they are loyal.

We attract these consumers by making qualitative, functional and innovative products with high consumer value, by targeting a specific group of consumers with universally appealing products. Our brand remains relevant for the most passionate as well as for the larger community.

Our business model explains our way of reaching out with our products to these consumers.

JAYS BUSINESS MODEL



JAYS KEY SUCCESS FACTORS

Innovative product development: All products are created, designed and developed by our in-house development team from our office in Stockholm, is at the core of our organization and essential in maintaining a position in the highly volatile and demanding headphone market.

Brand: Jays is an innovative, creative and established brand with the core in music. For many of our users, music is a lifestyle, and our brand signals that they understand and appreciate great sound.

Products: Our products have been widely acclaimed by critics and users worldwide. They are unique and appreciated for its minimalistic style, technology, ergonomic design and rigorous attention to quality and detail.

Supply-chain management: The manufacturing is outsourced to selected factories in Asia. We have been successful in attracting leading manufacturers in this segment that meets our demanding quality standards in terms of price and construction.

Distribution: Our distributors buy products and manage their own inventory, as well handling the business with local retailers and consumer aftermarket service. This translates to lower costs of sales and administration, as well as reduced inventory and financial exposure.

Organization: Jays consists of a small and flexible team of highly skilled and dedicated individuals. We are small by choice, because it allows us to stay flexible in a market that is highly volatile, yet overlooked by a core management team with years of experience from fast-growing companies.

Global monitoring: By persistent global monitoring we identify trends and innovations. Jays goal is to always create better products than what is already available and always surpass our users high expectations.

Being our target audience: We make products that we want to ourselves. By being part of the market, there is no need for second guessing what our consumers want.

MARKET

As the smartphone market is maturing at a penetration rate of over 50% throughout most of the developed world, growth in the headphone category is expected to saturate at one set per 6.6 audio devices in use. However, the worldwide retail value is forecast to grow 5% from 2013 to 2017, due to further increases in the average selling price.

Four out of five respondents in a consumer survey responds they do not use the headphones that came with their smartphone or music player. Consumers are looking for improved audio quality and more comfortable and functional headphones, and in the quest for better products, they are getting increasingly sophisticated and are demanding higher levels of consumer interaction, product value, and brand recognition.

COMPETITIVE LANDSCAPE

As the market dynamics change so is the industry. As headphone companies are looking for new areas of growth, the industry is evolving into different categories, with two distinct strategies: one with a retail-first mentality, with products tailored specifically by the requests of retailers usually defined as a low margin, high volume, commodity business; whereas a consumer-first mentality, catered towards a growing number of consumers who want to spend top dollars for quality headphones. However it is an highly competitive landscape and without convincing products profit is difficult to obtain and some companies are leaving this space in favor of brands more sought after by the consumers. Either way, the barriers of entry will continue to increase and the number of brands will decrease, paving the way for competition between fewer but more sophisticated players.

Our company competes on its ability to attract consumers with functional and qualitative products with high consumer value, and maintain them in an ecosystem of products all representing these core values. By targeting a clearly defined group of consumers with universally appealing and innovative products, our brand maintains relevant for the most passionate, as well the majority of headphone users today.

APPLICABLE MARKET VALUE

The global headphone market is valued over 8 billion US dollars, of which about half represents headphone prices US 50 dollar and above, our applicable market. The US is the single largest market representing about 30 % of global headphone sales, whereas Europe accounts for 25% and of which France is the single largest market in the region followed by Germany and UK.

For headphones the largest share of channel sales was for traditional

consumer electronics retailers, which accounts for about 40 percent of the market, but telecom channels are expected to grow as headphones are becoming an important source of profit as returns from smartphone and tablets are diminishing.

CONSUMER TRENDS

Following the launch of the iPod, headphones as a product category, has transformed into a segment of high identity-relevance. It has made it possible for lifestyle profiled brands to quickly gain market share during this transition, however owing to the smartphone revolution, the demand for smarter accessories is increasing. Consumers today want their headphones to be both aesthetically appealing as well as functional. They not only need to look good but interact seamlessly with their current smartphone.

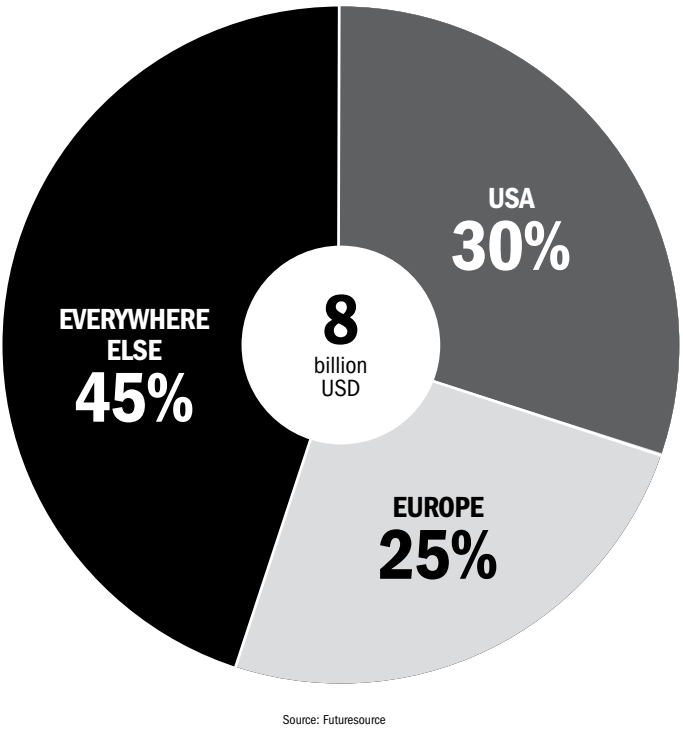
Brand recognition is important. In consumer surveys, more than 80% thinks brand is an important factor when buying headphones, whereas less than 20% think the same when buying protective cases, which is another popular smartphone accessory category.

In search for more qualitative and functional headphones, consumers are also prepared to spend more money; headphones priced 100 dollars and above is fastest growing price segment, yet there is a limit to what consumers are willing to pay, what they want is optimal audio quality at lower prices.

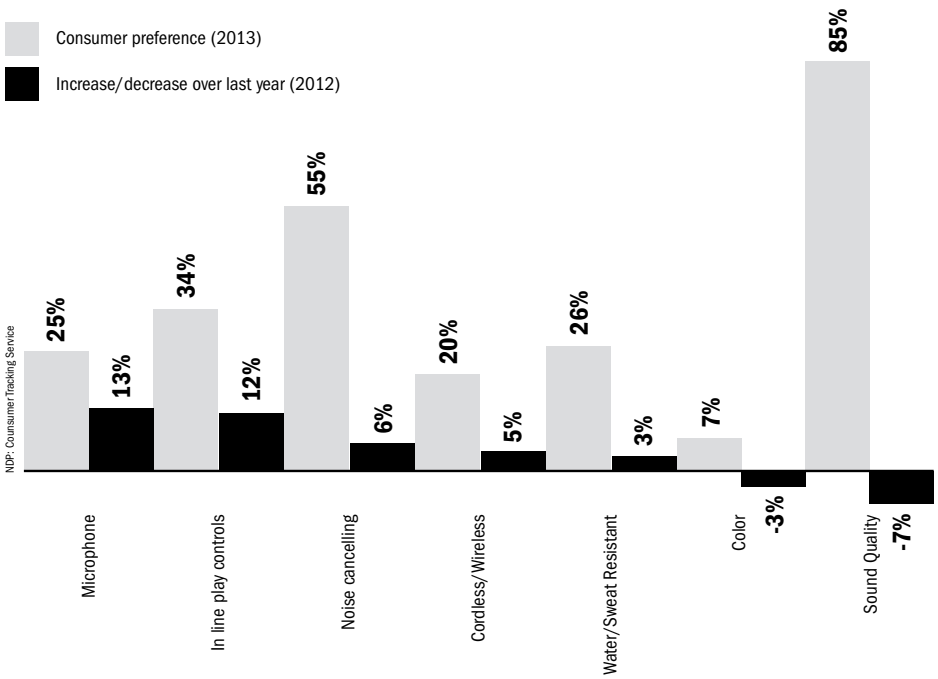
URBAN AND EDUCATED CONSUMERS

Our products target urban and educated individuals, who do not blindly follow trends but start their own, by being first with the latest. They appreciate well designed, functional as well as innovative products and are constantly searching for the best possible musical experience, not defined by geographical belonging, age or lifestyle identities, but as a part of the global connected society.

US IS THE LARGEST SINGLE MARKET

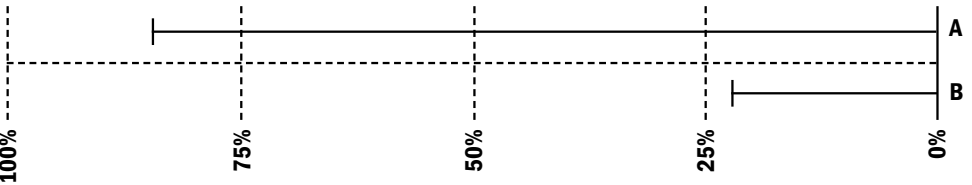


CONSUMER PREFERENCES WHEN BYING PREMIUM HEADPHONES



IMPORTANCE OF BRAND

- A Headphones
- B Protective Cases



Futuresource: Attribute Importance for Extremely/Very Important - Cases vs. Headphones

RETAIL

Even though the headphone market is highly dynamic, retail is very simple and straightforward; it is about maximizing returns while minimizing shelf space. At the same time, to succeed can be surprisingly complicated. Without strong turnover, products will eventually be replaced by more sought after alternatives.

In dealing with retail one needs to be pragmatic, but in the process it is easy to forget the human aspect. The store's sales team represents an important interaction between customers and brands, but keeping the sales force loyal and passionate requires attention.

With the right product display, a profitable business and engaged store ambassadors; retailers will not only serve as revenue-generating outlets, but also as marketing vehicles for the brands they represent. The key is understanding the mechanics involved and striking a good balance between brand, offer and engagement.

BRANDS ARE ABOUT CONSUMER DEMAND

Good products sells itself. Meaning the greater the pull effect is, less money needs to be spent on pushing the products to the consumers. We have managed to develop our retail channels with comparably lower costs of sales, which owns to the fact that the products are sought after by the consumers. Creative consumer marketing serves as one of the reasons for this, but also by making qualitative, functional products in a beautiful retail packaging that communicates these values.

As a consumer-driven brand, high inventory turnover, is essential in developing and utilizing our network of retail partners.

IMPROVE PERFORMANCE BY ENGAGING SALES REPRESENTATIVES

Store sales representatives represent the closest interaction retail brands have with consumers, yet keeping them motivated is often overlooked. Much of the time, simply being present and building a relationship with the people on the floor will already get you far, but at other times, monetary incentives and sales activities will also boost brand awareness.

Our sales academy is a tool that allows us to reach out with product information as well as monitor and run sales contests with the aim of increasing product knowledge and turnover for sales people. The most dedicated individuals are invited to join our ambassador program, to meet with members of our sales team and exchange mutual feedback, thus creating and maintaining a force of engaged representatives as an integrated part of our brand's ecosystem.

A BETTER OFFER CREATES OPPORTUNITIES IN RETAIL

Retail is about maximizing returns from minimum shelf space. As profits from smartphones and tablets are diminishing, accessory sales which normally generate higher returns for retailers, are increasing in importance. At the same time, sustainable turnover is just as important, but without convincing products it is difficult to achieve this, especially at higher price levels.

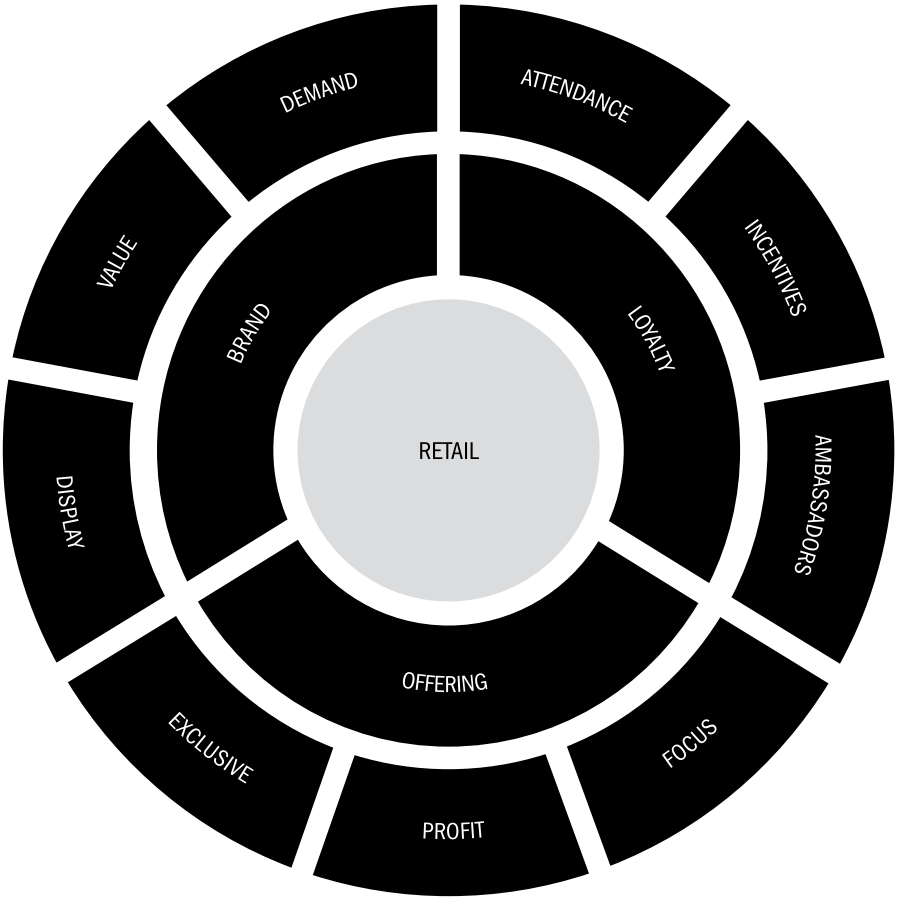
By making products sought after by consumers, we can ensure profit as well as turnover for retailers, and maintain our shelf space even with competing brands that offer higher returns or higher turnover.

DEPLOYMENT OF THE RIGHT DISTRIBUTION CHANNELS IS KEY

Our distributors act as an intermediary between retailers and our organization; by buying products and maintaining inventories, dealing with consumer warranties and managing the business with local retailers, but they also represent an extended arm of our brand in their respective markets. This provides flexibility to adjust to local market variations, but it also imposes greater demands on the partners that represent us.

Deployment of the right distribution channels is essential when entering new markets and we set very high standards for the partners we choose to work with. In return we strive to provide best-in-class support for brand building, marketing and retail development once a suitable distributor has been identified. We believe that this process, despite taking some time to implement, can yield better results in the long term as the business grows.

JAYS RETAIL MODEL



COMMUNICATION

Smartphones has left a mark on society. It has fundamentally transformed how people communicate, produce and consume information. 90 percent of the information in the world created by human civilization has been generated during the last two years.

It has formed a platform of interactions, and as social networks, microblogging, and independent review services proliferate, consumers now have access to almost near-perfect market information, whenever and however they want it. It is raw, emotional and transparent.

For brands wanting to interact in this space, it needs a mechanism of coupling their organizational and product identities with their community of users. In essence, people will buy products from brands that believes in the same thing that they believe in, and by communicating a brand's values, companies can create an emotional connection with their users, in a way that has never before been possible.

BRANDS ARE ABOUT VALUES

People like brands, not for what they do, but for why they do it. Therefore, the essence of a brand is a set of values, of which people create an emotional connection with. Branding is about communicating these values to the consumers. The heart of our business is our values. It is about our way of doing things, an inherited entity, or corporate culture, which has allowed us to do big things with small resources. We call this the JAYSOLGY.

This constitutes the platform our market communication, and our branding formula is about cultivating these values in the mind of the consumers.

GETTING THE MESSAGE OUT THERE

The amount of information produced and consumed today is unprecedented. It has transformed how consumers connect and interacts with brands. More time today is spent on digital media than of the traditional medias (print, radio and TV), connecting with these people is no longer just a matter of a sizeable marketing budget, but also the effectiveness of how companies utilizes these resources.

We connect with our community by being around the people and in the settings where our values are appreciated and understood, then reaching out to a much larger community through the means of internet and social media, thus accessing the mind of millions of likeminded users.

As such we rest on the notion that people are different, yet similar. Meaning that, the marketing activities we undertake in Paris will be as relevant in New York or Stockholm for the people who share our universal brand values.

THE BRAND-BUILDING TOOLBOX

Being connected in the music industry, we have a network of hundreds of musicians, producers and performers using our products and interacting with our brand. It is not promoters, more of users, and we always try to be present where talent can be found, like sponsoring the Swedish Grammy Awards or Pitchfork Music Festival as well as interacting with the music streaming services. Live Sessions for example is a biweekly music event we do together with one of them in Story Hotel, Stockholm.

Print ads and conventional advertisement is done primarily in established markets, usually catered towards urban, connected, young and educated individuals. A wide range of positive product reviews and awards validates the quality of the products and serves an important role in building the brand, not as a fashion brand, but as a product development brand.

Collaborations with the establishments such as Export Music Sweden and the Swedish Institute is helpful, particularly in growing the brand in our export markets. While working with record labels and entertainment companies such as Live Nation also provides access to music events and the likes.

The JAYS GAZETTE is a monthly newsletter and marketing summary that we produce for our distributor and partners, for inspiration and ideas, which can be replicated in other markets.



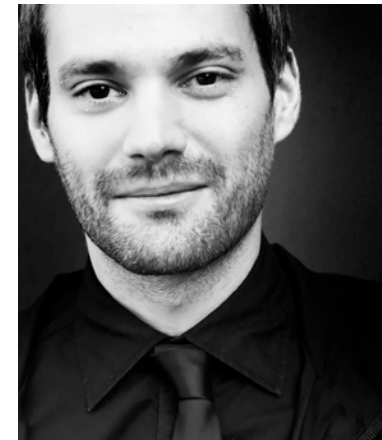
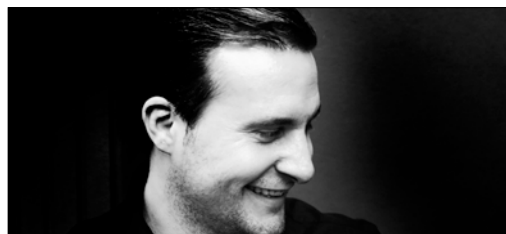
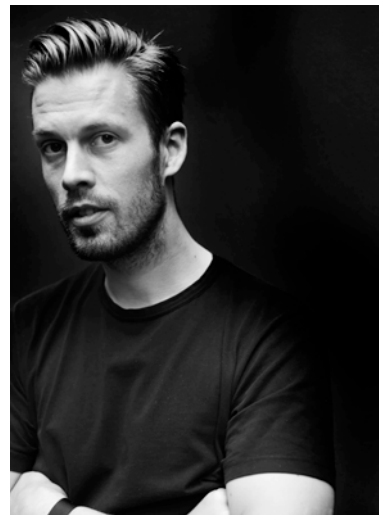
TEAM

Jays operation is run from our head office in Stockholm by a devoted, tight and driven team. In a creative and stimulating environment we perform product development, design, sales, PR and administration. The team's unique competence and drive is essential for Jays success and the company's ability to attract and keep key personnel an important success factor. Jays company culture is characterized by a strong team spirit, high flexibility and great sense of pride in what we do. We believe that true miracles are created in an environment where individuals are given a lot of freedom to try new ways and with a constant approach that everything is possible.



"We believe in developing honest, timeless and long-lasting products which can really stand the test of time. Products continuing to deliver and getting the finest out of the music, over and over again"

Daniel Andersson
Chief Designer



"Our urban target group is not defined by geographical belonging, age or lifestyle identities - but as a part of the global connected society"

Stefan Åstand
Chief of Business Development



"We love challenging ourselves. In order to create something fantastic you need to walk the very thin line between failure and success."

Peter Cedmer
Chief Technology Officer



MANAGEMENT



CEO

RUNE TORBJÖRNSEN

Born 1964
CEO Jays AB since October 2008
Member of the Board since February 2008
Education: Marknadsekonom DRMI, Stockholm
Shares in Jays: 225 000

Rune Torbjörnsen has a long international experience as CEO och business developer, mainly from fast-growing companies within consumer-electronic- and telecom industry.

Ongoing assignments	Position
Jays R&D AB	Member of the Board & CEO
RLco Nordic AB	Alternate member of the Board

Previous assignments	Position
Blanchard Nordic AB	Member of the Board
Blanchard Sverige AB	Member of the Board
JOS AB	CEO
Blanchard Sverige AB	CEO
Blanchard Nordic AB	CEO
Doro AB (publ)	Member of the Board & CEO
Doro Nordic AB	Member of the Board & CEO
Doro SAS	Chairman of the Board
Doro UK Ltd	Chairman of the Board



CFO

LISA FORSBERG

Born 1973
CFO Jays AB since October 2009
Education: Ekonomlinjen Stockholms Universitet
Shares in Jays: 52 950

Lisa Forsberg has extensive experience of finance and administration in fast-growing companies with a background as entrepreneur and CFO, mainly from the media industry.

Ongoing assignments	Position
Jays R&D AB	Chairman of the Board
Sailing Events AB	Alternate member of the Board

Previous assignments	Position
Silverback AB	CFO
Universum Communications AB	CFO

BOARD OF DIRECTORS & AUDITOR

JAKOB JOHANSSON

Born 1981
Chairman of the Board since March 2012.
Member of the Board since October 2010.
CEO Provinsfastigheter

Education: Juristlinjen Stockholms Universitet
Shares in Jays: 0

Ongoing assignments	Position
Transferator AB	Member of the Board
Tegelhällan AB	Member of the Board
M Johansson Capital Holding AB	Alternate member of the Board
Maelir AB	CEO and member of the Board
Hästängsudds Fastighet AB	Alternate member of the Board
Nybergs Bageri AB	Alternate member of the Board
Provinsor AB (publ)	Alternate member of the Board
BW Stalaktiten 4 AB	Member of the Board
Provinsor Projekt AB (publ)	Member of the Board
Provinsfastigheter I AB (publ)	CEO and member of the Board
Provinsfastigheter II AB (publ)	CEO and member of the Board
Biosensor Applications Sweden AB	Member of the Board
Biosensor Applications International	Member of the Board

Previous assignments	Position
Vingåker Gärdet Fastighets AB	CEO and member of the Board
Return Services AB	CEO and member of the Board
Aqurat Fondkommission AB	Member of the Board

FREDRIK VOJBACKE

Born 1973
Member of the Board since October 2010
CEO Transferator AB (publ), CEO Biosensor Sweden AB
Education: Ekonomlinjen Stockholms Universitet
Shares in Jays: 10 343 (through company)

Ongoing assignments	Position
Transferator AB	Chairman of the Board & CEO
Aqurat Fondkommission AB	Chairman of the Board
Vojbacke Corporate Finance Services AB	Member of the Board
iModules AB	Member of the Board
BioSensor Application Sweden AB	Member of the Board

Previous assignments	Position
Office Provider Sweden AB	Chairman of the Board
Sjunnesson Krook Partners AB	Member of the Board
360 Holding AB	Member of the Board

MARKUS KLASSON

Born 1974
Member of the Board since oktober 2012.
CEO Axxonen Holding AB
Education: Ekonomilinjén Linnéuniversitetet Växjö/Kalmar
Shares in Jays: 720 032

Ongoing assignments	Position
Investment AB Malmborgen	Member of the Board
Axxonen AB	Member of the Board
Fasty Holding AB	Chairman of the Board
Fasty Aktiebolag	Chairman of the Board
Golvét Göteborg Aktiebolag	Chairman of the Board
Golvét Göteborg Holding AB	Member of the Board
Aprima Fastigheter AB	Member of the Board
Ställningsproffsen i Småland Holding AB (publ)	Chairman of the Board

Previous assignments	Position
Swedwell Invest AB	Member of the Board

PETER LUMHOLDT

Born 1950
Member of the Board since oktober 2010
Shares in Jays: 87 998 (partly through company)

Ongoing assignments	Position
Fridas Bod AB	Member of the Board

Previous assignments	
Blanchard Sverige AB	Chairman of the Board
Blanchard Nordic AB	Chairman of the Board
Häringe Slott AB	Chairman of the Board
Tammsvik Konferens & Herrgård AB	Chairman of the Board
Grythyttans Gästgivaregård AB	Chairman of the Board
c/o Properties AB	Chairman of the Board
c/o the Yacht AB	Chairman of the Board
c/o Lifestyle AB	Chairman of the Board
c/o Merchandise AB	Member of the Board

RUNE TORBJÖRNSEN

See CEO, page 30.

AUDITOR

Alexander Hagberg (born 1958)
Authorized Public Accountant, Ernst & Young AB.

RISKS

There are a number of risk factors that may affect Jays' operations and earnings. In many cases, the risks can be managed or limited through internal routines and active preventive efforts, but in certain instances, the risks are determined by external factors. Some of the risk factors that can affect our operations and how we manage them are described below.

ABILITY TO HANDLE GROWTH

If Jays is not able to manage its growth effectively, it may have a negative impact on the company's operations, financial position and earnings. The company's management team works pre-emptively by ensuring that there are effective processes for implementing the company's business plan, even during a strong expansion.

DISTRIBUTORS AND RETAILERS

Jays has a broad network of resellers through selected distributors in different geographical markets, where the distributor is usually granted the exclusive right to represent Jays' products in the market in question. The loss of a larger distributor or reseller could have a negative impact on the company's sales and earnings in the short term. The company limits this risk by continually conducting a close dialogue with distributors and ensuring that the collaboration is rewarding for both parties. The company also has a well-formulated resale agreement, which regulates terms and conditions in a way that limits the company's risk.

DEPENDENCE ON KEY EMPLOYEES

There are a number of key people in the organization who are of great importance for the operations. In all functions, there are key people who possess unique skills and this represents a risk for the company. If one or more of these key people would leave the company, it may have a negative impact on the operations. Therefore, for Jays, it is an important success factor to be able to attract and retain skilled employees. We accomplish this through a good working environment and attractive working conditions, among other ways.

SUPPLIER RISK

In its operations, Jays is dependent on a number of suppliers such as manufacturers of earphones and accessories. If any of the company's important suppliers would terminate its collaboration with Jays, or for some other reason could not supply its services, it cannot be guaranteed that Jays can make agreements with new suppliers within the desired time in order to secure essential production. In order to limit this risk, the company only works with established and genuine manufacturers with which we have good and far-reaching relationships. In the event that collaboration with a supplier would terminate for some reason, alternative suppliers in earphone manufacturing have been identified.

MARKET DEVELOPMENT

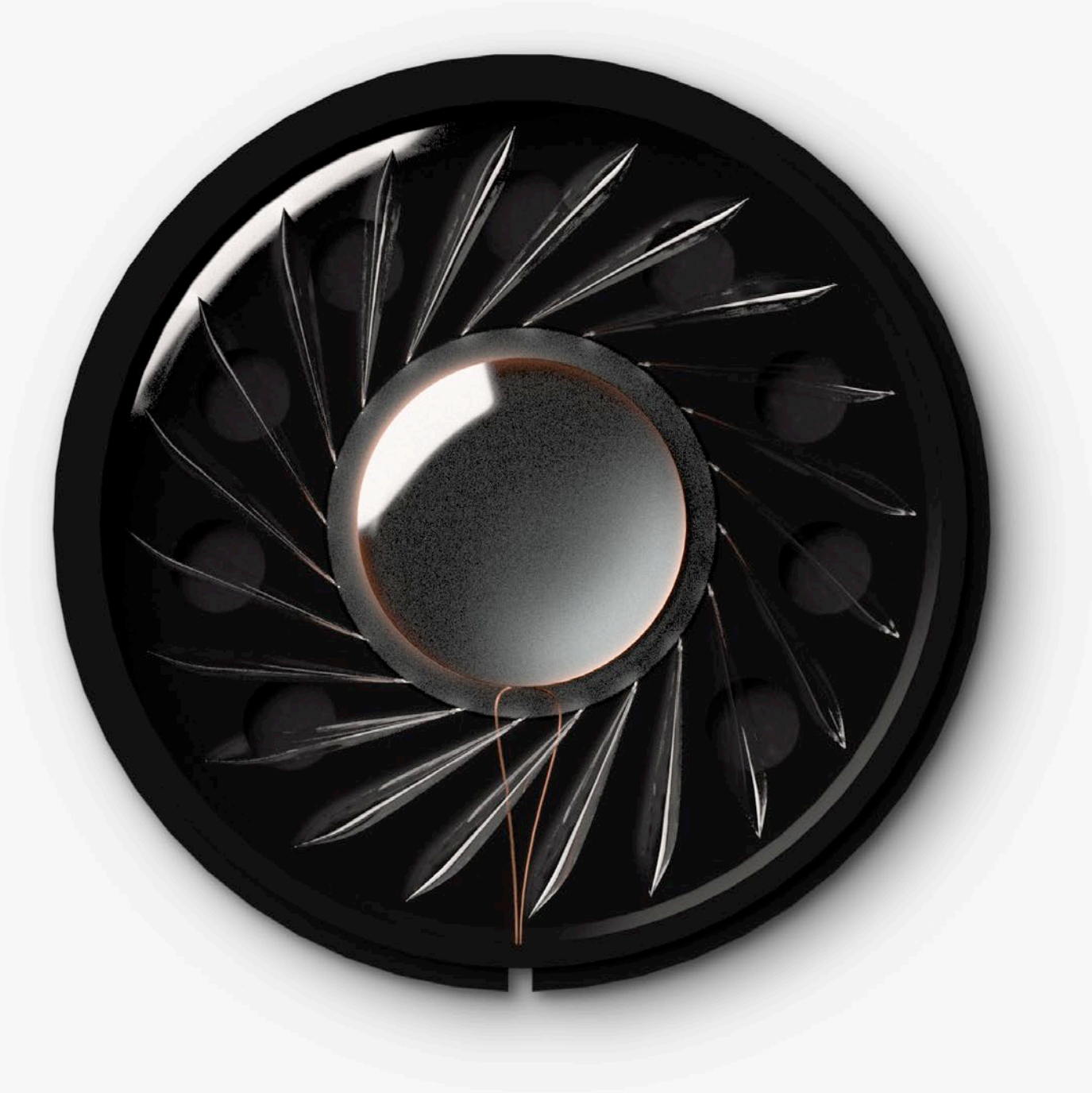
Jays operates in the global earphone market, which is a market that is under constant development. This complicates the possibility to predict future trends for the company's operations. In order to maintain high and uniform quality and safeguard Jays' business concept and values, the company to a large extent needs to retain the possibility to control its distribution network. The company's credibility with customers is based on customers experiencing Jays' products in a consistent way that adds value in the markets where the products are marketed. If a distributor or reseller takes any measures to the effect that the company's products are marketed or presented contrary to Jays' positioning in the market, the company's brand and reputation can be damaged. Jays offers support and clear guidelines to distributors in order to ensure that the products are presented in a way that reflects Jays' values.

ECONOMIC SITUATION

The company has a product portfolio that is largely aimed towards private persons. Demand for the company's products is impacted, like all retail businesses, by general factors outside of the company's control such as, the economic trend, disposable household income, the level of unemployment and other economic factors. Improved market conditions have a positive impact on household finances, which usually has a favorable effect on household consumption patterns. Weaker market conditions generally have the opposite effect. Jays conducts operations in various geographical markets, which means that market conditions can look different in different markets. A protracted economic downturn with lower consumption and decreased investments would result in substantially less demand for the company's products and thus have a sharply negative impact on Jays' sales and financial position.

FOREIGN CURRENCIES

The company operates internationally and is exposed to foreign exchange risk, which arises in connection with flow exposure, primarily in US dollars (USD). Flow exposure arises when the company conducts sales or purchases in foreign currency. Since all the company's purchasing occurs in USD, the flow exposure is limited, and therefore no hedging of these flows occurred during the financial year.



BOARD OF DIRECTOR'S REPORT

The Board of Directors and the CEO of Jays AB (publ), org.no 556697-4365 hereby submit their annual report for financial year 1 May 2013 - 30 April 2014. Jays AB (publ) is a public limited company with its registered office in Stockholm. Since December 2011 Jays share is traded on NASDAQ OMX First North. Unless indicated otherwise, all amounts in the Board of Directors' Report are specified in Swedish kronor (SEK). Figures in parentheses pertain to the preceding year.

OPERATIONS

Jays develop, design and market earphones and headphones in scandinavian design combined with superior sound quality and functionality. By organic expansion and our business model of developing our own products to be sold through external distributors with good margins at all stages, we will continue to create a strong basis for high flexibility, growth and profitability. Jays products are currently represented in over over 25 countries, by dedicated distributors for each market. Our products are sold through online-retailers, multinational chains, consumer electronic-, telecom stores and specilists. Our distributors takes responsibility for all selling, stockkeeping and invoicing towards the resellers. This set-up minimizes sales costs, stock- and credit risk for Jays part.

REVENUES AND RESULT

REVENUES

Total revenue for the financial year amounted to SEK 72.6 M, which is equivalent to a decrease of 13% compared to the previous year when revenue amounted to a total of SEK 83.9 M. There was a strong close to the year with sales of SEK 21 M and growth of 23% in the fourth quarter, but the company still reported negative growth for the full year due to a weak start to the year. For the last six months of the financial year, November 2013 - April 2014, sales growth was 13% compared to the previous year. The reason why the year started with a number of weak months was partly due to the fact that distributors, particularly in the Nordic region, assumed large inventories in April 2013. Distributors were also restrained about placing orders pending the new a-JAYS Five product model in order to invest aggressively in this release. Revenue increased significantly when the products began to be delivered during September after some delays owing to the company's very stringent quality requirements. However, the delays also impacted Christmas sales, since the Christmas trade is planned early by larger retailers in Northern Europe

FOUR-YEAR SUMMARY

TSEK	2013- 2014	2012- 2013	2011- 2012	2010- 2011
Turnover	72 598	83 930	53 554	23 906
Net result	8 242	9 133	- 1 205	- 7 516
Solidity (%)	67%	62%	54%	5%

For definitions of KPI's, see page 47.

and Asia. Distributors need to receive delivery already during October in order to be able to get the products out on the store shelves in time for the Christmas trade. Given that demand for the a-JAYS Five model exceeded supply during October, products were primarily allocated to prioritized markets. The company's revenue is invoiced in the currencies SEK, USD, EUR and GBP. Revenue was affected by exchange gains of SEK 0.2 M (0.1) during the fourth quarter and of SEK 0.7 M (1.5) for the full year. In local currency, sales growth amounted to 19% for the quarter and -13% for the full year.

SALES PER MARKET

Nordic region

Sales in the Nordic market were like the previous year, approx. SEK 38 M and thus accounted for 53% (49) of sales during the year. During the fourth quarter, the Nordic market accounted for 59% of total sales, and increased by 29% compared to the previous year. The year's successes in the domestic market were a result of investments made together with our Nordic partners, not least in the telecoms sector, and the contribution of the new a-JAYS Five model, which opened up more channels and generated greater shelf space in stores. We also boosted our presence in retail during the year and we are now working in a dedicated way with activities and exposure in stores, which has had a visible effect on sales volume. Like the sales cycle in previous years, large volumes were delivered to our Nordic distributors during April, and we can therefore expect much lower sales in the coming months since inventories in the domestic market are well filled.

The rest of Europe

Sales to the rest of Europe decreased by 29% compared to the previous year and accounted for 19% (23) of sales during the year. The decrease was related to altered conditions at our French distributor, which meant that we looked for a more long-term distribution solution during the spring. After the financial year, the company took measures to ensure that delivery of our products can continue to the chains that account for a significant share of the company's sales in France. The new distribution solution, which is planned to be in place during the second quarter, involves key people who have largely been behind the success of Jays in France. Revenue may be negatively impacted during the transition period, but this will mean much better business opportunities for the company in the longer term.

It is worth mentioning that although sales in France decreased during the financial year, sales during the calendar year and sales in stores increased from the same period last year. The company estimates that the decrease in the region this year is directly correlated with the updates implemented in the distribution chain and we expect a steady recovery during the coming year. Concurrently, we are also actively working to mobilize the brand in the right way in several key European markets such as Germany, which we consider to be a very attractive market for Jays.

Asia

The Asian market accounted for 21% (22) of sales during the year and sales increased sharply during the fourth quarter – by 224% compared to the same quarter of the previous year. The large increase was explained by substantial orders from Jays' main Asian markets Singapore and Hong Kong and the fact that the fourth quarter was relatively weak in the region during the previous year. On an annual basis, sales to Asia decreased by 18% due to the weak start to the year described earlier.

In addition, a sharp decline in growth for earphones and mobile accessories in the Asian markets contributed to inventory excess at competing brands. These inventories were sold during the year at greatly reduced prices, which impacted sales of Jays' products because of these maintained price points. Several resellers have therefore reduced their product ranges in favor of those brands that deliver stable high sales, which is expected to impact sales positively as Jays will continue to be available with resellers and will compete with fewer brands. One example is Samsung's stores in South Korea, which reduced their earphone range from 360 to 60 models at the start of the calendar year.

USA

Like the previous year, the US market accounted for 7% of sales during the year. Total revenue decreased by 22%, which was also due to the weak start to the year here. The generally sluggish performance in the US was partly due to a distributor's exclusive right to distribute Jays' products in the US market. The distribution situation has not been optimal for Jays but when the existing long-term agreement became non-exclusive during the spring, the opportunity arose to divide up the market and to also deliver to the telecom sector.

The telecom sector is a very important segment for Jays generally and also has a natural connection to our iWA concept, adapted for different operating systems. An immediate positive effect of this was seen when the leading US telecom operator T-Mobile began to list Jays products in its core audio assortment in 3,000 stores, and where the first delivery was made in May 2014.

Another successful example lately connected to our iWA concept was that Microsoft chose to include a-JAYS Five for Windows in its Microsoft Retail Stores. This is a stamp of approval for both Jays as a brand and as a company.

COSTS

Total operating costs for the year amounted to SEK 64.5 M, which is a decrease of SEK 9.1 M compared to the previous year's level of SEK 73.6 M. The change relates a decrease in purchase of goods of SEK 9.7 M, a reduction in external costs, such as freight and inventory management of SEK 2.3 M and a decrease in business-related exchange losses of SEK 0.2 M. Meanwhile, personnel expenses increased by SEK 2.8 M due to the increased workforce and recruitment carried out. Amortization/depreciation increased by SEK 0.4 M relating to development time and equipment for the new a-JAYS Five product model.

CURRENCY EFFECTS

Total operating costs for the fourth quarter amounted to SEK 18.8 M, which corresponds to an increase of SEK 2.8 M compared to the previous year's level of SEK 16.0 M. The change relates to a decrease in purchase of goods of SEK 1.5 M, a reduction in external costs of SEK 0.5 M in total and increased personnel expenses of SEK 0.7 M. Amortization/depreciation also increased by SEK 0.1 M.

MARGINS

The gross margin for the financial year amounted to 44%, which was an increase of 4 percentage units compared to the previous year's level of 40%. The gross margin for the quarter was also 44% (39%).

The good margin trend is the result of a maintained price strategy in the existing product range combined with the fact that the new a-JAYS Five product range is positioned in a higher price segment and generally generates higher margins. During the third and fourth quarters, a-JAYS Five's contribution was relatively large due to initial orders, which boosted the gross margin. The company's assessment is that sales will be more evenly distributed among the products after the launch phase and that we can then expect slightly lower margins.

We also see that margins may fall in connection with establishment/expansion in markets that require a different price strategy, such as the US, where retail generally demands a larger profit share.

The high gross margin during the year was also explained by increased direct sales to end consumers via Jays' webshop, where the a-JAYS Five model was dominant during the third and fourth quarters. However, this is strongly linked to the fact that a-JAYS Five is a new product model, which was not initially available for purchase in all markets. For this reason, the contribution here can also be expected to be more evenly divided among the products in the future.

The gross margin was impacted negatively during the year by impairments of subcomponents which are considered to be obsolete, corresponding to a value of SEK 0.5 M.

The net margin amounted to 11% for the full year and to 10% during the fourth quarter. The company has an efficient and well-established organization as well as good cost control and it should be possible to grow sales significantly with the existing setup.

DEPRICIATIONS

The company's total amortization/depreciation amounted to SEK 1.5 M (1.1) for the year and to SEK 0.4 M (0.3) for the fourth quarter, where development work and tools/equipment each accounted for half. The increased amortization/depreciation compared to the previous year related to development work for the a-JAYS Five product model. During the year, impairment of obsolete subcomponents was also made of SEK 0.5 M.

NON-CURRENT ASSETS

The company's non-current assets consist of capitalized expenditure for development work relating to new products, equipment, production tools, financial assets and other long-term receivables. Financial assets relate to shares in the dormant subsidiary Jays R&D AB and deposits to landlords and the Swedish Customs.

Amortization/depreciation of non-current assets, both property, plant and equipment and intangible assets, is made according to plan of 20% per year. Non-current assets amounted to SEK 7.1 M (5.9) as of April 30, 2014. The increase of SEK 1.1 M compared to the previous year related to increased investments in development work and amortization/depreciation/impairments carried out as above. During the year, SEK 2.1 M was invested in development time and SEK 0.6 M in equipment and production tools.

CURRENT ASSETS

The company's current assets include inventories, trade receivables, other receivables, accrued income and prepaid expenses as well as cash and cash equivalents.

Current assets amounted to SEK 56.3 M (49.0) as of April 30. The increase of SEK 7.2 M compared to the previous year relates to increased inventories of SEK 8.3 M, where the majority was accounted for by the a-JAYS Five product model and a decrease in trade receivables of SEK 1.6 M and lower VAT recoverable of SEK 0.9 M. Other receivables also increased by SEK 0.8 M, prepaid expenses increased by SEK 0.5 M and cash and cash equivalents increased by SEK 0.1 M compared to the previous year.

EQUITY

Equity amounted to SEK 42.3 M (33.8) corresponding to SEK 5.77 per share (5.65) and the equity/assets ratio was 67% (60) as of April 30, 2014.

Equity during the year increased by SEK 8.2 M relating to profit for the year and by SEK 0.2 M relating to warrant premiums for option program series 2013/2016.

LIABILITIES

Current liabilities consist of trade payables, credit facilities, accounts receivable financing and accrued expenses.

On April 30, 2014, current liabilities amounted to SEK 21.1 M (21.1). Compared to the previous year, when liabilities totaled the same amount, trade payables decreased by SEK 1.9 M, while utilized accounts receivable financing and accrued expenses increased by just as much.

The company also repaid its ALMI loan in full and decreased current liabilities by SEK 40,000 compared to April 30, 2013. The company has an approved credit facility of SEK 1.55 M (1.65) and approved accounts receivable financing of SEK 16.0 M (8.0 M). On April 30, 2014 the credit facility was unutilized, while SEK 1.5 M of the accounts receivable financing was utilized.

CASH FLOW

Total cash flow for the year amounted to SEK 0.1 M (0.5). Cash flow from operating activities amounted to SEK 2.5 M (0,1).

Cash flow for investing activities amounted to SEK 2.6 M in total for the year, relating to time invested in product development and production equipment.

Cash flow for financing activities amounted to SEK 0.2 M for the full year relating to paid in premiums from Jays' employees for warrants (2013/2016 series).

The company is still in a capital-intensive phase and expects to continue expanding, which imposes requirements as regards warehouse financing, among other things. Today the company has favorable payment terms from its main suppliers in combination with existing credits of SEK 17.5 M, available if required. But since the majority of the company's credits consist of account receivable financing, which requires pledging of customer invoices, the company is dependent on a positive sales trend for its continued financing.

INVESTMENTS

During the financial year, a total of SEK 2.1 M was invested in product development work and SEK 0.6 M in production equipment relating to new projects.

PERSONNEL

The number of employees as of April 30, 2014 was 13 people, of which 10 were men and 3 were women. The organization also includes an employee who works on a consultancy basis with responsibility for marketing and PR.

During the financial year, the organization was strengthened by four people – in product development, sales/retail development and webshop/administration. The consulting assignment of a UK-based employee also finished during the year.

RESPONSIBLE PRODUCTION

Being a modern and conscious company, taking responsibility for our environment and ensuring fair working conditions in the production of our products, is essential for Jays,

Jays works with a limited number of suppliers to facilitate an open dialogue and monitoring, and maintain close relationships with its manufacturers since several years. Jays is confident that this, together with regular visits during the production phases, provides good insight into production conditions and fosters a constructive dialogue on sustainability issues. Our code of conduct states that we shall only work with manufacturers who respect human rights, honours a non-discriminating policy and ensure acceptable working conditions for their employees. In order to ensure that our production minimizes the effect on the environment, we constantly try to improve our products and packaging. As an example we are using recyclable materials in our packaging and constantly work with optimizing our freights to minimize pollution.

TRANSACTIONS WITH RELATED PARTIES

The company has no significant transactions, liabilities or receivables in relation to related parties.

TAX

The company's deficit for tax purposes has been determined as SEK 34,416,740 for tax assessment 2013. The company's deficit for tax purposes for tax assessment 2014 is estimated to amount to SEK 25,570,330.

BOARD OF DIRECTORS

The 9th of October 2013 the annual general meeting re-elected the Board members Jakob Johansson, Peter Lumholdt, Rune Torbjörnsen, Fredrik Vojbacke and Markus Klasson. Jakob Johansson was re-elected as chairman of the Board. Since the annual general meeting, four board meetings have taken place.


THE BOARD OF DIRECTORS PROPOSES THAT THE FOLLOWING PROFIT SHOULD BE CARRIED FORWARD:

	SEK
Share premium	26 680 020
Retained earnings	6 066 369
Profit of the year	8 241 812
.....	
Profit to be carried forward	40 988 201

Stockholm September 30, 2014



JAKOB JOHANSSON
Chairman of the Board



RUNE TORBJÖRNSEN
CEO and member of the Board



MARKUS KLASSON
Member of the Board



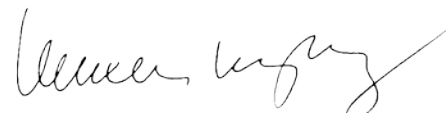
FREDRIK VOJBACKE
Member of the Board



PETER LUMHOLDT
Member of the Board

Audit's signature

Auditor's report has been signed September 30, 2014



ALEXANDER HAGBERG
Authorized Public Accountant

INCOME STATEMENT

SEK	Note	May 13 - April 14 12 months	May 12 - April 13 12 months
Revenues			
Net sales	1	70 421 024	81 086 894
Capitalized product development		1 494 353	1 278 928
Change in exchange rates		678 432	1 528 303
Other revenues		3 962	36 870
Total revenues		72 597 771	83 930 995
Operating expenses			
Cost of goods sold		-40 310 560	-50 021 541
Other external costs	2,3	-10 682 051	-13 025 437
Personnel costs	4	-11 130 510	-8 363 615
Depreciation of non-current assets	5	-1 504 255	-1 128 395
Change in exchange rate losses		-845 960	-1 012 874
Total operating expenses		-64 473 336	-73 551 862
Operating profit	6	8 124 435	10 379 133
Financial items			
Interest income and similar incom items		10 151	12 648
Change in exchange gains		336 850	218 390
Interest expenses and similar expense items	7	-48 796	-46 945
Change in exchange losses		-180 829	-1 429 808
Total financial items		117 377	-1 245 715
Profit after financial items		8 241 812	9 133 418
Tax*	8	-	-
Year profit		8 241 812	9 133 418

* No applicable tax due to established loss carry-forwards

BALANCE SHEET

SEK	Note	30 April 2014	30 April 2013
ASSETS			
Non-current assets			
<i>Intangible assets</i>			
Capitalized product development	9	4 815 221	3 532 279
<i>Tangible assets</i>			
Inventories and manufacturing tools	10	1 903 257	2 067 442
<i>Financial assets</i>			
Shares in subsidiary	11,12	39 334	39 334
Other long-term receivables	13	293 530	293 530
		332 864	332 864
Total non-current assets		7 051 342	5 932 585
Current assets			
<i>Inventories</i>			
Inventories		32 281 133	23 956 629
<i>Current receivables</i>			
Accounts receivable		20 430 551	22 034 172
Tax receivables		736 534	1 610 909
Other receivables	14	818 782	-
Prepaid expenses and accrued income	15	906 553	390 151
		22 892 420	24 035 232
Cash and bank balances		1 109 119	1 053 542
Total current assets		56 282 672	49 045 403
TOTAL ASSETS		63 334 014	54 977 988

SEK	Note	30 April 2014	30 April 2013
EQUITY AND LIABILITIES			
Equity	16		
<i>Restricted equity</i>			
Share capital		1 098 243	1 090 318
		1 098 243	1 090 318
<i>Non-restricted equity</i>			
Share premium		26 680 020	26 680 020
Retained earnings		6 066 369	- 3 059 124
Paid in capital, share option rights		193 348	-
		8 241 812	9 133 418
		41 181 549	32 754 314
Total equity		42 279 792	33 844 632
Liabilities			
<i>Current liabilities</i>			
Bank liabilities	17	-	40 000
Account payable		17 290 837	19 153 672
Payables to subsidiary		51 882	46 929
Other current liabilities	18	1 926 446	1 032 366
Accrued expenses and deferred income	19	1 785 057	860 389
		21 054 222	21 133 356
Total liabilities		21 054 222	21 133 356
TOTAL EQUITY AND LIABILITIES		63 334 014	54 977 988

CASH FLOW STATEMENT

SEK	Maj 13 - April 14 12 mån	Maj 12- April 13 12 mån
OPERATING ACTIVITIES		
Net profit for the period	8 241 812	9 133 418
Depreciation adjustments	1 504 255	1 128 395
Taxes	-55 577	-
Cash flow before change in working capital	9 688 490	10 261 813
Change in working capital:		
Change in merchandise inventories	-8 324 504	-11 412 005
Change in short-term receivables	1 200 389	-1 867 393
Change in short-term payables	-79 134	3 033 867
Cash flow from operating activities	2 485 241	16 282
INVESTING ACTIVITIES		
Investments in intangible assets	-2 069 090	-1 320 682
Investments in tangible assets	-553 922	-769 774
Investments in financial assets	-	180 000
Cash flow from investing activities	-2 623 012	-1 910 456
FINANCING ACTIVITIES		
Share issue	-	2 877 621
Share option rights	193 348	-
Payment of long-term loans		-490 000
Cash flow from financing activities	193 348	2 387 621
CHANGE IN CASH AND CASH EQUIVALENTS	55 577	493 447
Cash and cash equivalents at the beginning of the period	1 053 542	560 095
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1 109 119	1 053 542

NOTES

NOTE 1 ACCOUNTING AND VALUATION PRINCIPLES

This interim report has been prepared in accordance with the requirements of the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's supplementary standards BFNAR 2007:1. Revenue has been carried according to the principle that the risk for the products should have passed to the purchaser.

Receivables have been carried at the amounts that are expected to be received. Inventories have been measured at the lower of cost and net realizable value, unless otherwise stated. Matching of income and expenditure has taken place in accordance with generally accepted accounting policies.

PARENT COMPANY'S ACCOUNTING PRINCIPLES

The company is a parent company but no consolidated financial statements are prepared with reference to the exemption rules in Chapter 7 Section 3 of the Swedish Annual Account Act.

NOTE 2 AUDITOR'S FEES

	01-05-2013 30-04-2014	01-05-2012 30-04-2013
Ernst & Young		
Statutory audit	194 000	184 570
Other services		58 000
	194 000	242 570

NOTE 3 LEASING

Rental and lease expenses for the year amount to SEK 179,334 (138, 835). Future lease fees, for the coming 24 monthis, amount to SEK 360,000.

NOTE 4 PERSONNEL, COMPENSATION TO THE BOARD AND CEO

	01-05-2013 30-04-2014	01-05-2012 30-04-2013
Average number of employees		
Women	2	2
Men	9	7
Total	11	9

Salaries and other compensation

Rune Torbjörnsen	CEO	1 860 000	1 780 000
Jakob Johansson	Chairman of the Board	80 000	80 000
Peter Lumholdt	Member of the Board	60 000	60 000
Fredrik Vojbacke	Member of the Board	60 000	60 000
Markus Klasson	Member of the Board	60 000	35 000

Other employees	5 227 577	3 591 173
Total	7 347 577	5 606 173
Social security contributions		
Pension costs CEO	449 437	421 405
Pension costs others	447 693	274 494
Social security contributions CEO	584 412	559 276
Social security contributions others	1 775 772	1 223 677
Other personnel costs (including recruitment)	785 619	513 591
Total	4 042 933	2 992 442

Total salaries, social security, contr., pensions and other personell costs	11 390 510	8 598 615
Compensation to the Board, included in other external costs	-260 000	-235 000
Total	11 130 510	8 363 615

The period of notice for the CEO is 6 months in the event of resignation. If terminated by the Company, the period of notice is 12 months.

For the financial year the Annual General Meeting proposes unchanged fees to the Board, as follows:
Chairman of the Board: SEK 80,000 per year
Members of the Board: SEK 60,000 per year

NOTE 5 DEPRICITATIONS AND WRITE-DOWNS

Depreciation/amortization according to plan has been carried out based on the following life time:
Intangible assets 5 years
Equipment and tools 5 years

50% of the year's total depreciation refers to intangible assets and 50% refers to equipment and tools.

NOTE 6 INTERCOMPANY TRANSACTIONS

No intercompany transactions accrued during the year..

NOTE 7 RESULT FROM SHARES IN SUBSIDIARIES

	01-05-2013 30-04-2014	01-05-2012 30-04-2013
	0	0

NOTE 8 DEFICIT FOR TAX PURPOSES

The company's deficit for tax purposes has been determined as SEK 34,416,740 for tax assessment 2013. The company's deficit for tax purposes for tax assessment 2014 is estimated to amount to SEK 25,570,330.

NOTE 9 CAPITALIZED EXPENDITURE FOR PRODUCT DEVELOPMENT

	30-04-2014	30-04-2013
Accumulated cost		
Opening balance	5 628 115	4 307 433
investments	2 069 090	1 320 682
Closing balance	7 697 205	5 628 115

Accumulated amortization		
Opening balance	-2 074 790	-1 554 244
Amortization for the year	-786 148	-541 592
Closing balance	-2 860 938	-2 074 790

Accumulated write-downs		
Ingoing balance	-21 046	-
Write-downs for the year	-	-21 046
Closing balance	-21 046	-21 046
Carrying amount at year-end	4 815 221	3 532 279

NOTE 10 EQUIPMENT AND TOOLS

	30-04-2014	30-04-2013
Opening acquisition value	5 112 230	4 342 456
Purchases	553 922	769 774
Sales/disposals	-	-
Closing accumulated acquisition value	5 666 153	5 112 230

Opening depriciation	-2 805 205	-2 197 356
Sales	-	-21 046
Depriciation	-718 107	-586 803
Closing accumulated deprication	-3 523 312	-2 805 204

Opening accumulated write-downs	-239 584	-260 630
Write-downs	-	21 046
Closing accumulated write-downs	-239 584	-239 584

Carrying amount	1 903 257	2 067 442
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NOTE 11 SHARES IN SUBSIDIARIES

	30-04-2014	30-04-2013
Opening aquisition value	39 334	39 334
Transactions	-	-
Closing value	39 334	39 334

NOTE 12 PARTICIPATION IN SUBSIDIARIES

Name	Capital share	Voting share	No of shares	Value
Jays R&D AB	100%	100%	1 000	39 334
				39 334

Name	Corp. Id. No	Equity	Result
Jays R&D AB	556698-8662	52 334	-

NOTE 13 OTHER LONG-TERM ASSETS

	30-04-2014	30-04-2013
Opening balance	293 530	473 530
Change in liabilities	-	-180 000
Closing balance	293 530	293 530

NOTE 14 OTHER RECEIVABLES

Other receivables of SEK 1,555,316 consist of taxes and VAT.

NOTE 15 PREPAID EXPENSES AND ACCRUED INCOME

	30-04-2014	30-04-2013
Prepaid rent	75 954	64 035
Prepaid insurance fees	112 271	105 221
Prepaid bank fees	110 222	53 333
Other prepaid costs	608 106	167 562
	906 553	390 151

NOTE 16 CHANGE IN EQUITY

SEK	Share capital	Share premium	Retained earnings	Share option rights	Year profit	Total equity
Opening balance May 1, 2013	1 090 318	26 680 020	- 3 059 124		9 133 418	33 844 632
Previous years' profit			9 133 418		-9 133 418	
Bonus issue	7 925		-7 925			
Share options rights				193 348		193 348
Profit for the year					8 241 812	8 241 812
Total balance April 30, 2014	1 098 243	26 680 020	6 066 369	193 348	8 241 812	42 279 792

NOTE 17 BANK LIABILITIES

	30-04-2014	30-04-2013
Check credit facility Swedbank	1 550 000	1 550 000
Credit used	0	0

NOTE 18 OTHER LIABILITIES

Other liabilities consist of used invoice factoring credit via Swedbank Finans of SEK 1.5 M as well as taxes and social security contributions of SEK 0.5 M.

NOTE 19 ACCRUED EXPENSES AND PREPAID INCOME

	30-04-2014	30-04-2013
Accrued fees to the Board	260 000	0
Accrued vacation salaries	463 482	312 714
Accrued social contributions	145 626	95 803
Accrued taxes for personnel	217 643	295 497
Other	698 306	156 375
	1 785 057	860 389

NOTE 20 PLEDGED ASSETS AND CONTINGENT LIABILITIES

	30-04-2014	30-04-2013
Liabilities to credit institutions:		
Mortgages	4 200 000	4 200 000
Pledged accounts receivables	20 282 011	13 050 618
	24 482 011	17 250 618



AUDITOR’S REPORT

To the annual meeting of the shareholders of JAYS AB, corporate identity number 556697-4365

REPORT ON THE ANNUAL ACCOUNTS

I have audited the annual accounts of JAYS AB for the year 2013-05-01 - 2014-04-30. The annual accounts of the company are included in the printed version of this document on pages 34-45.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE ANNUAL ACCOUNTS

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

AUDITOR’S RESPONSIBILITY

My responsibility is to express an opinion on these annual accounts based on my audit. I conducted my audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company’s preparation and fair presentation of the annual accounts 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts.

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

OPINIONS

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 JAYS AB as of April 30, 2014 and of 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 annual meeting of shareholders adopt the income statement and balance sheet.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to my audit of the annual accounts, I have also audited the proposed appropriations of the company’s profit or loss and the administration of the Board of Directors and the Managing Director of JAYS AB for the year 2013-05-01 - 2014-04-30.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company’s profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

AUDITOR’S RESPONSIBILITY

My responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company’s profit or loss and on the administration based on my audit. I conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for my opinion on the Board of Directors’ proposed appropriations of the company’s profit or loss, I examined whether the proposal is in accordance with the Companies Act.

As a basis for my opinion concerning discharge from liability, in addition to my audit of the annual accounts, I examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. I also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

OPINIONS

I recommend to the annual 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 and the Managing Director be discharged from liability for the financial year.

Stockholm, September 30, 2014

Alexander Hagberg
Authorized Public Accountant

KEY FIGURES

	May 13- April 14	May 12- April 13
SEK	12 months	12 months
Change in net sales	Neg.	57%
Gross margin	44%	40%
Operating margin	11%	12%
Equity/asset ratio	67%	62%
Net dept equity ratio	4%	Neg.
Return on equity	24%	27%
DATA PER SHARE	30-04-2014	30-04-2013
Number of shares, end of period	7 321 619	7 321 619
Number of shares in average	7 321 619	7 188 648
Earnings per share, SEK	1,13	1,27
Equity per share, SEK	5,77	4,71
Dividend per share, SEK	-	-

DEFINITIONES OF KEY FIGURES AND TERMS

CHANGE IN NET SALES, %

Total net sales for the year minus total net sales for previous year divided by total net sales for previous year.

MARGINS

Gross margin, % Gross profit divided by total revenue
Operating margin, % Operating profit divided by total revenue

EQUITY/ASSET RATIO

Equity at year end divided by total assets.

NET DEPT EQUITY RATIO, %

Net liabilities at year end divided by equity at year end.

RETURN ON EQUITY

Net profit divided by adjusted equity.

RETURN ON TOTAL CAPITAL

Operating result + financial income in percentage of total assets.

NUMBER OF SHARES IN AVERAGE

Total number of shares for each day during the year divided by 365

EARNINGS PER SHARE, SEK

Earnings per share in relation to the weighted average number of shares during the year.

EQUITY PER SHARE, SEK

Equity divided by average number of shares

DIVIDEND PER SHARE, SEK

Total dividend during the period divided by the average number of shares

FINANCIAL YEAR

The company's financial year is May 1st - April 30th

QUARTERS

Quarters refers to the Company's financial year, not calendar year.

Q1 May - July
Q2 August - October
Q3 November - January
Q4 February - April

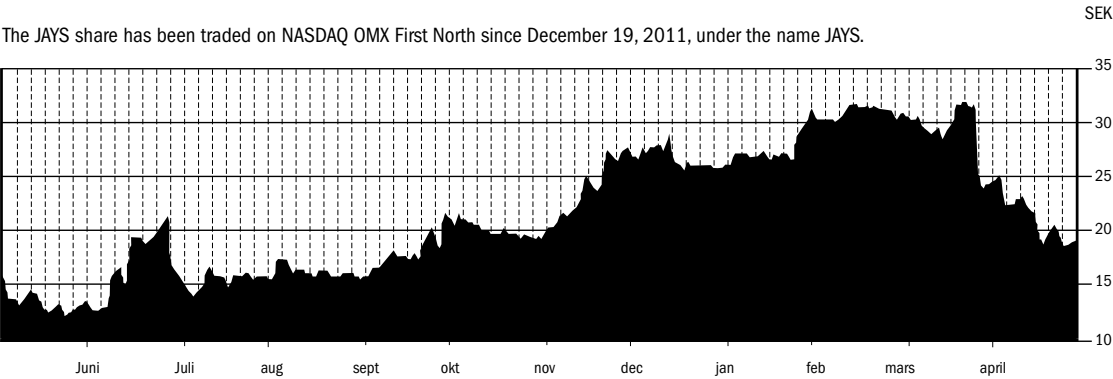
CURRENCIES

SEK Swedish krona
USD US Dollar
EUR Euro
GBP British pound

SHARE & SHAREHOLDER STRUCTURE

JAYS SHARE

The JAYS share has been traded on NASDAQ OMX First North since December 19, 2011, under the name JAYS.



Share performance May 2013 – April 2014.
Share price per 30 april 2014 was SEK 18.00, giving JAYS a total market capitalization of SEK 132 M.

CHANGES IN SHARE CAPITAL

Year	Month	Event	Change in no. of shares	Total no. of shares	Change in share capital (SEK)	Quota value (SEK)	Share capital total (SEK)
2011	January	New issue	283 334	3 190 134	113 333,60	0.40	1 276 053,60
2011	January	Redemption of convertibles	112 338	3 302 472	44 935,00	0.40	1 320 988,60
2011	February	Redemption of convertibles	66 503	3 368 975	26 601,20	0.40	1 347 589,80
2011	February	Redemption of convertibles	75 092	3 444 067	30 036,80	0.40	1 377 626,60
2011	April	Redemption of convertibles	25 072	3 469 139	10 029,00	0.40	1 387 655,60
2011	June	Reduction		3 469 139	-871 045,55	0.15	516 610,05
2011	September	Redemption of convertibles	50 000	3 519 139	7 445,80	0.15	524 055,85
2011	October	New issue	2 346 092	5 865 231	349 379,82	0.15	873 435,66
2012	February	New issue through SOR	77 880	5 943 111	11 597,89	0.15	885 033,55
2012	March	New issue through SOR	23 200	5 966 311	3 454,89	0.15	888 488,44
2012	March	New issue through SOR	277 195	6 243 506	41 279,20	0.15	929 767,64
2012	April	New issue through SOR	799 713	7 043 219	119 091,30	0.15	1 048 858,96
2012	October	New issue through SOR	255 200	7 298 419	38 003,76	0.15	1 086 862,72
2012	December	New issue through SOR	23 200	7 321 619	3 454,89	0.15	1 090 317,61
2013	October	Bonus issue		7 321 619	7 925,24	0.15	1 098 242,85

SOR = Share option rights

INCENTIVE PROGRAM

The Annual General Meeting, October 9, 2013 decided about a new share option program for Jays personnel. The program involves 360 000 share options right for issuing of 360 000 new shares in Jays. All share option rights were signed and paid for by Jays personnel in November 2013. If all share option rights will be used for issuing of new

shares before incentive program ends December 31, 2016, it would result in a delution of 4,9 %. For full information about the incitement program, please download the full conditions at Jays website ir.jays.se under Annual General Meeting.

SHAREHOLDER STRUCTURE

Shareholders	Shares	%
ABN Amro Bank	723 340	9.9
Markus Klasson	720 000	9.8
Försäkringsbolaget Avanza Pension	606 939	8.3
Anette Rasch	446 564	6.1
Nordnet Pensionsförsäkring AB	324 402	4.4
Svenska Handelsbanken SA	266 541	3.6
Six Sis AG	229 059	3.1
Rune Torbjörnsen	225 000	3.1
Guntis Brands	169 528	2.3
USD AG	129 559	1.8
Total, 10 largest shareholders	3 840 932	52.5
Total, other	3 480 687	47.5
Total number of shares	7 321 619	100.0

Information is based on shareholders register per June 28, 2014 maintained by Euroclear Sweden AB.

INSIDER SHAREHOLDINGS

Name	Position	Shares	
Rune Torbjörnsen	CEO	225 000	(225 000)
Lisa Forsberg	CFO	52 950	(52 950)
Peter Cedmer,	Chief Technology Officer	53 400	(54 400)
Daniel Andersson	Chief of Design	26 200	(26 200)
Stefan Åstrand	Chief of Business Development	65 000	(46 000)
Urban Kindhult	Chief of Opportunities (PR)	9 498	(8 728)
Hannah Lundberg	Accounting	19 999	(19 999)
Per Gunnarsson	Head of Regional Sales	1 000	-
Markus Klasson	Member of the Board	720 032	(765 770)
Jakob Johansson	Chairman of the Board	-	-
Fredrik Vojbacke	Member of the Board	11 343	(10 343)
Peter Lumholdt	Member of the Board	87 998	(87 998)
Alexander Hagberg	Auditor	-	-
Total		1 218 470	(1 427 237)

Shareholdings per June 28, 2014

SUPPLEMENTARY INFORMATION

LEGAL STRUCTURE

The company's legal structure consists of Jays AB (publ) and the wholly-owned subsidiary Jays R&D AB. All operations are conducted in Jays AB, which is a Parent Company, but no consolidated financial statements are prepared in view of the exemption rules in Chapter 7 Section 3 of the Swedish Annual Account Act.

SIGNIFICANT AGREEMENTS

The company's most significant agreements have mainly been concluded with distributors. Resale agreements have been entered into with different distributors in various countries. These resale agreements are mainly in conformity with a standardized resale agreement, which the company has drawn up together with an external legal advisor.

Central regulations in the standardized resale agreement normally mean that the distributor obtains an exclusive right of distribution relating to a specific geographical area, that it is the distributor which is responsible for all regulatory requirements in its geographical area, that the agreement is valid for 24 months, and that the company's liability is subject to limitations.

The standardized resale agreement prescribes that Swedish law shall apply and that any disputes shall be determined by a Swedish court. However, it cannot be ruled out that certain foreign jurisdictions (especially outside the EU) could impose limitations regarding the validity of the choice of law and jurisdiction.

In addition, it cannot be ruled out that certain jurisdictions have mandatory legal provisions in favor of an exclusive distributor. For example, it may be a matter of an obligation to apply a certain minimum period of notice or a right for the exclusive reseller to receive compensation in the event of termination of the agreement.

INTELLECTUAL PROPERTY RIGHTS

The company's products have been developed internally and the company has the know-how and the intellectual property rights that can be held with regard to the products. The company has not assigned any intellectual property rights to third parties. Nor has the company granted any right of use to intellectual property rights in respect of products.

The company's international resale agreement makes clear that distributors do not obtain any rights of ownership to the company's intellectual property rights and equivalent regulations are also found in the company's agreement with the subcontractors that produce products on behalf of the company.

With the exception of certain standard software used by the company under licensing agreements, the company is not dependent on access to any other party's intellectual property rights. One of the company's most important intangible assets consists of the JAYS trademark. The company is the holder of a Swedish trademark registration for the JAYS trade name (Reg. No. 0391055), which includes relevant product categories (earphones, headphones, headsets, etc). The JAYS distinctive mark is also protected by an equivalent EU trademark registration (Reg. No. 004813515), and in 10 countries outside of the EU.

Even the company's logo (figure with the letters A and Y) has been protected through trademark registrations in the EU (Reg. No. 004813499) and in the US (Reg. No. 3,396,218). In addition to this, the company holds certain other registered rights, such as registered designs and design protection in the EU.

INSURANCE

The company uses the services of a professional insurance broker for procurement of insurance and the Board's view is that the company's operations are adequately insured. The company also holds liability insurance for the Board and CEO for an insured sum of SEK 10 M.

DISPUTES

The company is not and has not been party to any legal proceedings or arbitration in the past 12 month period, which has or recently had a material impact on the company's financial position or profitability. Nor is the company's Board aware of any circumstances that could lead to such legal proceedings or arbitration.

DOCUMENTS

The company's articles of association and annual reports for the financial years 2006-2013 including audit reports are available at the company's office with the address Åsögatan 121, Stockholm and on the company's website, www.jays.se.

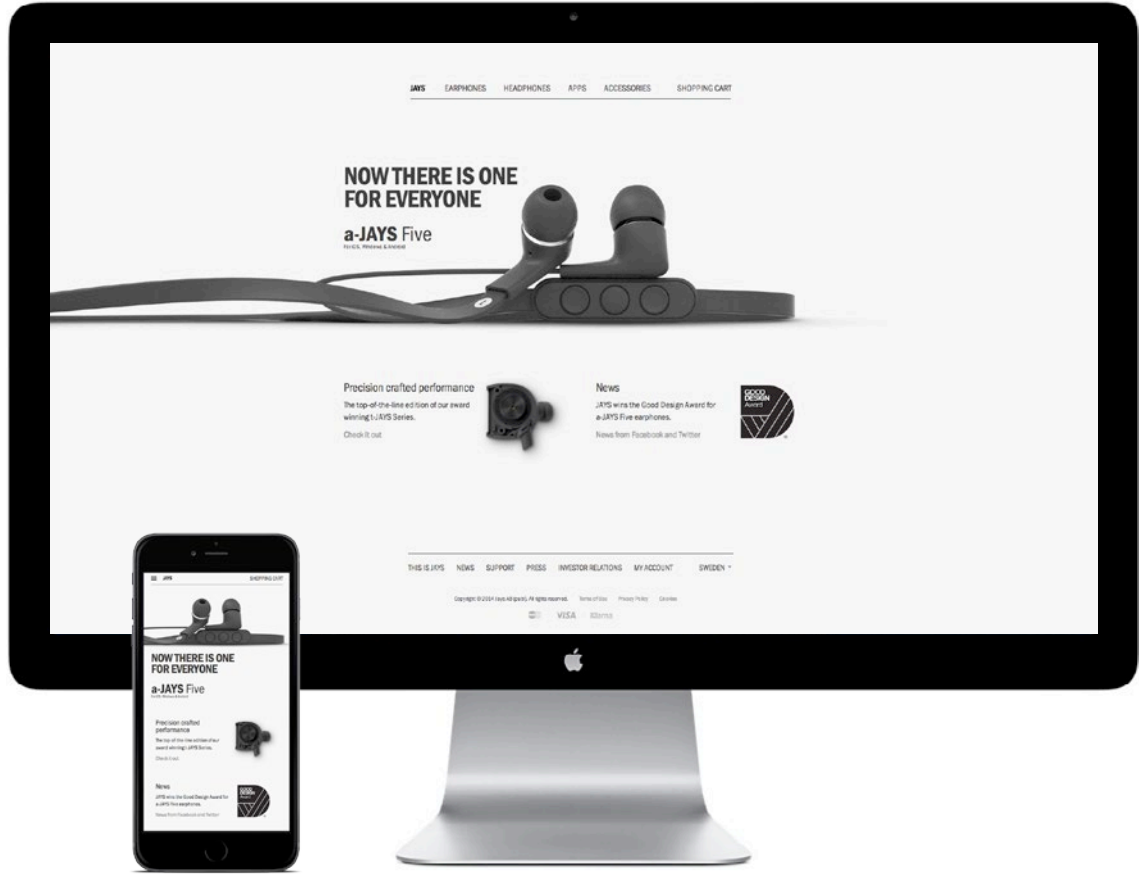
OTHER INFORMATION

The registered business name of the company is Jays AB (publ). The company's corporate identity number is 556697-4365. The company's registered office is in Stockholm. The company is a limited company, whose legal form of business activity is governed by the Swedish Companies Act (2005:551).

SHARE REGISTER

The company's share register is maintained by Euroclear Sweden AB, Box 7822, 103 97 Stockholm, (formerly VPC), which registers the shares to the person who holds the shares.

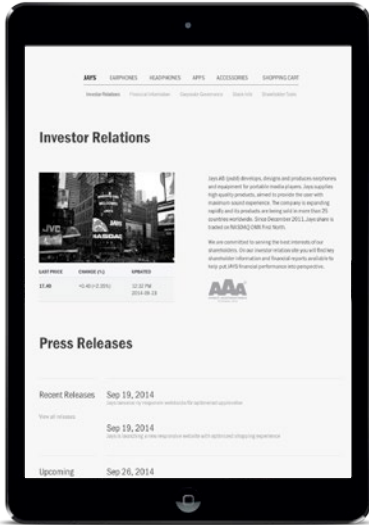
FOLLOW OUR PERFORMANCE AT WWW.JAYS.SE



NEW UPDATED INVESTOR RELATION WEBSITE

<http://ir.jays.se>.

Our investor relation website aims to provide our shareholders, investors and others with relevant information about Jays' performance. On our website you can find financial information, press releases, share performance data and information about annual general meetings. You can also find links to Remium and Introduce.se that regularly publish forecasts, analysis and KPI's. Jays also provides a subscription service where you can sign up to receive press releases and financial reports directly upon release.



ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Wednesday, October 22, 2014 at 4:00 pm (CET) at Skarp Stockholm's premises at Birger Jarlsgatan 6B, 8 tr, 103 92 Stockholm.

NOTIFICATION

To be entitled to participate in the Annual General Meeting, shareholders must be registered in the shareholder's register maintained by Euroclear Sweden AB on Thursday October 16, 2014 at the latest and must notify the company of their intention to participate by this date (October 15, 2014).

Notification of participation can be made in writing to JAYS AB (Publ), Lisa Forsberg, Åsögatan 121, 116 24 STOCKHOLM, by telephone +46 8-12 20 19 01 or by e-mail to lisa.forsberg@jays.se.

Please include your name, personal identification number/company registration number, address, telephone number and name of those accompanying you. Proxies and representatives of legal entities are advised to submit legitimacy papers to the meeting.

SHARES REGISTERED THROUGH NOMINEE

Shareholders whose shares are registered in the name of a nominee must temporarily re-register the shares in their own names with Euroclear Sweden AB to be entitled to participate in the meeting. For re-registration to be completed by Thursday, October 16, shareholders must inform nominees well in advance.

INVESTOR RELATION CONTACT

Rune Torbjörnsen , CEO
+46 733 730 770
rune.torbjornsen@jays.se

JAYS AB (publ)
Åsögatan 121, 4F
116 24 Stockholm



NEXT

is a moment in the unknown. It is what we hold our breath for. It is the anticipation of the future. It is exciting. Next is something different; something new.

"BEST HEADSET UNDER 100 USD"

THE VERGE

T3
★★★★★

Beatweek Magazine
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Jays AB (publ)

Org. nr 556697-4365

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