

ALBJERG

STATSAUTORISERET REVISIONSPARTNERSELSKAB


Stila A/S

Islevdalvej 98
2610 Rødovre
Company reg. no. 34 56 59 10

REVISION & RÅDGIVNING

Annual report for 1 January – 31 December 2018

The annual report was submitted and approved by the general meeting on the


Dick Mulder
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23,5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Stila A/S for the financial year 1 January to 31 December 2018.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Rødovre, 24 May 2019

Managing Director

Tina Michella Dyhr Dupont



Board of directors

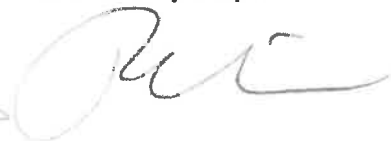
Dick Mulder



Gerit Mecht van den Berg



Tina Michella Dyhr Dupont



Independent auditor's report

To the shareholders of Stila A/S

Opinion

We have audited the annual accounts of Stila A/S for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Brøndby, 24 May 2019

ALBJERG

Statsautoriseret Revisionspartnerselskab
Company reg. no. 95 38 28 79



Palle Valentin Kubach
State Authorised Public Accountant
no415557

Company data

The company

Stila A/S
Islevdalvej 98
2610 Rødovre

Company reg. no. 34 56 59 10

Financial year: 1 January - 31 December

Board of directors

Dick Mulder
Gerrit Mechalt van den Berg
Tina Michella Dyhr Dupont

Managing Director

Tina Michella Dyhr Dupont

Auditors

ALBJERG
Statsautoriseret Revisionspartnerselskab
Ringager 4C, 2.th.
2605 Brøndby

Parent company

B&C International B.V.

Management's review

The principal activities of the company

The main activity consists of sales and marketing of inside and outside solar shading and related activities. The products are made according to the customer's measurement and specification in general.

Sales and administration takes place from the company's address in Rødovre.

Development in activities and financial matters

The gross profit for the year is DKK 16.395.868 against DKK 16.388.988 last year. The results from ordinary activities after tax are DKK 455.070 against DKK 1.692.052 last year.

This year has been marked by a change in the company's management and internal remittances, which have resulted in a number of strategic costs. In connection with this, a number of investments have been made in plants and internal development projects to ensure future earnings and growth in the market. Including investments in:

- Commercial showroom activities.
- E-commerce tools.
- System procurement to ensure customer insights and customer relationship management.

The above activities are part of a major strategic business plan for the international group. Based on the activities of the financial year, the management considers the profit for the year to be less satisfactory, but expected. The management expects progress and positive results in the coming years.

Events subsequent to the financial year

After the end of the financial year, no events have occurred that could materially affect the company's financial position.

Accounting policies used

The annual report for Stila A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Accounting policies used

Other external costs also include research and development costs that do not meet the criteria for capitalization.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Intangible fixed assets

Development projects, patents, and licences

Development costs comprise costs, salaries and depreciation that can be attributed directly and indirectly to development activities

Development projects that are recognized in the balance sheet are measured at cost less accumulated depreciation and write-downs.

After completion of the development work, development costs are amortized on a straight-line basis over the estimated useful life. The amortization period is usually 5 years.

Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Gain or loss are recognised in the profit and loss account as other operating income or other operating expenses respectively.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

Accounting policies used

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	<i>Useful life</i>
<i>Technical plants and machinery</i>	<i>3-8 years</i>
<i>Other plants, operating assets, fixtures and furniture</i>	<i>0-1 years</i>

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Leasing contracts

All leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Write-downs are made to counter losses, where it is considered that an objective indication has occurred that a receivable or a portfolio of receivables is impaired, write-downs are made on an individual level.

Accounting policies used

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Gross profit	16.395.868	16.388.988
1 Staff costs	-14.097.437	-13.088.667
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-1.529.533	-1.039.707
Results before net financials	768.898	2.260.614
2 Other financial income	7.900	56.115
3 Other financial costs	-186.949	-127.959
Results before tax	589.849	2.188.770
4 Tax on ordinary results	-134.779	-496.718
Results for the year	455.070	1.692.052
Proposed distribution of the results:		
Dividend for the financial year	0	2.416.583
Allocated to results brought forward	455.070	0
Allocated from results brought forward	0	-724.531
Distribution in total	455.070	1.692.052

Balance sheet 31 December

All amounts in DKK.

Assets			
Note		2018	2017
Fixed assets			
5 Completed development projects, including patents and similar rights arising from development projects		393.935	192.137
Intangible fixed assets in total		393.935	192.137
6 Other plants, operating assets, and fixtures and furniture		2.342.034	1.935.838
Tangible fixed assets in total		2.342.034	1.935.838
Other debtors		546.365	250.000
Financial fixed assets in total		546.365	250.000
Fixed assets in total		3.282.334	2.377.975
Current assets			
Raw materials and consumables		182.541	198.788
Inventories in total		182.541	198.788
Trade debtors		4.696.817	4.015.521
Amounts owed by group enterprises		0	1.191.184
Deferred tax assets		219.758	233.075
Receivable corporate tax		61.538	97.182
Other debtors		0	6.913
Accrued income and deferred expenses		305.801	185.044
Debtors in total		5.283.914	5.728.919
Available funds		436.787	1.652.017
Current assets in total		5.903.242	7.579.724
Assets in total		9.185.576	9.957.699

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2018</u>	<u>2017</u>
Equity			
	Contributed capital	500.000	500.000
	Results brought forward	1.699.173	1.244.103
	Proposed dividend for the financial year	0	2.416.583
	Equity in total	2.199.173	4.160.686
Liabilities			
	Bank debts	26.114	29.300
	Trade creditors	3.128.008	3.543.722
	Debt to group enterprises	1.748.164	0
	Other debts	2.084.117	2.223.991
	Short-term liabilities in total	6.986.403	5.797.013
	Liabilities in total	6.986.403	5.797.013
	Equity and liabilities in total	9.185.576	9.957.699

7 Mortgage and securities

8 Contingencies

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Results brought forward</u>	<u>Proposed dividend for the financial year</u>	<u>in total</u>
Equity 1 January 2018	500.000	1.244.103	2.416.583	4.160.686
Distributed dividend	0	0	-2.416.583	-2.416.583
Profit or loss for the year brought forward	0	455.070	0	455.070
	<u>500.000</u>	<u>1.699.173</u>	<u>0</u>	<u>2.199.173</u>

Notes

All amounts in DKK.

	2018	2017
1. Staff costs		
Salaries and wages	12.759.358	11.878.250
Pension costs	938.626	869.119
Other costs for social security	208.801	192.791
Other staff costs	190.652	148.507
	<u>14.097.437</u>	<u>13.088.667</u>
Average number of employees	<u>26</u>	<u>26</u>
2. Other financial income		
Interest, trade debtors	510	1.786
Exchange differences	7.293	54.329
Reimbursement, corporate tax	97	0
	<u>7.900</u>	<u>56.115</u>
3. Other financial costs		
Financial costs, group enterprises	53.139	0
Other financial costs	133.810	127.959
	<u>186.949</u>	<u>127.959</u>
4. Tax on ordinary results		
Tax of the results for the year, parent company	121.462	422.818
Adjustment for the year of deferred tax	13.317	73.900
	<u>134.779</u>	<u>496.718</u>

Notes

All amounts in DKK.

	<u>31/12 2018</u>	<u>31/12 2017</u>
5. Completed development projects, including patents and similar rights arising from development projects		
Cost 1 January 2018	609.053	406.803
Additions during the year	255.000	202.250
Cost 31 December 2018	864.053	609.053
Amortisation and writedown 1 January 2018	-416.916	-401.155
Amortisation for the year	-53.202	-15.761
Amortisation and writedown 31 December 2018	-470.118	-416.916
Book value 31 December 2018	393.935	192.137
6. Other plants, operating assets, and fixtures and furniture		
Cost 1 January 2018	9.094.085	15.036.601
Additions during the year	1.882.527	1.027.798
Disposals during the year	-3.144.337	-6.970.314
Cost 31 December 2018	7.832.275	9.094.085
Depreciation and writedown 1 January 2018	-7.158.247	-13.104.615
Depreciation for the year	-1.476.331	-1.023.946
Reversal of depreciation, amortisation and writedown, assets disposed of	3.144.337	6.970.314
Depreciation and writedown 31 December 2018	-5.490.241	-7.158.247
Book value 31 December 2018	2.342.034	1.935.838
7. Mortgage and securities		
There is no pledge or other collateral per 31. December 2018.		

Notes

All amounts in DKK.

8. Contingencies

Contingent liabilities

	DKK in thousands
Within a year	896
Between 1 and 5 years	<u>2.763</u>
Contingent liabilities in total	<u>3.659</u>
Comprising:	
Lease commitments within a year	<u>593</u>
Lease commitments between 1 and 5 years	<u>2.466</u>