

Stila A/S

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

Annual report for 1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 5 March 2021.



Menno Robert Lammerts Van Bueren
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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 2020.

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 2020 and of the company's results of its activities in the financial year 1 January to 31 December 2020.

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

We recommend that the annual report be approved by the general meeting.

Rødovre, 5 March 2021

Managing Director

Menno Robert Lammerts Van
Bueren

Board of directors


Jean Marc Hagen


Kristian Notto Simensen


Menno Robert Lammerts Van
Bueren


Kai Hartmann Smith

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 2020, which comprise accounting policies, 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 2020 and of the results of the company's operations for the financial year 1 January to 31 December 2020 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

Management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. 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, 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 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.

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:

Independent auditor's report

- 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 management and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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

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.

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.

Independent auditor's report

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, 5 March 2021

ALBJERG

Statsautoriseret Revisionspartnerselskab
Company reg. no. 35 38 28 79



Palle Valentin Kubach
State Authorised Public Accountant
mne16567

Company information

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

Jean Marc Hagen
Kristian Notto Simensen
Menno Robert Lammerts Van Bueren
Kai Hartmann Smith

Managing Director

Menno Robert Lammerts Van Bueren

Auditors

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

Parent company

B&C International B.V.

Management commentary

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 15.320.552 against DKK 14.558.784 last year. The results from ordinary activities after tax are DKK 1.951.657 against DKK -231.976 last year.

Like prior year this year has been highly affected by a number of changes in the strategy on international group level and focus areas in order to reach and secure future customer demands. Therefor a number of investments and strategic replacements has been made in order to ensure future earnings.

Like last year, some of the focus areas for internal development has been:

- Commercial relocation
- E-commerce tools.
- Organizational development

The above activities are part of a longer strategic commercial plan.

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.

Income statement 1 January - 31 December

All amounts in DKK.

Note	2020	2019
Gross profit	15.320.552	14.558.784
1 Staff costs	-11.419.864	-13.089.323
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-1.345.022	-1.607.271
Operating profit	2.555.666	-137.810
2 Other financial income	20.830	20.902
3 Other financial costs	-66.776	-165.901
Pre-tax net profit or loss	2.509.720	-282.809
4 Tax on ordinary results	-558.063	50.833
	1.951.657	-231.976
Net profit or loss for the year	1.951.657	-231.976
Proposed appropriation of net profit:		
Dividend for the financial year	2.251.459	0
Allocated from retained earnings	-299.802	-231.976
Total allocations and transfers	1.951.657	-231.976

Statement of financial position at 31 December

All amounts in DKK.

Assets			
Note		2020	2019
Non-current assets			
5	Completed development projects, including patents and similar rights arising from development projects	211.031	302.483
	Total intangible assets	211.031	302.483
6	Other fixtures and fittings, tools and equipment	1.740.576	2.256.142
	Total property, plant, and equipment	1.740.576	2.256.142
7	Deposits	296.365	298.423
	Total investments	296.365	298.423
	Total non-current assets	2.247.972	2.857.048
Current assets			
	Raw materials and consumables	98.840	195.919
	Total inventories	98.840	195.919
	Trade debtors	4.242.310	3.165.320
	Deferred tax assets	335.084	291.711
	Receivable corporate tax	0	135.880
	Other debtors	1.114	0
	Accrued income and deferred expenses	311.215	203.572
	Total receivables	4.889.723	3.796.483
	Available funds	2.966.108	1.024.769
	Total current assets	7.954.671	5.017.171
	Total assets	10.202.643	7.874.219

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities			
Note		2020	2019
Equity			
	Contributed capital	500.000	500.000
	Results brought forward	1.167.395	1.467.197
	Proposed dividend for the financial year	2.251.459	0
	Total equity	3.918.854	1.967.197
Liabilities other than provisions			
8	Other debts	913.450	370.349
	Total long term liabilities other than provisions	913.450	370.349
	Current portion of long term payables	158.760	0
	Bank debts	12.111	11.283
	Trade creditors	3.030.384	2.977.511
	Debt to group enterprises	0	1.023.349
	Corporate tax	446.436	0
	Other debts	1.587.938	1.524.530
	Accruals and deferred income	134.710	0
	Total short term liabilities other than provisions	5.370.339	5.536.673
	Total liabilities other than provisions	6.283.789	5.907.022
	Total equity and liabilities	10.202.643	7.874.219
9	Charges and security		
10	Contingencies		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2019	500.000	1.699.173	0	2.199.173
Profit or loss for the year brought forward	0	-231.976	0	-231.976
Equity 1 January 2020	500.000	1.467.197	0	1.967.197
Profit or loss for the year brought forward	0	-299.802	2.251.459	1.951.657
	500.000	1.167.395	2.251.459	3.918.854

Notes

All amounts in DKK.

	2020	2019
1. Staff costs		
Salaries and wages	10.477.516	11.993.060
Pension costs	770.869	867.410
Other costs for social security	171.479	228.853
	11.419.864	13.089.323
Average number of employees	22	25
2. Other financial income		
Exchange differences	20.695	20.902
Reimbursement, corporate tax	135	0
	20.830	20.902
3. Other financial costs		
Financial costs, group enterprises	29.631	98.879
Other financial costs	37.145	67.022
	66.776	165.901
4. Tax on ordinary results		
Tax of the results for the year, parent company	601.436	21.120
Adjustment for the year of deferred tax	-43.373	-71.953
	558.063	-50.833
5. Completed development projects, including patents and similar rights arising from development projects		
Cost 1 January 2020	864.053	864.053
Cost 31 December 2020	864.053	864.053
Amortisation and writedown 1 January 2020	-561.570	-470.118
Amortisation for the year	-91.452	-91.452
Amortisation and writedown 31 December 2020	-653.022	-561.570
Carrying amount, 31 December 2020	211.031	302.483

Notes

All amounts in DKK.

	31/12 2020	31/12 2019
6. Other fixtures and fittings, tools and equipment		
Cost 1 January 2020	7,426.756	7.832.274
Additions during the year	738.003	1.429.926
Disposals during the year	0	-1.835.446
Cost 31 December 2020	8.164.759	7.426.754
Depreciation and writedown 1 January 2020	-5.170.613	-5.490.239
Depreciation for the year	-1.253.570	-1.515.819
Reversal of depreciation, amortisation and writedown, assets disposed of	0	1.835.446
Depreciation and writedown 31 December 2020	-6.424.183	-5.170.612
Carrying amount, 31 December 2020	1.740.576	2.256.142
7. Deposits		
Cost 1 January 2020	298.423	298.423
Disposals during the year	-2.058	0
Cost 31 December 2020	296.365	298.423
Carrying amount, 31 December 2020	296.365	298.423
8. Other debts		
Holiday pay obligation, salaried staff	1.072.210	370.349
	1.072.210	370.349
Share of amount due within 1 year	-158.760	0
	913.450	370.349
Share of liabilities due after 5 years	913.450	370.349
9. Charges and security		
There is no pledge or other collateral per. 31. December 2020.		

Notes

All amounts in DKK.

10. Contingencies

Contingent liabilities

	DKK in thousands
Within a year	<u>1.040.427</u>
Between 1 and 5 years	<u>1.742.341</u>
Contingent liabilities in total	<u>2.782.768</u>

Comprising:

Lease commitments within a year	<u>698.268</u>
Lease commitments between 1 and 5 years	<u>1.221.969</u>

Accounting policies

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).

Foreign currency translation

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. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

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.

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

Accounting policies

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.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, debt and transactions in foreign currency, as well as surcharges and reimbursements under the advance tax scheme, etc.

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 assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Other fixtures and fittings, tools and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less 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 carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

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

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Accounting policies

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount 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.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Financial fixed assets

Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Accounting policies

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

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 equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Accounting policies

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Liabilities concerning payables to suppliers, group enterprises, and other payables 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.