

Stila A/S

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

Annual report for 1 January - 31 December 2022

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

5 April 2023


Wilco Berend Van Dijken
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's statement	1
Independent auditor's report	2
Management's review	
Company information	5
Management's review	6
Financial statements 1 January - 31 December 2022	
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11
Accounting policies	14

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 statement

Today, the Board of Directors and the Managing Director have approved the annual report of Stila A/S for the financial year 2022.

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

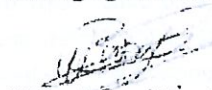
We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Rødovre,

Managing Director




Wilco Berend Van Dijken

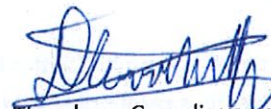
Board of directors



Ronald James Lafferty
Chairman of the board



Wilco Berend Van Dijken



Theodorus Cornelis van der Werff

Independent auditor's report

To the Shareholders of Stila A/S

Opinion

We have audited the financial statements of Stila A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are Independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of 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 and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 financial statements, including the disclosures, and whether the financial statements represent 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 internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

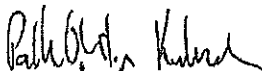
Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Brøndby, 20 February 2023

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

Ronald James Lafferty, Chairman of the board
Wilco Berend Van Dijken
Theodorus Cornelis van der Werff

Managing Director

Wilco Berend Van Dijken

Auditors

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

Parent company

B&C International B.V.

Management's review

Description of key 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 totals DKK 12.630.630 against DKK 16.524.647 last year. Income or loss from ordinary activities after tax totals DKK 682.889 against DKK 3.117.809 last year. Management considers the net profit for the year satisfactory.

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.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	12.630.630	16.524.647
1 Staff costs	-10.409.562	-11.165.011
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-1.280.654	-1.244.452
Operating profit	940.414	4.115.184
2 Other financial income	4.393	-1.416
3 Other financial expenses	-90.172	-85.185
Pre-tax net profit or loss	854.635	4.028.583
4 Tax on ordinary results	-171.746	-910.774
Net profit or loss for the year	682.889	3.117.809
Proposed distribution of net profit:		
Dividend for the financial year	474.086	3.117.809
Transferred to retained earnings	208.803	0
Total allocations and transfers	682.889	3.117.809

Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Non-current assets			
5	Completed development projects, including patents and similar rights arising from development projects	38.240	119.579
	Total intangible assets	38.240	119.579
6	Other fixtures, fittings, tools and equipment	2.282.944	2.155.470
	Total property, plant, and equipment	2.282.944	2.155.470
7	Deposits	296.365	296.365
	Total investments	296.365	296.365
	Total non-current assets	2.617.549	2.571.414
Current assets			
	Raw materials and consumables	373.188	284.215
	Total inventories	373.188	284.215
	Trade receivables	4.230.983	3.708.754
	Receivables from group enterprises	0	743.650
	Deferred tax assets	403.420	329.236
	Income tax receivables	62.000	75.004
	Other debtors	1.500	27.300
	Prepayments	139.583	438.315
	Total receivables	4.837.486	5.322.259
	Cash and cash equivalents	486.157	1.132.783
	Total current assets	5.696.831	6.739.257
	Total assets	8.314.380	9.310.671

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Equity			
	Contributed capital	500.000	500.000
	Results brought forward	1.376.198	1.167.395
	Proposed dividend for the financial year	474.086	3.117.809
	Total equity	2.350.284	4.785.204
Provisions			
	Other provisions	371.825	0
	Total provisions	371.825	0
Liabilities other than provisions			
	Bank debts	12.955	9.297
	Prepayments received from customers	0	542.600
	Trade creditors	1.203.754	1.085.857
	Payables to group enterprises	2.445.451	1.328.436
	Income tax payable to group enterprises	440.128	132.930
	Other debts	1.489.983	1.426.347
	Total short term liabilities other than provisions	5.592.271	4.525.467
	Total liabilities other than provisions	5.592.271	4.525.467
	Total equity and liabilities	8.314.380	9.310.671

8 Charges and security

9 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2021	500.000	1.167.395	2.251.459	3.918.854
Distributed dividend	0	0	-2.251.459	-2.251.459
Profit or loss for the year brought forward	0	0	3.117.809	3.117.809
Equity 1 January 2022	500.000	1.167.395	3.117.809	4.785.204
Distributed dividend	0	0	-3.117.809	-3.117.809
Profit or loss for the year brought forward	0	208.803	474.086	682.889
	500.000	1.376.198	474.086	2.350.284

Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
1. Staff costs		
Salaries and wages	9.479.244	10.243.411
Pension costs	695.989	736.730
Other costs for social security	234.329	184.870
	<u>10.409.562</u>	<u>11.165.011</u>
 Average number of employees	 <u>20</u>	 <u>22</u>
2. Other financial income		
Exchange differences	4.121	2.601
Reimbursement, corporate tax	272	-4.017
	<u>4.393</u>	<u>-1.416</u>
3. Other financial expenses		
Financial costs, group enterprises	0	783
Other financial costs	90.172	84.402
	<u>90.172</u>	<u>85.185</u>
4. Tax on ordinary results		
Tax of the results for the year	245.930	904.926
Adjustment for the year of deferred tax	-74.184	5.848
	<u>171.746</u>	<u>910.774</u>

Notes

All amounts in DKK.

5. Completed development projects, including patents and similar rights arising from development projects

Cost 1 January 2022	457.250	864.053
Disposals during the year	0	-406.803
Cost 31 December 2022	457.250	457.250
Amortisation and write-down 1 January 2022	-337.671	-653.022
Amortisation for the year	-81.339	-91.452
Depreciation, amortisation and writedown for the year, assets disposed of	0	406.803
Amortisation and write-down 31 December 2022	-419.010	-337.671
Carrying amount, 31 December 2022	38.240	119.579

6. Other fixtures, fittings, tools and equipment

Cost 1 January 2022	5.800.877	8.164.760
Additions during the year	1.361.997	1.567.892
Disposals during the year	-131.748	-3.931.775
Cost 31 December 2022	7.031.126	5.800.877
Depreciation and write-down 1 January 2022	-3.645.407	-6.424.183
Depreciation for the year	-1.199.315	-1.153.000
Reversal of depreciation, amortisation and writedown, assets disposed of	96.540	3.931.776
Depreciation and write-down 31 December 2022	-4.748.182	-3.645.407
Carrying amount, 31 December 2022	2.282.944	2.155.470

Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
7. Deposits		
Cost 1 January 2022	<u>296.365</u>	<u>296.365</u>
Cost 31 December 2022	<u>296.365</u>	<u>296.365</u>
Carrying amount, 31 December 2022	<u>296.365</u>	<u>296.365</u>

8. Charges and security

There is no pledge or other collateral per, 31 December 2022.

9. Contingencies

Contingent liabilities

	<u>DKK in thousands</u>
Within a year	<u>783.217</u>
Between 1 and 5 years	<u>157.147</u>
Total contingent liabilities	<u>940.364</u>

Comprising:

Lease commitments within a year	<u>537.659</u>
---------------------------------	----------------

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

Accounting policies

The annual report for Stila A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in 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, own work 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. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Accounting policies

Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

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

Depreciation, amortisation, and write-down for impairment

Depreciation, amortisation, and write-down for impairment comprise depreciation on, amortisation of, and write-down for impairment of intangible and tangible 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 company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

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.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

Accounting policies

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

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.

All other 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. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Accounting policies

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 lease 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.

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 estimated selling 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.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

As administration company, Stila A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

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.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

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.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries 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.

Accounting policies

Provisions

Provisions comprise expected costs of warranty commitments. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

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.

