

Fade Acoustic Ceilings Europe ApS

Stamholmen 157, st.
2650 Hvidovre
Business Registration No
36454881

Annual report 01.07.2018 - 30.06.2019

The Annual General Meeting adopted the annual report on 27.11.2019

Chairman of the General Meeting

Name: Kasper Ehlert Jacobsen

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Entity details

Entity

Fade Acoustic Ceilings Europe ApS
Stamholmen 157, st.
2650 Hvidovre

Central Business Registration No (CVR): 36454881

Registered in: Hvidovre

Financial year: 01.07.2018 - 30.06.2019

Executive Board

Kasper Ehlert Jacobsen
Per Mikael Olsson

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Fade Acoustic Ceilings Europe ApS for the financial year 01.07.2018 - 30.06.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2019 and of the results of its operations for the financial year 01.07.2018 - 30.06.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Hvidovre, 27.11.2019

Executive Board

Kasper Ehlert Jacobsen

Per Mikael Olsson

Independent auditor's extended review report

To the shareholders of Fade Acoustic Ceilings Europe ApS

Report on extended review of the financial statements

Conclusion

We have performed an extended review of the financial statements of Fade Acoustic Ceilings Europe ApS for the financial year 01.07.2018 - 30.06.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2019 and of the results of its operations for the financial year 01.07.2018 - 30.06.2019 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements". We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

Independent auditor's extended review report

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Reports on other legal and regulatory requirements

Violation of Danish tax law

The company have in connection with the payment of the loan to management, not complied with the tax legislation, and the management may therefore be held responsible.

Violation of Danish corporate law

The company have in violation with the Danish Companies Act provided a loan to a management member. The loan and interest to the loan have in accordance with the Danish Companies Act § 215, been repaid to the company before the signing of the annual report.

Copenhagen, 27.11.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

René Carøe Andersen
State Authorised Public Accountant
Identification No (MNE) mne34499

Management commentary

Primary activities

The company's primary activity is to involve in delivery, sale and distribution of acoustic plaster, as well as consulting and calculations on acoustic solutions for companies and private customer, in both Denmark and the rest of the world, together with other related activities.

Development in activities and finances

The result for 2018/19 shows a profit of 175k DKK, against a profit of 1.011k DKK last year. The result for the year is impacted by large investment in development of the business and expansions to new markets. It is the management's expectation that the investments will have a significant positive impact on the results for the forthcoming years.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2018/19

	<u>Notes</u>	<u>2018/19 DKK</u>	<u>2017/18 DKK'000</u>
Gross profit		2.833.109	2.929
Staff costs	1	(2.387.443)	(1.585)
Depreciation, amortisation and impairment losses	2	<u>(71.659)</u>	<u>(27)</u>
Operating profit/loss		374.007	1.317
Other financial income	3	35.689	25
Other financial expenses	4	<u>(163.544)</u>	<u>(31)</u>
Profit/loss before tax		246.152	1.311
Tax on profit/loss for the year	5	<u>(71.519)</u>	<u>(300)</u>
Profit/loss for the year		<u>174.633</u>	<u>1.011</u>
Proposed distribution of profit/loss			
Retained earnings		<u>174.633</u>	<u>1.011</u>
		<u>174.633</u>	<u>1.011</u>

Balance sheet at 30.06.2019

	<u>Notes</u>	<u>2018/19 DKK</u>	<u>2017/18 DKK'000</u>
Other fixtures and fittings, tools and equipment		252.861	139
Leasehold improvements		<u>172.524</u>	<u>56</u>
Property, plant and equipment	6	<u>425.385</u>	<u>195</u>
Deposits		<u>15.510</u>	<u>36</u>
Fixed asset investments		<u>15.510</u>	<u>36</u>
Fixed assets		<u>440.895</u>	<u>231</u>
Manufactured goods and goods for resale		997.330	361
Prepayments for goods		<u>100.789</u>	<u>0</u>
Inventories		<u>1.098.119</u>	<u>361</u>
Trade receivables		801.101	1.487
Receivables from group enterprises		13.938	5
Other receivables		363.446	47
Receivables from owners and management	7	<u>150.643</u>	<u>0</u>
Receivables		<u>1.329.128</u>	<u>1.539</u>
Current assets		<u>2.427.247</u>	<u>1.900</u>
Assets		<u>2.868.142</u>	<u>2.131</u>

Balance sheet at 30.06.2019

	<u>Notes</u>	<u>2018/19</u> <u>DKK</u>	<u>2017/18</u> <u>DKK'000</u>
Contributed capital		50.000	50
Retained earnings		885.888	711
Equity		935.888	761
Deferred tax		14.370	6
Provisions		14.370	6
Joint taxation contribution payable		60.519	180
Non-current liabilities other than provisions		60.519	180
Bank loans		358.331	137
Trade payables		761.535	418
Payables to associates		406.994	394
Joint taxation contribution payable		180.217	0
Other payables		150.288	235
Current liabilities other than provisions		1.857.365	1.184
Liabilities other than provisions		1.917.884	1.364
Equity and liabilities		2.868.142	2.131
Contingent liabilities	8		
Assets charged and collateral	9		

Statement of changes in equity for 2018/19

	Contributed capital DKK	Retained earnings DKK	Total DKK
	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>
Equity beginning of year	50.000	711.255	761.255
Profit/loss for the year	<u>0</u>	<u>174.633</u>	<u>174.633</u>
Equity end of year	<u>50.000</u>	<u>885.888</u>	<u>935.888</u>

Notes

	2018/19	2017/18
	DKK	DKK'000
1. Staff costs		
Wages and salaries	2.312.118	1.574
Other social security costs	9.902	11
Other staff costs	65.423	0
	2.387.443	1.585
Average number of employees	5	3
	2018/19	2017/18
	DKK	DKK'000
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	71.659	27
	71.659	27
	2018/19	2017/18
	DKK	DKK'000
3. Other financial income		
Financial income arising from group enterprises	355	0
Exchange rate adjustments	27.394	25
Other financial income	7.940	0
	35.689	25
	2018/19	2017/18
	DKK	DKK'000
4. Other financial expenses		
Financial expenses from associates	11.164	15
Other interest expenses	16.833	7
Exchange rate adjustments	0	9
Other financial expenses	135.547	0
	163.544	31

Notes

	2018/19	2017/18
	DKK	DKK'000
5. Tax on profit/loss for the year		
Current tax	63.519	183
Change in deferred tax	8.000	117
	71.519	300
	Other	Leasehold
	fixtures and	improve-
	fittings,	ments
	tools and	DKK
	equipment	
	DKK	
6. Property, plant and equipment		
Cost beginning of year	162.012	61.669
Additions	162.802	138.978
Cost end of year	324.814	200.647
Depreciation and impairment losses beginning of year	(22.748)	(5.669)
Impairment losses for the year	(49.205)	(22.454)
Depreciation and impairment losses end of year	(71.953)	(28.123)
Carrying amount end of year	252.861	172.524

7. Receivables from owners and management

The company have during the year provided an illegal loan to a management member, the loan have been interest calculated with 10.05% and have been fully repaid before the signing of the annual report in accordance with the Danish Companies Act § 215.

8. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where FAC Europe Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

9. Assets charged and collateral

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on plant of DKK 700k nominal.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Accounting policies

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Accounting policies

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.