

Fade Acoustic Ceilings Europe ApS

Stamholmen 157, st.
2650 Hvidovre
Denmark

CVR no. 36 45 48 81

Annual report for the period 1 July – 31 December 2021

The annual report was presented and approved at the
Company's annual general meeting on

29 June 2022

Carl-Magnus Svenningsson
Chairman of the annual general meeting

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Fade Acoustic Ceilings Europe ApS
Annual report 2021
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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Fade Acoustic Ceilings Europe ApS for the financial period 1 July – 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial period 1 July – 31 December 2021.

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

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

Hvidovre, 29 June 2022
Executive Board:

Kasper Ehlert Jacobsen
CEO

Board of Directors:

Carl-Magnus Svenningsson
Chairman

Kasper Ehlert Jacobsen

Ulf Patrik Nilsson

Stéphane Daniel Edouard
Reyniers

The independent auditor's extended review report on the financial statements

To the shareholder of Fade Acoustic Ceilings Europe ApS

Conclusion

We have performed an extended review of the financial statements of Fade Acoustic Ceilings Europe ApS for the financial year 1 July – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work performed, it is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 July – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibility for the extended review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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 responsibility 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 in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures in order to obtain additional assurance for our conclusion.

An extended review comprises procedures primarily consisting of making enquiries of Management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating the evidence obtained.

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



The independent auditor's extended review report on the financial statements

Statement on the Management's review

Management is responsible for Management's review.

Our conclusion on the financial statements does not cover Management's review, 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's review and, in doing so, consider whether Management's review is materially inconsistent with the financial statements or our knowledge obtained during the extended review, 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 the Management's review is in accordance with the 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's review.

København, 29 June 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Jon Beck
State Authorised
Public Accountant
mne32169

Christian Møllegaard Larsen
State Authorised
Public Accountant
mne46614

Fade Acoustic Ceilings Europe ApS
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Management's review

Company details

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

CVR no.:	36 45 48 81
Established:	5 December 2014
Registered office:	Hvidovre
Financial period:	1 July – 31 December

Board of Directors

Carl-Magnus Svenningsson, Chairman
Kasper Ehlert Jacobsen
Ulf Patrik Nilsson
Stéphane Daniel Edouard Reyniers

Executive Board

Kasper Ehlert Jacobsen, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Management's review

Operating review

Principal 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 financial position

The Company's income statement for 2021 shows a profit of DKK 1,977,727 as against DKK 1,864,298 in 2020/21. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 4,806,633 as against DKK 2,828,906 at 30 June 2021.

The profit is a result of development of the business and expansions to new markets. It is management's expectation that results will be positive for the forthcoming years.

The Company has changed the financial reporting period from 1 July - 30 June to 1 January - 31 December. The transition period covers 1 July 2021 - 31 December 2021.

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.

Financial statements 1 July – 31 December

Income statement

DKK	Note	01/07 2021- 31/12 2021	01/07 2020- 30/06 2021
Gross profit		6,184,534	6,861,595
Staff costs	2	-3,391,215	-4,124,641
Depreciation, amortisation and impairment losses		<u>-161,490</u>	<u>-202,723</u>
Profit before financial income and expenses		2,631,829	2,534,231
Other financial income		34,764	32,251
Other financial expenses		<u>-98,248</u>	<u>-159,377</u>
Profit before tax		2,568,345	2,407,105
Tax on profit for the year	3	<u>-590,618</u>	<u>-542,807</u>
Profit for the period		<u>1,977,727</u>	<u>1,864,298</u>
Proposed profit appropriation			
Retained earnings		<u>1,977,727</u>	<u>1,864,298</u>
		<u>1,977,727</u>	<u>1,864,298</u>

Financial statements 1 July – 31 December

Balance sheet

DKK	Note	31/12 2021	30/06 2021
ASSETS			
Fixed assets			
Intangible assets	4		
Acquired licences		<u>18,038</u>	<u>24,051</u>
Property, plant and equipment	5		
Fixtures and fittings, tools and equipment		334,860	390,400
Leasehold improvements		<u>659,537</u>	<u>394,390</u>
		<u>994,397</u>	<u>784,790</u>
Investments			
Deposits		<u>91,624</u>	<u>15,693</u>
Total fixed assets		<u>1,104,059</u>	<u>824,534</u>
Current assets			
Inventories			
Finished goods and goods for resale		<u>2,795,111</u>	<u>1,911,066</u>
Receivables			
Trade receivables		6,320,501	3,991,105
Other receivables		585,030	401,238
Deferred tax asset		0	566
Prepayments		<u>160,929</u>	<u>119,856</u>
		<u>7,066,460</u>	<u>4,512,765</u>
Total current assets		<u>9,861,571</u>	<u>6,423,831</u>
TOTAL ASSETS		<u><u>10,965,630</u></u>	<u><u>7,248,365</u></u>

Financial statements 1 July – 31 December

Balance sheet

DKK	Note	31/12 2021	30/06 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		50,000	50,000
Retained earnings		4,756,633	2,778,906
Total equity		<u>4,806,633</u>	<u>2,828,906</u>
Provisions			
Provisions for deferred tax		50,150	0
Total provisions		<u>50,150</u>	<u>0</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Corporation tax		0	560,111
Current liabilities other than provisions			
Banks, current liabilities		534,308	924,381
Trade payables		1,254,007	1,117,236
Payables to group entities		2,004,266	0
Corporation tax		1,080,013	360,804
Other payables		1,236,253	1,456,927
		<u>6,108,847</u>	<u>3,859,348</u>
Total liabilities other than provisions		<u>6,108,847</u>	<u>4,419,459</u>
TOTAL EQUITY AND LIABILITIES		<u>10,965,630</u>	<u>7,248,365</u>
Contractual obligations, contingencies, etc.	6		
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Financial statements 1 July – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 July 2021	50,000	2,778,906	2,828,906
Transferred over the profit appropriation	0	1,977,727	1,977,727
Equity at 31 December 2021	50,000	4,756,633	4,806,633

Financial statements 1 July – 31 December

Notes

1 Accounting policies

The annual report of Fade Acoustic Ceilings Europe ApS for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The Company has changed the financial reporting period from 1 July - 30 June to 1 January - 31 December. The transition period covers 1 July 2021 - 31 December 2021.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

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.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs. Refunds from public authorities are deducted from staff costs.

Financial statements 1 July – 31 December

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1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Acquired licences

Acquired licences comprise acquired intellectual property rights.

Acquired licences are measured at cost less accumulated amortisation and impairment losses. Licences are amortised over the contract period.

Property, plant and equipment

Fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 July – 31 December

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1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Investments

Deposits are recognised at amortised cost.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance of depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Financial statements 1 July – 31 December

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1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

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DKK	<u>01/07 2021- 31/12 2021</u>	<u>01/07 2020- 30/06 2021</u>
2 Staff costs		
Wages and salaries	2,943,536	4,058,708
Pensions	148,599	0
Other social security costs	299,080	13,627
Other staff costs	<u>0</u>	<u>52,306</u>
	<u>3,391,215</u>	<u>4,124,641</u>
Average number of full-time employees	<u>6</u>	<u>6</u>
3 Tax on profit for the year		
Current tax for the year	539,902	560,111
Deferred tax for the year	25,569	-18,395
Adjustment of tax concerning previous years	<u>25,147</u>	<u>1,091</u>
	<u>590,618</u>	<u>542,807</u>
4 Intangible assets		
DKK		Acquired licences
Cost at 1 July 2021		<u>30,064</u>
Cost at 31 December 2021		<u>30,064</u>
Amortisation and impairment losses at 1 July 2021		-6,013
Amortisation for the year		<u>-6,013</u>
Amortisation and impairment losses at 31 December 2021		<u>-12,026</u>
Carrying amount at 31 December 2021		<u>18,038</u>

Financial statements 1 July – 31 December

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5 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 July 2021	635,547	571,802	1,207,349
Additions for the year	7,395	357,689	365,084
Cost at 31 December 2021	642,942	929,491	1,572,433
Depreciation and impairment losses at 1 July 2021	-245,147	-177,412	-422,559
Depreciation for the year	-62,935	-92,542	-155,477
Depreciation and impairment losses at 31 December 2021	-308,082	-269,954	-578,036
Carrying amount at 31 December 2021	334,860	659,537	994,397

6 Contractual obligations, contingencies, etc.

Contingent liabilities

With SAINT-GOBAIN DISTRIBUTION DENMARK A/S, company reg. no 81 82 25 14 as administration company, the Company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The Company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the Company capital, which is owned directly or indirectly by the ultimate Parent Company.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Operating lease obligations

The company has normal rent obligations related to office and warehouse, for a total of DKK 554 thousand.

7 Mortgages and collateral

Bank loan are secured by way of a company charge of DKK 1,800 thousand nominal provided by the Company.

Financial statements 1 July – 31 December

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8 Related party disclosures

Fade Acoustic Ceilings Europe ApS related parties comprise the following:

Control

Saint-Gobain Ecophon AB, Box 500, 265 03 Hyllinge, Sweden.

Saint-Gobain Ecophon AB holds the majority of the contributed capital in the Company.

Fade Acoustic Ceilings Europe ApS is part of the consolidated financial statements of Compagnie De Saint-Gobain S.A, Les Miroirs, 18 Avenue d'Alsace, 92096 La Defense, France, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of Compagnie De Saint-Gobain S.A, can be obtained this adress:
<https://www.saint-gobain.com/en/finance>