

Fade Acoustic Ceilings Europé ApS

CVR-nr. 36 45 48 81

Hammerholmen 18E
2650 Hvidovre

Annual report 2023

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

Carl-Magnus Svenningsson
Chairman of the general agreement

Fade Acoustic Ceilings Europé ApS

Annual report 2023

CVR no. 36 45 48 81

Contents

Statement by the Board of Directors and the Executive Board	3
Independent auditor's extended review report on the financial statements	4
Managements review	6
Company details	6
Operating review	7
Financial statements 1 January - 31 December	8
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Notes	12

Fade Acoustic Ceilings Europé ApS

Annual report 2023

CVR no. 36 45 48 81

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 for FADE ACOUSTIC CEILINGS EUROPE ApS for the financial year 1 January - 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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, 15. May 2024

Executive Board:

Kasper Ehlert Dittlau

CEO

Board of Directors:

Carl-Magnus Svenningsson

Chairman

Kasper Ehlert Dittlau

Fredrik Linné

Stéphane Reyniers

Independent auditor's extended review report on the financial statements

To the shareholders 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 January - 31 December 2023 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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 further 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

Statement on the Management's Review

Management is responsible for the Management's Review.

Our conclusion on the financial statements does not cover the 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 the 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 the 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 Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 15 May 2024

KPMG

Statsautoriseret Revisionspartnerselskab

Mikkel Trabjerg Knudsen
State Authorised Public Accountant
mne34459

Jonas Ellevang Andersen
State Authorised Public Accountant
mne50562

Fade Acoustic Ceilings Europé ApS

Annual report 2023

CVR no. 36 45 48 81

Managements's review

Company Details	Fade Acoustic Ceilings Europé ApS Hammerholmen 18E 2650 Hvidovre
	CVR-no.: 36 45 48 81
	Established: 05.12.2014
	Registered office: Hvidovre
	Financial year: 1 January - 31 December
Executive Board	Kasper Ehlert Dittlau, CEO
Board of Directors	Carl-Magnus Svenningsson, Chairman Kasper Ehlert Dittlau Fredrik Linné Stéphane Reyniers
Auditor	KPMG Statsautoriseret Revisionspartnerselskab Fredriksplads 42, 7. 8000 Aarhus C CVR no.: 25 57 81 98

Fade Acoustic Ceilings Europé ApS

Annual report 2023

CVR no. 36 45 48 81

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.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2023

Development in activities and financial position

The Company's income statement for 2023 shows a loss of DKK 11,720,141 as against a profit of DKK 3,129,566 in 2022. Equity in the Company's balance sheet at 31 December 2023 stood at DKK -7,525,942 as against DKK 7,936,199 at 31 December 2022.

The loss is a result due to costs for developing the product and business expansion to new markets through its mother entity Saint-Gobain Ecophon AB, and a provision for possible customer claims from previous years. The effects from the loss is that more than half of the share capital has been lost and the management expects to secure funding through the support from the mother entity.

Fade Acoustic Ceilings Europe ApS has recieved a support letter from the mother company Saint-Gobain Ecophon AB guaranteeing that the company, at any time will have sufficient to meet its current and future liabilities.

Fade Acoustic Ceilings Europé ApS

Annual report 2023

CVR no. 36 45 48 81

Financial Statements 1 January - 31 December**Income Statement**

	Note	2023	2022
Gross Profit		-8 529 824	10 693 130
Staff costs	3	-4 797 698	-6 150 859
Depreciation on property, plant and equipment and amortisation of intangible assets		-1 499 167	-447 187
		<hr/>	<hr/>
Loss before financial income and expenses		-14 826 690	4 095 084
Other financial income		176 237	126 207
Other financial expenses		-242 613	-208 944
		<hr/>	<hr/>
Loss before tax		-14 893 067	4 012 348
Tax on profit for the year		3 172 926	-882 782
		<hr/>	<hr/>
Loss for the year		-11 720 141	3 129 566
		<hr/> <hr/>	<hr/> <hr/>
Proposes profit appropriation			
Proposed dividends for the year		0	3 742 000
Retained earnings		-11 720 141	-612 434
		<hr/>	<hr/>
		-11 720 141	3 129 566
		<hr/> <hr/>	<hr/> <hr/>

Fade Acoustic Ceilings Europé ApS

Annual report 2023

CVR no. 36 45 48 81

Financial Statements 1 January - 31 December**Balance Sheet****ASSETS**

	Note	2023	2022
Fixed Assets			
Intangible assets			
Acquired intangible assets		24 875	103 449
Property, plant and equipment			
Fixtures, fittings, tools and equipment		325 122	616 884
Leasehold improvements		254 777	1 075 998
		<u>579 899</u>	<u>1 692 882</u>
Investments			
Deposits		120 132	91 624
Total fixed assets		<u>724 906</u>	<u>1 887 955</u>
Current assets			
Inventories			
Finished goods and goods for resale		0	3 436 820
Receivables			
Trade receivables		1 673 354	5 288 615
Receivables from group entities		3 917 061	415 652
Joint taxation contribution		3 604 205	374 295
Other receivables		0	483 915
Prepayments		0	266 452
		<u>9 194 620</u>	<u>6 828 929</u>
Cash at bank and in hand		0	346 469
Total current assets		<u>9 194 620</u>	<u>10 612 218</u>
TOTAL ASSETS		<u><u>9 919 526</u></u>	<u><u>12 500 173</u></u>

Financial Statements 1 January - 31 December

Balance Sheet

EQUITY AND LIABILITIES

	Note	2023	2022
Equity			
Contributed capital		50 000	50 000
Retained earnings		-7 575 942	4 144 199
Proposed dividends for the year		0	3 742 000
Total equity		-7 525 942	7 936 199
Provisions			
Provisions for deferred tax		50 150	50 150
Other provisions		6 522 575	0
Total provisions		6 572 725	50 150
Liabilities other than provisions			
Current liabilities other than provisions			
Debt to credit institutions		0	1 375
Trade payables		2 303	239 278
Payables to group entities		6 978 023	2 032 158
Corporation tax		46 312	825 705
Other payables, including taxes payable		3 846 105	1 415 308
		10 872 743	4 513 824
		10 872 743	4 513 824
TOTAL EQUITY AND LIABILITIES		9 919 526	12 500 173

Financial Statements 1 January - 31

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Proposed dividends for the year	Total
Equity at 1 January 2023	50 000	4 144 199	3 742 000	7 936 199
Paid dividends			-3 742 000	-3 742 000
Transferred over profit appropriation		-11 720 141		-11 720 141
Equity at 31 December 2023	50 000	-7 575 942	0	-7 525 942

Financial Statements 1 January - 31 December

Notes

1 Accounting policies

The annual report of FADE ACOUSTIC CEILINGS EUROPE ApS for 2023 has been prepared in accordance with the provisions applying to reporting class B under the Danish Financial Statements Act with option from higher reporting classes

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

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

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.

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

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 costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, 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.

Financial Statements 1 January - 31 December

Notes

1 Accounting policies

Balance sheet

Intangible assets

Acquired licenses comprise of 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, 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.

Investments

Deposits are recognised at amortised cost.

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.

Financial Statements 1 January - 31 December

Notes

1 Accounting policies

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.

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.

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 the 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.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

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.

Financial Statements 1 January - 31 December

Notes

1 Accounting policies

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 measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where 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 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.

Provisions

Provisions comprise anticipated costs of claims. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. 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.

Fade Acoustic Ceilings Europé ApS

Annual report 2023

CVR no. 36 45 48 81

Financial Statements 1 January - 31 December

Notes

2 Cash resources

The company lost more than half of the share capital. To guarantee the continuation and the reestablishment of the sharecapital of the business, Fade Acoustic Ceilings Europé ApS has received a support letter from the mother company Saint-Gobain Ecophon AB guaranteeing that the Company, at any time, will have sufficient liquidity to meet its current and future liabilities.

	2023	2022
3 Staff costs		
Wages and salaries	4 375 102	5 639 351
Pensions	315 743	292 403
Other social security expenses	106 853	219 105
	4 797 698	6 150 859
Average number of full-time employees	3	4

4 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 entered into operating leases with a remaining term of 0 months and an average monthly lease payments of DKK 57,8 thousand totalling DKK 693 thousand.

5 Mortgages and collateral

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

Fade Acoustic Ceilings Europé ApS

Annual report 2023

CVR no. 36 45 48 81

Financial Statements 1 January - 31 December

Notes

6 Related parties

FADE ACOUSTIC CEILINGS EUROPE ApS' related parties comprise the following:

Control

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 group in which the Company is included as a subsidiary.

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

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

The consolidated financial statements of Compagnie de Saint-Gobain S.A, can be obtained through this adress:

<https://www.saint-gobain.com/en/finance>