



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 912 194 523
Organisasjonsform: Aksjeselskap
Foretaksnavn: STOCRETEC FLOORING AS
Forretningsadresse: Værftsgata 7A
1511 MOSS

Regnskapsår

Årsregnskapets periode: 01.01.2020 - 31.12.2020

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Nei

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Joakim Elisenberg
Dato for fastsettelse av årsregnskapet: 14.04.2021

Grunnlag for avgivelse

År 2020: Årsregnskapet er elektronisk innlevert
År 2019: Tall er hentet fra elektronisk innlevert årsregnskap fra 2020

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 24.06.2021



Resultatregnskap

Beløp i: NOK	Note	2020	2019
RESULTATREGNSKAP			
Inntekter			
Revenue		93 099 889	127 512 119
Sum inntekter	5	93 099 889	127 512 119
Kostnader			
Cost of materials		59 025 361	89 779 192
Personnel expenses	6, 7	18 137 308	19 443 010
Depreciation of operating and intangible assets	3	2 987 599	3 030 186
Other operating expenses		12 780 474	12 979 083
Sum kostnader		92 930 742	125 231 470
Driftsresultat		169 147	2 280 649
Finansinntekter og finanskostnader			
Annen renteinntekt		271 396	126 295
Other financial income	5	2 025 181	806 787
Sum finansinntekter		2 296 577	933 082
Annen rentekostnad		265 671	410 371
Other financial expenses		569 987	990 888
Sum finanskostnader		835 657	1 401 259
Netto finans		1 460 919	-468 177
Ordinært resultat før skattekostnad		1 630 066	1 812 473
Tax on ordinary result	13	306 722	322 134
Ordinært resultat etter skattekostnad		1 323 344	1 490 339
Årsresultat		1 323 344	1 490 339
Årsresultat etter minoritetsinteresser		1 323 344	1 490 339
Totalresultat		1 323 344	1 490 339
Overføringer og disponeringer			



Resultatregnskap

Beløp i: NOK	Note	2020	2019
Allocated to other equity		1 323 344	1 490 339
Sum overføringer og disponeringer		1 323 344	1 490 339



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	13	1 550 038	1 743 995
Sum immaterielle eiendeler		1 550 038	1 743 995
Varige driftsmidler			
Right-of-use assets	3	3 639 242	4 977 527
Equipment and other movables	3	500 054	576 282
Sum varige driftsmidler		4 139 296	5 553 808
Finansielle anleggsmidler			
Investering i datterselskap	11	263 649	263 649
Other long-term receivables	12		1 093 803
Sum finansielle anleggsmidler		263 649	1 357 452
Sum anleggsmidler		5 952 983	8 655 256
Omløpsmidler			
Varer			
Sum varer	9	11 158 971	10 954 220
Fordringer			
Accounts receivables	8	12 771 038	18 452 967
Other short-term receivables		9 775 945	7 035 987
Sum fordringer		22 546 983	25 488 955
Bankinnskudd, kontanter og lignende			
Cash and bank deposits	10	17 312 971	10 114 526
Sum bankinnskudd, kontanter og lignende		17 312 971	10 114 526
Sum omløpsmidler		51 018 925	46 557 701
SUM EIENDELER		56 971 908	55 212 956



Balanse

Beløp i: NOK	Note	2020	2019
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	4, 14	10 000 000	10 000 000
Sum innskutt egenkapital		10 000 000	10 000 000
Opptjent egenkapital			
Other equity	14	4 367 770	3 044 118
Sum opptjent egenkapital		4 367 770	3 044 118
Sum egenkapital		14 367 770	13 044 118
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Langsiktig konserngjeld	12	13 000 000	14 150 000
Lease liabilities	3	958 956	2 419 177
Sum annen langsiktig gjeld		13 958 956	16 569 177
Sum langsiktig gjeld		13 958 956	16 569 177
Kortsiktig gjeld			
Liabilities to financial institutions	8, 16	68	
Leverandørgjeld		6 966 682	4 903 621
Tax payable	13	-327 616	-229 699
Public duties payable	10	2 610 451	2 391 169
Kortsiktig konserngjeld	3	2 745 155	2 677 626
Other current debt	8, 12	16 650 442	15 856 945
Sum kortsiktig gjeld		28 645 182	25 599 661
Sum gjeld		42 604 138	42 168 838
SUM EGENKAPITAL OG GJELD		56 971 908	55 212 956



Skattedirektoratet

Saksbehandler Jeanette Munkvold Skovholt	Deres dato 28.03.2017	Vår dato 04.04.2017
Telefon 90076012	Deres referanse Kjetil Andersen	Vår referanse 2017/345411

ERNST & YOUNG AS
Postboks 1156 Sentrum
0107 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Hesselberg Bygg AS, org. nr. 912 194 523

– Vi viser til deres brev av 28. mars 2017 der det søkes om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Hesselberg Bygg AS, org. nr. 912 194 523.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Hesselberg Bygg AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra søknaden gjengis:

Hesselberg Bygg AS er et selskap som driver med salg av gulvbelegg og andre byggevarer, og har forretningsadresse i Moss. Hesselberg Bygg AS er et datterselskap av det tyske konsernet Sto SE & Co. KGaA som produserer og selger byggematerialer, og som har virksomhet over hele verden. Hesselberg Bygg AS foretar regnskapsmessig rapportering, både månedlig og årlig, til det tyske konsernet Sto SE & Co. KGaA for konsolideringsformål, og dette gjøres på engelsk.

Byggevarerbransjen har et sterkt innslag av internasjonale aktører, der samtlige behersker engelsk. Selskapet har tysk styreleder, og mesteparten av styremedlemmene er også tyske. Det er engelsk og tysk som blir benyttet som arbeidsspråk.

En norsk oversettelse vil kun ha til formål å oppfylle regnskapslovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan være på et annet språk."

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

Postadresse Postboks 9200 Grønland 0134 Oslo	Besøksadresse: Se www.skatteetaten.no Org.nr: 996250318 E-post: skatteetaten.no/sendepost	Sentralbord 800 80 000 Telefaks 22 17 08 60
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”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til *“informative regnskaper for ulike grupper av regnskapsbrukere”*. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet lagt vekt på at selskapet er et datterselskap i et utenlandsk konsern, og at styremedlemmene i det alt vesentlige er utenlandske. Eierkretsen er begrenset. Selskapet opererer i en internasjonal bransje. Arbeidsspråket er engelsk. Videre er det vektlagt at alle sentrale aktører og samarbeidspartnere innen denne bransjen behersker og benytter engelsk, og det anses at ingen øvrige brukere av regnskapsinformasjon blir negativt berørt av at årsregnskapet og årsberetningen utarbeides på engelsk språk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt

Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



Statsautoriserte revisorer
Ernst & Young AS

Dronning Eufemias gate 6, NO-0191 Oslo
Postboks 1156 Sentrum, NO-0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of StoCretec Flooring AS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of StoCretec Flooring AS, which comprise the balance sheet as at 31 December 2020, the income statement and statements of cash flows and changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Company as at 31 December 2020 and its financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards 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 ethical requirements that are relevant to our audit of the financial statements in Norway, and we have fulfilled our ethical responsibilities as required by law and regulations. We have also complied with our other ethical obligations in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Other information consists of the information included in the Company's annual report other than the financial statements and our auditor's report thereon. The Board of Directors and Chief Executive Officer (management) are responsible for the other information. Our opinion on the audit of the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



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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 laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs) 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.

As part of an audit in accordance with law, regulations and generally accepted auditing principles in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism 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 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 content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report concerning the financial statements, the going concern assumption, and proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to ensure that the Company's accounting information is properly recorded and documented as required by law and bookkeeping standards and practices accepted in Norway.

Independent auditor's report - StoCretec Flooring AS

A member firm of Ernst & Young Global Limited

Permeo document key: CAAVL-1CNYZ-EMVEA-PBCBS-V3WEA-4MPVK



Oslo, 09 April 2021
ERNST & YOUNG AS

The auditor's report is signed electronically

Kjetil Andersen
State Authorised Public Accountant (Norway)

Penneo document key: QAAVL-1CNYZ-EMVEA-PBCBS-V3WEA-4MPVK



PENNEO

Signaturene i dette dokumentet er juridisk bindende. Dokument signert med "Penneo™ - sikker digital signatur".
De signerende parter sin identitet er registrert, og er listet nedenfor.

"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Kjetil Andersen

Partner

Serienummer: 9578-5992-4-2398085

IP: 37.191.xxx.xxx

2021-04-08 20:04:49Z



Penneo Dokumentnøkkel: QAAVL-1CNYZ-EMVEA-PBCBS-V3WEA-4MPVK

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Dokumentet er beskyttet av ett Adobe CDS sertifikat. Når du åpner dokumentet i

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Stocretec Flooring AS

Annual report 2020

Board of directors' report

Annual accounts

- Income statement**
- Balance sheet**
- Cash flow statement**
- Notes**

Auditors' report

Org n0 912 194 523



Annual report 2020 StoCretec Flooring AS

Nature of business

StoCretec Flooring AS is a producer and distributor of resin coating products, located in Moss with the Scandinavian countries as their main market. StoCretec Flooring AS is owned by the German industry group Sto SE & Co KGaA.

Continued operation

The annual accounts has been submitted based on the assumption that operation will continue. The financial result, financial position and asset/debts of the company envisages a fair picture of the actual situation.

StoCretec Flooring AS will in the opinion of the board be affected by the outbreak of the Covid-19 virus in 2021. It will have an impact on sales, and require lowering of costs. Based on the situation and the information that is available at the present time, the Board of Directors considers it reasonable to use the assumption of continued operations in the preparation of the annual accounts.

Personell

The average number of employees in 2020 in StoCretec Flooring AS was 23. 17,69 % of that being women. There are no women represented at the board. The board of the company is conscious about the expectations of society regarding expectations about initiatives to support gender equality within the company. Work is going on to meet the expectations of society, but no concrete measures have been undertaken.

The board considers the work environment to be very good. The co-operation with the employees has in the opinion of the board been very good and has contributed positively to the overall performance. 160 days of absence due to illness was recorded which accounts for 4,28 % of the total number of working days in 2020. No unwanted incidents or accidents with personal injury has been recorded in 2020.

The goal of the company is to be able to be a stable workplace with full equality between women and men. No discrimination due to gender in matters of compensation, advancement or recruitment shall take place.

Exterior environment

The company is involved in business that to a very limited degree pollutes the external environment.

Research and development

The company is active within developing new products.

Future development

The company has been able to maintain high domestic activity and delivers a positive result. The company will focus on growth within market segments with high potential and in the nordic flooring market in close cooperation with Sto subsidiaries.

Financial risk

The company is exposed to various financial risks, especially the currency risk. Use of financial instruments is implemented to reduce this risk. The company has had no major losses on



receivables. The liquidity of the company and the liquidity of the parent company is very good, and it is not decided to implement any further measures to reduce the financial risk.

The company assesses the credit risk as limited at this point, but measures will be taken to reduce risk due to the current situation with the virus outbreak and quarantines slowing businesses down.

Financial result, financing and liquidity

The company has a turnover in 2020 of MNOK 93,1. The submitted annual account shows a profit before tax of MNOK 1,6 and MNOK 1,3 after tax.

The cash flow of the operational activities of the company is satisfactory.

The total assets of the company as of 31.12.2020 was MNOK 57 compared with 55,2 last year.

The equity of the company as of 31.12.2020 was MNOK 14,4. The equity ratio as of 31.12.20 was 25,2 %, compared with 23,6 % last year.

In the opinion of the board the liquidity of the company is satisfactory.

Disposition of result

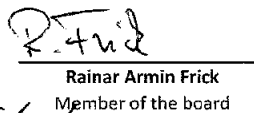
The board proposes the following disposition of the result of MNOK 1,3 after tax.

Transferred to other equity	1 323 344
Sum	1 323 344

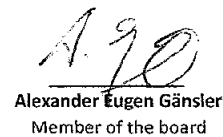
Moss / Stühlingen, 30. March 2021



Jan Tore Andersen
Chairman of the board



Rainar Armin Frick
Member of the board



Alexander Eugen Gänser
Member of the board



Rolf Wöhrle
Member of the board



Erik Grønner
Member of the board/General manager

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Stocretec Flooring AS

Income statement 1 January - 31 December

Amounts i NOK

Income statement	Note	2020	2019
Revenue		93 099 889	127 512 119
Total operating income	5	93 099 889	127 512 119
Cost of materials		59 025 361	89 779 192
Personnel expenses	6, 7	18 137 308	19 443 010
Depreciation of operating and intangible assets	3	2 987 599	3 030 186
Other operating expenses		12 780 474	12 979 063
Total operating expenses		92 930 742	125 231 470
Operating profit		169 147	2 280 649
Financial income and expenses			
Interest income		271 396	126 295
Other financial income	5	2 025 181	806 787
Interest expenses		265 671	410 371
Other financial expenses		569 987	990 888
Net financial items		1 460 919	-468 177
Ordinary result before tax		1 630 066	1 812 473
Tax on ordinary result	13	306 722	322 134
Ordinary result after tax		1 323 344	1 490 339
Net profit for the year		1 323 344	1 490 339
Allocated as follows			
Allocated to other equity		1 323 344	1 490 339
Net brought forward		1 323 344	1 490 339

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Stocretec Flooring AS

Balance sheet as of 31 December

Amounts in NOK

Assets	Note	2020	2019
Fixed assets			
Intangible assets			
Deferred tax assets	13	1 550 038	1 743 995
Total intangible assets		1 550 038	1 743 995
Tangible assets			
Right-of-use assets	3	3 639 242	4 977 527
Equipment and other movables	3	500 054	576 282
Total tangible assets		4 139 296	5 553 808
Financial fixed assets			
Investments in subsidiaries	11	263 649	263 649
Other long-term receivables	12	0	1 093 803
Total financial fixed assets		263 649	1 357 452
Total fixed assets		5 952 983	8 655 256
Current assets			
Inventories	9	11 158 971	10 954 220
Debtors			
Accounts receivables	8	12 771 038	18 452 967
Other short-term receivables		9 775 945	7 035 987
Total receivables		22 546 983	25 488 955
Cash and bank deposits	10	17 312 971	10 114 526
Total current assets		51 018 925	46 557 701
Total assets		56 971 908	55 212 956



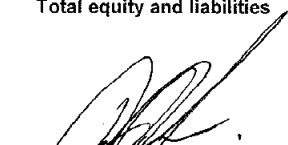
Stocretec Flooring AS

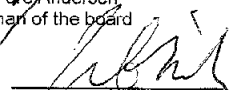
Balance sheet as of 31 December

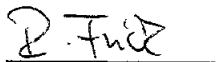
Amounts in NOK

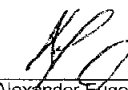
Equity and liabilities	Note	2020	2019
Equity			
Paid-up equity			
Share capital	4, 14	10 000 000	10 000 000
Total paid-up equity		10 000 000	10 000 000
Retained earnings			
Other equity	14	4 367 770	3 044 118
Total retained earnings		4 367 770	3 044 118
Total equity		14 367 770	13 044 118
Liabilities			
Other long-term liabilities			
Long-term liabilities to group companies	12	13 000 000	14 150 000
Lease liabilities	3	958 956	2 419 177
Total of other long term liabilities		13 958 956	16 569 177
Current debt			
Liabilities to financial institutions	8, 16	68	0
Trade creditors		6 966 682	4 903 621
Tax payable	13	-327 616	-229 699
Public duties payable	10	2 610 451	2 391 169
Lease liabilities	3	2 745 155	2 677 626
Other current debt	8, 12	16 650 442	15 856 945
Total current debt		28 645 182	25 599 661
Total liabilities		42 604 138	42 168 838
Total equity and liabilities		56 971 908	55 212 956


Moss/Stühlingen, 30. March 2021
The board of Stocretec Flooring AS


Jan Tore Andersen
Chairman of the board


Rolf Wöhrie
Member of the board


Rainer Armin Frick
Member of the board


Alexander Eugen Gänslér
Member of the board


Erik Grønner
Member of the board/General Manager



Stocretec Flooring AS

Cash flow statement

	Note	2020	2019
Cash flow from operation activities			
Profit/(loss) before tax		1 630 066	1 812 472
Taxes paid		-229 693	-504 734
Gain from sale of fixed assets		-	-
Depreciation and amortisation		153 933	257 640
Amortisation right-of-use assets		2 789 552	2 772 546
Impairment of financial investments		-	-
Changes in inventories		-204 751	1 220 354
Changes in accounts receivables		5 681 929	3 941 179
Changes in accounts payables		1 576 007	-1 454 402
Changes in lease liabilities		-1 392 692	-2 032 308
Changes in other current balance sheet items		-2 370 806	-527 002
Net cash flow from operating activities		<u>7 633 545</u>	<u>5 485 745</u>
Cash flow from investing activities			
Proceeds from long term receivables		1 093 803	3 041 451
Purchase of tangible fixed assets		-1 528 972	-1 290 592
Proceeds from sale of tangible fixed assets		-	-
Net cash flow from investing activities		<u>-435 169</u>	<u>1 750 859</u>
Cash flow from financing activities			
Proceeds from issuance of long term debt		-	-
Repayment of long term loans		-	-
Net change in bank overdraft		68	-134
Dividends paid		-	-
Net cash flow from financing activities		<u>68</u>	<u>-134</u>
Net change in cash and cash equivalents		7 198 445	7 236 470
Cash and cash equivalents at 01.01		<u>10 114 526</u>	<u>2 878 057</u>
Cash and cash equivalents at 31.12		<u>17 312 971</u>	<u>10 114 526</u>



Stocretec Flooring AS

Notes to the accounts for 2020

Note 1 - Accounting Principles

The financial statements for Stocretec Flooring AS are prepared in accordance with simplified IFRS pursuant to the Norwegian Accounting Act § 3-9 and regulations regarding simplified application of IFRS issued by the Norwegian Ministry of Finance on 3 November 2014. Under this regulation are assets, debt, income and expenses recognized and assessed according to IFRS, where disclosure is in accordance with the Norwegian Accounting Act.

It is not deemed necessary to prepare consolidated financial statements for Stocretec Flooring AS in accordance to the Norwegian Accounting Act § 3-8.

Sales revenue

Sales revenues are recognized at the time of delivery. Revenue from services are recognized at execution. The share of sales revenue associated with future services are recorded in the balance sheet as deferred sales revenue, and are recognized at the time of execution.

Balance sheet classification

Net current assets comprise creditors due within one year, and entries related to goods circulation. Other entries are classified as fixed assets and/or long term creditors.

Current assets are valued at the lower of acquisition cost and fair value. Short term creditors are recognized at nominal value.

Fixed assets are valued by the cost of acquisition, in the case of non incidental reduction in value the asset will be written down to the fair value amount. Long term creditors are recognized at nominal value.

Property, plant and equipment

Property, plant and equipment is capitalized and depreciated over the estimated useful economic life. Direct maintenance costs are expensed as incurred, whereas improvements and upgrading are assigned to the acquisition cost and depreciated along with the asset. If carrying value of a non current asset exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

Subsidiaries and investment in associate

Subsidiaries and investments in associate are valued by the cost method in the company accounts. The investment is valued as cost of acquiring shares in the subsidiary, providing that write down is not required. Write down to fair value will be carried out if the reduction in value is caused by circumstances which may not be regarded as incidental, and deemed necessary by generally accepted accounting principles. Write downs are reversed when the cause of the initial write down are no longer present.

Dividends and other distributions are recognized in the same year as appropriated in the subsidiary accounts. If dividends exceed withheld profits after acquisition, the exceeding amount represents reimbursement of invested capital, and the distribution will be subtracted from the value of the acquisition in the balance sheet.



Stocretec Flooring AS

Notes to the accounts for 2020

Inventories

Inventories are valued at the lower of cost or market value. Cost is estimated using the FIFO method. Finished goods and work in progress are valued at full production cost. Write-downs are carried out for foreseeable obsolescence.

Trade and other receivables

Trade receivables and other current receivables are recorded in the balance sheet at nominal value less provisions for doubtful debts. Provisions for doubtful debts are calculated on the basis of individual assessments. In addition, for the remainder of accounts receivables outstanding balances, a general provision is carried out based on expected loss.

Foreign currency translation

Foreign currency transactions are translated using the year end exchange rates.

Short term investments

Short term investments (stocks and shares are valued as current assets) are valued at the lower of acquisition cost and fair value at the balance sheet date. Dividends and other distributions are recognized as other investment income.

Research and development

Research and development costs are capitalized providing that a future economic benefit associated with development of the intangible asset can be identified. Otherwise, the costs are expensed as incurred. Capitalized research and development are amortized linearly over the economic lifetime.

Income tax

Tax expenses in the profit and loss account comprise both tax payable for the accounting period and changes in deferred tax. Deferred tax is calculated at 22 percent on the basis of existing temporary differences between accounting profit and taxable profit together with tax deductible deficits at the year end. Temporary differences both positive and negative, are balance out within the same period. Deferred tax assets are recorded in the balance sheet to the extent it is more likely than not that the tax assets will be utilized.

To what extent group contribution not is registered in the profit and loss, the tax effect of group contribution is posted directly against the investment in the balance.

Cash flow statement

The cash flow statement is presented using the indirect method. Cash and cash equivalents includes cash, bank deposits and other short term highly liquid placement with original maturities of three months or less.

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions affect the reported amounts in the profit and loss statement, the measurement of assets and liabilities and that the disclosure of contingent asset and liabilities on the balance sheet date. Actual results can differ from these estimates.

Contingent losses that are probable and quantifiable is expensed as occurred.



Stocretec Flooring AS

Notes to the accounts for 2020

Leased assets

Assets leased under terms that substantially transfer all the rights and obligations to the company (financial leases) are recognised as property, plant and equipment, and included as a liability under long- and shortterm liabilities at the present value of minimum lease payments. The asset is depreciated over its expected useful life, and the obligation reduced by lease payments less the effective interest expense. Operating leases are expensed as incurred.

Government grants

Government grants are accounted for when there is reasonable assurance that the company will meet the conditions associated with the grants, and the grants will be received. Grants related to income are presented as income under other financial income, while grants such as "Skattefunn" are presented as cost reductions under salary to be compared with the costs they are intended to compensate for.

Note 2a - Financial risk

Stocretec Flooring AS are exposed to changes in currency. In particular, Stocretec Flooring AS is buying raw materials and other consumables in foreign currency. In addition, the company has some sales in foreign currency. To reduce this risk the company has forward exchange contracts.

Note 2b - Changes in accounting principles

The accounting policies adopted are consistent with those of the previous financial year.



Stocretec Flooring AS

Notes to the accounts for 2020

Note 3 a - Equipment and other movables

	Property, plants and equipment
Acquisition cost 01.01.	1 122 954
Purchased tangibles	77 705
Disposals	<u>-228 028</u>
Acquisition cost 31.12.	<u>972 631</u>
Acc.depreciation 31.12.	<u>-472 577</u>
Net carrying amount at 31.12.	<u>500 054</u>
Depreciation for the year	198 047
Useful economic life	3-5 years
Amortization plan	linear

Note 3 b - Leases

The Company as lessee - capitalized leases.

Assets under capitalized leases include buildings, software, equipment and vehicles. In addition to the rental payments, the Company has obligations for asset maintenance and insurance. The rental period varies from 2 years to 4 years.

Some of the leases have an option for extension, which is taken into account when determining the rental period if it is reasonably assumed that it will be used.

The lease agreements do not contain restrictions on the company's dividend policy or financing options.

The balance sheet shows the following amounts relating to leases:

	Buildings	Software and equiptent	Cars	Total
Acquisition cost 01.01.	5 041 887	470 887	2 237 296	7 750 070
Purchased tangibles	958 409	450	511 097	1 469 956
Disposals	<u>-134 531</u>	<u>-8 927</u>	<u>-349 171</u>	<u>-492 629</u>
Acquisition cost 31.12.	<u>5 865 765</u>	<u>462 410</u>	<u>2 399 222</u>	<u>8 727 397</u>
Acc.depreciation 31.12.	<u>3 859 384</u>	<u>195 395</u>	<u>1 033 376</u>	<u>5 088 155</u>
Net carrying amount at 31.12.	<u>2 006 381</u>	<u>267 016</u>	<u>1 365 846</u>	<u>3 639 242</u>
Depreciation for the year	2 008 236	97 794	683 522	2 789 555
Useful economic life	3-5 years	3-5 years	3-5 years	



Stocretec Flooring AS

Notes to the accounts for 2020

Lease obligations under capitalized leases:

Overview of remaining estimated rental payments for capitalized leases and present

value:	2020	2019
Within 1 year	2 707 979	2 800 190
1 to 5 years	931 264	2 177 337
After 5 years		
Remaining estimated rental payments	3 639 243	4 977 527

Summary of present value of remaining estimated rental payments:

	2020	2019
Within 1 year	2 745 155	2 667 626
1 to 5 years	958 956	2 428 457
After 5 years		
Present value of remaining estimated rental payments	3 704 111	5 096 083
Average interest rate	1,75 %	0,36 %

Lease liabilities

Curret debt	-2 745 155	-2 667 626
Non curret debt	-958 956	-2 428 457
	<u>-3 704 111</u>	<u>-5 096 083</u>

The statement of profit shows the following amounts relating to leases

Depreciation charge of right-of-use assets

Software	81 066
Buildings	2 008 236
Cars	683 522
Others	16 728
	<u>2 789 552</u>

Interest expenses(includes in the finance sot) 10 369

The total cash outflow for leases in 2020 was 2 740 104

Note 4 - Share capital and shareholder information

Share capital:

	Number of shares	Face value	Book value
	10 000 000	100	100 000
		100 000	10 000 000

Shareholders per 31.12:

	Ordinary shares	Ownership share
Sto SE & Co KGaA	100	100 %

Full ownership share gives them complete voting rights on the general assembly.



Stocretec Flooring AS

Notes to the accounts for 2020

Note 5 - Segment information, and Covid-19 compensation

Segment breakdown	2020	2019
Flooring and Landscape	90 154 728	124 377 926
Other Industrial Markets	2 945 161	3 134 193
Total segment breakdown	<u>93 099 889</u>	<u>127 512 119</u>

Geographic areas	2020	2019
Nordic countries	90 967 251	123 542 373
Europe	2 132 639	3 969 746
Total geographic areas	<u>93 099 889</u>	<u>127 512 119</u>

For the financial year 2020 we have booked income of NOK 96 430 from the Business Compensation Scheme from the Government.

The measures the authorities have implemented to limit the spread of the covid virus are expected to have an impact on turnover in 2021. The impact is expected to decrease towards the end of the year.

Note 6 - Wage costs, number of employees, remuneration, loans to employees and auditor's fee

Wage costs	2020	2019
Salaries	14 727 765	15 853 485
Social security tax	2 276 890	2 632 471
Pension costs	511 162	516 376
Other benefits	1 061 565	1 007 498
Refund of development cost by the Norwegian state("Skattefunn)	-440 074	-566 820
Total	<u>18 137 308</u>	<u>19 443 010</u>

The average number of employees	<u>23</u>	<u>24</u>
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Management remuneration

	General manager	Board of directors
Salary including bonus	1 531 499	0
Other remuneration	149 613	

Auditor fee has been divided as follows

	2020	2019
Audit fee	220 450	170 408
Other services	102 542	124 413
Total	<u>322 992</u>	<u>294 821</u>

Note 7 - Pensions

According to the law the company has to participate in the OTP occupational pension. The company's pension plans meet the requirement of this Act. The company has a pension scheme securing the employees' right to future pension benefits. The company's pension plan is a pure contribution scheme. The defined contribution plan includes full-time employees and amounts to between 3% and 5% of salary. As of 31.12.2020, there were 23 members in the scheme.



Stocretec Flooring AS

Notes to the accounts for 2020

Note 8 - Receivables and debts

	2020	2019
Accounts receivables		
Trade Receivables	14 469 803	20 867 564
Allowance for doubtful debts	-1 698 765	-2 414 597
Total	<u>12 771 038</u>	<u>18 452 967</u>

	2020	2019
Other current debt		
Vacation allowance and salaries payables	2 745 358	3 127 735
Provision for Warranty claims	609 945	895 915
Other short-term liabilities	13 295 139	11 833 295
Total	<u>16 650 442</u>	<u>15 856 945</u>

Note 9 - Inventories

	2020	2019
Raw materials	6 601 170	6 245 887
Finished goods	<u>4 557 801</u>	<u>4 708 333</u>
Total	<u>11 158 971</u>	<u>10 954 220</u>

Note 10 - Bank deposit

	2020	2019
Restricted cash for withheld taxes from employees' salaries	<u>622 602</u>	<u>733 609</u>
Withheld employee taxes	<u>615 298</u>	<u>668 923</u>

Note 11 - Investment in subsidiaries and associate

Company	Share owners / Voting rights	Net profit 2020	Equity 31.12.2020
UAB Tech Coat*	95 %	-473	2 593

	Book Value
UAB Tech Coat*	264

*Net profit, equity and book value are in TNOK

The subsidiary Hesselberg Sverige AB was liquidated in 2020. Last year the book value was 0,-.

Note 12 - Intercompany balance group company and associate

Receivables	2020	2019
Long-term loan to Hesselberg Sverige AB	-	1 093 803
Accounts receivables	<u>571 966</u>	<u>474 578</u>
Total	<u>571 966</u>	<u>1 568 381</u>



Stocretec Flooring AS

Notes to the accounts for 2020

Payables	2020	2019
Trade creditors	769 512	281 141
Other short term payables	150 000	300 000
Long-term loan from Sto GmbH	13 000 000	14 150 000
Total	<u>13 919 512</u>	<u>14 731 141</u>

Note 13 - Income taxes

Income tax expenses:	2020	2019
Income tax payable	112 458	337 121
Changes in deferred tax asset	193 957	-16 912
Underestimated income tax payable previous year	-	1 925
Total income tax expense	<u>306 415</u>	<u>322 134</u>

Calculation of income tax payable:	2020	2019
Ordinary result before tax	1 630 066	1 812 473
Permanent differences	-237 272	-355 581
Changes in temporary differences	<u>-881 623</u>	<u>75 475</u>
Tax base	<u>511 171</u>	<u>1 532 367</u>
Tax rate	<u>22 %</u>	<u>22 %</u>
Income tax payable	112 458	337 121

Specification of tax payable in the balance sheet:	2020	2019
Income tax payable	112 458	337 121
Development cost refund ("skattefunn")	<u>-440 074</u>	<u>-566 820</u>
Net tax payable	<u>-327 616</u>	<u>-229 699</u>

Temporary differences and deferred tax/deferred tax asset:	2020	2019
Fixed assets	56 051	60 445
Inventory	-3 524 000	-3 664 000
Receivables	-1 699 245	-2 605 944
Right-of-use assets	-64 869	-119 276
Provisions	<u>-1 813 562</u>	<u>-1 598 473</u>
Total temporary differences *	<u>-7 045 625</u>	<u>-7 927 248</u>
Tax rate	<u>22 %</u>	<u>22 %</u>
Deferred income tax asset	1 550 038	1 743 995

* Positive sign means a tax increasing temporary difference. Negative sign means a tax reducing temporary difference.

Explanation of changes in temporary differences:	2020
Temporary differences at end of year	-7 045 625
Temporary differences at beginning of year	<u>-7 927 248</u>
Gross changes in temporary differences	-881 623
Temporary differences recorded against equity	-
Net temporary differences with P&L impact	<u>-881 623</u>



Stocretec Flooring AS

Notes to the accounts for 2020

<i>Explanation of changes in deferred tax asset:</i>	2020	
Deferred tax asset at beginning of year	1 743 995	
Changes in deferred tax re. temporary differences reversed	-193 957	
Deferred tax asset at end of year	<u>1 550 038</u>	
 <i>Specification of permanent differences:</i>		
	2020	2019
Non-taxable income	-444 846	-567 151
Non-deductible expenses	207 574	211 570
Received dividend	-	-
Reversal of 3 % of dividend	-	-
Total permanent differences	<u>-237 272</u>	<u>-355 581</u>
 <i>Calculation of effective tax rate:</i>		
	2020	2019
Profit before tax	1 630 066	1 812 473
Nominal tax rate	22 %	22 %
Expected income tax expense	358 615	398 744
Tax impact of permanent differences	-52 200	-78 228
Underestimated income tax payable previous year	-	1 925
*Impact of application of group tax rate re. IFRS 16-implementation	-	-307
Adjusted deferred tax asset re. implementation of IFRS 16*	307	-
Income tax expense	<u>306 722</u>	<u>322 134</u>
Effective tax rate	19 %	18 %

Note 14 - Owners equity

	Share capital	Other equity	Total
Owners equity 01.01.20	10 000 000	3 044 118	13 044 118
Change of accounting principle *		307	307
Profit for the year		1 323 344	1 323 344
Owners equity 31.12.20	10 000 000	4 367 770	14 367 768

* Adjusted net of deferred tax last year

Note 15 - Consolidated Financial Statements

Stocretec Flooring AS is part of the German Sto Group. Sto SE & Co KGaA is a public listed company. Consolidated financial statements are available on the internet site www.sto.com. The consolidated financial statements are prepared under IFRS.

Note 16 - Mortgages

Secured debt	2 020	2 019
Liabilities secured by mortgage	68	0
 Pledged assets		
Accounts receivables	12 771 038	18 452 967
Inventory	<u>11 158 971</u>	<u>10 954 220</u>
Total	<u>23 930 009</u>	<u>29 407 187</u>