

This Offer expires at 17:40 hours CEST on 1 June 2021, unless extended

OFFER MEMORANDUM

dated 6 April 2021

RECOMMENDED CASH OFFER

BY

Bergson Beheer B.V.

**FOR ALL ISSUED AND OUTSTANDING COMMON SHARES WITH A NOMINAL VALUE
OF EUR 0.24 EACH IN THE SHARE CAPITAL OF**

Hunter Douglas N.V.

HunterDouglas 

This offer memorandum (*biedingsbericht*; the "**Offer Memorandum**") contains the details of the public offer (*openbaar bod*) by Bergson Beheer B.V. (the "**Offeror**") to all holders of the issued and outstanding common shares with each a nominal value of EUR 0.24 (twenty-four eurocent) (each a "**Common Share**") in the share capital of Hunter Douglas N.V. (the "**Company**") to purchase for cash (i) all Common Shares listed at Euronext Amsterdam held by parties other than the offeror (*bieder*) (these Common Shares, each a "**Listed Common Share**", and each holder of a Listed Common Share a "**Listed Common Shareholder**") and (ii) all Common Shares held by parties other than the offeror (*bieder*) registered under their name in the Company's shareholders register (these Common Shares, each a "**Registered Common Share**" and together with each Listed Common Share an "**Offer Share**", and each holder of a Registered Common Share a "**Registered Common Shareholder**" and together with each Listed Common Shareholder, a "**Shareholder**") on the terms and subject to the conditions and restrictions set out in this Offer Memorandum (the "**Offer**").

This Offer Memorandum contains the information required by Article 5:76 of the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*; the "**Wft**") in conjunction with Article 8, Paragraph 1 of the Dutch Decree on Public Takeover Bids (*Besluit openbare biedingen Wft*, the "**Decree**") in connection with the Offer. This Offer Memorandum has been reviewed and approved by the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*; the "**AFM**") as an offer memorandum (*biedingsbericht*) under Article 5:76 of the Wft.

The information required by Article 18a of the Decree in connection with the Offer is included in a separate position statement of the Company (including all schedules thereto, the "**Position Statement**"), which is also published on the date of this Offer Memorandum. The Position Statement does not form part of this Offer Memorandum and has not been reviewed or approved by the AFM prior to publication. The Position Statement may be reviewed by the AFM after publication.

Mr. R. Sonnenberg and Mr. J.T. Sherwin, both members of the Board (as defined below), who have been determined to have a conflict of interest within the meaning of article 2:11 of the Curacao Civil Code (the "**CCC**"), have not participated in the deliberations and decision-making of the Board with respect to the Transaction (as defined below). In connection with the Transaction, the Board has resolved that the independent members of the Board, Mr. A Ruys, Mr. A Nühn and Mr. F.N. Wagener (together the "**Independent Committee**"), have the authority to review, negotiate and approve the agreements and other documentation in relation to the Transaction and implement the Transaction on behalf of the Company, to retain independent advisors and to take or omit to take any measures they may deem advisable in connection with the Transaction and implementation thereof, including the authority to represent the Company in these matters. The Independent Committee has received financial and legal advice from its independent financial and legal advisors with respect to the Transaction. The Independent Committee supports the Transaction and unanimously recommends the Offer for acceptance by the Shareholders. Reference is made to Section 6.7 (*Decision-making and Recommendation by the Independent Committee substantiated by Fairness Opinion*) and the Position Statement.

Capitalised terms used in this Offer Memorandum have the meaning set out in Section 4 (*Definitions and Interpretation*) or elsewhere in this Offer Memorandum. Capitalised terms used in the Dutch summary included in Section 12 (*Dutch language summary*) have the meaning set out in Section 12 (*Dutch language summary*).

Shareholders tendering their Offer Shares under the Offer will be paid an amount in cash of EUR 64 (sixty-four euro) cum dividend, without interest (the "**Offer Price**") on the terms and subject to the conditions and restrictions set out in this Offer Memorandum in consideration for each Share validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) for acceptance pursuant

to the Offer prior to or on the Closing Time (as defined below) (each such Offer Share, a "**Tendered Share**") that is not validly withdrawn and is transferred (*geleverd*) to the Offeror. The Offer Price is 'cum dividend'. Consequently, if on or after 12 December 2020 any distribution on the Offer Shares (each a "**Distribution**") is declared by the Company whereby the record date for entitlement to such Distribution is on or prior to the Settlement Date (as defined below), then the Offer Price will be decreased by the full amount of any such Distribution made by the Company in respect of each Offer Share (before any applicable withholding tax).

At the date of this Offer Memorandum, the Offeror owns 28,764,039 (twenty-eight million seven hundred sixty-four thousand thirty-nine) Common Shares and 34,242,517 (thirty-four million two hundred forty-two thousand five hundred seventeen) preference shares with a nominal value of EUR 0.24 (twenty-four eurocent) each (each preference share in the capital of the Company a "**Preference Share**" and together with the Common Shares, the "**Shares**") in the share capital of the Company. These Shares owned by the Offeror constitute approximately 82.68% of the Common Shares and 99.4% of the Preference Shares, and together represent 91.59% of the Shares.

The Offer Period under the Offer begins at 09:00 hours CEST on 7 April 2021 and expires at 17:40 hours CEST on 1 June 2021 (the "**Initial Closing Date**"), unless the Offeror extends the Offer Period in accordance with Article 15 of the Decree and Section 5.6 (*Extension of the Offer Period*). The day on which the Offer Period expires, whether or not extended, is the "**Closing Date**" and 17:40 hours CEST on the Closing Date is the "**Closing Time**". The Offeror will announce whether or not it declares the Offer unconditional (*gestand doen*) within three Business Days (as defined below) following the Closing Date, in accordance with Article 16 of the Decree (the "**Unconditional Date**").

Offer Shares tendered on or prior to the Closing Time may not be withdrawn, subject to the right of withdrawal of any Tendered Shares during the Offer Period in accordance with the provisions of Article 5b, Paragraph 5, Article 15, Paragraphs 3 and 8 and Article 15a, Paragraph 3 of the Decree.

The obligation of the Offeror to declare the Offer unconditional (*gestand doen*) is subject to the satisfaction or waiver of the Offer Conditions in accordance with Section 6.6 (*Offer Conditions, satisfaction and waiver*). The Offer Conditions may be waived to the extent permitted by Law and in accordance with Section 6.6.2 (*Waiver of the Offer Conditions*).

If the Offeror declares the Offer unconditional (*gestand doen*), the Offeror will deliver the Offer Price in respect of each Tendered Share that has been transferred (*geleverd*), and the Offeror shall acquire each Tendered Share, within five (5) Business Days following the Closing Date (the "**Settlement**" and the day on which the Settlement occurs, the "**Settlement Date**").

All announcements in relation to the Offer will be made by press release and placed on the website of the Company (<http://investor.hunterdouglasgroup.com>) and the Offeror (www.bergson-beheer.com). Reference is made to Section 5.11 (*Announcements*).

Distribution of this Offer Memorandum may, in certain jurisdictions, be subject to specific regulations or restrictions. Persons in possession of this Offer Memorandum are urged to inform themselves of any such restrictions which may apply to them and to observe them. Any failure to comply with these restrictions may constitute a violation of the securities Laws of that jurisdiction. The Offeror and the Company disclaim all responsibility for any violation of such restrictions by any person. See Sections 2 (*Restrictions*) and 3 (*Important information*).

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2 RESTRICTIONS

The Offer is made in, and from, the Netherlands with due observance of the statements, conditions and restrictions included in this Offer Memorandum. Without prejudice to the Offeror's right to reject defective tenders, the Offeror reserves the right to accept any tender under the Offer which is made by, or on behalf of, a Shareholder, even if it has not been made in the manner set out in this Offer Memorandum.

This Offer Memorandum is not an offer to sell securities and it is not a solicitation of an offer to buy securities, nor shall there be any sale or purchase of securities pursuant hereto, in any jurisdiction in which such offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the Laws of any such jurisdiction.

The distribution of this Offer Memorandum and the making of the Offer in jurisdictions other than the Netherlands may be restricted or prohibited by Law. The Offer is not made, and the Offer Shares will not be accepted for purchase from, or on behalf of, any Shareholder, in any jurisdiction in which the making of the Offer or acceptance of the Offer would not be in compliance with the securities or other Laws of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by this Offer Memorandum. If you are in any doubt as to your eligibility to participate in the Offer, you should contact your professional advisor immediately.

Persons obtaining this Offer Memorandum are required to take due note of and observe all such restrictions and obtain any necessary authorisations, approvals or consents (to the extent applicable). However, acceptances of the Offer by Shareholders not residing in the Netherlands will be accepted by the Offeror if such acceptances comply with (i) the acceptance procedure set out in this Offer Memorandum and (ii) the applicable Laws of the jurisdiction from which such acceptance has been made. No actions have been taken or will be taken to make the Offer possible in any jurisdiction outside of the Netherlands where such authorisations, approvals or consents would be required. In addition, this Offer Memorandum has not been filed with or recognised by the authorities of any jurisdiction other than the Netherlands.

Neither the Offeror, nor the Company, nor any of their advisors, nor the Settlement Agent accept any liability for any violation by any person of any such restriction. Any person, including custodians, nominees and trustees, who intends to forward this Offer Memorandum or any related document to any jurisdiction other than the Netherlands should carefully read this Section 2 (*Restrictions*) and Section 3 (*Important information*) before taking any action.

The release, publication or distribution of this Offer Memorandum and any documentation regarding the Offer or the making of the Offer in jurisdictions other than the Netherlands may be restricted by Law and therefore persons into whose possession this Offer Memorandum comes should inform themselves of and observe those restrictions. A failure to comply with any of those restrictions may constitute a violation of the Law of any such jurisdiction.

3 IMPORTANT INFORMATION

3.1 Introduction

This Offer Memorandum contains and incorporates important information that should be read carefully before any Shareholder makes a decision to tender Offer Shares under the Offer. Shareholders are advised to seek independent advice where necessary.

In addition, this Offer Memorandum only contains the principal Dutch tax consequences of the disposal of Offer Shares by a Shareholder in connection with the Offer. It does not describe all Dutch tax consequences of acceptance or non-acceptance of the Offer that may be relevant for a Shareholder, nor does this Offer Memorandum describe any tax consequences relating to jurisdictions other than the Netherlands that may be relevant for a Shareholder (other than in Section 3.2 (*Information for U.S. Shareholders*)). Shareholders are therefore urged to consult their own tax advisor regarding the tax consequences of acceptance or non-acceptance of the Offer.

3.2 Information for U.S. Shareholders

The Offer is being made for the Offer Shares. The Company is a public limited liability company incorporated under Curacao Law listed in Amsterdam, subject to Curacao corporate Law and Dutch securities Laws, which differ from those of the United States. The financial information included in this document has been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted in the European Union ("**IFRS**"), and Part 9 of Book 2 of the Dutch Civil Code (the "**DCC**"), and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Offer will be made in the United States in compliance with Regulation 14E under the U.S. Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder, including the exemptions therefrom, and otherwise in accordance with the applicable regulatory requirements in the Netherlands. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, that are different from those applicable under U.S. domestic tender offer procedures and Law.

The receipt of cash pursuant to the Offer by a U.S. Shareholder will generally be a taxable transaction for U.S. federal income tax purposes and may be a taxable transaction under applicable state and local, as well as foreign and other tax Laws. Each Shareholder is urged to consult his or her independent professional advisor immediately regarding the tax consequences of acceptance or non-acceptance of the Offer.

It may be difficult for U.S. Shareholders to enforce their rights and claims arising out of the U.S. federal securities Laws, since the Offeror and the Company are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. U.S. Shareholders may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities Laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission or other regulatory authority has approved or disapproved the Offer, passed upon the fairness or merits of the Offer or provided an opinion as to the accuracy or completeness of this Offer Memorandum or any other documents regarding the Offer. Any declaration to the contrary constitutes a criminal offence in the United States.

3.3 Responsibility

The information included in Section 5 (*Invitation to the Shareholders*), Section 6.4 (*Substantiation of the Offer Price*), Section 6.5 (*Financing of the Offer*), Section 6.9 (*Transactions by the offeror (bieder) or any of its directors in securities issued by the Company*), Section 8 (*Information regarding the Offeror (bieder)*) and Section 10 (*Further statements pursuant to the Decree*), items (c), (d) and (f) has been solely provided by the Offeror. The information included in Section 6.7.1 (*Decision-making process*), Section 6.7.2 (*Recommendation substantiated by Fairness Opinion*), Section 7 (*Information regarding the Company*), Section 10 (*Further statements pursuant to the Decree*), items (b), (e), (g) and (h) and Section 13 (*Selected Consolidated Financial Statements of the Company*) has been solely provided by the Company. The information included on the cover page, on pages 1 - 3 and in Section 1 (*Table of Contents*) through Section 6.3 (*Rationale for the Transaction*) (except for Section 5 (*Invitation to the Shareholders*)), Section 6.6 (*Offer Conditions, satisfaction and waiver*), Section 6.7.3 (*Revocation or withdrawal of Recommendation*), Section 6.8 (*Undertakings of Independent Committee members*) through Section 6.15 (*Termination*) (except for Section 6.9 (*Transactions by the offeror (bieder) or any of its directors in securities issued by the Company*)), Section 9 (*Principal Dutch tax consequences*), Section 10 (*Further statements pursuant to the Decree*), item (a), Section 11 (*Press Releases*), Section 12 (*Dutch language summary*) and Section 14 (*Advisors*) has been provided by the Offeror and the Company jointly.

The Offeror and the Company are exclusively responsible for the accuracy and completeness of the information provided in this Offer Memorandum, each severally with respect to the information it has provided solely, and jointly with respect to the information they have provided jointly.

Both the Offeror and the Company confirm, each severally with respect to the information it has provided solely, and jointly with respect to the information which they have provided jointly, that to the best of their knowledge the information contained in this Offer Memorandum is in accordance with the facts and contains no omission likely to affect its import.

The information included in Section 13 (*Selected Consolidated Financial Statements of the Company*) has been sourced by the Company from the consolidated financial statements for the financial years ended 2020, 2019, 2018 and 2017 respectively, as further explained in Section 13.1 (*Basis for preparation*). The independent auditor's report included in Section 13.5 (*Independent auditor's report on the selected consolidated financial information*) for the financial years 2019, 2018 and 2017 and the independent auditor's report included in Section 13.6 (*Financial statements for the financial year 2020 including independent auditor's report of EY*) for the financial year 2020 have been sourced by the Company from Ernst & Young Accountants LLP ("EY"), its independent auditor.

The information included on pages 1, 2 and 3 and in Section 12 (*Dutch language summary*) regards summarised and translated information, as the case may be, and has been derived from information included in other Sections of this Offer Memorandum.

The information set out in this Offer Memorandum reflects the situation as at the date of this Offer Memorandum, unless specified otherwise. The issue and distribution of this Offer Memorandum does not imply in any respect that the information contained herein will continue to be correct and complete after the date of publication of this Offer Memorandum. The foregoing does not affect the obligation of both the Offeror and the Company to make a public announcement pursuant to the European Market Abuse Regulation (596/2014) or Article 4, Paragraphs 1 and 3 of the Decree, if applicable. It should be noted that certain financial, statistical and other numerical information in this Offer Memorandum may have been rounded up or down to the nearest whole number or the nearest decimal and should therefore not be regarded as exact. In addition, the rounding also means that the totals of the data in this Offer Memorandum may vary slightly from the actual arithmetic totals of such information.

No person other than the Offeror, Bergson Holdings B.V. ("**Bergson Holdings**"), Solimunt B.V. ("**Solimunt**") and the Company, and without prejudice to the auditor's reports issued by EY and the review report issued by EY included in this Offer Memorandum, and the Fairness Opinion rendered by NIBC Bank N.V. ("**NIBC**") to the Independent Committee (the full text of the Fairness Opinion, which sets out the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each Fairness Opinion, is included in the Position Statement), is authorised to provide any information or to make any statements on behalf of the Offeror or the Company in connection with the Offer or the information contained in this Offer Memorandum. If any information or statement in connection with the Offer is provided or made by parties other than the Offeror, Bergson Holdings, Solimunt or the Company, that information or those statements must not be relied on as having been provided or made by or on behalf of the Offeror or the Company. Any information or representation not contained in this Offer Memorandum or in press releases by the Offeror, Bergson Holdings, Solimunt or the Company must not be relied upon as having been provided or made by or on behalf of the Offeror or the Company.

3.4 Governing Law and jurisdiction

This Offer Memorandum and the Offer are, and any tender, purchase or transfer of Offer Shares will be, governed by and construed in accordance with Dutch Law.

The District Court of Amsterdam (*Rechtbank Amsterdam*) and its appellate courts shall have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Offer Memorandum, the Offer and/or any tender, purchase or transfer of Offer Shares. Accordingly, any legal action or proceedings arising out of or in connection with this Offer Memorandum, the Offer and/or any tender, purchase or transfer of Offer Shares must be brought exclusively in such courts.

3.5 Language

This Offer Memorandum is published in the English language and a Dutch language summary is included as Section 12 (*Dutch language summary*). In the event of any differences, whether or not in interpretation, between the English text of this Offer Memorandum and the Dutch language summary of this Offer Memorandum, the English text of this Offer Memorandum shall prevail.

3.6 Assignment

On 12 December 2020, Bergson Holdings and the Company entered into a merger agreement setting out their respective rights and obligations with respect to the Offer (as it may be amended from time to time, the "**Merger Agreement**"). Bergson Holdings has assigned all of its rights and obligations under the Merger Agreement to the Offeror. Bergson Holdings is jointly and severally liable with the Offeror for the proper performance of any and all obligations under the Merger Agreement assigned to the Offeror.

3.7 Contact details

The Offeror

Bergson Beheer B.V.
Piekstraat 2
3071 EL Rotterdam
The Netherlands

The Company

Hunter Douglas N.V.
Piekstraat 2
3071 EL Rotterdam
The Netherlands

Settlement Agent

ING Bank N.V.
Foppingadreef 7
1102 BD Amsterdam
The Netherlands

Email: iss.pas@ing.com

3.8 Availability of information

Digital copies of this Offer Memorandum are available on the websites of the Offeror (www.bergson-beheer.com) and the Company (<http://investor.hunterdouglasgroup.com>). Copies of this Offer Memorandum are also available free of charge at the offices of the Company and the Settlement Agent at the addresses mentioned above. The websites of the Offeror and the Company do not constitute a part of, and are not incorporated by reference into, this Offer Memorandum.

The following documents are incorporated by reference in this Offer Memorandum and copies thereof are available on the website of the Company (<http://investor.hunterdouglasgroup.com>):

- the current articles of association of the Company (<http://investor.hunterdouglasgroup.com/shareholder-services>); and

- the financial statements of the Company for the financial years 2019, 2018 and 2017, respectively (<http://investor.hunterdouglasgroup.com/financial-reporting>).

3.9 Forward-looking statements

Certain statements in this Offer Memorandum may be considered "forward-looking statements", such as statements about the consequences of the Transaction for the Offeror and the Company and the expected timing and completion of the Offer. Forward-looking statements involve known or unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Generally, words such as may, should, aim, will, expect, intend, estimate, anticipate, believe, plan, seek, continue or similar expressions identify forward-looking statements. Although the Offeror and the Company, each with respect to the statements it has provided, believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of such statements.

The forward-looking statements are subject to unknown risks, uncertainties and other factors, many of which are outside the control of the Offeror and the Company, difficult to predict and which could cause actual results or outcomes to differ materially from historical experience or those expressed or implied in these forward-looking statements.

These forward-looking statements are not guarantees of future performance. Any such forward-looking statements must be considered together with the fact that actual events or results may vary materially from such forward-looking statements due to, among other things, political, economic or legal changes in the markets and environments in which the Offeror or the Company operates, to competitive developments or risks inherent to the business plans of the Offeror or the Company and to uncertainties, risk and volatility in financial markets and other factors affecting the Offeror and/or the Company.

The Offeror and the Company assume no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by the Law or by any competent regulatory authority.

3.10 Financial advisors

ING Bank N.V. ("**ING**") is acting as financial advisor exclusively to the offeror (*bieder*) and to no one else in connection with the Offer, ING will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer or any other matter referred to in this Offer Memorandum, and it will not be responsible to anyone other than the offeror (*bieder*) for providing the protections afforded to the clients of ING or for providing advice in relation to the Offer or any other matter referred to in this Offer Memorandum.

The scope of ING's involvement as financial advisor to the offeror (*bieder*) covers the following services:

- (a) assisting the offeror (*bieder*) in the preparation and global implementation of the Transaction and in particular in determining the financial terms and conditions of the Offer with the assistance in negotiations from a strategic and financial point of view;

- (b) coordinating in connection with the preparation and the implementation of the Transaction, and assisting in the relationships of the offeror (*bieder*) with the different concerned parties (legal advisors and financiers); and
- (c) participating in the drafting of the documentation required for the completion of the Transaction including in particular the relevant Offer documentation, the Offer announcements and any other press releases to be released.

In addition, ING has committed, together with other parties, to provide credit in an aggregate principal amount providing the Offeror with sufficient funds for the acquisition of all the Offer Shares tendered under the Offer (see Section 6.5 (*Financing of the Offer*)). Furthermore, ING assisted Bergson Holdings with purchase of Common Shares by Bergson Holdings on 14, 15 and 16 December 2021, as disclosed in Section 6.9 (*Transactions by the offeror (bieder) or any of its directors in securities issued by the Company*).

ING has given and has not withdrawn its written consent to the references to its name in the form and context in which it appears in this Offer Memorandum.

NIBC is acting as financial advisor exclusively to the Independent Committee and to no one else in connection with the Offer, NIBC will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer or any other matter referred to in this Offer Memorandum, and it will not be responsible to anyone other than the Independent Committee for providing the protections afforded to the clients of NIBC or for providing advice in relation to the Offer or any other matter referred to in this Offer Memorandum.

NIBC has given and has not withdrawn its written consent to the references to its name in the form and context in which it appears in this Offer Memorandum.

NIBC issued a fairness opinion to the Independent Committee dated 12 December 2020 (the "**Fairness Opinion**"). The full text of the Fairness Opinion is included in the Position Statement.

4 DEFINITIONS AND INTERPRETATION

In this Offer Memorandum, except for Section 11 (*Press Releases*), Section 12 (*Dutch language summary*) and Section 13 (*Selected Consolidated Financial Statements of the Company*), capitalised terms have the meaning set out in this Section 4 (*Definitions and Interpretation*).

"Admitted Institution" has the meaning set out in Section 5.3.2 (*Acceptance of the Offer and tender by Listed Common Shareholders* via an Admitted Institution);

"Affiliate" means, with respect to a party, from time to time, any person that is controlled by that party, controls that party, is controlled by a person that also controls that party or otherwise qualifies as a "subsidiary" or part of a "group" as referred to in Articles 2:24a and 2:24b DCC, provided that no member of the Group shall be deemed to be an Affiliate of the offeror (*bieder*). **"Control"** for purposes of this definition means the possession, directly or indirectly, solely or jointly (whether through ownership of securities or partnership interest or other ownership interest, by contract, or otherwise) of (a) more than 50% of the voting power at general meetings of that person or (b) the power to appoint and to dismiss a majority of the managing directors or supervisory directors of that person or otherwise to direct the management and policies of that person;

"AFM" has the meaning set out in the introduction of this Offer Memorandum;

"Alternative Proposal" has the meaning set out in Section 6.14 (*Non-solicitation*);

"Bergson Holdings" has the meaning set out in Section 3.3 (*Responsibility*);

"Board" means the board of directors of the Company, currently consisting of Mr. R. Sonnenberg, Mr. J.T. Sherwin, Mr. F.N. Wagener, Mr. A. Ruys and Mr. A. Nühn;

"Board Members" has the meaning set out in Section 7.6 (*The Board*);

"Business Day" means a day other than a Saturday or Sunday on which banks in the Netherlands and Euronext Amsterdam are generally open for normal business;

"CCC" has the meaning set out in the introduction of this Offer Memorandum;

"CEST" means Central European Summer Time;

"CITA" has the meaning set out in Section 9.1 (*General*);

"Closing Date" has the meaning set out in the introduction of this Offer Memorandum;

"Closing Time" has the meaning set out in the introduction of this Offer Memorandum;

"Common Share" has the meaning set out in the introduction of this Offer Memorandum;

"Company" has the meaning set out in the introduction of this Offer Memorandum;

"Compulsory Acquisition Procedure" has the meaning set out in Section 6.11.2 (*Compulsory Acquisition Procedure*);

"DCC" has the meaning set out in Section 3.2 (*Information for U.S. Shareholders*);

"**Decree**" has the meaning set out in the introduction of this Offer Memorandum;

"**Delisting**" has the meaning set out in Section 6.11.3 (*Delisting*);

"**Distribution**" has the meaning set out in the introduction of this Offer Memorandum;

"**Dutch Resident Corporate Entities**" has the meaning set out in Section 9.2.2 (*Taxes on income and capital gains*);

"**Dutch Resident Individuals**" has the meaning set out in Section 9.2.2 (*Taxes on income and capital gains*);

"**EBITDA**" means earnings before interest, taxes, depreciation, and amortization;

"**EUR**" or "**euro**" means the lawful currency of the Netherlands;

"**Euronext Amsterdam**" means the stock exchange of Euronext Amsterdam, a regulated market operated by Euronext Amsterdam N.V.;

"**Executive Chairman**" has the meaning set out in Section 7.6 (*The Board*);

"**EY**" has the meaning set out in Section 3.3 (*Responsibility*);

"**Fairness Opinion**" has the meaning set out in Section 3.10 (*Financial advisors*);

"**Governmental Authority**" means any European Union, national, provincial, local or foreign judicial, legislative, executive, regulatory or competition authority or entity, any arbitral tribunal or any other governmental authority, agency, commission, court or entity;

"**Group**" means the Company and its Group Companies collectively;

"**Group Companies**" means the Company's controlled Affiliates (including the Company's subsidiaries and other group companies but excluding, for the avoidance of doubt, any direct or indirect shareholders of the Company) and "**Group Company**" means any one of them or the relevant one of them, as the context requires;

"**IFRS**" has the meaning set out in Section 3.2 (*Information for U.S. Shareholders*);

"**Independent Committee**" has the meaning set out in the introduction of this Offer Memorandum;

"**Independent Non-Executive Directors**" has the meaning set out in Section 6.12 (*Governance of the Company as at the Settlement Date*);

"**ING**" has the meaning set out in Section 3.10 (*Financial advisors*);

"**Initial Announcement**" has the meaning set out in Section 6.1 (*Background and Initial Announcement*);

"**Initial Closing Date**" has the meaning set out in the introduction of this Offer Memorandum;

"**Law**" means any applicable statute, law, treaty, ordinance, order, rule, directive, regulation, code, executive order, injunction, judgment, decree or other requirement of any Governmental Authority;

"Listed Common Share" has the meaning set out in the introduction of this Offer Memorandum;

"Listed Common Shareholder" has the meaning set out in the introduction of this Offer Memorandum;

"Material Adverse Effect" means:

- (A) any event, occurrence, fact, condition, effect, change or circumstance (each an **"Effect"**) that becomes (or has become) known to the Offeror after 12 December 2020 (provided, for the avoidance of doubt, that in the determination of whether a Material Adverse Effect has occurred, any Effect that became known to the Offeror prior to the date of this Offer Memorandum may only be taken into account in combination with any Effect that becomes known to the Offeror on or after the date of this Offer Memorandum) and that, individually or in the aggregate, has or is reasonably likely to have a materially adverse effect on (i) the business, cash flow, assets, operations, results of operations or condition (financial or otherwise) of the Group taken as a whole or (ii) the ability of the Offeror to consummate the Transaction in accordance with the terms of the Merger Agreement (as defined below); provided, however, that the following shall not be deemed to have or contribute to, or be taken into account in determining whether there has been or would reasonably be expected to be, a Material Adverse Effect: any event, occurrence, fact, condition, effect, change or circumstance arising as a result of:
 - (a) changes, after 12 December 2020, in prevailing interest rates, currency exchange rates or other economic, monetary or political conditions in the European Union, including any adverse development regarding the European Union, its member states (including Brexit or one or more other member states leaving such union) or euro zone (including one or more members leaving such zone);
 - (b) general changes, after 12 December 2020, in the European Union securities markets;
 - (c) (prospective) changes in mandatory Law of general applicability or interpretations thereof after 12 December 2020;
 - (d) changes in economies in general or the industry in which the Group operates after 12 December 2020 unless those changes have a disproportionate effect on the Group, taken as a whole, in comparison to other companies in the industry in which the Group operates;
 - (e) a decline in the market price, or change in trading volume or rating, of the Shares listed on Euronext Amsterdam, or any debt securities of the Company or any change or prospective change in the credit rating of the Company or any of its Group Companies by any applicable rating agency (it being understood that the underlying cause(s) for any such change, to the extent such cause is not excluded by the other paragraphs of this definition, may be deemed to have, may contribute to and may be taken into account in determining whether there has been or would reasonably be expected to be a Material Adverse Effect);
 - (f) any natural disaster, pandemic (including COVID-19) the outbreak or escalation of war, sabotage, military action, act of god, armed hostilities, acts of terrorism, or, in each of the aforementioned, any escalation or worsening thereof unless those events have a disproportionate effect on the Group, taken as a whole, in comparison to other companies in the industry in which the Group operates;

- (g) the announcement, making or implementation of the Transaction; or
- (h) a violation of the Merger Agreement or applicable Law by the Offeror.

and/or:

- (B) the occurrence of a Major Economic Crisis, whereby a "**Major Economic Crisis**" shall be deemed to have occurred if, after 12 December 2020:
 - (i) trading on Euronext Amsterdam has been suspended for more than three (3) consecutive trading days for all shares admitted to trading on the entire Euronext Amsterdam; or
 - (ii) the closing quotation of the AEX (ISIN NL0000000107), as determined by Euronext Amsterdam, or a successor thereof, and published on its website (currently <https://live.euronext.com/en/product/indices/NL0000000107-XAMS>), on more than three (3) consecutive trading days is more than 20% lower than the closing quotation of the AEX on 11 December 2020 (equaling an AEX threshold level of 491.57 points);

"**Merger Agreement**" has the meaning set out in Section 3.6 (*Assignment*);

"**NIBC**" has the meaning set out in Section 3.3 (*Responsibility*);

"**Non-Dutch Resident Corporate Entities**" has the meaning set out in Section 9.2.2 (*Taxes on income and capital gains*);

"**Non-Dutch Resident Individuals**" has the meaning set out in Section 9.2.2 (*Taxes on income and capital gains*);

"**Non-Executive Director**" has the meaning set out in Section 7.6 (*The Board*);

"**Non-Financial Covenants**" has the meaning set out in Section 6.13.1 (*General*);

"**Offer**" has the meaning set out in the introduction of this Offer Memorandum;

"**Offer Conditions**" means the conditions for the Offer set out in Section 6.6.1 (*Offer Conditions*);

"**Offer Memorandum**" has the meaning set out in the introduction of this Offer Memorandum;

"**Offer Period**" has the meaning set out in Section 5.4 (*Offer Period (aanmeldingstermijn)*);

"**Offer Price**" has the meaning set out in the introduction of this Offer Memorandum;

"**Offer Share**" has the meaning set out in the introduction of this Offer Memorandum;

"**Offeror**" has the meaning set out in the introduction of this Offer Memorandum;

"**Position Statement**" has the meaning set out in the introduction of this Offer Memorandum;

"Post-Acceptance Period" has the meaning set out in Section 5.8 (*Post-Acceptance Period (na-aanmeldingstermijn)*);

"Preference Share" has the meaning set out in the introduction of this Offer Memorandum;

"Recommendation" has the meaning set out in Section 6.7.2 (*Recommendation substantiated by Fairness Opinion*);

"Recommendation Change" means the Independent Committee or any of its members withholding, revoking, altering or qualifying the Recommendation or making any contradictory public or private statements or passing any contradictory resolutions as to their positive position with respect to the Transaction or failing to announce the Recommendation in any press releases in connection with the Offer, the Offer Memorandum and the Position Statement, or failing to reaffirm the Recommendation within two (2) Business Days of a reasonable request of the Offeror to do so after a statement or action by the Independent Committee or any of its members that can be perceived by the market as inconsistent with the Recommendation;

"Reference Date" means 11 December 2020;

"Registered Common Share" has the meaning set out in the introduction of this Offer Memorandum;

"Registered Common Shareholder" has the meaning set out in the introduction of this Offer Memorandum;

"Relevant Persons" has the meaning set out in Section 6.14 (*Non-solicitation*);

"Section" means a section of this Offer Memorandum;

"Settlement" has the meaning set out in the introduction of this Offer Memorandum;

"Settlement Agent" means ING Bank N.V.;

"Settlement Date" has the meaning set out in the introduction of this Offer Memorandum;

"Shareholder" has the meaning set out in the introduction of this Offer Memorandum;

"Shares" has the meaning set out in the introduction of this Offer Memorandum;

"Solimunt" has the meaning set out in Section 3.3 (*Responsibility*);

"Tendered Share" has the meaning set out in the introduction of this Offer Memorandum;

"Terminating Party" has the meaning set out in Section 6.15 (*Termination*);

"Transaction" means the Offer and the Delisting;

"Unconditional Date" has the meaning set out in the introduction of this Offer Memorandum; and

"Wft" has the meaning set out in the introduction of this Offer Memorandum.

5 INVITATION TO THE SHAREHOLDERS

5.1 Offer

The Offeror hereby makes a public cash offer to purchase all Offer Shares on the terms and subject to the conditions and restrictions set out in this Offer Memorandum. Shareholders are advised to review this Offer Memorandum (including all documents incorporated by reference herein), and in particular Sections 2 (*Restrictions*) and 3 (*Important information*), thoroughly and completely and to seek independent financial, legal and/or tax advice where appropriate in order to reach an informed judgement with respect to the Offer itself and the contents of this Offer Memorandum. Shareholders who consider not tendering their Offer Shares are advised to review Sections 6.11 (*Consequences of the Offer for non-tendering Shareholders*) and 6.12 (*Governance of the Company as at the Settlement Date*) in particular.

With due reference to all statements, terms, conditions and restrictions included in this Offer Memorandum, the Shareholders are hereby invited to tender their Offer Shares under the Offer in the manner and on the terms and subject to the conditions and the restrictions set out in this Offer Memorandum.

5.2 Offer Price

For each Tendered Share that is not validly withdrawn and is transferred (*geleverd*) under the Offer, subject to the Offeror declaring the Offer unconditional (*gestand doen*), the Offeror offers the Offer Price, being a cash consideration of EUR 64 (sixty-four euro) cum dividend, without interest and less mandatory withholding tax payable under applicable Law (if any).

The Offer Price is 'cum dividend'. Consequently, if on or after 12 December 2020 any Distribution is declared by the Company whereby the record date for entitlement to such Distribution is on or prior to the Settlement Date, then the Offer Price will be decreased by the full amount of any such Distribution made by the Company in respect of each Offer Share (before any applicable withholding tax). At the date of this Offer Memorandum, there are no Distributions envisaged by the Company.

Any adjustment to the Offer Price, resulting from a Distribution by the Company or an increase of the Offer Price, will be communicated by means of a press release in accordance with Section 5.11 (*Announcements*). For the avoidance of doubt, in case of any adjustment of the Offer Price, all references in this Offer Memorandum to "Offer Price" shall be to such adjusted Offer Price, except for purposes of Sections 6.4 (*Substantiation of the Offer Price*), 6.7.2 (*Recommendation substantiated by Fairness Opinion*), 6.9 (*Transactions by the offeror (bieder) and any of its directors*) and 10 (*Further statements pursuant to the Decree*).

5.3 Acceptance by the Shareholders

5.3.1 General

The tender of any Offer Share by a Shareholder constitutes an acceptance of the Offer by the Shareholder.

Before taking any action, Shareholders should carefully verify how they hold their Offer Shares: through an intermediary or directly (i.e., individually recorded in the Company's shareholders

register). If in doubt, Shareholders should contact the Exchange Agent at the contact details included in 3.7 (*Contact details*).

5.3.2 Acceptance of the Offer and tender by Listed Common Shareholders via an Admitted Institution

Listed Common Shareholders who hold their Listed Common Shares through institutions admitted to Euronext Amsterdam (*aangesloten instelling*) (an "**Admitted Institution**") are requested to make their acceptance known through their custodian, bank or stockbroker no later than by the Closing Time, being 17:40 hours CEST on the Closing Date. The relevant custodian, bank or stockbroker may set an earlier deadline for communication by Listed Common Shareholders in order to permit the custodian, bank or stockbroker to communicate the acceptance to the Settlement Agent in a timely manner. Accordingly, Listed Common Shareholders should contact such financial intermediary to obtain information about the deadline by which such Listed Common Shareholder must send instructions to the financial intermediary to accept the Offer and should comply with the dates set by such financial intermediary, as such dates may differ from the dates and times noted in this Offer Memorandum.

The Admitted Institutions can tender Listed Common Shares only to the Settlement Agent and only in writing. In submitting the acceptance, the Admitted Institutions are required to declare that:

- (a) they have the Listed Common Shares tendered by the relevant Shareholder in their administration;
- (b) each Listed Common Shareholder who accepts the Offer irrevocably represents and warrants that (i) the Listed Common Shares tendered by the Listed Common Shareholder are being tendered in compliance with the restrictions set out in Sections 2 (*Restrictions*) and 3 (*Important information*) and (ii) it is not the subject or target, directly or indirectly, of any economic or financial sanctions administered or enforced by any agency of the U.S. government, the European Union, any member state thereof, or the United Nations, other than solely by virtue of its inclusion in, or ownership by a person included in, the U.S. 'Sectoral Sanctions Identifications (SSI) List' or Annex III, IV, V or VI of Council Regulation (EU) No. 833/2014 of 31 July 2014, as amended; and
- (c) they undertake to effect the transfer (*levering*) of the relevant Listed Common Shares to the Offeror on or before the Settlement Date, provided that the Offer has been declared unconditional (*gestand is gedaan*).

Although under normal circumstances the relevant Admitted Institution will ensure that the tendered Listed Common Shares are transferred (*geleverd*) to the Offeror, if so instructed by the Listed Common Shareholder, Listed Common Shareholders are advised that each Listed Common Shareholder is responsible for the transfer (*levering*) of such Listed Common Shares to the Offeror.

Subject to withdrawal rights as set out in Section 5.3.6 (*Withdrawal Rights*), the tendering of Listed Common Shares in acceptance of the Offer will constitute an irrevocable instruction by the relevant Listed Common Shareholder to the relevant Admitted Institution to:

- (i) block any attempt to transfer (*leveren*) such Listed Common Shares, so that on or before the Settlement Date no transfer (*levering*) of such Listed Common

Shares can be effected (other than any action required to effect the transfer (*levering*) to the Offeror);

- (ii) debit the securities account in which such Listed Common Shares are held on the Settlement Date in respect of all such Listed Common Shares, against payment of the Offer Price for such Listed Common Shares by the Settlement Agent on the Offeror's behalf; and
- (iii) effect the transfer (*levering*) of such Listed Common Shares to the Offeror.

5.3.3 Acceptance of the Offer and tender by Registered Common Shareholders

Registered Common Shareholders who choose to accept the Offer in respect of their Registered Common Shares must deliver a completed and signed acceptance form to the Settlement Agent. Completed and signed acceptance forms should be received by the Settlement Agent prior to the Closing Time, being 17:40 hours CEST on the Closing Date. The acceptance forms are available upon request from the Settlement Agent:

ING Bank N.V.

Telephone number: +31 20 5636619

E-mail: iss.pas@ing.com

The acceptance form will also serve as a deed of transfer (*akte van levering*) with respect to the Registered Common Shares referenced therein.

5.3.4 Validity of tenders of Offer Shares; waiver of defects; return of Offer Shares

The Offeror will determine questions as to the validity, form, eligibility, including time of receipt, and acceptance for purchase of any tender of Offer Shares, in its sole reasonable discretion and the Offeror's determination will be final and binding. The Offeror reserves the right to reject any and all tenders of Offer Shares that it in all reasonableness determines are not in proper form or the acceptance for purchase of which may be unlawful. No tender of Offer Shares will be deemed to have been validly made until all defects and irregularities have been cured or unconditionally waived. The Offeror's interpretation of the terms and conditions of the Offer, including the acceptance forms and instructions thereto, will be final and binding.

There shall be no obligation on the Offeror, the Settlement Agent or any person acting on its or their behalf to give notice of any defects or irregularities in any acceptance or notice of withdrawal and no liability shall be incurred by any of them for failure to give any such notification.

The Offeror reserves the right to accept any tender of Offer Shares pursuant to the Offer, even if such tender has not been made in compliance with the terms and conditions of the Offer (including the procedures set out in this Section 5.3 (*Acceptance by the Shareholders*)).

If any Offer Shares tendered in accordance with the instructions set out in this Offer Memorandum are not accepted for purchase pursuant to the terms and conditions of the Offer, the Offeror will cause these Offer Shares to be returned promptly following the announcement of the lapse or withdrawal of the Offer, as the case may be.

5.3.5 Undertakings, representations and warranties by tendering Shareholders

Each Shareholder tendering Offer Shares under the Offer, by such tender, on the date that such Offer Shares are tendered and up to and including the Settlement Date (or, with respect to Offer Shares tendered in the Post-Acceptance Period, up to and including the settlement date for such Offer Shares), undertakes, represents and warrants to the Offeror that:

- (a) the tender of any Offer Shares constitutes an acceptance by the Shareholder of the Offer, on and subject to the terms, conditions and restrictions of the Offer as set out in this Offer Memorandum;
- (b) such Shareholder has full power and authority to tender, sell and transfer (*leveren*) the Offer Shares, and has not entered into any other agreement to tender, sell or transfer (*leveren*) the Offer Shares stated to have been tendered to any party other than the Offeror (together with all rights attaching to the Offer Shares) and, when the Offer Shares are transferred (*geleverd*) to the Offeror, the Shareholder will have sole legal and beneficial title to the Offer Shares and those Offer Shares are free of any third-party rights and restrictions of any kind, unless such third-party rights and restrictions arise solely and result directly from the Offer Shares being held in book entry form in Euroclear Nederland;
- (c) the Offer Shares are tendered in compliance with the restrictions as set out in Sections 2 (*Restrictions*) and 3 (*Important information*) and the securities and other applicable Laws or regulations of the jurisdiction in which the Shareholder is located or of which it is a resident, and no registration, approval or filing with any regulatory authority of that jurisdiction is required in connection with the tendering of those Offer Shares; and
- (d) such Shareholder is not the subject or target, directly or indirectly, of any economic or financial sanctions administered or enforced by any agency of the U.S. government, the European Union, any member state thereof, or the United Nations, other than solely by virtue of its inclusion in, or ownership by a person included in, the U.S. 'Sectoral Sanctions Identifications (SSI) List' or Annex III, IV, V or VI of Council Regulation (EU) No. 833/2014 of 31 July 2014, as amended.

Furthermore, each Shareholder tendering Offer Shares under the Offer, by such tender, acknowledges towards and agrees with the Offeror (i) that it has received this Offer Memorandum, and has reviewed and accepted the restrictions, terms, conditions and other considerations of the Offer, all as described in this Offer Memorandum, and has undertaken an analysis of the implications of the Offer without reliance on the Offeror, the Settlement Agent or any other representative of the Offeror, except as set out in this Offer Memorandum and (ii) as of the date on which its Offer Shares are transferred (*geleverd*) to the Offeror, to have waived any and all rights or entitlements that the Shareholder may have in its capacity as Shareholder or otherwise in connection with its shareholding in the Company vis-à-vis the Company, any Group Company and any past or current member of the Board.

5.3.6 Withdrawal Rights

Offer Shares tendered on or prior to the Closing Time may not be withdrawn, subject to the right of withdrawal of any tender pursuant to the provisions of Article 5b, Paragraph 5 and Article 15, Paragraph 8 of the Decree or:

- (a) during any extension of the Offer Period in accordance with the provisions of Article 15, Paragraph 3 of the Decree; or
- (b) following an increase of the Offer Price as a result of which the Offer Price does no longer only consist of a cash component and in respect of which increase a document is made generally available pursuant to Article 15a, Paragraph 3 of the Decree, provided that such Offer Shares were already tendered before such document was made generally available and withdrawn within seven (7) Business Days after such document was made generally available.

To withdraw previously tendered Offer Shares, Shareholders must instruct the Admitted Institution they initially instructed to tender the Offer Shares to arrange for the withdrawal of such Offer Shares by the timely deliverance of a written or facsimile transmission notice of withdrawal to the Settlement Agent at the address set out in Section 3.7 (*Contact details*).

Any notice of withdrawal must specify the name of the person having tendered the Offer Shares to be withdrawn, the number of Offer Shares to be withdrawn and the name of the registered holder of the Offer Shares to be withdrawn, if different from that of the person who tendered such Offer Shares. The signature(s) on the notice of withdrawal must be guaranteed by an Admitted Institution, unless such Offer Shares have been tendered for the account of any Admitted Institution. All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by the Offeror, in its sole discretion, which determination will be final and binding. Shareholders should contact their financial intermediary to obtain information about the deadline by which such Shareholder must send instructions to the financial intermediary to withdraw their acceptance of the Offer and should comply with the dates set by such financial intermediary, as such dates may differ from the dates and times noted in this Offer Memorandum.

Withdrawals of tenders of Offer Shares may not be rescinded, and any Offer Shares properly withdrawn will be deemed not to have been validly tendered for purposes of the Offer. However, withdrawn Offer Shares may be retendered by the procedure for tendering Offer Shares described in Section 5.3 (*Acceptance by the Shareholders*).

During the Post-Acceptance Period (if any), no withdrawal rights will apply to Offer Shares tendered during such Post-Acceptance Period or to Offer Shares tendered under the Offer on or prior to the Closing Time and accepted by the Offeror.

5.4 Offer Period (*aanmeldingstermijn*)

The Offer Period will commence on 7 April 2021 at 09:00 hours CEST and will expire on 1 June 2021 at 17:40 hours CEST (such period, as it may be extended from time to time, the "**Offer Period**"), unless the Offer Period is extended in accordance with Article 15 of the Decree and Section 5.6 (*Extension of the Offer Period*).

If the Offer is declared unconditional (*gestand wordt gedaan*) by the Offeror, the Offeror will accept all Tendered Shares not previously validly withdrawn in accordance with the procedures set out in Section 5.3.6 (*Withdrawal Rights*).

5.5 Declaring the Offer unconditional (*gestanddoening*)

The obligation of the Offeror to declare the Offer unconditional (*gestand doen*) is subject to the satisfaction or waiver of the Offer Conditions in accordance with Section 6.6 (*Offer Conditions*),

satisfaction and waiver). The Offer Conditions may be waived to the extent permitted by Law and in accordance with Section 6.6.2 (*Waiver of the Offer Conditions*). If any Offer Condition is waived in accordance with Section 6.6.2 (*Waiver of the Offer Conditions*), the Offeror will inform the Shareholders as required by Law.

No later than on the Unconditional Date, the Offeror will determine whether or not the Offer Conditions have been satisfied or waived. On the Unconditional Date, the Offeror will announce whether the Offer:

- (a) is declared unconditional (*gestand wordt gedaan*);
- (b) will be extended in accordance with Article 15 of the Decree and Section 5.6 (*Extension of the Offer Period*); or
- (c) is terminated as a result of the Offer Conditions not having been satisfied or waived,

all in accordance with Article 16 of the Decree. If the Offeror does not declare the Offer unconditional (*gestand doen*), the Offeror will explain such decision.

5.6 Extension of the Offer Period

If one or more of the Offer Conditions is or are not satisfied or waived on the then scheduled Closing Date, the Offeror may, after consultation with the Company and in accordance with Article 15 of the Decree, extend the Offer Period, provided that (i) the extension of the Offer Period shall be no less than two (2) weeks and no more than ten (10) weeks after the Initial Closing Date and (ii) any subsequent extension shall be subject to receipt of an exemption granted by the AFM and until such time as the Offeror reasonably believes is necessary to cause such Offer Conditions to be satisfied or waived. The Company has undertaken to fully support and fully cooperate with the Offeror's request to the AFM for an exemption to extend the Offer Period, unless a Recommendation Change has been made.

For the avoidance of doubt, in case of any extension of the Offer Period, all references in this Offer Memorandum to "Closing Time", "17:40 hours CEST", "Closing Date" and "1 June 2021" shall, unless the context requires otherwise, be changed to the latest time or date (as applicable) to which the Offer Period has been so extended.

If the Offer Period is extended, so that the obligation pursuant to Article 16 of the Decree to announce whether the Offer is declared unconditional (*gestand wordt gedaan*) is postponed, a public announcement to that effect will be made ultimately on the third (3rd) Business Day following the Initial Closing Date in accordance with the provisions of Article 15, Paragraphs 1 and 2 of the Decree. If the Offeror extends the Offer Period, the Offer will expire on the latest time and date to which the Offeror extends the Offer Period.

During an extension of the Offer Period, Offer Shares previously tendered and not withdrawn in accordance with Section 5.3.6 (*Withdrawal Rights*) will remain tendered under the Offer. Any Offer Shares tendered during the extension of the Offer Period cannot be withdrawn, subject to the withdrawal rights set out in Section 5.3.6 (*Withdrawal Rights*).

5.7 Settlement

If the Offeror declares the Offer unconditional (*gestand doen*), the Offeror will accept the transfer (*levering*) of all Tendered Shares on the terms of the Offer.

On the Settlement Date, the Offeror will pay the Offer Price in respect of each Tendered Share tendered during the Offer Period and transferred (*geleverd*) to the Offeror, on the terms set out in this Offer Memorandum. The Settlement Date shall be no later than five (5) Business Days after the Closing Date. The Offeror cannot guarantee that Shareholders will actually receive the Offer Price within this period. No specific action is required from the Shareholders regarding the payment of the Offer Price.

As of the Settlement Date, revocation (*herroeping*), dissolution (*ontbinding*) or annulment (*vernietiging*) of the tendering, sale or transfer (*levering*) of any Tendered Share which has been tendered during the Offer Period is not possible.

5.8 Post-Acceptance Period (*na-aanmeldingstermijn*)

If the Offeror declares the Offer unconditional (*gestand doen*), the Offeror may, in its sole discretion and within three (3) Business Days after the Unconditional Date, publicly announce a post-Offer acceptance period (*na-aanmeldingstermijn*) of up to two (2) weeks (the "**Post-Acceptance Period**"). During the Post-Acceptance Period, Shareholders that did not tender their Offer Shares during the Offer Period may tender their Offer Shares on the same terms and subject to the same conditions and restrictions as the Offer.

The Offeror will publicly announce the results of the Post-Acceptance Period, and the total number and total percentage of Offer Shares held by it in accordance with Article 17, Paragraph 4 of the Decree, no later than on the third (3rd) Business Day following the last day of the Post-Acceptance Period.

The Offeror shall continue to accept the transfer (*levering*) of all Offer Shares validly tendered (or defectively tendered, provided that such defect has been waived by the Offeror) during the Post-Acceptance Period and shall pay the Offer Price in respect of each Offer Share which has been transferred (*geleverd*) to it during the Post-Acceptance Period within five (5) Business Days after the last day of the Post-Acceptance Period.

During the Post-Acceptance Period, Shareholders have no right to withdraw the tendering of Offer Shares from the Offer, regardless of whether the Offer Shares have been tendered either during the Offer Period or during the Post-Acceptance Period.

As of the relevant settlement date, revocation (*herroeping*), dissolution (*ontbinding*) or annulment (*vernietiging*) of the tendering, sale or transfer (*levering*) of any Offer Share tendered during the Post-Acceptance Period is not possible.

5.9 Costs related to tendering

No costs will be charged to Shareholders by the Offeror or the Company for the transfer (*levering*) of or payment for the tendered Offer Shares held through an Admitted Institution. However, Shareholders may be charged certain fees by Admitted Institutions or their custodians, banks or stockbrokers. Shareholders should consult their Admitted Institution, custodian, bank or

stockbroker regarding any charges. Costs might also be charged if a foreign institution is involved in the transfer (*levering*) of or payment for the tendered Offer Shares.

5.10 Withholding

The Offeror is entitled to deduct and withhold from the Offer Price such amounts as the Offeror is required to deduct and withhold with respect to the payment of the Offer Price under any provision of applicable tax or social security Law. To the extent that amounts are so deducted and withheld by the Offeror, those amounts shall be treated for all purposes as having been paid to the Shareholders, on behalf of which that deduction and withholding was made by the Offeror. The Offer Price payable to Shareholders for tendered Offer Shares is not expected to result in Dutch dividend withholding taxes (also see Section 9 (*Principal Dutch tax consequences*)).

5.11 Announcements

Any further announcements in relation to the Offer, including whether or not the Offeror declares the Offer unconditional (*gestand wordt gedaan*) and announcements in relation to an extension of the Offer Period, if any, will be made by press release. Any joint press release issued by the Offeror and the Company will be made available on the website of the Company (<http://investor.hunterdouglasgroup.com>) and the Offeror (www.bergson-beheer.com). Any press release issued by the Offeror will be made available on the website of the Offeror (www.bergson-beheer.com).

Subject to any applicable requirements of the Law and without limiting the manner in which the Offeror may choose to make any public announcement, the Offeror will have no obligation to make any public announcement other than as described in this Offer Memorandum.

5.12 Indicative timetable of the Offer

<u>Expected date and time</u>	<u>Event</u>
7 April 2021	Press release announcing the commencement of the Offer Period and the availability of the: <ul style="list-style-type: none">o Offer Memorandum; ando Position Statement.
7 April 2021, 09:00 hours CEST	Commencement of the Offer Period in accordance with Article 14, Paragraph 2 of the Decree
1 June 2021, 17:40 hours CEST	Closing Date and Closing Time: Deadline for tendering Offer Shares during the Offer Period, unless the Offer is extended in accordance with Section 5.6 (<i>Extension of the Offer Period</i>) and Article 15 of the Decree
No later than three (3) Business Days after the Closing Date	Unconditional Date: The date on which the Offeror will publicly announce whether the Offer is declared unconditional (<i>gestand wordt gedaan</i>) in accordance with Article 16 of the Decree
No later than five (5) Business Days after the Closing Date	Settlement Date: The date on which, in accordance with the terms and conditions of the Offer, the Offeror will pay the Offer Price for each Tendered Share transferred (<i>geleverd</i>) to the Offeror
No later than three (3) Business Days after the Unconditional Date	Post-Acceptance Period, if any: If the Offer is declared unconditional (<i>gestand wordt gedaan</i>), the Offeror may in its sole discretion publicly announce a Post-Acceptance Period of up to two (2) weeks, in accordance with Article 17 of the Decree

6 EXPLANATION AND BACKGROUND OF THE OFFER

6.1 Background and Initial Announcement

On 29 October 2020, preliminary and exploratory discussions were held between Mr. R. Sonnenberg and the other Board Members (which discussions were also attended by Mr. L. Reijtenbagh (Vice President, CFO & Secretary of the Company) and Mr. C. King (Vice President & General Counsel of the Company)) regarding a potential take-private of the Company through an all-cash public offer for all Offer Shares. Directly following this initial expression of interest, the Board resolved to establish an Independent Committee to represent the Company in any subsequent discussions and/or negotiations (see Section 6.7.1 (*Decision-making process*)).

On 17 November 2020, Bergson Holdings sent the Independent Committee an offer letter regarding a take-private of the Company by a recommended public offer followed by a delisting. Together with the offer letter Bergson Holdings sent the Independent Committee a draft merger agreement setting out the proposed terms and conditions in connection with the proposed offer. On 25 November 2020, the Independent Committee responded to the offer letter, requesting additional information amongst others relating to the price, strategic rationale, financing and valuation. On 27 November 2020, Bergson Holdings responded to the letter of the Independent Committee, providing further clarification on the questions posed by the Independent Committee.

Following various rounds of negotiations and after several revised proposals (including an increase of the proposed consideration per Offer Share and agreement on the inclusion of Non-Financial Covenants), discussions between Bergson Holdings and its advisors on the one hand and the Independent Committee and its advisors on the other hand, resulted in a final draft merger agreement. On 8 December 2020, the Independent Committee consulted extensively with Mr. L. Reijtenbagh and Mr. C. King, to (i) get factual information and clarifications on, amongst others, the prospects of the Company and (ii) discuss their view on the consequences of the proposed offer for the Group and its business, including for its operations, financial position and employees.

On 12 December 2020, a final round of negotiations took place between Bergson Holdings and the Independent Committee. These negotiations were also attended by Mr. L. Reijtenbagh and Mr. C. King, who did not participate in the negotiations itself, but provided factual information on the Company if so requested by Bergson Holdings or the Independent Committee.

Following this final round of negotiations, and on that same day, the Independent Committee unanimously approved the entering into of the Merger Agreement by the Company and the performance by the Company of its obligations under the Merger Agreement, and unanimously resolved to, on the terms of and subject to the provisions of the Merger Agreement, support the Transaction and recommend the Offer for acceptance by the Shareholders.

Subsequently on the same date, Bergson Holdings and the Company jointly announced that they had reached conditional agreement on an intended public offer for all Offer Shares at an offer price of EUR 64 (sixty-four euro) in cash per Offer Share (cum dividend) and that the Merger Agreement was signed (the "**Initial Announcement**"), pursuant to the provisions of Article 4, Paragraphs 1 and 3, Article 5, Paragraph 1 of the Decree. The Initial Announcement also included a statement about the financing of the Offer Price. On 14 December 2020, Bergson Holdings and the Company jointly announced a certain funds update pursuant to Article 7, Paragraph 4 of the Decree.

After the Initial Announcement, Bergson Holdings and the Offeror have acquired Common Shares. Reference is made to the press releases in this respect as published on the website of the Offeror (www.bergson-beheer.com), the website of the Company (<http://investor.hunterdouglasgroup.com>) and Section 6.9 (*Transactions by the offeror (bieder) and any of its directors*).

On 8 January 2021, the Bergson Holdings and the Company made a joint announcement pursuant to the provisions of Article 7, paragraph 1 sub a, of the Decree in which they confirmed to make good progress on the preparation for the Offer.

On 20 January 2021, Bergson Holdings and the Company made a joint announcement in which they announced that Bergson Holdings assigned all of its rights and obligations under the Merger Agreement to the Offeror (see Section 3.6 (*Assignment*)).

The press releases referred to in this Section 6.1 (*Background and Initial Announcement*) are included in Section 11 (*Press Releases*).

6.2 The Offer

The Offeror is making an offer to acquire from the Shareholders all the Offer Shares on the terms and subject to the conditions and restrictions contained in this Offer Memorandum.

Subject to the Offer being declared unconditional (*gestand wordt gedaan*), Shareholders tendering their Offer Shares under the Offer will receive the Offer Price in respect of each Tendered Share.

6.3 Rationale for the Transaction

During their negotiations on the Transaction and/or in the Merger Agreement, the offeror (*bieder*) and the Company have agreed and acknowledged that:

- (a) the Company and its shareholders do not reap the benefits of a listing on Euronext Amsterdam because the Shares are illiquid and trading volumes are low;
- (b) the offeror (*bieder*) wishes to acquire all Common Shares and Preference Shares and therefore intends to commence a Compulsory Acquisition Procedure following completion of the Offer;
- (c) the Offeror is making the Offer on a voluntary basis to provide the Shareholders with an immediate cash exit opportunity;
- (d) a successful and smooth succession planning is in the interest of both Mr. R. Sonnenberg as well as the Company. This succession planning is facilitated by the Company being privately held;
- (e) the contemplated acquisition of the Offer Shares by the Offeror and the intended subsequent acquisition of the Preference Shares not yet held by the offeror (*bieder*) will not change the existing control over the Company nor the strategic direction or policies of its business enterprise;

- (f) the business of the Group will continue to be conducted consistent with past practice after completion of the Offer and accordingly, the contemplated acquisition of the Offer Shares and the intended subsequent acquisition by the Offeror of the Preference Shares not yet held by the offeror (*bieder*) or cancellation of the Preference Shares by the Company, will not have any direct consequences for the Group's customers, employees, suppliers, financiers and other stakeholders;
- (g) the Group's financial position will not change as a result of, or in relation to, the (financing of) the Offer; the Group has not committed to enter into any loan or other borrowing or to otherwise take up any financing or to grant any security, guarantee or any other form of financial support or to do any of the foregoing after completion of the Offer in relation to the (financing of) the Offer;
- (h) the contemplated Delisting and private ownership structure will have various benefits, including:
 - (i) the ability to quickly and effectively (i) facilitate implementing the Group's strategy or strategic decisions and (ii) respond to rapidly changing markets;
 - (ii) the ability to achieve an efficient capital structure (most notably from a financing perspective), which would, amongst others, facilitate intercompany transactions and dividend distributions; and
 - (iii) reduced costs as a result of no longer having to comply with continued obligations as a listed company, including extensive market disclosure and financial reporting obligations, having to organise physical general meetings of the Company and the relating governance costs;
 - (iv) potential benefits (including tax benefits) from an estate planning perspective.

6.4 Substantiation of the Offer Price

6.4.1 General

In establishing the Offer Price, the offeror (*bieder*) carefully considered the history and prospects of the Company. The offeror (*bieder*) and its advisors used for the analyses set out in section 6.4.2 (*Analysis*):

- (a) historical financial information based on the Company's financial statements and press releases including the press release reporting the Q3 2020 financial figures;
- (b) an outside-in assessment of the potential future developments in profitability, cash flows and balance sheet; and
- (c) public disclosures related to the offer premia of the selected precedent successful public offers as set out in sections 6.4.2(b) and 6.4.2(e).

In this context, the offeror (*bieder*) and its advisors also took into account the Company's historical and current ownership profile as well as risk profile compared to other publicly listed comparable companies. Lastly, the offeror (*bieder*) and its advisors have also taken into account that the global COVID-19 pandemic (and to a lesser extent Brexit) have changed market circumstances

and increased uncertainty, which is relevant from a valuation perspective when comparing current with historical valuation references and bid premia.

6.4.2 Analysis

The Offer Price has been based on the following financial analyses, performed by the offeror (*bieder*) and its advisors:

- (a) An analysis of the closing prices of the Listed Common Shares from 12 December 2019 up to and including the Reference Date. During this period, the closing price of the Listed Common Shares ranged from EUR 38.40 to EUR 61.60 and the volume weighted average price of the Listed Common Shares for the three (3), six (6) and twelve (12) month period prior to and including the Reference Date were EUR 51.33, EUR 49.69 and EUR 48.87 respectively.
- (b) An analysis of selected precedent offer premia for public offers:
 - i. taking into account the offer premium of 18.9% to the unaffected share price in the reverse book building tender offer by Bergson Holdings N.V. on the shares of the Company in 2005 and the offer premium of 17.1% to the unaffected share price in the tender offer share buy-back by means of a public offer by the Company in 2008; and
 - ii. 31 public offers in Europe in which a controlling majority shareholder issued a public offer on the remainder of the outstanding shares between February 2010 and December 2020¹, the median offer premium to the unaffected share price was 21.3%, and the median offer premia to the share prices 30 days and 60 days prior to the public offers were 20.8% and 20.4% respectively.
- (c) A historical average monthly trading multiple analysis of the Enterprise Value² to last twelve months' EBITDA multiple of the Company for the last 10 years (since November 2010). This analysis indicates that the Company has been trading at a discount of circa 30% to its peers in this period.

The offeror (*bieder*) and its advisors consider the valuation methodologies set out in sections 6.4.2(a) until 6.4.2(c) to be the most relevant as they are related to the Company and similar majority shareholder situations, and therefore take the impact of (i) low daily trading volumes ('illiquidity discount') and (ii) control by a majority shareholder into account.

¹ Including Altice – Drahi, VolkerWessels – Reggeborgh, Atrium – Gazit-Globe, Millennium & Copthorne Hotels – City Developments, Stallergenes Greer – Waypoint Capital, VTG – Omers / Morgan Stanley Infrastructure, Radisson Hospitality – consortium led by Jin Jiang International, Vedanta Resources – Volcan Investments, Vittoria Assicurazioni – Acutis family, Melker Schörling – Schörling & Partners, Fimalac – Groupe Marc de Lacharriere, Hafslund – City of Oslo, Market Tech – LabTech, Kleemann – MCA Orbital, Transocean Partners – Transocean, COLT – FMR, Scania – Volkswagen, Trifork – Trifork Holding, Absolute Invest – Alpine Select, Meetic – The Match Group, Simac Techniek – Simal Beheer, Generali Deutschland – Assicurazioni Generali, Proximedia – Cyber Media Group, Altergaz – Eni, Seco Tools – Sandvik, Elektrizitaets Gesellschaft Laufenburg – Axpo Holding, Camaieu – Modamax, Compagnie Nationale a Portefeuille – ERBE, Granitifiandre – Finanziaria Ceramica Castellano, Gewiss – Unfind and DIM Vastgoed – Southeast US Holdings.

² The Enterprise Value is calculated as the market capitalization of the Company plus the short term and long term debt minus cash.

Capital markets have historically consistently applied a significant discount on the Company's Listed Common Shares when comparing to the relative valuations of sector peers. As a result, the offeror (*bieder*) and its advisors do not consider sector peer benchmarking to be a meaningful valuation metric to value the Listed Common Shares. In addition, the offeror (*bieder*) and its advisors feel that the number of comparable peers is insufficient to be of use as a meaningful valuation reference (other than Somfy SA and Nien Made Enterprise Co., Ltd). Furthermore these companies have highly different business profiles from the Company (e.g. size, product offering, positioning and brand strategy, geographical presence and production set-up) which further impairs comparability.

For completeness and benchmarking purposes, the offeror (*bieder*) and its advisors also looked at:

- (d) a standalone discounted cash flow analysis for the Company based on an 8.7% to 9.7% discount rate and 1.5% perpetuity growth rate; and
- (e) 56 public offers in the Netherlands between March 2008 and December 2020³, the median offer premium to the unaffected share price was 30.0%, and the median offer premia to the share prices 30 days and 60 days prior to the public offers were 38.1% and 35.3% respectively.

The valuation methodologies set out in sections 6.4.2(d) and 6.4.2(e) assume (newly obtained) full control and liquidity, and the offeror (*bieder*) and its advisors therefore consider these methodologies to be less relevant and meaningful, and if taken into consideration, should be adjusted for applicable illiquidity and the existing control of the majority shareholder.

6.4.3 Bid premia

The Offer represents:

- (a) a premium of 25.5% to the closing price per Listed Common Share on Euronext Amsterdam on the Reference Date;
- (b) a premium of 18.8% to the volume-weighted average closing price per Listed Common Share on Euronext Amsterdam for the thirty (30) days prior and including the Reference Date;

³ Including Altice – Drahi, Kiadis Pharma – Sanofi, NIBC – Blackstone, Grandvision – EssilorLuxottica, VolkerWessels – Reggeborgh, Wessanen – PAI Partners, KAS Bank – Crédit Agricole, BinckBank – Saxo Bank, Groothandelsgebouw – HighBrook, Gemalto – Thales, Refresco – PAI Partners, Accell – PON, AkzoNobel – PPG, Delta Lloyd – NN, TMG – Mediahuis, PostNL – bpost, Reesink – consortium led by Gilde Buy Out Partners, USG People – Recruit, Ballast Nedam – Renaissance Construction, TenCate – consortium led by Gilde Buy Out Partners, Grontmij – Sweco, TNT Express – FedEx, Nutreco – SHV, Exact – Apax Partners, Corio – Klépierre, Ziggo – Liberty Global, HES – Hestia, Unit4 – Advent, Simac Techniek – Simal Beheer, KPN – América Móvil, Xeikon – Bencis, DE – Joh. A. Benckiser, Dockwise – Boskalis, Octoplus – Dr. Reddy's, TMC Group – Gilde Buy Out Partners, Mediq – Advent, LBi – Publicis Groupe, HITT – Saab, Logica – CGI, KPN – América Móvil, TNT Express – UPS, Wavin – Mexichem, VastNed O/I – NSI, Gamma – Gilde Buy Out Partners, Draka – Prysmian, Crucell – Johnson & Johnson, Océ – Canon, Smit – Boskalis, Super de Boer – Jumbo, Eriks – SHV, Gouda Vuurvast – RijnDijk Groep, DNC – Adecco, RSDB – Homborgh/De Pundert, Schuitema – CVC, Corporate Express – Staples and Econosto – Eriks.

- (c) a premium of 26.3% to the volume-weighted average closing price per Listed Common Share on Euronext Amsterdam for the ninety (90) days prior and including the Reference Date;
- (d) a premium of 28.8% to the volume-weighted average closing price per Listed Common Share on Euronext Amsterdam for the six (6) month period prior and including the Reference Date;
- (e) a premium of 30.9% to the volume-weighted average closing price per Listed Common Share on Euronext Amsterdam for the twelve (12) month period prior and including the Reference Date.

6.5 Financing of the Offer

Mr. R. Sonnenberg, owner and controlling shareholder of the Offeror, has confirmed that he and his Affiliates (excluding, for the avoidance of doubt, the Group) have sufficient cash reserves and other liquid assets available to fund the Offer and related fees, costs and expenses, irrespective of whether the Offeror obtains any third-party debt financing. Mr. R. Sonnenberg has committed to provide Bergson Holdings any financing necessary to fund the Offer. Reference is also made to the Initial Announcement and the press release dated 14 December 2020 in which the certainty of funds was announced and specified in accordance with Article 7, Paragraph 4 of the Decree.

In addition, the Offeror has entered into binding term loan credit agreements with ING, Rabobank, Svenska Handelsbanken and Credit Mutuel to fund the Offer through debt financing. ING, Rabobank, Svenska Handelsbanken and Credit Mutuel will provide credit in an aggregate principal amount providing the Offeror with sufficient funds for the acquisition of all the Offer Shares tendered under the Offer.

6.6 Offer Conditions, satisfaction and waiver

6.6.1 Offer Conditions

The obligation of the Offeror to declare the Offer unconditional (*gestand doen*) is subject to the following conditions precedent (*opschortende voorwaarden*) (the "**Offer Conditions**") being satisfied on the Closing Date or waived on or prior to the Unconditional Date, as the case may be:

- (a) the Company not having breached the terms of the Merger Agreement to the extent that any such breach (i) has or could reasonably be expected to have material adverse consequences on the Company, the Offeror or the Transaction; and (ii) is incapable of being remedied within ten (10) Business Days after receipt by the Company of a written notice from the Offeror (or, if earlier, before the Closing Date) or has not been remedied by the Company within ten (10) Business days after receipt by the Company of a written notice from the Offeror (or, if earlier, before the Closing Date);
- (b) the offeror (*bieder*) not having breached the terms of the Merger Agreement to the extent that any such breach (i) has or could reasonably be expected to have material adverse consequences on the Company, the offeror (*bieder*) or the Transaction; and (ii) is incapable of being remedied within ten (10) Business Days after receipt by the offeror (*bieder*) of a written notice from the Company (or, if earlier, before the Closing Date) or has not been remedied by the offeror (*bieder*) within ten (10) Business days after receipt

by the offeror (*bieder*) of a written notice from the Company (or, if earlier, before the Closing Date);

- (c) no Material Adverse Effect having occurred which is continuing on the Closing Date;
- (d) no Recommendation Change having occurred;
- (e) no order, stay, judgment, injunction or decree having been issued by any Governmental Authority and being in effect, and no law, statute, treaty, ordinance, rule, regulation, directive, code or order by any Governmental Authority of competent jurisdiction having been enacted, enforced or deemed applicable to the Transaction, in each case whether temporary, preliminary or permanent, any of which restrains, prohibits or materially delays or is reasonably likely to restrain, prohibit or materially delay consummation of the Transaction, in whole or in part, in accordance with the Merger Agreement;
- (f) no instruction (*aanwijzing*) having been issued by the AFM under Article 5:80, Paragraph 2 of the Wft ordering one or more investment firms (*beleggingsondernemingen*) not to cooperate with the Offer; and
- (g) trading in Listed Common Shares on Euronext Amsterdam not having been suspended or ended by Euronext Amsterdam.

The Offer is not conditional upon any minimum number of Shares tendered under the Offer.

6.6.2 Waiver of the Offer Conditions

The Offer Condition set out in Section 6.6.1(e) is for the benefit of the Offeror and the Company and accordingly may, to the extent permitted by Law, only be waived (either in whole or in part) by the Offeror and the Company jointly in writing.

Each of the Offer Conditions set out in Sections 6.6.1(a), 6.6.1(c), 6.6.1(d) and 6.6.1(g) are for the sole benefit of the Offeror and accordingly the Offeror may, to the extent permitted by Law and in its sole discretion, waive such Offer Condition, either in whole or in part, at any time by giving notice to the Company, provided that the Offeror shall only waive the Offer Condition set out in Section 6.6.1(c) and 6.6.1(d) after consultation with the Company.

The Offer Condition set out in Section 6.6.1(b) is for the sole benefit of the Company and accordingly the Company may, to the extent permitted by Law and in its sole discretion, waive such Offer Condition, either in whole or in part, at any time by giving notice to the Offeror.

The Offer Condition set out in Section 6.6.1(f) cannot be waived.

If on the then scheduled Closing Date any Offer Condition is not satisfied or waived, the Offeror may, after consultation with the Company, extend the Offer Period, provided that (i) the extension of the Offer Period shall be no less than two (2) weeks and no more than ten (10) weeks after the Initial Closing Date, and (ii) any subsequent extension shall be subject to receipt of an exemption granted by the AFM and until such time as the Offeror reasonably believes is necessary to cause such Offer Conditions to be satisfied or waived. Reference is made to Section 5.6 (*Extension of the Offer Period*).

In accordance with the Law, if it is ascertained by the Offeror that an Offer Condition is not satisfied or is incapable of being satisfied and the relevant Offer Condition is not or cannot be waived, the Offeror shall forthwith publicly announce this in accordance with Article 12, Paragraph 3 of the Decree.

6.6.3 Satisfaction of the Offer Conditions

The satisfaction of each of the Offer Conditions does not solely depend on the will of the offeror (*bieder*) as prohibited by Article 12, Paragraph 2 of the Decree.

Each of the Offeror and the Company shall use its reasonable best efforts to procure satisfaction of the Offer Conditions as soon as reasonably practicable. If at any time either the Offeror or the Company becomes aware (i) of a fact or circumstance that might prevent an Offer Condition from being satisfied or (ii) that an Offer Condition is satisfied, it shall promptly notify the other party thereof.

With respect to the Offer Condition set out in Section 6.6.1(c) and Section 6.6.1(d), Bergson Holdings and the Company have agreed on a binding advice procedure in the event the Offeror considers this Offer Condition not satisfied and the Company disagrees. In such event, a binding advisor shall decide on the matter within ten (10) Business Days after the dispute having been referred to the binding advisor or such shorter period as the Offeror and the Company may agree, it being understood that a decision shall be rendered no later than noon CEST on the Business Day before the Closing Date. The binding advisor shall be the President of the Enterprise Chamber (*Ondernemingskamer*) of the Court of Appeals of Amsterdam or, if this person is not able (for whatever reason) to provide the binding advice on time, another independent lawyer from a law firm of repute appointed by the President of the District Court of Amsterdam (*Rechtbank Amsterdam*) upon request of either the Offeror or the Company. The binding advice shall be final and binding upon the Offeror and the Company and each of the Offeror and the Company shall fully comply with the binding advice and the content thereof.

6.7 Decision-making and Recommendation by the Independent Committee substantiated by Fairness Opinion

6.7.1 Decision-making process

From the moment Mr. R. Sonnenberg made it clear he was considering and exploring the possibility to take the Company private through an all-cash public offer for all Offer Shares by an Affiliate controlled by him, the members of the Independent Committee held calls and meetings on a frequent basis to be updated on the latest developments, to monitor the process and to discuss and negotiate the Offer.

From the outset it was considered by the Board whether any of the Board Members had a direct or indirect conflict of interest within the meaning of article 2:11 CCC. Mr. R. Sonnenberg and Mr. J.T. Sherwin were determined to have a conflict of interest in respect of the Transaction (including the Offer). The Board established that Mr. Sherwin was conflicted, among other reasons because he was a member of the foundation council of an investment vehicle for the Sonnenberg family. Consequently, these two Board Members have not participated in the deliberations or decision-making process of the Independent Committee in respect of the Transaction.

In connection with the Transaction, the Board has resolved that the Independent Committee has the authority to review, negotiate and approve the agreements and other documentation relating to the Transaction and implement the Transaction on behalf of the Company, to retain independent advisors and to take or omit to take any measures they may deem advisable in connection with the Transaction and implementation thereof, including the authority to represent the Company in these matters. The Independent Committee has received financial and legal advice from its independent financial and legal advisors with respect to the Transaction.

The Independent Committee reviewed all the proposals from the offeror (*bieder*) in accordance with the Board's fiduciary duties and responsibilities. The Independent Committee discussed and carefully considered each proposal and explored the rationale, merits, impact on the business and risks for all stakeholders of the Company, including its shareholders, customers, employees, suppliers, financiers and other stakeholders. The Independent Committee conducted this review together with its external financial and legal advisors.

6.7.2 Recommendation substantiated by Fairness Opinion

In accordance with the Board's fiduciary duties, the Independent Committee, after having received extensive legal and financial advice, has carefully and extensively assessed the Transaction and its consequences for the Group and its stakeholders, including (a) the strategic rationale, (b) the financial aspects, (c) the non-financial aspects and (d) deal certainty.

After having reviewed the terms and conditions of the Offer and the Merger Agreement, including the Non-Financial Covenants, and having taken the interests of all stakeholders of the Company into account, the Independent Committee unanimously determined that the Transaction promotes the sustainable success of the Company's business and is in the interest of the Company, the Group and its stakeholders, including its Shareholders, customers, employees, suppliers, financiers and other stakeholders.

On 12 December 2020, NIBC issued its Fairness Opinion to the Independent Committee that, as of that date, and based upon and subject to the factors, assumptions, qualifications and other matters set out in NIBC's Fairness Opinion, the Offer Price to be received by the Shareholders (i.e. excluding the offeror (*bieder*)) is fair, from a financial point of view, to the Shareholders. The full text of the Fairness Opinion, which sets out the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each such opinion, is included in the Position Statement. The Independent Committee has unanimously determined that the Offer Price represents a fair price to its Shareholders.

With reference to the above, the Independent Committee unanimously (i) supports the Transaction, and (ii) recommends to the Shareholders to accept the Offer and to tender their Shares pursuant to the Offer (the "**Recommendation**").

At the date of this Offer Memorandum, the Company published the Position Statement pursuant to Article 18a of the Decree, which sets out the Recommendation and a more elaborate explanation on the decision-making process.

6.7.3 Revocation or withdrawal of Recommendation

The Independent Committee may not make any Recommendation Change, except that the Independent Committee may effect a Recommendation Change if any event, development,

circumstance, or change in circumstances or facts occurs or arises, which was unforeseen at 12 December 2020, on the basis of which the Independent Committee determines in good faith, after consultation with its outside legal counsel and financial advisor and after consultation with the offeror (*bieder*), that a Recommendation Change is required by the fiduciary duties of the Board Members under applicable Law.

In case of such a permitted Recommendation Change, the Offeror may decide to proceed with the Offer, subject to waiver of the Offer Condition set out in Section 6.6.1(d) (*Offer Conditions*) in accordance with Section 6.6.2 (*Waiver of the Offer Conditions*) and the terms of the Merger Agreement.

No termination fee, no break-fee or other penalty is due by the Company in the event of such a permitted Recommendation Change.

6.8 Undertakings of Independent Committee members

With reference to Section 7.7 (*Shareholdings of the Board Members*), each member of the Independent Committee (for the avoidance of doubt, excluding Mr. R. Sonnenberg and Mr. J.T. Sherwin) has irrevocably committed himself to not, directly or indirectly, purchase or otherwise acquire, or commit to purchase or acquire, any Shares, subject to the Merger Agreement not having been terminated in accordance with its terms (see Section 6.15 (*Termination*)).

6.9 Transactions by the offeror (*bieder*) or any of its directors in securities issued by the Company

In the year preceding the date of this Offer Memorandum, neither Mr. R. Sonnenberg, Bergson Holdings, Solimunt or the Offeror nor any of their directors effected any transactions in securities issued by the Company, other than as set out below:

Name	Date	Type of transaction	Number and type of financial instrument	Volume weighted average price (EUR)
Bergson Holdings	14 December 2020	Acquisition	290,998 Common Shares	63.40
Bergson Holdings	15 December 2020	Acquisition	83,155 Common Shares	63.40
Bergson Holdings	16 December 2020	Acquisition	38,387 Common Shares	63.40

In addition, on 9 November 2020, Davmar S.à.r.l. and Karson S.à.r.l., both entities owned and controlled by Mr. R. Sonnenberg transferred 17,287,187 and 11,476,852 Common Shares respectively as advance liquidation distribution to Bergson Holdings. Consequently, on 21 December 2020, Bergson Holdings transferred these Common Shares to the Offeror. The Offeror has issued 28,764,039 common shares in its capital in exchange for this transfer. The Offeror has not paid any other consideration in exchange for this transfer of Common Shares.

On 23 November 2020, Solimunt N.V., an entity owned and controlled by Mr. R. Sonnenberg, transferred 34,242,517 Preference Shares as a distribution payment in kind to Solimunt. Consequently, on 21 December 2020, Solimunt transferred these Preference Shares to the Offeror. The Offeror has issued 34,242,517 shares without profit rights in its capital in exchange

for this transfer. The Offeror has not paid any other consideration in exchange for this transfer of Preference Shares.

6.10 Respective cross-shareholdings offeror (*bieder*) – the Company

As at the date of this Offer Memorandum, the Offeror holds 29,176,579 Common Shares and 34,242,517 Preference Shares, representing:

- (a) 83.87% of the Common Shares;
- (b) 99.4% of the Preference Shares; and
- (c) in aggregate 91.59% of the Shares and voting rights in the general meeting of the Company.

The Company does not directly or indirectly hold any shares in the offeror (*bieder*).

6.11 Consequences of the Offer for non-tendering Shareholders

It is likely that the Offer, if and when it is declared unconditional, has implications for the Shareholders who did not tender their Offer Shares. Therefore, Shareholders considering not to tender their Offer Shares under the Offer should carefully review the Sections of this Offer Memorandum that explain the intentions of the Offeror and/or certain actual or potential implications to which such non-tendering Shareholders will be subject if Settlement occurs, such as (but not limited to) this Section 6.11 (*Consequences of the Offer for non-tendering Shareholders*). These risks are in addition to the risks associated with holding securities issued by the Company generally, such as the exposure to risks related to the business of the Group, the markets in which the Group operates, as well as economic trends affecting such markets generally as such business, markets or trends may change from time to time.

6.11.1 Intentions following the Offer being declared unconditional

It is the intention of the offeror (*bieder*) to ultimately acquire 100% of the Shares. Therefore, if the Offer is declared unconditional (*gestand wordt gedaan*), the Offeror and the Company intend to as soon as possible:

- (a) have the Offeror acquire 100% (hundred per cent) of the Shares through a Compulsory Acquisition Procedure; and
- (b) procure delisting of the Shares from Euronext Amsterdam and termination of the listing agreement between the Company and Euronext Amsterdam in relation to the listing of the Shares.

Notwithstanding this intention, the offeror (*bieder*) reserves the right to use any other legally permitted method to acquire all of the Shares (or full ownership of the Group's business) and/or to optimize the corporate, financing or tax structure of the Group.

In the event the offer is not declared unconditional (*niet gestand wordt gedaan*), the offeror (*bieder*) reserves the right to initiate a Compulsory Acquisition Procedure.

6.11.2 Compulsory Acquisition Procedure

To acquire the remaining Offer Shares not tendered and not held by the offeror (*bieder*) or the Company following the Settlement Date and/or the Preference Shares not held by the offeror (*bieder*) or the Company following the Settlement Date (provided that these Preference Shares will not be cancelled by the Company all together), the offeror (*bieder*) intends to initiate a squeeze-out procedure (*uitkoopprocedure*) in accordance with Article 2:250 CCC (the "**Compulsory Acquisition Procedure**"). Bergson Holdings has committed to the Company not to commence the Compulsory Acquisition Procedure before Settlement or termination of the Offer. The Company shall provide the Offeror with any reasonable assistance as may be required, including, if so requested by the Offeror, by joining such proceedings as co-claimant or defendant.

6.11.3 Delisting

It is the intention of Bergson Holdings to procure as soon as possible after Settlement the delisting of the Shares that are listed on Euronext Amsterdam (including the Listed Common Shares not tendered under the Offer) by inter alia terminating the listing agreement between the Company and Euronext Amsterdam in relation to the listing of the Shares listed on Euronext Amsterdam (the "**Delisting**"), with which the Company has agreed to cooperate.

Delisting may be achieved in accordance with applicable (policy) rules of Euronext Amsterdam. In the event that the Company will no longer be listed and the Shares will no longer be publicly traded, the provisions applicable to the governance of listed companies will no longer apply and the rights of remaining minority shareholders may be limited to the statutory minimum.

6.11.4 Liquidity

The purchase of Listed Common Shares by the Offeror pursuant to the Offer, among other things, will reduce the number of Listed Common Shareholders and the number of Listed Common Shares that might otherwise trade publicly. As a result, the size of the free float Listed Common Shares may be substantially reduced following Settlement and trading volumes and liquidity of Listed Common Shares may be adversely affected. The Offeror does not intend to compensate the Listed Common Shareholders for such adverse effect.

Furthermore and subject to the terms and conditions of the Merger Agreement, the Offeror may initiate any of the procedures set out in this Section 6.11 (*Consequences of the Offer for non-tendering Shareholders*) following completion of the Offer, such as the Delisting, which may further adversely affect the liquidity and market value of the Listed Common Shares not tendered.

6.11.5 Dividend policy

The Company's articles of association require the general meeting of holders of Common Shares and Preference Shares to determine the value of the annual Common Share dividend and the meeting of holders of Common Shares to decide that the dividend will be distributed in cash or, alternatively, Common Shares.

The Company's articles of association fix the annual dividend on each Preference Share at a percentage of the par value. This percentage amounts to 2.25% per annum over the European Central Bank's deposit rate on the last working day of May of the affected year. The general meeting of holders of Preference Shares is to decide whether such dividend is distributed in cash or, alternatively, Common Shares.

The Shareholders should be aware that the Company may or may not pay cash dividends in the future. Future dividends paid may be of a one-off nature only and the amount of any dividends will depend on a number of factors associated with the offeror's (*bieders*) tax and financial preferences from time to time. The Company currently does not envisage to, and the offeror (*bieder*) does not envisage that the Company will, declare any dividend while the Company still has Shareholders. Any distribution made in respect of Offer Shares after the Settlement Date will be taken into consideration for the purpose of establishing the value per Offer Share in a Compulsory Acquisition Procedure.

6.12 Governance of the Company as at the Settlement Date

At the date of this Offer Memorandum, the offeror (*bieder*) intends to maintain the existing governance structure of the Company, being a one-tier board, with a majority of its members being non-executive directors (*niet uitvoerende bestuurders*) until the later of (i) the Compulsory Acquisition Procedure having been finally settled and completed or the date on which the Offeror holds all Shares in the Company and (ii) 12 (twelve) months after Settlement. Furthermore the offeror (*bieder*) intends to mirror the current governance structure at the level of the Offeror as of Settlement.

The offeror (*bieder*) has the intention to maintain the composition of the Board, for the avoidance of doubt including the members of the Independent Committee, following Settlement, and shall ensure that the Board shall continue to include at least 3 (three) independent Non-Executive Directors, whereby 'independent' shall have the meaning as described in the Dutch Corporate Governance Code (the "**Independent Non-Executive Directors**"), until 12 (twelve) months after Settlement.

All Board Members, including the Independent Non-Executive Directors, shall monitor and protect the interests of the Company and all of its stakeholders and the sustainable success of the Company's business in accordance with their obligations under Curacao Law. The Independent Non-Executive Directors shall be particularly tasked with monitoring the compliance with the Non-Financial Covenants and, particularly when material transactions between the Company and the Offeror or any of its Affiliates are considered, the fair treatment of Shareholders of the Company (if any).

The Company has its statutory seat in Curacao and is therefore not subject to the Dutch Corporate Governance Code. However, the Company adheres to good corporate governance and follows many of these recommendations as far as practical.

6.13 Non-Financial Covenants

6.13.1 General

The offeror (*bieder*) shall, in accordance with the terms and subject to the conditions of the Merger Agreement, comply with the non-financial covenants set out in this Section 6.13 (*Non-Financial Covenants*) (the "**Non-Financial Covenants**").

Strategy

The Offeror confirms, after consultation with its ultimate beneficial owner Mr. R. Sonnenberg, that it is the ultimate beneficial owner's firm wish and intention, also after having consulted with his direct relatives (who, for the avoidance of doubt, have not been involved in the preparation,

negotiation and the making of the Offer) to directly and indirectly through its fully controlled Affiliates, continue to hold control over the Group and its business, provided for the avoidance of doubt that potential opportunities to attract co-investors or to engage in any other form of business relationship with third parties may be sought if such would be beneficial to the Company, its business and stakeholders and fit within the Company's strategy and in furtherance of its present strategic objectives.

Following Settlement, the Offeror will continue to work with the Company with a shared ambition to grow the business in a manner that reflects the current business strategy and policies of the Group. The Offeror will maintain the Company's headquarters at its present location and intends to retain management and preserve the Company's culture and philosophy. The Offeror fully supports the strategy of the Group and does not intend to effect a material change in the Company's strategy and policies, for the avoidance of doubt taking into account, and as acknowledged and agreed by Bergson Holdings and the Company, that the Company continuously is, and always has been, adapting itself from time to time to the ever-changing environment in which it operates, and will continue to do so. Such continuous change and adaptation to new circumstances are inherent to the Company's strategy, and part of its success.

The Company is seen as a highly successful and competitive business. As such the Offeror does not envisage any material changes to the operations and business activities of the Group, other than changes that may result from the current strategy as set out in this Section 6.13 (*Non-Financial Covenants*).

The Offeror has always been, and will remain, supportive of the Group's ambitions, will seek to capitalise on the increased business opportunities that the Group will have in a non-listed setting, including if appropriate by increasing the investments by the Group.

Employees

The Offeror will respect the existing rights and benefits of the employees of the Group, including existing rights and benefits under their individual employment agreements, collective labour agreements, social plans, and including existing rights and benefits under applicable existing covenants made to employee representation bodies and trade unions, as well as generally the existing redundancy practice applied by the Group.

The Offeror will respect the existing pension rights of the Group's current and former employees.

The Offeror will respect the Group's current employee consultation structure.

Minority shareholders

Without prejudice to Section 6.11.2 (*Compulsory Acquisition Procedure*) and Section 6.11.2 (Delisting), the Offeror shall procure that as long as the Company has minority shareholders, no member of the Group shall:

- (a) agree to and enter into a related party transaction with any material shareholder (including the Offeror and its Affiliates) which is not at arm's length; or
- (b) take any action which disproportionately prejudices the value of, or the rights relating to, any minority shareholder's Shares.

Neither the Offeror nor any of its Affiliates shall charge the Company any management fees, or holding costs, that are not related to the Company, and the Company shall not pay the Offeror or its Affiliates any such fees or costs.

Financing, Company integrity and disposals

The Offeror and the Company will ensure that the Company will remain prudently financed to safeguard business continuity and to support the success of the business.

The Offeror and the Company will not transfer, sell, or otherwise dispose or cause the Company to transfer, sell or otherwise dispose any material strategic asset of or any material business operated by the Company, if such sale, transfer or disposal would result in an aggregate reduction of consolidated annual profit of the Group of more than 10%, calculated on the basis of the latest adopted consolidated annual accounts for the Group at the time of such sale, transfer or disposal.

6.13.2 Duration, benefit and enforcement of the Non-Financial Covenants

The Company and Bergson Holdings have agreed the following in respect of the duration, benefit and enforcement of the Non-Financial Covenants.

- (a) The Non-Financial Covenants will expire on 1 January 2022.
- (b) Any deviation from the Non-Financial Covenants shall require the prior approval of the Board, including the affirmative vote of a majority of the Independent Non-Executive Directors.
- (c) The Non-Financial Covenants are made to the Company as well as, by way of an irrevocable third party stipulation for no consideration (*onherroepelijk derdenbeding om niet*), to each of the Independent Non-Executive Directors and regardless of whether he or she is in office or dismissed, provided that after dismissal, the dismissed Independent Non-Executive Director must assign the benefit of such stipulation to any new Independent Non-Executive Director in function, unless such dismissal is successfully challenged by such Independent Non-Executive Director.
- (d) Any enforcement of the Non-Financial Covenants shall require the prior approval of a majority of the Independent Non-Executive Directors. Bergson Holdings has agreed in advance to the assignment of the benefit of this undertaking by any Independent Non-Executive Director to its successor.
- (e) The Company will bear all reasonable costs and expenses relating to the enforcement of the Non-Financial Covenants by the Independent Non-Executive Directors.

6.14 Non-solicitation

Bergson Holdings and the Company have agreed that during the period commencing on the date of execution of the Merger Agreement and ending on the earlier of (i) the Settlement Date and (ii) the date of termination of the Merger Agreement in accordance with its terms (a summary of which has been set out in Section 6.15 (*Termination*)), the Company shall not, and shall procure that no member of the Group and its and their respective directors, officers and advisors acting on its behalf (together the "**Relevant Persons**") shall, directly or indirectly, initiate discussions or negotiations with, or otherwise approach or solicit any third party to make any enquiry, offer or

proposal relating to a potential offer for Offer Shares, a potential acquisition of the whole or a part of the business or assets of the Group, the potential acquisition of a substantial interest in the Group, a legal merger or demerger involving any member of the Group, a reverse takeover of any member of the Group, or a reorganisation or re-capitalisation of any member of the Group (an "**Alternative Proposal**").

The Company will notify the Offeror promptly (and in any event within twenty-four (24) hours) if any approach or enquiry, or any request for information, is received by it or any of its Relevant Persons from any third party in relation to an Alternative Proposal, it being understood that in any case the Company will notify the Offeror of its knowledge of the identity of such third party, the proposed consideration, the conditions to (the making and declaring unconditional of) the Alternative Proposal and other proposed material terms of such Alternative Proposal. Following receipt of an Alternative Proposal and subject to Section 6.7.3 (*Revocation or withdrawal of Recommendation*), the Company shall continue to cooperate with and support the Transaction in accordance with the terms and conditions of the Merger Agreement.

6.15 Termination

The Merger Agreement terminates immediately:

- (A) by the Offeror's and the Company's mutual written consent;
- (B) or by notice given by the Offeror or the Company (the "**Terminating Party**") to the other party if any of the Offer Conditions for the benefit of the Terminating Party have not been satisfied or waived by the Terminating Party on the Closing Date or if it is apparent that such Offer Conditions cannot be satisfied and will not be waived by the Terminating Party before such date, provided that the right to terminate the Merger Agreement pursuant to this sub-clause is not available to the party whose failure to fulfil any obligation under the Merger Agreement has been the cause of or resulted in the non-satisfaction of the relevant Offer Condition(s).

7 INFORMATION REGARDING THE COMPANY

7.1 Introduction

The Company is a public limited liability company (*naamloze vennootschap*), incorporated under the Laws of Curacao, having its statutory seat (*statutaire zetel*) in Willemstad, Curacao, and its office at Dokweg 19, Willemstad, Curacao. The Company is registered with the trade register of the Dutch Chamber of Commerce under number 24117994. The Company is the parent entity of the Group. The Company is a holding company without material direct business operations. The principal assets of the Company are the equity interests it directly or indirectly holds in its Group Companies.

The Company has its head office in Rotterdam, the Netherlands, and a management office in Lucerne, Switzerland. The Group is comprised of 134 companies with 47 manufacturing and 87 assembly operations and marketing organizations in more than 100 countries. The Company employs about 23,000 people with sales in 2020 of USD 3.5 billion.

7.2 History of the Company

In 1919, Mr. H. Sonnenberg founded a machine tool distribution and manufacturing company in Düsseldorf, Germany. In 1933, he moved to the Netherlands and established a machine tool operation. In 1940, he moved to the United States where he founded the Douglas Machinery Company.

In 1946, Mr. H. Sonnenberg established a joint venture with Joe Hunter which developed new technology and equipment for the continuous casting and fabrication of aluminium. This led to the production of lightweight aluminium slats for Venetian Blinds. The Company, as we know it today, was born.

From 1946 to 1960, Hunter Douglas' aluminium blinds quickly gained leadership in the American market. The business model was as innovative as the product. Hunter Douglas developed a vast network in the United States and Canada of more than 1,000 independent fabricators, who sold blinds during the day and custom assembled them in their workrooms at night. In 1956, policy differences led to the sale of the US business. Mr. H. Sonnenberg moved Hunter Douglas' headquarters to Montreal, Canada and, using the European machinery business as a base, concentrated on building the window covering business outside the United States.

From 1960 to 1980, Hunter Douglas expanded its operations in Europe and into Australia and Latin America. In 1969, the Hunter Douglas group went public, and its shares were listed on the Montreal and Amsterdam Stock Exchanges. In 1971, the Company's group headquarters were moved to Rotterdam, the Netherlands, and the Company became the worldwide Group parent company. In 1976, the Company reacquired its former US business.

From 1980 to 2000, the Group began offering a complete range of window coverings and continued its global growth, expanding into Asia. The innovative spirit of the Group led to the development of revolutionary new products:

1985 - Duette® Honeycomb Shades

1991 - Silhouette® Window Shadings

1994 - Vignette® Modern Roman Shades

1996 - Luminette® Privacy Sheers and PowerRise® battery-powered remote-control system

1999 - UltraGlide® retractable cord system

At the same time, the Company began developing a global network of fabrication companies to service dealers with consumer branded programs.

From 2000 onwards, the Company expanded further by developing multichannel distribution capabilities around the world, while continuing to bring breakthrough products to market:

2000 - LiteRise® cordless system

2000 - EOS® hardware system

2007 - Pirouette® Window Shadings

2010 - RB 500 Roller Shade system

2012 - Solera™ Soft Shades

2015 - PowerView® Motorization, Silhouette® Duolite® Shadings

2016 - Redesigned Duette® system

2017 - Sonnette™ Cellular Roller Shades, HeartFelt® ceiling system

2018 - Silhouette® ClearView® Shadings

2019 - PowerView® Automation Smart Home compatibility

2020 - Roller Duolite® Shades

7.3 Business overview and organisational structure

The Group is the world market leader in window coverings and a major manufacturer of architectural products. It operates as a highly decentralized, global federation of small and medium-sized companies that manufacture and market window coverings and architectural products. The Group is structured in segments. The Company has determined its reportable segments based on its internal reporting practices and on how the Company's management evaluates the performance of operations and allocates resources. The segments are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The window coverings segment relates to sales and manufacturing of window coverings for commercial and residential use. The architectural products segment relates to sales and manufacturing of architectural products mainly for commercial use.

The management of the Group monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net profit and is measured consistently with net profit in the consolidated financial statements. Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. The Group's geographical segments are determined by the location of the Group's assets and operations.

Window coverings

Window coverings are the Group's main business. The management of the Group believes the Group's strength is in its ability to develop and market innovative products, targeted primarily at upscale consumers. The Group's success is based upon trusted brand names recognized around the world such as HunterDouglas®, Luxaflex®, Levolor® and Hillarys®.

The Group's proprietary fabric shades are consistently recognized for excellence in design, styling, features, quality and breadth of selection: Duette® Honeycomb Shades, Silhouette® and Pirouette® Shades, Luminette® Privacy Sheers, Vignette® and Modern Roman Shades. The Group's innovation – Sonnette™ Cellular Roller Shades – combines the clean lines of a standard roller shade with the innovative design of the Group's original energy-efficient honeycomb shades.

In addition to the Group's proprietary design innovations, the Group offers a fully integrated and premium line of traditional window covering styles. These include venetian and vertical blinds, roman, roller, pleated and woven wood shades, wood and alternative wood blinds and custom shutters, exterior venetian blinds, sun screen blinds, shutters and awnings.

The Group's innovations include the award-winning LiteRise® and SmartCord® lift systems as well as the revolutionary PowerView® Motorization system. PowerView® is an advanced home automation system that allows the Company's window treatments to be conveniently operated via a smart phone, tablet or remote control based on personalized settings.

Architectural products

The Group is a major manufacturer of architectural products. The management of the Group believes the Group's strength is in its ability to develop customizable product systems with reliable installation and design flexibility with minimal custom engineering. The Group's success is based on giving architects a high degree of technical and design assistance in applying the Group's products.

The Group is active in sun-control solutions, suspended ceilings (including Luxalon® metal and wood ceilings, Techstyle® acoustical panels and the Company's latest innovation HeartFelt®, a cradle to cradle modular felt ceiling system), translucent architectural solutions (including the leading manufacturer of decorative translucent resin and glass 3form® and LightArt®), terracotta façades (including its pioneering manufacturer of terracotta façades NBK®), QuadroClad façade systems (QuadroClad®).

Through its global network of specialized manufacturing facilities, the Company delivers a broad, consistent range of solutions that can be adapted to local design requirements.

Business combination

In 2020 the Company acquired 3 small businesses in the window covering segment with total additional sales in 2020 of USD 45 million.

In 2019 the Company acquired the following businesses:

- (a) Stores-Discourt, a leading e-commerce retailer in France for window covering products since May 2019 with 2019 sales of EUR 15 million and which employs 125 people.

- (b) Copaco Screenweavers, a leading European manufacturer of sunscreen fabrics since May 2019 with 2019 sales of EUR 19 million and which employs 125 people.
- (c) 3 Day Blinds (incl. Next Day Blinds), a North American in-home seller and manufacturer of its own branded line of shades, blinds and draperies since December 2019 with 2019 sales of USD 191 million and which employs about 1,200 people.

The above subsidiaries have been accounted for as 100% acquired as the Company has put/call options over the non-controlling interest.

- (d) 30% of Select Blinds, a North American online retailer of its own branded window covering products since December 2019 with 2019 sales of USD 123 million.

Reference is made to Note 5 and 18 of the financial statements of the financial year 2020 (as included in Section 13.6 (*Financial statements for the financial year 2020 including independent auditor's report of EY*) for further details.

7.4 Business strategy

The Company's objectives are to:

- (a) expand its Window Coverings and Architectural Products businesses at a growth rate exceeding that of the market while continuing to be the best Company in the industry;
- (b) develop and introduce innovative new products;
- (c) seek acquisitions that add to the Company's organic growth by expanding product lines or distribution and that meet its return targets; and
- (d) have an efficient decentralized entrepreneurial organization, based on the principle of 'maximum accountability with minimum interference'.

7.5 Recent developments, outlook and claims

The Company makes all price-sensitive information publicly available in accordance with applicable laws. Publication of such price-sensitive information is also available in the public register on the website of the AFM. In relation to the Offer, the Company has published the press releases included in Section 11 (*Press Releases*). In addition, the website of the Company (<http://investor.hunterdouglasgroup.com>) provides an up-to-date overview of recent developments, such as trading updates and annual reports.

Outlook

The outlook remains dependent on the further development of the Covid-19 pandemic; though once this has been controlled, the outlook is cautiously optimistic.

Sensitivity to external factors

The Group's results are sensitive to external factors of which the following are most influential:

- (a) overall economic activity and particularly consumer confidence which affects demand for consumer durables. The Group's decentralized entrepreneurial organization manages these market risks as effectively as possible;
- (b) prices for raw materials, in particular: aluminium, steel, fabric, synthetics and other oil based products. Changes in material prices for our window covering and architectural products are normally passed on in our product prices; and
- (c) exchange rates: rates of non US dollar currencies can affect the Company's results. The Company's policy is to selectively hedge transactional earnings exposures and generally not to hedge balance sheet exposures.

The Company has a low risk appetite to the above mentioned factors.

7.6 The Board

The Company has a one-tier corporate structure consisting of one (1) executive board member (the "**Executive Chairman**") and four (4) non-executive directors (each a "**Non-Executive Director**" and together with the Executive Chairman, the "**Board Members**").

Under the Company's articles of association, the Board is responsible for the overall management and control of the Company. The Board is appointed by the shareholders of the Company. The Board has four regular meetings per year and additional meetings as required. The Board reviews the overall strategy, financial objectives, financing, budgets, acquisitions, divestments, capital expenditures, currency hedging, results and other risks in the Company's business. Mr. R. Sonnenberg is Executive Chairman. The Board Members at the date of the Offer Memorandum are set out below:

	<i>Mr. R. Sonnenberg</i>	<i>Mr. J.T. Sherwin</i>	<i>Mr. F.N. Wagener</i>	<i>Mr. A. Ruys</i>	<i>Mr. A. Nühn</i>
Position	Executive Chairman	Non-Executive Director	Non-Executive Director	Non-Executive Director	Non-Executive Director
Role	Executive	Non-Executive	Non-Executive	Non-Executive	Non-Executive
Appointment date	30 September 1971	12 May 1999	12 June 2012	27 January 2017	18 October 2017
Current term	4 June 2020 – 4 June 2021	4 June 2020 – 4 June 2021	4 June 2020 – 4 June 2021	4 June 2020 – 4 June 2021	4 June 2020 – 4 June 2021
Independent	N/A	No	Yes	Yes	Yes

7.6.1 Committees of the Board

The Board has an audit and a compensation committee, both committees comprising of Mr. A. Nühn, Mr. A. Ruys and Mr. F.N. Wagener, all independent Non-Executive Directors. The audit committee reviews the Company's accounts, internal controls and meets with the Company's external auditors at least once a year.

7.6.2 Officers appointed by the Board

The Board annually appoints the officers of the Company, i.e. the Executive Chairman, Co-Presidents & CEOs and the Regional Presidents and Staff Vice Presidents. The officers at the date of the Offer Memorandum are:

- (i) Mr. R. Sonnenberg, Executive Chairman;

- (ii) Mr. D.H. Sonnenberg, Co-President & CEO;
- (iii) Mr. M.H. Sonnenberg, Co-President & CEO;
- (iv) Mr. R.R. Kass, President & CEO North American Operations;
- (v) Mr. C. King, Vice President & General Counsel
- (vi) Mr. A. Kuiper, President & CEO European Operations;
- (vii) Mr. G.C. Neoh, President & CEO Asian Operations;
- (viii) Mr. T. Politis, Managing Director the Company Australia & New Zealand;
- (ix) Mr. L. Reijtenbagh, Vice President, CFO & Secretary; and
- (x) Mr. R. Rocha, President & CEO Latin American Operations.

7.7 Shareholdings of the Board Members

7.7.1 Information on securities issued by the Company held by Board Members

As at the date of this Offer Memorandum, none of the Board Members, directly or indirectly via entities over which such Board Member has control (*zeggenschap hebben in*) within the meaning of Annex A, Paragraph 2, sub-paragraphs 5 and 6 of the Decree, hold any securities issued by the Company, other than as listed in Section 6.10 (*Respective cross-shareholdings offeror (bieder) – the Company*).

7.7.2 Transactions in securities issued by the Company by Board Members in the year prior to the date of this Offer Memorandum

In the year prior to the date of this Offer Memorandum, none of the Board Members concluded any transactions in any securities issued by the Company, other than as set out in Section 6.9 (*Transactions by the offeror (bieder) and any of its directors*).

7.8 Major shareholders of the Company

As of 7 April 2021, only Mr. R. Sonnenberg is registered in the public register of the AFM as having notified a substantial holding (*substantiële deelneming*) in the Company, i.e. holding 3% or more, in the share capital or voting rights of the Company (the further notification thresholds being 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%). Mr. R. Sonnenberg holds 91.59% of the Shares and 91.59% of the voting rights in the general meeting of the Company (please see Section 6.10 (*Respective cross-shareholdings offeror (bieder) – the Company*)).

7.9 Capital and shares

As at the date of this Offer Memorandum, the issued share capital of the Company amounts to EUR 16,618,505.04 (sixteen million six hundred eighteen thousand five hundred five euro and four eurocents) and is divided in:

- (a) 34,789,921 Common Shares with a nominal value of EUR 0.24 (twenty-four eurocent) each; and

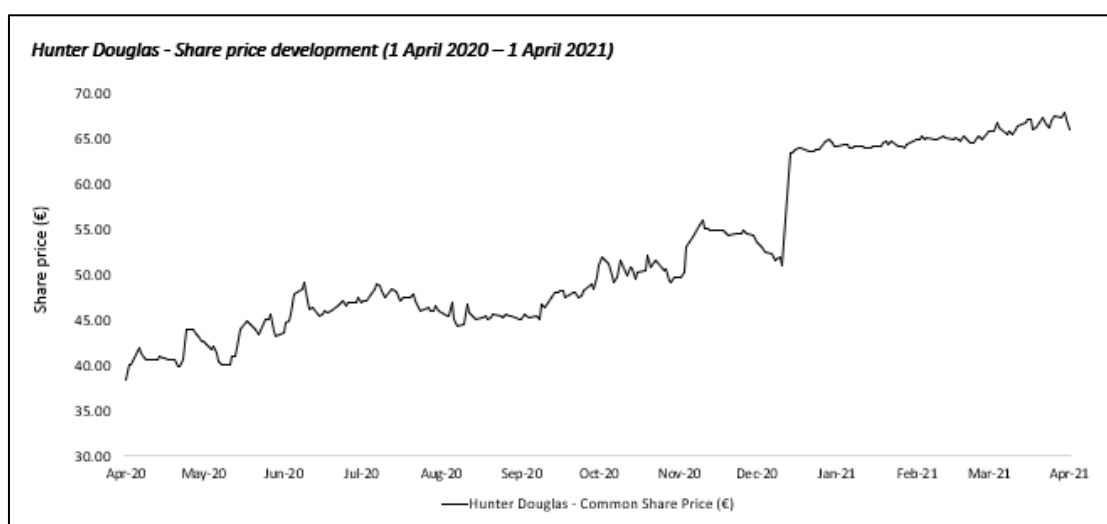
- (b) 34,453,850 Preference Shares with a nominal value of EUR 0.24 (twenty-four eurocent) each.

As at the date of this Offer Memorandum, the Company holds no Shares in treasury.

The Listed Common Shares are listed at Euronext Amsterdam and publicly traded at Euronext Amsterdam (HDG) and in the Open Market segment in Frankfurt (HUD). The Preference Shares are listed at Euronext Amsterdam and traded at Euronext Amsterdam (HUNDP). All issued Common Shares and Preference Shares are fully paid-up and are subject to, and have been created under, the Laws of Curacao.

7.10 Listed Common Share price development

This graph below sets out the Listed Common Share price development from 1 April 2020 up to and including 1 April 2021:



7.11 Incentive plans

There are no incentive plans at the Company level nor at any other Group Company level linked to the Offer Shares.

7.12 Transactions by the Company relating to securities issued by the Company

No transactions have been effected and no agreements have been concluded by the Company in relation to the any securities issued by the Company in the year immediately prior to the date of this Offer Memorandum.

8 INFORMATION REGARDING THE OFFEROR (BIEDER)

8.1 Information on the Offeror

The Offeror is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the Laws of the Netherlands, having its statutory seat (*statutaire zetel*) in Rotterdam, the Netherlands, and its office at Piekstraat 2, 3071 EL Rotterdam, the Netherlands. The Offeror is registered with the trade register of the Dutch Chamber of Commerce under number 81081227.

The management board (*bestuur*) of the Offeror consists of Mr. R. Sonnenberg (as director A) and Mr. L. Reijtenbagh and Mr. A. Kuiper (as directors B). The Offeror does not have a supervisory board and does not have any employees. The Offeror will not pay any compensation to its directors in relation to the Offer being declared unconditional. It is currently not expected that the Transaction will have an impact on the continued employment or the employment conditions of its directors. Although the Offeror does currently not have any employees, it is contemplated that holding company functions (and related employees) now performed by the Company will be transferred to the Offeror (see Section 6.12 (*Governance of the Company as at the Settlement Date*)).

8.2 Information on the offeror (*bieder*) and its shareholder structure

For purposes of the Dutch takeover rules, in addition to the Offeror, Mr. Sonnenberg, Bergson Holdings and Solimunt qualify as offeror (*bieder*) within the meaning of Article 1:1 of the Wft. The Offer, however, is made only by the Offeror, and the Offeror is solely responsible for accepting and paying for the Offer Shares tendered under the Offer.

All shares in the Offeror are directly held by Bergson Holdings and Solimunt. Mr. R. Sonnenberg is the sole direct shareholder of Bergson Holdings and Solimunt and the sole indirect shareholder of the Offeror.

Bergson Holdings is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the Laws of the Netherlands, having its statutory seat (*statutaire zetel*) in Rotterdam, the Netherlands, and its office at Piekstraat 2, 3071 EL Rotterdam, the Netherlands. Bergson Holdings is registered with the trade register of the Dutch Chamber of Commerce under number 80216013. The management board (*bestuur*) of Bergson Holdings consists of Mr. R. Sonnenberg (as director A) and Mr. L. Reijtenbagh and Mr. A. Kuiper (as directors B). Bergson Holdings does not have a supervisory board and does not have any employees. Bergson Holdings will not pay any compensation to its directors in relation to the Offer being declared unconditional. It is currently not expected that the Transaction will have an impact on the continued employment or the employment conditions of its directors.

Solimunt is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the Laws of the Netherlands, having its statutory seat (*statutaire zetel*) in Rotterdam, the Netherlands, and its office at Piekstraat 2, 3071 EL Rotterdam, the Netherlands. Solimunt is registered with the trade register of the Dutch Chamber of Commerce under number 861591483. The management board (*bestuur*) of Solimunt consists of Mr. R. Sonnenberg (as director A) and Mr. L. Reijtenbagh and Mr. A. Kuiper (as directors B). Solimunt does not have a supervisory board and does not have any employees. Solimunt will not pay any compensation to its directors in relation to the Offer being declared unconditional. It is currently

not expected that the Transaction will have an impact on the continued employment or the employment conditions of its directors.

9 PRINCIPAL DUTCH TAX CONSEQUENCES

9.1 General

This chapter outlines the principal Dutch tax consequences of the disposal of the Offer Shares in connection with the Offer and the Compulsory Acquisition Procedure. It does not present a comprehensive or complete description of all aspects of Dutch tax Law which could be relevant to a Shareholder. For Dutch tax purposes, a Shareholder may include an individual or entity not holding the legal title to the Offer Shares, but to whom, or to which, the Offer Shares are, or the income from the Offer Shares is, nevertheless attributed based either on this individual or entity owning a beneficial interest in the Offer Shares or on specific statutory provisions. These include but are not limited to statutory provisions attributing Offer Shares to an individual who is, or who has directly or indirectly inherited from a person who was, the settlor, grantor or similar originator of a trust, foundation or similar entity that holds the Offer Shares.

This chapter is intended as general information only. Shareholders should consult their own tax advisor regarding the tax consequences of the disposal of their Offer Shares in connection with the Offer, any Compulsory Acquisition Procedure or any other legally permitted method of the Offeror to acquire all of the Offer Shares.

This chapter is based on Dutch tax Law as applied and interpreted by Dutch tax courts and as published and in effect on the date of this Offer Memorandum, including the tax rates applicable on that date, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

Any reference in this chapter made to Dutch taxes, Dutch tax or Dutch tax Law should be construed only as a reference to any taxes of any nature levied by or on behalf of the European part of the Kingdom of the Netherlands or any of its subdivisions or taxing authorities or to the Law governing such taxes, respectively.

This chapter does not describe any Dutch tax considerations or consequences that may be relevant where a Shareholder:

- (a) is an individual and the Shareholder's income or capital gains derived from the Offer Shares are attributable to employment or deemed employment activities, the income from which is taxable in the Netherlands, or in an entity or individual and owns Offer Shares in connection with a membership of a management board or a supervisory board, or a management role;
- (b) has a substantial interest (*aanmerkelijk belang*) or a fictitious substantial interest (*fictief aanmerkelijk belang*) in the Company within the meaning of chapter 4 of the Dutch Individual Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally, a Shareholder has a substantial interest in the Company if the Shareholder, alone or – in case of an individual – together with a partner for Dutch tax purposes, or any relative by blood or by marriage in the ascending or descending line (including foster-children) of the Shareholder or the partner, owns or holds, or is deemed to own or hold shares or certain rights to shares, including rights to directly or indirectly acquire shares, directly or indirectly representing 5% or more of the Company's issued capital as a whole or of any class of shares in the Company's capital or profit participating certificates (*winstbewijzen*)

relating to 5% or more of the Company's annual profits or 5% or more of the Company's liquidation proceeds;

- (c) is an entity that, although it is in principle subject to Dutch corporate income tax under the Dutch Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*) (the "**CITA**"), is not subject to Dutch corporate income tax or is fully or partly exempt from Dutch corporate income tax (such as a qualifying pension fund as described in article 5 CITA or a tax exempt investment fund (*vrijgestelde beleggingsinstelling*) as described in article 6a CITA);
- (d) is an investment institution (*beleggingsinstelling*) as described in article 28 CITA;
- (e) is required to apply the participation exemption (*deelnemingsvrijstelling*) with respect to the Offer Shares (as defined in article 13 CITA). Generally, a Shareholder is required to apply the participation exemption if it is subject to Dutch corporate income tax and it, or a related entity, holds an interest of 5% or more of the nominal paid-up share capital in the Company;
- (f) is for Dutch tax purposes taxable as corporate entity and is resident of Aruba, Curacao or Sint Maarten; or
- (g) holds the Offer Shares through an entity which is treated as transparent for Dutch tax purposes, while being treated as a resident under the Laws of another state.

9.2 Principal Dutch tax consequences for Shareholders who tender their Offer Shares

This Section outlines the principal Dutch tax consequences for Shareholders who tender and dispose their Offer Shares in connection with the Offer.

9.2.1 Dutch (dividend) withholding tax

No Dutch (dividend) withholding tax is due in respect of the Offer Price payable to Shareholders for tendered Offer Shares in connection with the Offer.

9.2.2 Taxes on income and capital gains

A. Residents of the Netherlands

The description of certain Dutch tax consequences in this paragraph is only intended for the following Shareholders:

- (a) individuals who are resident or deemed to be resident in the Netherlands for Dutch individual income tax purposes ("**Dutch Resident Individuals**"); and
- (b) entities that are subject to the CITA and are resident or deemed to be resident in the Netherlands for Dutch corporate income tax purposes ("**Dutch Resident Corporate Entities**").

Dutch Resident Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Dutch Resident Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities (*resultaat uit overige werkzaamheden*) are generally subject to Dutch individual income tax at statutory progressive rates with a maximum of 49.5% on any benefits derived or deemed to be derived from the Offer Shares, including any capital gains realised on the disposal of the Offer Shares in connection with the Offer, where those benefits are attributable to:

- (i) an enterprise from which a Dutch Resident Individual derives profits, whether as an entrepreneur (*ondernemer*) or by being co-entitled (*medegerechtigde*) to the net worth of this enterprise other than as a shareholder; or
- (ii) miscellaneous activities, including activities which are beyond the scope of active portfolio investment activities (*meer dan normaal vermogensbeheer*).

Dutch Resident Individuals not engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Generally, the Offer Shares held by a Dutch Resident Individual who is not engaged or deemed to be engaged in an enterprise or in miscellaneous activities, or who is so engaged or deemed to be engaged but the Offer Shares are not attributable to that enterprise or miscellaneous activities, will be subject to an annual Dutch individual income tax imposed on a fictitious yield on the Offer Shares under the regime for savings and investments (*inkomen uit sparen en beleggen*). Irrespective of the actual income or capital gains realised, the annual taxable benefit from a Dutch Resident Individual's assets and liabilities taxed under this regime, including the Offer Shares, is set at a percentage of the positive balance of the fair market value of these assets, including the Offer Shares, and the fair market value of these liabilities. The percentage increases:

- (a) from 1.9% over any excess positive balance between EUR 50,000 up to and including EUR 99,999;
- (b) to 4.5% over any excess positive balance between EUR 100,000 up to and including EUR 999,999; and
- (c) to a maximum of 5.69% over any excess positive balance of EUR 1,000,000 or higher.

The percentages under (a) to (c) will be reassessed each year and the amounts under (a) to (c) will be adjusted for inflation each year. The fair market value of assets, including the Offer Shares, and liabilities that are taxed under this regime is measured once in each calendar year, which is in principle on 1 January. As also follows from the amounts as set out under (a), no taxation occurs if the positive balance of the fair market value of the assets and liabilities does not exceed the given threshold (*heffingvrij vermogen*), being EUR 50,000 in 2021. The tax rate under the regime for savings and investments is a flat rate of 31%.

Any income or capital gain realised on the disposal of the Offer Shares in connection with the Offer is as such not subject to the annual Dutch individual income tax under the regime for savings and investments.

Dutch Resident Corporate Entities

Dutch Resident Corporate Entities are generally subject to Dutch corporate income tax at the main statutory rate of 25% on any benefits derived or deemed to be derived from the Offer Shares, including any capital gains realised on the disposal of the Offer Shares in connection with the Offer.

B. Non-residents of the Netherlands

The description of certain Dutch tax consequences in this paragraph is only intended for the following Shareholders:

- (a) individuals who are not resident and not deemed to be resident in the Netherlands for Dutch individual income tax purposes ("**Non-Dutch Resident Individuals**"); and
- (b) entities that are not resident and not deemed to be resident in the Netherlands for Dutch corporate income tax purposes ("**Non-Dutch Resident Corporate Entities**").

Non-Dutch Resident Individuals

A Non-Dutch Resident Individual will not be subject to any Dutch taxes on income or capital gains derived from the disposal of the Offer Shares in connection with the Offer unless:

- (a) the Non-Dutch Resident Individual derives profits from an enterprise, whether as entrepreneur or by being co-entitled to the net worth of this enterprise other than as an entrepreneur or shareholder and this enterprise is fully or partly carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands, to which the Offer Shares are attributable;
- (b) the Non-Dutch Resident Individual derives benefits from miscellaneous activities carried on in the Netherlands in respect of the Offer Shares, including activities which are beyond the scope of active portfolio investment activities; or
- (c) the Non-Dutch Resident Individual is entitled to a share – other than by way of securities – in the profits of an enterprise, which is effectively managed in the Netherlands and to which the Offer Shares are attributable.

Non-Dutch Resident Corporate Entities

A Non-Dutch Resident Corporate Entity will not be subject to any Dutch taxes on income or capital gains derived from the disposal of the Offer Shares in connection with the Offer unless:

- (a) the Non-Dutch Resident Corporate Entity derives profits from an enterprise, which is fully or partly carried on through a permanent establishment or a permanent representative in the Netherlands to which the Offer Shares are attributable; or
- (b) the Non-Dutch Resident Corporate Entity is entitled to a share – other than by way of securities – in the profits of an enterprise or a co-entitlement to the net worth of an enterprise, which is effectively managed in the Netherlands and to which the Offer Shares are attributable.

9.2.3 Dutch gift tax or inheritance tax

No Dutch gift tax or inheritance tax will be due by a Shareholder as a result of the disposal of the Offer Shares in connection with the Offer.

9.2.4 Other taxes and duties

No other Dutch taxes, including taxes of a documentary nature, such as capital tax, stamp or registration tax or duty, are payable by, or on behalf of, a Shareholder by reason only of disposing the Offer Shares in connection with the Offer.

9.3 Principal Dutch tax consequences for Shareholders who do not tender their Offer Shares

Following the Settlement, the Offeror intends to implement (or cause to be implemented) the Compulsory Acquisition Procedure. The principal Dutch tax consequences for Shareholders who dispose their Offer Shares in connection with a Compulsory Acquisition Procedure are in principle the same as the principal Dutch tax consequences set out in Section 9.2 (*Principal Dutch tax consequences for Shareholders who tender their Offer Shares*) above.

10 FURTHER STATEMENTS PURSUANT TO THE DECREE

In addition to the other statements set out in this Offer Memorandum, the Offeror with regard to items (c), (d) and (f), the Company with regard to (b), (e), (g) and (h) and the Offeror and the Company jointly with regard to item (a), hereby declare as follows:

- (a) there have been consultations between Mr. R. Sonnenberg and Bergson Holdings on the one hand and the Independent Committee on the other hand regarding the Offer, which have resulted in the Merger Agreement as publicly announced on 12 December 2020. Discussions regarding the Offer, including, but not limited to, the Offer Price, the Offer Conditions and the future strategy of the Group, took place between Bergson Holdings and the Independent Committee and their respective advisors and were sometimes attended on behalf of the Company by the Officers of the Company, Mr. L. Reijtenbagh and Mr. C. King. Reference is made to Section 6.1 (*Background and Initial Announcement*);
- (b) Mr. R. Sonnenberg and Mr. J.T. Sherwin, each have been determined to have a conflict of interest within the meaning of 2:11 CCC and have not participated in the deliberations and decision-making of the Board and/or Independent Committee with respect to the Transaction;
- (c) with due observance of and without prejudice to the restrictions referred to in Section 2 (*Restrictions*) and Section 3 (*Important information*), the Offer concerns all Common Shares and applies on an equal basis to all Common Shares and holders of Common Shares;
- (d) (i) no securities issued by the Company are held at the date of this Offer Memorandum, and no transactions or agreements in respect of securities in the Company have been effected or have been concluded during the twelve (12) months prior to the date of this Offer Memorandum, by Mr. R. Sonnenberg, Bergson Holdings, Solimunt or the Offeror or any of its directors, any of their spouses (*echtgenoten*), registered partners (*geregistreerde partners*) or minor children (*minderjarige kinderen*) and any entities over which these persons have control (*zeggenschap hebben in*) within the meaning of Annex A, Paragraph 2, sub-paragraphs 5 and 6 of the Decree and (ii) no transactions similar to the transactions referred to in Annex A, Paragraph 2, sub-paragraph 6 of the Decree have been concluded by legal entities with which Mr. R. Sonnenberg, Bergson Holdings, Solimunt or the Offeror are affiliated in a group, other than the transactions and holdings as described in Section 6.9 (*Transactions by the offeror (bieder) or any of its directors in securities issued by the Company*);
- (e) no securities issued by the Company are held at the date of this Offer Memorandum, and no transactions or agreements in respect of securities in the Company have been effected or have been concluded during the twelve (12) months prior to the date of this Offer Memorandum, by any Board Member, any of their spouses (*echtgenoten*), registered partners (*geregistreerde partners*) or minor children (*minderjarige kinderen*) and any entities over which these persons have control (*zeggenschap hebben in*) within the meaning of Annex A, Paragraph 2, sub-paragraphs 5 and 6 of the Decree, other than in respect of securities in the Company and transactions as described in Section 6.10 (*Respective cross-shareholdings offeror (bieder) – the Company*);

- (f) the costs incurred or to be incurred by Mr. R. Sonnenberg, Bergson Holdings, Solimunt and the Offeror in relation to the Offer are expected to amount to approximately EUR 3.5 million and comprise fees of legal advisors, finance arrangement fees, AFM fees and fees of the Settlement Agent. These costs will be borne by the relevant person (Mr. Sonnenberg, Bergson Holdings, Solimunt or the Offeror) incurring such costs;
- (g) the costs incurred or to be incurred by the Company in relation to the Offer are expected to amount to approximately EUR 0.5 million and comprise fees of legal advisors, financial advisors, auditors and other advisors. These costs will be borne by the Company; and
- (h) no remuneration will be paid to the Board Members, including Mr. R. Sonnenberg and other offerors (*bieders*), nor to any managing director of Bergson Holdings, Solimunt or the Offeror, in connection with the Offer being declared unconditional (*gestand wordt gedaan*).

PRESS RELEASE

For publication: December 12, 2020

Agreement on recommended all-cash offer of EUR 64 per share for all common shares in the capital of Hunter Douglas N.V. by Bergson Holdings B.V.

Rotterdam 12 December 2020 - Hunter Douglas N.V. ("**Hunter Douglas**") and Bergson Holdings B.V. ("**Bergson**"), a holding company owned and controlled by Mr. R. Sonnenberg who holds 82.7% of the common shares and 99.4% of the preference shares and accordingly over 90% of the total issued capital of Hunter Douglas, today announced that Bergson is offering to acquire (the "**Offer**") all of Hunter Douglas' outstanding common shares for EUR 64 in cash per share (cum dividend).

The offer price represents a premium of 18.8% over the volume-weighted average price of the last 30 days (VWAP) and of 25.5% over the last closing price of EUR 51.

Recommendation of the Independent Committee

Upon the initial expression of interest by Bergson, the Board of Directors established an independent committee, comprising of the non-conflicted and independent non-executive directors Messrs. Ruys, Nühn and Wagener (the "**Independent Committee**"). After consideration of the interests of all stakeholders involved and receipt of advice of independent legal and financial advisors, the Independent Committee unanimously supports and recommends the Offer for acceptance by the shareholders. NIBC Bank N.V. has issued a fairness opinion to the Independent Committee.

Offer

Commencement of the Offer is subject to the approval of an offer memorandum by the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "**AFM**"). Commencement and completion of the Offer are subject to the satisfaction or waiver of the following conditions:

- no material adverse effect having occurred (including a major economic crisis);
- no amendment or withdrawal of the recommendation by the Independent Committee;
- no material breach of the merger agreement having occurred;
- no order, stay judgment or decree having been issued prohibiting the making of the Offer and/or related transactions;
- no notification having been received from the AFM stating that one or more investment firms will not be allowed to cooperate with the Offer; and
- trading in the common and preference shares of Hunter Douglas on Euronext Amsterdam not having been suspended or ended as a result of a listing measure (*noteringsmaatregel*) by Euronext Amsterdam.

The Offer is not conditional upon any minimum number of common shares being tendered or any pre-agreed post-closing transaction. Completion of the Offer is expected in Q2 2021.

Other

Bergson has committed financing in place providing certainty of funds.

Hunter Douglas and Bergson have agreed to certain covenants in respect of, amongst others, strategy, governance, employees and other non-financial matters that will apply until 1 January 2022. The Offer will not result in any change in Hunter Douglas' management or business (including the existing rights and benefits of the employees of the Hunter Douglas group).

Bergson and Hunter Douglas will ensure that they will remain prudently financed to safeguard business continuity and to support the success of the business.

Following the Offer, Bergson intends to delist Hunter Douglas and to commence statutory squeeze-out proceedings (*uitkoopprocedure*) in accordance with article 2:250 of the Curacao Civil Code. The outstanding preference shares in the capital of Hunter Douglas will either be redeemed or included in the squeeze-out proceedings.

Bergson reserves the right to purchase common shares outside the Offer. Any such purchases will be published via the website of the AFM.

The offeror

Bergson is a holding company incorporated in the Netherlands, (indirectly) owned and controlled by Mr. R. Sonnenberg. Its principal office is in Rotterdam, the Netherlands.

Hunter Douglas

Hunter Douglas is listed on Euronext and is the world market leader in window coverings and a major manufacturer of architectural products. The Company has its head office in Rotterdam, The Netherlands, and a Management Office in Luzern, Switzerland. The Group is comprised of 134 companies with 47 manufacturing and 87 assembly operations in more than 100 countries. Hunter Douglas employs about 22,750 people and had sales in 2019 of USD 3.7 billion.

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Disclaimer

This is a joint public announcement by Hunter Douglas and the Bergson pursuant to the provisions of Section 4, paragraphs 1 and 3, Section 5, paragraph 1 and Section 7, paragraph 4 of the Netherlands Decree in Public Takeover Bids (Besluit openbare biedingen Wft) in connection with the intended Offer and contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

The information in the press release is not intended to be complete. This announcement is for information purposes only and does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities. Any offer will be made only by means of an offer memorandum approved by the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten).

The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, Bergson and Hunter Douglas disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither Bergson, nor Hunter Douglas, nor any of their advisors assumes any responsibility for any violation of any of these restrictions. Any shareholder of Hunter Douglas who is in any doubt as to his or her position should consult an appropriate professional advisor without delay.

PRESS RELEASE

For publication: December 14, 2020

Bergson acquires shares in Hunter Douglas and update on certain funds

Rotterdam 14 December 2020 – Bergson Holdings B.V. ("**Bergson**") and Hunter Douglas N.V. ("**Hunter Douglas**") today announce that Bergson conducted transactions in Hunter Douglas shares and provide update on certain funds.

Reference is made to the joint press release dated 12 December 2020 by Bergson and Hunter Douglas announcing the recommended all-cash public offer for all Hunter Douglas' outstanding common shares (the "**Offer**").

Pursuant to Section 5, paragraphs 4 and 5 of the Decree on Public Takeover Bids (*Besluit openbare biedingen Wft*, the "**Decree**"), Bergson and Hunter Douglas announce that Bergson today conducted transactions in common shares of Hunter Douglas.

Date	Transaction type	Total number of shares	Type of shares	Volume weighted average price
14 December 2020	Purchase	290,998	Common	EUR 63.40

The highest price per Hunter Douglas common share paid by Bergson in a transaction conducted today was EUR 63.40 per share.

Based on the transactions set out above, Bergson today acquired a total of 290,998 common shares in Hunter Douglas, representing 0.84% of the issued and outstanding common shares and 0.42%% of the total issued and outstanding share capital of Hunter Douglas.

Together with the Hunter Douglas common and preference shares already held by Bergson and its affiliates prior to today, Bergson and its affiliates currently hold 29,055,037 common shares and 34,242,517 preference shares, representing 91.41% of the issued and outstanding share capital of Hunter Douglas on the date hereof.

Certain funds

Pursuant to Section 7, paragraph 4 of the Decree, Bergson confirms that it plans to fund the Offer through third-party debt financing and is making good progress in obtaining such financing. In addition, Mr. R. Sonnenberg, owner and controlling shareholder of Bergson, has confirmed that he and his affiliates (excluding, for the avoidance of doubt, Hunter Douglas and its subsidiaries) have sufficient cash reserves and other liquid assets available to fund the Offer and the payment of related fees, costs and expenses, irrespective of whether Bergson obtains any third-party debt financing. Mr. R. Sonnenberg has committed to provide Bergson any financing necessary to fund the Offer.

Other

To the extent permissible under applicable law or regulation, Bergson may from time to time after the date hereof, and other than pursuant to the intended Offer, directly or indirectly purchase, or arrange to purchase, common shares in the capital of Hunter Douglas, that are the subject of the Offer. To the extent information about such purchases or arrangements to purchase is made public in the Netherlands, such information will be disclosed by means of a press release to inform shareholders of such information, which will be made available on the website of the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "AFM").

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Disclaimer

This is a joint press release by Bergson and Hunter Douglas pursuant to Section 5, paragraphs 4 and 5 and Section 7, paragraph 4 of the Decree in connection with the intended Offer and contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

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PRESS RELEASE

For publication: 15 December 2020

Bergson acquires shares in Hunter Douglas

Rotterdam 15 December 2020 – Bergson Holdings B.V. ("**Bergson**") and Hunter Douglas N.V. ("**Hunter Douglas**") today announce that Bergson conducted transactions in Hunter Douglas shares.

Reference is made to the joint press release dated 12 December 2020 by Bergson and Hunter Douglas announcing the recommended all-cash public offer for all Hunter Douglas' outstanding common shares (the "**Offer**").

Pursuant to Section 5, paragraphs 4 and 5 of the Decree on Public Takeover Bids (*Besluit openbare biedingen Wft*, the "**Decree**"), Bergson and Hunter Douglas announce that Bergson today conducted transactions in common shares of Hunter Douglas.

Date	Transaction type	Total number of shares	Type of shares	Volume weighted average price
15 December 2020	Purchase	83,155	common	EUR 63.40

The highest price per Hunter Douglas common share paid by Bergson in a transaction conducted today was EUR 63.40 per share.

Based on the transactions set out above, Bergson today acquired a total of 83,155 common shares in Hunter Douglas, representing 0.24% of the issued and outstanding common shares and 0.12% of the total issued and outstanding share capital of Hunter Douglas.

Together with the Hunter Douglas common and preference shares already held by Bergson and its affiliates prior to today, Bergson and its affiliates currently hold 29,138,192 common shares and 34,242,517 preference shares, representing 91,53% of the issued and outstanding share capital of Hunter Douglas on the date hereof.

Other

To the extent permissible under applicable law or regulation, Bergson may from time to time after the date hereof, and other than pursuant to the intended Offer, directly or indirectly purchase, or arrange to purchase, common shares in the capital of Hunter Douglas, that are the subject of the Offer. To the extent information about such purchases or arrangements to purchase is made public in the Netherlands, such information will be disclosed by means of a press release to inform shareholders of such information, which will be made available on the website of the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "**AFM**").

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Disclaimer

This is a joint press release by Bergson and Hunter Douglas pursuant to Section 5, paragraphs 4 and 5 of the Decree in connection with the intended Offer and contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

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PRESS RELEASE

For publication: 16 December 2020

Bergson acquires shares in Hunter Douglas

Rotterdam 16 December 2020 – Bergson Holdings B.V. ("**Bergson**") and Hunter Douglas N.V. ("**Hunter Douglas**") today announce that Bergson conducted transactions in Hunter Douglas shares.

Reference is made to the joint press release dated 12 December 2020 by Bergson and Hunter Douglas announcing the recommended all-cash public offer for all Hunter Douglas' outstanding common shares (the "**Offer**").

Pursuant to Section 5, paragraphs 4 and 5 of the Decree on Public Takeover Bids (*Besluit openbare biedingen Wft*, the "**Decree**"), Bergson and Hunter Douglas announce that Bergson today conducted transactions in common shares of Hunter Douglas.

Date	Transaction type	Total number of shares	Type of shares	Volume weighted average price
16 December 2020	Purchase	38,387	common	EUR 63.40

The highest price per Hunter Douglas common share paid by Bergson in a transaction conducted today was EUR 63.40 per share.

Based on the transactions set out above, Bergson today acquired a total of 38,387 common shares in Hunter Douglas, representing 0.11% of the issued and outstanding common shares and 0.06% of the total issued and outstanding share capital of Hunter Douglas.

Together with the Hunter Douglas common and preference shares already held by Bergson and its affiliates prior to today, Bergson and its affiliates currently hold 29,176,579 common shares and 34,242,517 preference shares, representing 91.59% of the issued and outstanding share capital of Hunter Douglas on the date hereof.

Other

To the extent permissible under applicable law or regulation, Bergson may from time to time after the date hereof, and other than pursuant to the intended Offer, directly or indirectly purchase, or arrange to purchase, common shares in the capital of Hunter Douglas, that are the subject of the Offer. To the extent information about such purchases or arrangements to purchase is made public in the Netherlands, such information will be disclosed by means of a press release to inform shareholders of such information, which will be made available on the website of the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "**AFM**").

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PRESS RELEASE

For publication: 8 January 2020

Update on the intended offer by Bergson for Hunter Douglas

Rotterdam 8 January 2020 – Reference is made to the joint press release by Bergson Holdings B.V. ("**Bergson**") and Hunter Douglas N.V. ("**Hunter Douglas**") dated 12 December 2020 in respect of the intended recommended public offer to be made by Bergson for all issued and outstanding common shares in the capital of Hunter Douglas at an offer price of EUR 64 in cash per share (cum dividend) (the "**Offer**").

Pursuant to the provisions of Section 7, paragraph 1 sub a of the Decree on Public Takeover Bids (*Besluit openbare biedingen Wft*, the "**Decree**"), requiring a public announcement including a status update regarding an intended public offer within four weeks following its announcement, Bergson and Hunter Douglas hereby provide this joint update on the Offer.

Bergson and Hunter Douglas confirm that they are making good progress on the preparation for the Offer. Bergson expects to submit a request for review and approval of the offer memorandum in relation to the Offer to the AFM at the end of January/beginning of February 2021, before the applicable deadline under Dutch law. Based on the required steps and subject to the approval of the offer memorandum, Bergson and Hunter Douglas anticipate that the Offer, once made, will close ultimately in Q3 2021.

Other

To the extent permissible under applicable law and regulations, Bergson may from time to time after the date hereof, and other than pursuant to the intended Offer, directly or indirectly purchase, or arrange to purchase, common shares in the capital of Hunter Douglas that are the subject of the Offer. To the extent information about such purchases or arrangements to purchase is made public in the Netherlands, such information will be disclosed by means of a press release to inform shareholders of such information, which will be made available on the website of the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*, the "**AFM**") and on the website of Bergson (www.bergson-holdings.com).

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Disclaimer

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PRESS RELEASE

For publication: 20 January 2021

Update on intragroup transfers and assignment by Bergson Holdings

Rotterdam 20 January 2021 – Reference is made to the joint press release by Bergson Holdings B.V. ("**Bergson Holdings**") and Hunter Douglas N.V. ("**Hunter Douglas**") dated 12 December 2020 in respect of the intended recommended public offer to be made by Bergson Holdings for all issued and outstanding common shares in the capital of Hunter Douglas at an offer price of EUR 64 in cash per share (cum dividend) (the "**Offer**").

On 12 December 2020, Bergson Holdings and the Hunter Douglas entered into a merger agreement setting out their respective rights and obligations with respect to the Offer (the "**Merger Agreement**"). Bergson Holdings has assigned all of its rights and obligations under the Merger Agreement to Bergson Beheer B.V. ("**Bergson Beheer**"), in accordance with and as allowed under the terms of the Merger Agreement. Mr. R. Sonnenberg is the sole (indirect) shareholder of both Bergson Holdings and Bergson Beheer.

Pursuant to Section 5, paragraphs 4 and 5 of the Decree on Public Takeover Bids (*Besluit openbare biedingen Wft*, the "**Decree**"), Bergson Holdings announces that it transferred on 21 December 2020 28,764,039 common shares of Hunter Douglas held by it to Bergson Beheer in exchange for 28,764,039 common shares in the capital of Bergson Beheer. Bergson Beheer has not paid any other consideration in exchange for this transfer of shares.

In addition, Bergson Holdings announces that today it transferred 412,540 common shares of Hunter Douglas held by it to Bergson Beheer in exchange for 412,540 common shares in the capital of Bergson Beheer. Bergson Beheer has not paid any other consideration in exchange for this transfer of shares.

Bergson Holdings currently holds no common or preference shares of Hunter Douglas. Bergson Beheer currently holds 29,176,579 common shares and 34,242,517 preference shares of Hunter Douglas, representing 91.59% of the issued and outstanding share capital of Hunter Douglas on the date hereof.

Other

To the extent permissible under applicable law and regulations, Bergson Holdings may from time to time after the date hereof, and other than pursuant to the intended Offer, directly or indirectly purchase, or arrange to purchase, common shares in the capital of Hunter Douglas that are the subject of the Offer. To the extent information about such purchases or arrangements to purchase is made public in the Netherlands, such information will be disclosed by means of a press release to inform shareholders of such information, which will be made available on the website of Hunter Douglas (www.hunterdouglasgroup.com) and on the website of Bergson Holdings (www.bergson-holdings.com).

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Disclaimer

This is a joint press release by Bergson Holdings and Hunter Douglas in connection with the intended Offer pursuant to Section 5, paragraph 4 and 5 of the Decree.

The information in the press release is not intended to be complete. This announcement is for information purposes only and does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities. Any offer will be made only by means of an offer memorandum approved by the AFM.

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PRESS RELEASE

For publication: March 11, 2021
08.00 hrs

HUNTER DOUGLAS RESULTS 2020

Rotterdam, March 11, 2021 – Hunter Douglas, the world market leader in window coverings (Luxaflex®) and a major manufacturer of architectural products, results for 2020:

- **Sales:** 3.9% lower to USD 3,543.0 million, compared with USD 3,686.3 million in 2019.

The 3.9% sales decrease reflects a 4.6% volume decrease, 0.4% negative currency impact, 2.8% increase from acquisitions and 1.7% decrease from divestments. Volume decreased in all areas, except in Australia where sales were higher.

North America accounted for 51% of sales, Europe 39%, Latin America 3%, Asia 3% and Australia 4%. Window coverings were 92% of sales and Architectural products 8%.

- **Earnings before interest, tax, depreciation and amortization - EBITDA:** USD 530.7 million, 5.4% higher than USD 503.4 million in 2019.
- **Income from Operations (before other income/expenses):** 11.2% higher to USD 377.5 million, compared with USD 339.6 million in 2019. Results in local currencies were higher in all areas, except in Latin America and Asia where results were lower.
- **Other income/expenses:** USD 189.4 million negative, compared with USD 4.5 million positive in 2019. USD 65.2 million of the 2020 charges comprises reorganization expenses, mainly in North America and Europe, to reduce ongoing costs and realign operations to changed market conditions. USD 130.5 million relates to adjustments to the liability of the future purchase prices of minority interests in partially owned companies in accordance with IFRS 9, and USD 6.3 million to goodwill on an acquired company. Most of the purchase price adjustment resulted from the strong performance of Blinds2go, the company's UK internet business, which was subsequently fully acquired in Q1 2021 for the corresponding liability.
- **Profit before Tax:** USD 188.9 million, compared with USD 330.4 million in 2019.
- **Total Net Profit:** USD 116.1 million (per share EUR 2.92), compared with USD 277.6 million in 2019 (per share EUR 7.12).

Capital expenditures were USD 74 million, compared with USD 125 million in 2019, while depreciation was USD 128 million, compared with USD 141 million in 2019.

In 2021 capital expenditures will be about USD 70 million and depreciation USD 120 million.

Operating cash flow: USD 532 million, compared with USD 546 million in 2019.

Shareholders' equity was USD 1,925 million, compared with USD 1,798 million at the end of 2019, reflecting the 2020 results and increased by a positive exchange translation.

Financing: All borrowings are covered by committed long term facilities.

RONAE (Return before interest on Net Assets Employed) before other income/expenses: 14.9% compared with 13.4% in 2019.

Return on Equity: 6.2% compared with 16.8% in 2019.

Employees: The company had approximately 23,000 employees at the end of 2020.

Dividend: The Board of Directors proposes no dividend on the results of 2020.

Q4 2020

Q4 Sales were USD 1,052.3 million, 15.8% higher than USD 908.4 million in the same period of 2019. This reflects a 6.8% volume increase, a 1.3% positive currency impact, a 7.8% increase from acquisitions and 0.1% decrease from divestments. Fourth quarter organic sales were higher in all areas, except in Asia where sales were level.

Q4 Earnings before interest, tax, depreciation and amortization – EBITDA: USD 162.6 million, 11.7% higher than USD 145.6 million in Q4 2019.

Q4 Income from Operations (before other income/expenses): USD 125.4 million, compared with USD 81.1 million in Q4 2019. Results in local currencies were higher in all areas.

Q4 Other income/expenses: USD 56.4 million negative, compared with USD 13.2 million positive last year. USD 17.2 million of the Q4 2020 charges comprises reorganization expenses, mainly in North America and Europe, to reduce ongoing costs and realign operations to changed market conditions. USD 45.5 million relates to adjustments to the liability of the future purchase prices of minority interests in partially owned companies in accordance with IFRS 9, and USD 6.3 million to goodwill on an acquired company. Most of the purchase price adjustment resulted from the strong performance of Blinds2go, the company's UK internet business, which was subsequently fully acquired in Q1 2021 for the corresponding liability.

Q4 Profit before Tax: USD 75.6 million, compared with USD 90.6 million in Q4 2019.

Q4 Total Net Profit: USD 49.7 million (per share EUR 1.23), compared with USD 88.6 million in Q4 2019 (per share EUR 2.28).

Total year 2020 by Region

Europe

European operations had lower sales and higher profits.

European sales were USD 1,381 million, 2% lower than USD 1,414 million last year. This reflects a 1% volume decrease, a 1% positive currency impact, a 2% increase from acquisitions and a 4% decrease from divestments.

North America

North American operations had lower sales and profits.

Sales decreased by 3% to USD 1,804 million. The sales decrease reflects a 7% decrease in volume and a 4% increase from acquisitions.

Latin America

Latin American operations had lower sales and profits.

Sales were USD 106 million, 28% lower than last year. This reflects a 13% volume decrease and a 15% negative currency impact.

Asia

Asian operations had lower sales and profits.

Sales were USD 119 million, 13% lower than USD 136 million last year, due to a 12% decrease in volume and a 1% negative currency impact.

Australia

Australian operations had record sales and profits.

Sales were USD 133 million, 4% higher than USD 128 million last year, due to 2% volume increase and a 2% increase from acquisitions.

Outlook

Remains dependent on the further development of the COVID-19 pandemic; though once this has been controlled, is cautiously optimistic.

Hunter Douglas is in a strong position in terms of its brands, products, distribution and finances.

Profile Hunter Douglas

Hunter Douglas is the world market leader in window coverings and a major manufacturer of architectural products. The Company has its Head Office in Rotterdam, the Netherlands, and a Management Office in Lucerne, Switzerland. The Group is comprised of 134 companies with 47 manufacturing and 87 assembly operations in more than 100 countries.

The common shares of Hunter Douglas N.V. are traded on Amsterdam's Euronext and the Frankfurter Börse.

For further information:

Leen Reijtenbagh

Chief Financial Officer

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Website: www.hunterdouglasgroup.com

A consolidated Statement of Income for the full year 2020 and Q4 2020 (Annex 1+2), Balance Sheet (Annex 3), Cash Flow Statement (Annex 4) and Sales change attribution percentages by geographic area for the full year 2020 and Q4 2020 (Annex 5) are attached.

Annex 1

CONSOLIDATED STATEMENT OF INCOME
Year ended December 31
(amounts in USD/mln)

	<u>2020</u>	%	<u>2019</u>	%
Net sales	3,543.0		3,686.3	
Cost of sales	<u>-2,029.5</u>		<u>-2,093.5</u>	
Total gross profit	1,513.5	42.7	1,592.8	43.2
Expenses:				
-Marketing, A & P and selling	-671.6		-761.9	
-General and administrative	<u>-311.2</u>		<u>-327.5</u>	
Subtotal expenses	<u>-982.8</u>		<u>-1,089.4</u>	
EBITDA	530.7	15.0	503.4	13.6
Depreciation and amortization	<u>-153.2</u>		<u>-163.8</u>	
Income from operations (before other income/expense)	377.5	10.7	339.6	9.2
Other income/expense	<u>-189.4</u>		<u>4.5</u>	
Income from operations (after other income/expense)	188.1	5.3	344.1	9.3
Interest received	0.5		0.8	
Interest paid	-10.9		-18.4	
Other financial income	<u>11.2</u>		<u>3.9</u>	
Income before taxes	188.9		330.4	
Taxes on income	<u>-72.8</u>		<u>-52.2</u>	
Profit before non-controlling interest	116.1		278.2	
Non-controlling interest			<u>-0.6</u>	
Total net profit	116.1	3.3	<u>277.6</u>	7.5
Net profit per average common share	3.34		7.98	
Net profit per average common share - fully diluted	3.34		7.98	

Annex 2

CONSOLIDATED STATEMENT OF INCOME
Q4 ended December 31
(amounts in USD/mlin)

	<u>2020</u>	%	<u>2019</u>	%
Net sales	1,052.3		908.4	
Cost of sales	<u>-599.4</u>		<u>-511.5</u>	
Total gross profit	452.9	43.0	396.9	43.7
Expenses:				
-Marketing, A & P and selling	<u>-192.4</u>		<u>-183.0</u>	
-General and administrative	<u>-97.9</u>		<u>-68.3</u>	
Subtotal expenses	<u>-290.3</u>		<u>-251.3</u>	
EBITDA	162.6	15.5	145.6	16.0
Depreciation and amortization	<u>-37.2</u>		<u>-64.5</u>	
Income from operations (before other income/expense)	125.4	11.9	81.1	8.9
Other income/expense	<u>-56.4</u>		<u>13.2</u>	
Income from operations (after other income/expense)	69.0	6.6	94.3	10.4
Interest received	<u>0.1</u>		<u>0.1</u>	
Interest paid	<u>0.6</u>		<u>-4.3</u>	
Other financial income	<u>5.9</u>		<u>0.5</u>	
Income before taxes	75.6		90.6	
Taxes on income	<u>-25.9</u>		<u>-1.9</u>	
Profit before non-controlling interest	49.7		88.7	
Non-controlling interest	<u></u>		<u>-0.1</u>	
Total net profit	49.7	4.7	88.6	9.8
Net profit per average common share	1.43		2.55	
Net profit per average common share - fully diluted	1.43		2.55	

Annex 3

CONSOLIDATED BALANCE SHEET
 As per December 31
 (amounts in USD/mln)

	<u>2020</u>	<u>2019</u>
ASSETS		
Fixed assets		
Intangible fixed assets	1,417.7	1,396.4
Tangible fixed assets	485.6	505.6
Right-of-use tangible fixed assets	134.8	144.9
Other financial non-current assets	216.5	198.4
Total fixed assets	2,254.6	2,245.3
Current assets		
Inventories	603.2	620.4
Accounts receivable		
-Trade	406.4	398.2
-Other	167.3	160.8
Cash and other short-term deposits	47.2	39.3
Total current assets	1,224.1	1,218.7
	3,478.7	3,464.0
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Capital stock	10.2	9.4
Additional paid-in capital	167.3	167.3
Retained earnings	1,747.9	1,621.8
Total shareholders' equity	1,925.4	1,798.5
Non-controlling interest	0.4	0.5
Total Group equity	1,925.8	1,799.0
Non-current liabilities		
Interest-bearing loans and borrowings	121.9	441.5
Lease liabilities	103.7	108.8
Preferred shares	10.1	9.3
Provisions	227.9	295.8
Deferred income tax liabilities	46.4	33.1
Total non-current liabilities	510.0	888.5
Current liabilities		
Trade and other payables	947.5	652.6
Lease liabilities	36.9	41.9
Interest-bearing loans and borrowings	58.5	82.0
Total current liabilities	1,042.9	776.5
	3,478.7	3,464.0

Annex 4

CONSOLIDATED CASH FLOW STATEMENT

Year ended December 31

(amounts in USD/mln)

	<u>2020</u>	<u>2019</u>
Net profit from continuing operations	116.1	291.4
Net loss from discontinued operations		-13.8
Adjustments for:		
Depreciation tangible fixed assets	90.2	98.5
Depreciation right-of-use tangible fixed assets	37.7	42.3
Amortization patents & trademarks	25.3	23.0
(Decrease) increase provisions	-4.7	18.0
Adjustments of put/call options over non-controlling interest	130.5	35.9
Other non-cash items	-16.5	-120.2
Operating cash flow before working capital changes	378.6	375.1
Changes in working capital:		
-decrease trade and other receivables and prepayments	1.6	174.5
-decrease inventories	34.1	169.5
-increase (decrease) trade and other payables	117.6	-173.2
Operating cash flow	531.9	545.9
Dividend paid		-78.8
Net cash from operations	531.9	467.1
Cash flow from investing activities		
Investments in subsidiaries, net of cash acquired	-6.4	-111.6
Investments in tangible fixed assets	-73.9	-124.8
Divestments tangible fixed assets	18.9	28.2
Investments in intangible fixed assets	-0.5	-1.2
Decrease investment portfolio		0.5
Decrease (increase) other financial non-current assets	1.3	-0.7
Net cash from investing activities	-60.6	-209.6
Cash flow from financing activities		
Decrease interest-bearing loans and borrowings	-371.0	-209.7
Payment of lease liabilities	-40.6	-39.5
Payment of long-term provisions	-52.5	
Net cash from financing activities	-464.1	-249.2
Net increase in cash and cash equivalents	7.2	8.3
Change in cash and cash equivalents		
Balance at 1 January	39.3	31.1
Net increase in cash and cash equivalents	7.2	8.3
Exchange difference cash and cash equivalents	0.7	-0.1
Balance at 31 December	47.2	39.3

Annex 5

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area
 2020 vs 2019

Area	Volume	Currency	Acquisitions	Divestments	Total
Europe	-1	1	2	-4	-2
North America	-7	0	4	0	-3
Latin America	-13	-15	0	0	-28
Asia	-12	-1	0	0	-13
Australia	2	0	2	0	4
Total	-5	0	3	-2	-4

PERCENTAGE SALES CHANGE ATTRIBUTION

Explanation by geographic area
 Q4 2020 vs 2019

Area	Volume	Currency	Acquisitions	Divestments	Total
Europe	7	4	0	0	11
North America	8	0	15	0	23
Latin America	3	-11	0	0	-8
Asia	0	0	0	0	0
Australia	3	8	0	0	11
Total	7	1	8	0	16

PRESS RELEASE

For publication: March 16, 2021

**REQUIRED DISCLOSURE PURSUANT TO ART. 5:25 M OF THE DUTCH FINANCIAL
SUPERVISION LAW (WFT)**

Rotterdam, 16 March 2021 - Hunter Douglas announces that as of today the 2020 Annual Report is available on its website www.hunterdouglasgroup.com.

For further information:

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12 DUTCH LANGUAGE SUMMARY

Dit Hoofdstuk 12 (Dutch language summary) is de Nederlandse samenvatting van dit Biedingsbericht dat is uitgegeven ter zake van het openbaar bod dat door de Bieder is uitgebracht op de Offer Shares met inachtneming van de voorwaarden zoals beschreven in dit Biedingsbericht.

De gedefinieerde termen in dit Hoofdstuk 12 (*Dutch language summary*) van dit Biedingsbericht hebben de betekenis die daaraan is gegeven in Hoofdstuk 12.2 (*Nederlandse definities*). Deze Nederlandse samenvatting maakt deel uit van dit Biedingsbericht, maar vervangt dit niet. Deze Nederlandse samenvatting is niet volledig en bevat niet alle informatie die voor de Aandeelhouders van belang is om een afgewogen oordeel te kunnen vormen over het Bod.

Het lezen van deze Nederlandse samenvatting mag niet worden beschouwd als een alternatief voor het bestuderen van het volledige Biedingsbericht. Aandeelhouders wordt geadviseerd het volledige Biedingsbericht (inclusief alle documenten die daarin door middel van verwijzing (*incorporation by reference*) zijn opgenomen) zorgvuldig door te lezen en zo nodig onafhankelijk advies in te winnen teneinde een afgewogen en goed geïnformeerd oordeel te kunnen vormen omtrent het Bod. Daarnaast wordt Aandeelhouders geadviseerd een onafhankelijke professionele adviseur te raadplegen met betrekking tot de fiscale gevolgen van het aanmelden van Offer Shares onder het Bod.

Waar deze Nederlandse samenvatting afwijkt van de Engelse tekst van dit Biedingsbericht, prevaleert de Engelse tekst.

12.1 Restricties en belangrijke informatie

Het uitbrengen van het Bod, de algemeenverkrijgbaarstelling van dit Biedingsbericht, inclusief deze Nederlandse samenvatting, en/of de verspreiding van enige andere informatie met betrekking tot het Bod, kunnen in bepaalde jurisdicties aan restricties onderhevig zijn. Zie Hoofdstukken 2 (*Restrictions*) en 3 (*Important information*).

Het Bod wordt gedaan in en vanuit Nederland met inachtneming van de verklaringen, voorwaarden en beperkingen opgenomen in het Biedingsbericht. Het Bod wordt direct noch indirect gedaan in, en mag niet worden aanvaard door of namens Aandeelhouders vanuit een jurisdictie waarin het uitbrengen van het Bod of het aanvaarden daarvan niet in overeenstemming is met de in die jurisdictie geldende wet- en regelgeving. Het niet in acht nemen van deze restricties kan een overtreding van de effectenwet- en regelgeving van de desbetreffende jurisdictie opleveren. De Bieder, de Vennootschap, hun respectievelijke adviseurs en het Afwikkelingskantoor aanvaarden geen enkele aansprakelijkheid ter zake van overtredingen van voornoemde restricties. Aandeelhouders dienen zo nodig onafhankelijk advies in te winnen omtrent hun positie dienaangaande.

De Bieder behoudt zich het recht voor om in het kader van het Bod de aanmelding van Offer Shares te accepteren, zelfs indien dit niet gebeurt in overeenstemming met de bepalingen zoals uiteengezet in dit Biedingsbericht.

De informatie en verklaringen opgenomen in Hoofdstukken 5 (*Invitation to the Shareholders*), Hoofdstuk 6.4 (*Substantiation of the Offer Price*), Hoofdstuk 6.5 (*Financing of the Offer*), Hoofdstuk 6.9 (*Transactions by the offeror (bieder) or any of its directors in securities issued by*

the Company), Hoofdstuk 8 (*Information regarding the Offeror (bieder)*) en Hoofdstuk 10 (*Further statements pursuant to the Decree*), onderdelen (c), (d) en (f) zijn uitsluitend door de Bieder verstrekt. De informatie opgenomen in Hoofdstuk 6.7.1 (*Decision-making process*), Hoofdstuk 6.7.2 (*Recommendation substantiated by Fairness Opinion*), Hoofdstuk 7 (*Information regarding the Company*), Hoofdstuk 10 (*Further statements pursuant to the Decree*), onderdelen (b), (e), (g) en (h) en Hoofdstuk 13 (*Selected Consolidated Financial Statements of the Company*) is uitsluitend door de Vennootschap verstrekt. De informatie opgenomen op de voorpagina, op pagina's 1 – 3 en in Hoofdstuk 1 (*Table of Contents*) tot en met Hoofdstuk 6.3 (*Rationale for the Transaction*) (met uitzondering van Hoofdstuk 5 (*Invitation to the Shareholders*)), Hoofdstuk 6.6 (*Offer Conditions, satisfaction and waiver*), Hoofdstuk 6.7.3 (*Revocation or withdrawal of Recommendation*), Hoofdstuk 6.8 (*Undertakings of Independent Committee members*) tot en met Hoofdstuk 6.15 (*Termination*) (met uitzondering van Hoofdstuk 6.9 (*Transactions by the offeror (bieder) or any of its directors in securities issued by the Company*)), Hoofdstuk 9 (*Principal Dutch tax consequences*), Hoofdstuk 10 (*Further statements pursuant to the Decree*), onderdeel (a), Hoofdstuk 11 (*Press Releases*), Hoofdstuk 12 (*Dutch language summary*) en Hoofdstuk 14 (*Advisors*) zijn door de Bieder en de Vennootschap gezamenlijk verstrekt.

Uitsluitend de Bieder en de Vennootschap zijn verantwoordelijk voor de juistheid en volledigheid van de informatie die in dit Biedingsbericht is verstrekt, ieder afzonderlijk voor de informatie die door henzelf is verstrekt, en gezamenlijk voor de informatie die door hen gezamenlijk is verstrekt.

De Bieder en de Vennootschap verklaren ieder afzonderlijk ten aanzien van de informatie die door henzelf in dit Biedingsbericht is verstrekt, en gezamenlijk ten aanzien van de informatie die door hen gezamenlijk is verstrekt, dat de informatie in dit Biedingsbericht, voor zover hen redelijkerwijs bekend kan zijn, in overeenstemming is met de werkelijkheid en dat geen gegevens zijn weggelaten waarvan de vermelding de strekking van dit Biedingsbericht zou wijzigen.

De informatie opgenomen in Hoofdstukken 13 (*Selected Consolidated Financial Statements of the Company*) is door de Vennootschap ontleend aan de geconsolideerde jaarrekening voor de boekjaren 2020, 2019, 2018 en 2017 respectievelijk, zoals verder uiteengezet in Hoofdstuk 13.1 (*Basis for preparation*). De reviewverklaring opgenomen in Hoofdstuk 13.5 (*Independent auditor's report on the selected consolidated financial information*) en de accountantsverklaring opgenomen in Hoofdstuk 13.6 (*Financial statements for the financial year 2020 including independent auditor's report of EY*) zijn door de Vennootschap verkregen van EY, de onafhankelijke accountant van de Vennootschap voor de boekjaren 2020, 2019, 2018 en 2017.

De informatie in dit Biedingsbericht geeft de situatie weer op de datum van dit Biedingsbericht tenzij specifiek anders is aangegeven. Onder geen beding houden publicatie en verspreiding van dit Biedingsbericht in dat de hierin opgenomen informatie ook na de datum van dit Biedingsbericht juist en volledig blijft. Het voorgaande laat echter onverlet de verplichting van de Bieder en de Vennootschap om een openbare mededeling te doen ingevolge de Europese Verordening Marktmisbruik (596/2014) of artikel 4 lid 1 en 3 van het Bob, voor zover van toepassing. Getallen in dit Biedingsbericht kunnen naar boven of beneden zijn afgerond en dienen derhalve niet als exact te worden beschouwd.

Uitsluitend de Bieder, Bergson Holdings, Solimunt en de Vennootschap zijn bevoegd mededelingen te doen over het Bod of de in dit Biedingsbericht opgenomen informatie namens de Bieder respectievelijk de Vennootschap, zonder afbreuk te doen aan de review en accountantsverklaring van EY die zijn opgenomen in dit Biedingsbericht en de *fairness opinion*

die is verstrekt door NIBC aan de Onafhankelijke Commissie, zoals opgenomen in de Standpuntbepaling.

12.2 Nederlandse definities

"**Aanbeveling**" heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.10 (*Besluitvorming en Aanbeveling van het Bestuur*);

"**Aandeel**" betekent een Gewoon Aandeel of een Preferent Aandeel;

"**Aandeelhouder**" betekent houder van één of meer Offer Shares;

"**Aangemeld Aandeel**" betekent elk Offer Share dat voorafgaand aan of op de Uiterste Dag van Aanmelding op juiste wijze is aangemeld (of op onjuiste wijze indien de Bieder de aanmelding desalniettemin heeft aanvaard) en dat niet is ingetrokken onder het Bod;

"**Aangesloten Instelling**" betekent de tot Euronext Amsterdam aangesloten instellingen;

"**Aanmeldingstermijn**" betekent de periode gedurende welke de Aandeelhouders hun Offer Shares kunnen aanmelden bij de Bieder, beginnend op 7 april 2021 om 09:00 uur CEST en eindigend op de Laatste Dag van Aanmelding om 17:40 uur CEST;

"**AFM**" betekent de Stichting Autoriteit Financiële Markten;

"**Afwikkelingskantoor**" betekent ING Bank N.V.;

"**Bergson Holdings**" betekent Bergson Holdings B.V.;

"**Bestuur**" betekent het bestuur van de Vennootschap, momenteel bestaande uit dhr. R. Sonnenberg, dhr. J.T. Sherwin, dhr. F.N. Wagener, dhr. A. Ruys en dhr. A. Nühn;

"**Bieder**" betekent Bergson Beheer B.V., een besloten vennootschap met beperkte aansprakelijkheid opgericht naar Nederlands recht, met statutaire zetel te Rotterdam, Nederland en kantoorhoudende te Piekstraat 2, 3071 EL Rotterdam, Nederland en geregistreerd bij de Kamer van Koophandel onder nummer 81081227;

"**Biedingsbericht**" betekent dit biedingsbericht;

"**Biedprijs**" heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.4 (*Het Bod*);

"**Bob**" betekent het Besluit openbare biedingen Wft;

"**Bod**" betekent het bod zoals in dit Biedingsbericht beschreven;

"**BW**" betekent het Burgerlijk Wetboek van Nederland;

"**CBW**" betekent het Burgerlijk Wetboek van Curaçao;

"**CEST**" betekent Central European Summer Time;

"Dag van Gestanddoening" betekent de dag waarop de Bieder aankondigt of het Bod gestand wordt gedaan, zijnde niet later dan de derde Werkdag na de Laatste Dag van Aanmelding;

"Dag van Overdracht" betekent de dag waarop, in overeenstemming met de bepalingen en onder de voorwaarden en beperkingen van het Bod, de Overdracht plaats zal vinden;

"EUR" of **"euro"** betekent het wettig betaalmiddel van Nederland;

"Euronext Amsterdam" betekent de beurs van Euronext Amsterdam, een gereguleerde markt beheerd door Euronext Amsterdam N.V.;

"EY" betekent Ernst & Young Accountants LLP;

"Fusieovereenkomst" betekent de fusieovereenkomst tussen Bergson Holdings en de Vennootschap zoals overeengekomen op 12 december 2020 waarin hun respectieve rechten en verplichtingen met betrekking tot het Bod worden uiteengezet (zoals gewijzigd van tijd tot tijd);

"Genoteerd Gewoon Aandeel" betekent een Gewoon Aandeel die wordt gehouden door andere partijen dan de bieder en is genoteerd op Euronext Amsterdam;

"Geregistreerd Gewoon Aandeel" betekent een Gewoon Aandeel die wordt gehouden door andere partijen dan de bieder en welke is geregistreerd onder de naam van de houder in het aandeelhoudersregister van de Vennootschap;

"Gewoon Aandeel" betekent een gewoon aandeel in het aandelenkapitaal van de Vennootschap, met een nominale waarde van EUR 0,24 (vierentwintig eurocent);

"Groep" betekent de Vennootschap en haar Groepsvennootschappen gezamenlijk;

"Groepsvennootschappen" betekent de met de Vennootschap Verbonden Partijen (met inbegrip van de dochterondernemingen en andere groepsvennootschappen van de Vennootschap, maar met uitsluiting, voor alle duidelijkheid, van alle directe of indirecte aandeelhouders van de Vennootschap) en **"Groepsvennootschap"** betekent een van hen of de relevante van hen, zoals de context vereist;

"Hoofdstuk" betekent een hoofdstuk uit dit Biedingsbericht;

"Initiële Aankondiging" betekent de gezamenlijke openbare mededeling van de Bieder en de Vennootschap van de voorwaardelijke overeenstemming over het Bod van 12 december 2020;

"Laatste Dag van Aanmelding" betekent de dag waarop de Aanmeldingstermijn afloopt, zijnde 1 juni 2021, tenzij de Aanmeldingstermijn is verlengd in overeenstemming met artikel 15 van het Bob, in welk geval de Laatste Dag van Aanmelding zal zijn de dag waarop de verlengde Aanmeldingstermijn afloopt;

"Na-aanmeldingstermijn" heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.9.6 (*Na-aanmeldingstermijn*);

"NIBC" betekent NIBC Bank N.V.;

"Niet-Financiële Convenanten" betekent de niet-financiële afspraken die zijn gemaakt tussen de Bieder en de Vennootschap en die zijn uiteengezet in Hoofdstuk 6.13 (*Non-Financial Covenants*);

"Offer Share" betekent een Genoteerd Gewoon Aandeel of een Geregistreerd Gewoon Aandeel;

"Onafhankelijke Commissie" betekent de onafhankelijke commissie bestaande uit de onafhankelijke niet-uitvoerende bestuurders van de Vennootschap, zijnde dhr. A. Ruys, dhr. A. Nühn en dhr. F.N. Wagener;

"Overdracht" betekent de afwikkeling van het Bod, inhoudende de levering van de Offer Shares tegen betaling van de Biedprijs door de Bieder aan de Aandeelhouders die op geldige wijze hun Offer Shares hebben aangemeld (of op ongeldige wijze, indien de Bieder zulke Offer Shares desalniettemin aanvaardt) en geleverd onder het Bod en niet op een geldige wijze zijn ingetrokken;

"Overheidsautoriteit" betekent elke justitiële, wetgevende, uitvoerende, regelgevende of mededingingsautoriteit of -entiteit van de Europese Unie, elke nationale, provinciale, lokale of buitenlandse justitiële, wetgevende, uitvoerende, regelgevende of mededingingsautoriteit of –entiteit, elk arbitragetribunaal of elke andere overheidsinstantie, -agentschap, -commissie, -rechtbank of -entiteit;

"Peildatum" betekent 11 december 2020;

"Preferent Aandeel" betekent een preferent aandeel in het aandelenkapitaal van de Vennootschap, met een nominale waarde van EUR 0,24 (vierentwintig eurocent);

"Standpuntbepaling" betekent de standpuntbepaling van de Vennootschap, die geen onderdeel uitmaakt van dit Biedingsbericht;

"Toepasselijke Regelgeving" betekent enig toepasselijk(e) statuut, wet, verdrag, verordening, beschikking, regel, richtlijn, aanwijzing, maatregel, bevel, voorziening, vonnis, decreet of ander vereiste van enige Overheidsautoriteit;

"Transactie" betekent het Bod en de beëindiging van de beursnotering als beschreven in Hoofdstuk 12.11.2 (*Beëindiging beursnotering*);

"Uitkering" betekent elke uitkering op de Offer Shares;

"Uitkoopprocedure" heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.11.1 (*Uitkoopprocedure*);

"Vennootschap" betekent Hunter Douglas N.V., een naamloze vennootschap opgericht naar Curaçaos recht, met statutaire zetel te Willemstad Curaçao en kantoorhoudende te Dokweg 19, Willemstad, Curaçao en geregistreerd bij de Kamer van Koophandel onder nummer 24117994;

"Verandering van de Aanbeveling" betekent dat de Onafhankelijke Commissie of één van haar leden de Aanbeveling weigert af te geven, herroept, wijzigt of kwalificeert of enige publieke of private tegenstrijdige verklaring aflegt of enig tegenstrijdig besluit neemt met betrekking tot hun positieve standpunt ten aanzien van de Transactie of nalaat de Aanbeveling aan te kondigen in enig persbericht in connectie met de Transactie, het Biedingsbericht en de Standpuntbepaling, of nalaat de Aanbeveling te herbevestigen binnen twee (2) Werkdagen na een redelijk verzoek van de Bieder om dit te doen na een verklaring of actie van de Onafhankelijke Commissie of één van haar leden die door de markt als onverenigbaar met de Aanbeveling kan worden beschouwd;

"Verbonden Partijen" betekent in relatie tot de Vennootschap en de Bieder, van tijd tot tijd, een persoon die gecontroleerd wordt door de Vennootschap of de Bieder, controle heeft over de Vennootschap of de Bieder, wordt gecontroleerd door een persoon die ook controle heeft over de Vennootschap of de Bieder of anderszins kwalificeert als een "dochteronderneming" of onderdeel van een "groep" als bedoeld in de artikelen 2:24a en 2:24b BW, met dien verstande dat geen enkel lid van de Groep geacht wordt een Verbonden Partij van de bieder te zijn. **"Controle"** in de zin van deze definitie betekent het bezit, direct of indirect, alleen of gezamenlijk (door eigendom van effecten of deelname in een personenvennootschap of een ander eigendomsbelang, contractueel of anderszins) van (a) meer dan 50% van de stemrechten in de algemene vergaderingen van die persoon of (b) de bevoegdheid om een meerderheid van de bestuurders of commissarissen van die persoon te benoemen en te ontslaan of anderszins het bestuur en het beleid van die persoon te bepalen;

"Voorwaarden" heeft de betekenis die daaraan is gegeven in Hoofdstuk 12.7.1 (*Voorwaarden*);

"Werkdag" betekent een dag, anders dan een zaterdag of zondag, waarop banken in Nederland en Euronext Amsterdam algemeen open zijn voor normale bedrijfsvoering; en

"Wezenlijk Nadelig Effect" betekent:

- (A) elke gebeurtenis, aangelegenheid, feit, toestand, effect, verandering of omstandigheid (elk een **"Effect"**) die of dat na 12 december 2020 aan de Bieder bekend wordt of is geworden (met dien verstande dat, om twijfel te voorkomen, bij de bepaling of er sprake is van een Wezenlijk Nadelig Effect, elk Effect dat vóór de datum van dit Biedingsbericht aan de Bieder bekend is geworden, alleen in aanmerking mag worden genomen in combinatie met enig Effect dat op of na de datum van dit Biedingsbericht aan de Bieder bekend wordt), en die of dat, afzonderlijk of gezamenlijk, een wezenlijk nadelig effect heeft of redelijkerwijs kan hebben op de (i) onderneming, de kasstroom, de activa, de activiteiten, de bedrijfsresultaten of de (financiële of andersoortige) toestand van de Groep als geheel, of (ii) het vermogen van de Bieder om de Transactie te voltooien in overeenstemming met de voorwaarden van de Fusieovereenkomst; met dien verstande dat het volgende niet wordt geacht een Wezenlijk Nadelig Effect te hebben of bij te dragen aan een Wezenlijk Nadelig Effect, of in aanmerking te worden genomen bij de bepaling of er een Wezenlijk Nadelig Effect is geweest of redelijkerwijs kan worden verwacht: enig Effect dat het gevolg is van:
 - (a) veranderingen, na 12 december 2020, in de geldende rentevoeten, wisselkoersen of andere economische, monetaire of politieke omstandigheden in de Europese Unie, met inbegrip van elke ongunstige ontwikkeling met betrekking tot de Europese Unie, haar lidstaten (met inbegrip van Brexit of een of meer andere lidstaten die deze unie verlaten) of de eurozone (met inbegrip van een of meer leden die deze zone verlaten);
 - (b) algemene veranderingen, na 12 december 2020, op de effectenmarkten van de Europese Unie;
 - (c) (toekomstige) wijzigingen in dwingend Toepasselijke Regelgeving van algemene strekking of interpretaties daarvan na 12 december 2020;
 - (d) veranderingen in economieën in het algemeen of in de sector waarin de Groep actief is na 12 december 2020, tenzij deze veranderingen een disproportioneel

effect hebben op de Groep als geheel in vergelijking met andere bedrijven in de sector waarin de Groep actief is;

- (e) een daling van de marktprijs, of een wijziging in het handelsvolume of de rating van de Offer Shares op Euronext Amsterdam, of enige schuldbewijzen van de Vennootschap of enige wijziging of verwachte wijziging in de credit rating van de Vennootschap of enige van haar Groepsvennootschappen door een van de toepasselijke ratingbureaus (met dien verstande dat de onderliggende oorzaak(en) voor een dergelijke wijziging, voor zover deze oorzaak niet wordt uitgesloten door de andere paragrafen van deze definitie, een Wezenlijk Nadelig Effect kan zijn, kan bijdragen aan een Wezenlijk Nadelig Effect en in aanmerking mag worden genomen bij het bepalen of er sprake is of redelijkerwijs kan zijn van een Wezenlijk Nadelig Effect);
- (f) elke natuurramp, pandemie (inclusief COVID-19), het uitbreken of escaleren van oorlog, sabotage, militaire actie, door overmacht te beschouwen gebeurtenis, gewapende vijandelijkheden, daden van terrorisme, of, in elk van de voornoemde gevallen, elke escalatie of verergering daarvan, tenzij deze gebeurtenissen een disproportioneel effect hebben op de Groep als geheel, in vergelijking met andere bedrijven in de sector waarin de Groep actief is;
- (g) de aankondiging, het uitbrengen of de implementatie van de Transactie; of
- (h) een schending van de Fusieovereenkomst of Toepasselijke Regelgeving door de Bieder,

en/of

- (B) het zich voordoen van een Grote Economische Crisis, waarbij een "**Grote Economische Crisis**" wordt geacht zich te hebben voorgedaan indien na 12 december 2020:

- (i) de handel op Euronext Amsterdam gedurende meer dan drie (3) opeenvolgende handelsdagen is geschorst voor alle aandelen die zijn toegelaten tot de handel op de gehele Euronext Amsterdam; of
- (ii) de slotnotering van de AEX (ISIN NL0000000107), zoals vastgesteld door Euronext Amsterdam, of een opvolger daarvan, en gepubliceerd op haar website (thans <https://live.euronext.com/en/product/indices/NL0000000107-XAMS>), op meer dan drie (3) opeenvolgende handelsdagen meer dan 20% lager is dan de slotnotering van de AEX op 11 december 2020 (gelijk aan een AEX-grens van 491,57 punten);

"Wft" betekent Wet op het financieel toezicht.

12.3 Uitnodiging aan de Aandeelhouders

Onder verwijzing naar de verklaringen, voorwaarden en beperkingen zoals opgenomen in dit Biedingsbericht, worden Aandeelhouders uitgenodigd om hun Offer Shares aan te bieden onder het Bod op de wijze en onder de voorwaarden zoals in dit Biedingsbericht beschreven.

Aandeelhouders die overwegen hun Aandelen niet aan te melden, worden geadviseerd in het bijzonder Hoofdstuk 12.11 (*De gevolgen van het Bod voor Aandeelhouders die hun Offer Shares niet aanbieden.*) door te nemen.

12.4 Het Bod

De Bieder brengt het Bod uit om alle Offer Shares te verwerven onder de voorwaarden en conform de bepalingen en beperkingen zoals opgenomen in dit Biedingsbericht.

Op voorwaarde dat de Bieder het Bod gestand doet, biedt de Bieder voor elk Aangemeld Aandeel dat niet geldig wordt ingetrokken en dat wordt geleverd onder het Bod een vergoeding in contanten van EUR 64 (vierenzestig euro) cum dividend, zonder betaling van rente en onder aftrek van verschuldigde bronbelasting onder Toepasselijke Regelgeving (indien van toepassing) (de "**Biedprijs**").

De Biedprijs is 'cum dividend'. Dit betekent dat indien er op of na 12 december 2020 een Uitkering wordt vastgesteld door de Vennootschap, waarbij de registratiedatum die bepalend is voor de gerechtigdheid tot een dergelijke Uitkering op of vóór de Dag van Overdracht ligt, de Biedprijs zal worden verminderd met het volledige bedrag van een dergelijke Uitkering gedaan door de Vennootschap per Offer Share (vóór toepassing van enige relevante heffingen). Op de datum van dit Biedingsbericht voorziet de Vennootschap geen Uitkeringen. Elke aanpassing van de Biedprijs zal door middel van een persbericht in overeenstemming met Hoofdstuk 5.11 (*Announcements*) van dit Biedingsbericht kenbaar worden gemaakt.

De Biedprijs vertegenwoordigt:

- (a) een premie van 25,5% ten opzichte van de slotkoers per Genoteerd Aandeel op Euronext Amsterdam op de Peildatum;
- (b) een premie van 18,8% gebaseerd op de volume-gewogen gemiddelde prijs per Genoteerd Aandeel op Euronext Amsterdam gedurende de dertig (30) dagen tot en met de Peildatum;
- (c) een premie van 26,3% gebaseerd op de volume-gewogen gemiddelde prijs per Genoteerd Aandeel op Euronext Amsterdam gedurende de negentig (90) dagen tot en met de Peildatum;
- (d) een premie van 28,8% gebaseerd op de volume-gewogen gemiddelde prijs per Genoteerd Aandeel op Euronext Amsterdam gedurende een periode van zes (6) maanden eindigend op de Peildatum; en
- (e) een premie van 30,9% gebaseerd op de volume-gewogen gemiddelde prijs per Genoteerd Aandeel op Euronext Amsterdam gedurende een periode van twaalf (12) maanden eindigend op de Peildatum.

12.5 Rationale van de Transactie

De bieder en de Vennootschap hebben onderkend dat:

- (a) de Vennootschap en haar aandeelhouders niet de vruchten plukken van de notering van de Aandelen aan Euronext Amsterdam omdat de Aandelen illiquide zijn en de handelsvolumes laag;
- (b) de bieder alle Gewone Aandelen en Preferente Aandelen wenst te verwerven en daarom voornemens is een Uitkoopprocedure te starten na voltooiing van het Bod;
- (c) de Bieder het Bod op vrijwillige basis uitbrengt om de Aandeelhouders een onmiddellijke exit mogelijkheid in contanten te bieden;
- (d) een succesvolle en vlotte successieplanning is in het belang van zowel dhr. R. Sonnenberg als de Vennootschap. Deze successieplanning wordt vergemakkelijkt in een situatie waarbij de Vennootschap in private handen is;
- (e) de voorgenomen verwerving van de Offer Shares door de Bieder en de voorgenomen daaropvolgende verwerving van de nog niet in het bezit van de bieder zijnde Preferente Aandelen, zullen de bestaande controle over de Vennootschap of de strategische richting of het beleid van de onderneming niet veranderen;
- (f) de activiteiten van de Groep zullen na voltooiing van het Bod worden voortgezet in overeenstemming met de praktijk tot nu toe en dienovereenkomstig zal de voorgenomen verwerving van de Offer Shares en de voorgenomen daaropvolgende verwerving door de Bieder van de Preferente Aandelen die nog niet in handen zijn van de bieder of intrekking van de Preferente Aandelen door de Vennootschap geen directe gevolgen hebben voor de klanten, werknemers, leveranciers, financiers en andere stakeholders van de Groep;
- (g) de financiële positie van de Groep zal niet veranderen als gevolg van, of in verband met, (de financiering van) het Bod; de Groep heeft zich niet verbonden tot het aangaan van enige lening of andere kredietverlening of tot het anderszins aangaan van enige financiering of tot het verlenen van enige zekerheid, garantie of enige andere vorm van financiële steun of tot het doen van het hiervoor genoemde na voltooiing van het Bod in verband met (de financiering van) het Bod;
- (h) de beoogde beëindiging van de beursnotering en een situatie met één aandeelhouder verschillende voordelen zullen hebben, waaronder:
 - (i) de Groep zal beter in staat zijn snel en effectief (i) de strategie of strategische beslissingen van de Groep te implementeren en (ii) in te spelen op snel veranderende markten;
 - (ii) de Groep zal beter in staat zijn een efficiënte kapitaalstructuur te realiseren (in het bijzonder vanuit financieringsoogpunt), die onder andere intra-groepstransacties en dividenduitkeringen vergemakkelijkt; en
 - (iii) lagere kosten als gevolg van het niet langer hoeven voldoen aan doorlopende verplichtingen voor beursgenoteerde ondernemingen, waaronder uitgebreide verplichtingen inzake informatieverstrekking aan de markt en financiële

verslaglegging, het moeten organiseren van fysieke algemene vergaderingen van de Vennootschap en de daarmee verband houdende governance kosten;

- (iv) potentiële voordelen (inclusief belastingvoordelen) ten aanzien van *estate* planning.

12.6 Financiering van het Bod

Dhr. R. Sonnenberg, eigenaar en controlerend aandeelhouder van de Bieder, heeft bevestigd dat hij en de aan hem Verbonden Partijen (met uitzondering van de Groep) over voldoende kasreserves en andere liquide middelen beschikken om het Bod en de bijbehorende vergoedingen, kosten en uitgaven te financieren, ongeacht of de Bieder schuldfinanciering van derden verkrijgt. Dhr. R. Sonnenberg heeft zich ertoe verbonden om Bergson Holdings alle financiering te verstrekken die nodig is om het Bod te financieren. Tevens wordt verwezen naar de Initiële Aankondiging en het persbericht van 14 december 2020 waarin conform artikel 7, vierde lid, van het Bob werd aangekondigd dat de Bieder over voldoende middelen beschikt om het Bod te financieren.

Daarnaast is de Bieder bindende leningsovereenkomsten aangegaan met ING, Rabobank, Svenska Handelsbanken en Credit Mutuel om het Bod te financieren door middel van schuldfinanciering. ING, Rabobank, Svenska Handelsbanken en Credit Mutuel zullen krediet verstrekken voor een totale hoofdsom die de Bieder voldoende middelen verschaft voor de verwerving van alle Offer Shares die onder het Bod worden aangemeld.

12.7 Voorwaarden, afstand en vervulling

12.7.1 Voorwaarden

De verplichting van de Bieder om het Bod gestand te doen is afhankelijk van voldoening van de volgende opschortende voorwaarden (de "**Voorwaarden**") op de Laatste Dag van Aanmelding of, voor zover van toepassing, daarvan afstand is gedaan op of voorafgaand aan de Dag van Gestanddoening:

- (a) de Vennootschap heeft geen inbreuk gemaakt op de Fusieovereenkomst, voor zover deze inbreuk (i) heeft geleid of redelijkerwijs kan leiden tot wezenlijk nadelige gevolgen voor de Vennootschap, de Bieder of de Transactie; en (ii) niet kan worden hersteld binnen tien (10) Werkdagen na ontvangst door de Vennootschap van een schriftelijke kennisgeving van de Bieder (of, indien dat eerder is, voorafgaand aan de Laatste Dag van Aanmelding), of niet is hersteld door de Vennootschap binnen tien (10) Werkdagen na ontvangst door de Vennootschap van een schriftelijke kennisgeving van de Bieder (of, indien dat eerder is, voorafgaand aan de Laatste Dag van Aanmelding);
- (b) de bieder heeft geen inbreuk gemaakt op de Fusieovereenkomst, voor zover deze inbreuk (i) heeft geleid of redelijkerwijs kan leiden tot wezenlijk nadelige gevolgen voor de Vennootschap, de bieder of de Transactie; en (ii) niet kan worden hersteld binnen tien (10) Werkdagen na ontvangst door de bieder van een schriftelijke kennisgeving van de Vennootschap (of, indien dat eerder is, voorafgaand aan de Laatste Dag van Aanmelding), of niet is hersteld door de bieder binnen tien (10) Werkdagen na ontvangst door de bieder van een schriftelijke kennisgeving van de Vennootschap (of, indien dat eerder is, voorafgaand aan de Laatste Dag van Aanmelding);

- (c) er heeft zich geen Wezenlijk Nadelig Effect voorgedaan welke voortduurt op de Laatste Dag van Aanmelding;
- (d) er heeft zich geen Verandering van de Aanbeveling voorgedaan;
- (e) geen bevel, opschorting, vonnis, voorziening of beschikking is uitgevaardigd door een bevoegde Overheidsautoriteit en van kracht is, en geen wet, statuut, verdrag, verordening, regel, aanwijzing, richtlijn, maatregel of bevel van een bevoegde Overheidsautoriteit is uitgevaardigd, ten uitvoer gelegd of van toepassing geacht op de Transactie (in alle gevallen al dan niet tijdelijk, voorwaardelijk of permanent), welke het (geheel of gedeeltelijk) voltooien van de Transactie in overeenstemming met de Fusieovereenkomst beperkt, verbiedt of wezenlijk vertraagt of naar redelijke waarschijnlijkheid zal leiden tot een dergelijk(e) beperking, verbod of materiële vertraging;
- (f) er is door de AFM geen aanwijzing gegeven op grond van artikel 5:80 lid 2 Wft die één of meer beleggingsondernemingen opdraagt niet aan het Bod mee te werken; en
- (g) de handel in Offer Shares op Euronext Amsterdam is niet opgeschort of beëindigd door Euronext Amsterdam.

Het Bod is niet afhankelijk gesteld van een minimum aantal aangemelde Offer Shares onder het Bod.

12.7.2 Vervulling van de Voorwaarden en afstand

De Voorwaarde uiteengezet in Hoofdstuk 12.7.1 (*Voorwaarden*), paragraaf (e) is opgenomen ten behoeve van de Bieder en de Vennootschap en daarvan mag derhalve, voor zover toegestaan op grond van de Toepasselijke Regelgeving, alleen schriftelijk geheel of gedeeltelijk afstand worden gedaan door de Bieder en de Vennootschap gezamenlijk.

Elk van de Voorwaarden uiteengezet in Hoofdstuk 12.7.1 (*Voorwaarden*), paragrafen (a), (c), (d), en (g) is uitsluitend opgenomen ten behoeve van de Bieder en daarvan mag de Bieder, voor zover toegestaan op grond van de Toepasselijke Regelgeving en naar eigen goeddunken, te allen tijde geheel of gedeeltelijk afstand doen door middel van een kennisgeving aan de Vennootschap, met dien verstande dat de Bieder pas na overleg met de Vennootschap afstand zal doen van de Voorwaarden uiteengezet in Hoofdstuk 12.7.1 (*Voorwaarden*), paragrafen (c) en (d).

De Voorwaarde uiteengezet in Hoofdstuk 12.7.1 (*Voorwaarden*), paragraaf (b) is uitsluitend opgenomen ten behoeve van de Vennootschap en daarvan mag de Vennootschap, voor zover toegestaan op grond van de Toepasselijke Regelgeving en naar eigen goeddunken, te allen tijde geheel of gedeeltelijk afstand doen door middel van een kennisgeving aan de Bieder.

Van de Voorwaarde uiteengezet in Hoofdstuk 12.7.1 (*Voorwaarden*), paragraaf (f) kan geen afstand worden gedaan.

Zowel de Bieder als de Vennootschap zal in redelijkheid haar uiterste best doen om zo snel als redelijkerwijs mogelijk de vervulling van de Voorwaarden te bewerkstelligen. Indien de Bieder of de Vennootschap op enig moment kennisneemt van (i) een feit of omstandigheid dat/die de vervulling van een Voorwaarde kan verhinderen of (ii) de vervulling van een Voorwaarde, zal de Bieder respectievelijk de Vennootschap de ander daarvan onverwijld op de hoogte stellen.

Voor het geval dat de Bieder van mening is dat niet aan de Voorwaarden uiteengezet in Hoofdstuk 12.7.1 (*Voorwaarden*), paragrafen (c) en (d) is voldaan en de Vennootschap het hier niet mee eens is, zijn de Bieder en de Vennootschap een bindend adviesprocedure overeengekomen. Verwezen wordt naar Hoofdstuk 6.6.3 (*Satisfaction of the Offer Conditions*).

12.8 Aanvaarding door Aandeelhouders

Door het aanmelden van een Offer Share aanvaardt een Aandeelhouder het Bod.

Alvorens enige actie te ondernemen, dienen de Aandeelhouders zorgvuldig te controleren hoe zij hun Offer Shares houden: via een tussenpersoon of rechtstreeks (dat wil zeggen: individueel geregistreerd in het aandeelhoudersregister van de Vennootschap). In geval van twijfel dienen Aandeelhouders contact op te nemen met het Afwikkelingskantoor.

12.8.1 Aanvaarding van het Bod en aanmelding door houders van Genoteerde Gewone Aandelen

Houders van Genoteerde Gewone Aandelen worden verzocht om de aanmelding van hun Genoteerde Gewone Aandelen bekend te maken via hun bewaarder, bank of commissionair, niet later dan op de Laatste Dag van Aanmelding om 17:40 uur CEST. De relevante bewaarder, bank of commissionair kan een uiterst moment vaststellen voor communicatie door een Aandeelhouder, zodat de bewaarder, bank of commissionair voldoende tijd heeft om de aanmelding door te geven aan het Afwikkelingskantoor. Aandeelhouders dienen daarom contact op te nemen met hun financiële tussenpersoon om informatie te verkrijgen over de toepasselijke deadline voor verzending van instructies aan de tussenpersoon om het Bod te aanvaarden en zich te houden aan de data gecommuniceerd door de tussenpersoon (welke data kunnen afwijken van de data en tijden die in dit Biedingsbericht zijn opgenomen).

Aangesloten Instellingen kunnen de Genoteerde Gewone Aandelen uitsluitend aanmelden bij het Afwikkelingskantoor en alleen in schriftelijke vorm. Bij het indienen van de aanmelding dient iedere Aangesloten Instelling te verklaren dat:

- (a) zij de door de betreffende Aandeelhouder aangemelde Genoteerde Gewone Aandelen in haar administratie heeft opgenomen;
- (b) iedere Aandeelhouder die het Bod aanvaardt, onherroepelijk verklaart en garandeert dat
 - (i) de door de Aandeelhouder aangemelde Genoteerde Gewone Aandelen worden aangemeld in overeenstemming met de restricties vermeld in Hoofdstukken 2 en 3 en (ii) de Aandeelhouder niet, direct of indirect, onderwerp of doelwit is van enige economische of financiële sanctie opgelegd of afgedwongen door enige instantie van de Amerikaanse overheid, de Europese Unie, enige lidstaat van de Europese Unie of de Verenigde Naties, anders dan uitsluitend op grond van zijn opname in, of eigendom door een persoon opgenomen in, de Amerikaanse 'Sectoral Sanctions Identifications (SSI) List' of Annex III, IV, V of VI van Verordening (EU) No. 833/2014 van 31 juli 2014, zoals laatstelijk gewijzigd;
- (c) zij zich verplicht om de desbetreffende Genoteerde Gewone Aandelen uiterlijk op de Dag van Overdracht te leveren aan de Bieder, op voorwaarde dat het Bod gestand is gedaan.

Alhoewel gebruikelijk is dat de Aangesloten Instelling zorg draagt dat de aangemelde Genoteerde Gewone Aandelen op verzoek van de Aandeelhouder geleverd worden aan de Bieder, zal elke

Aandeelhouder verantwoordelijk zijn voor de levering van de aangemelde Genoteerde Gewone Aandelen aan de Bieder.

Met inachtneming van het recht tot herroeping zoals omschreven in Hoofdstuk 12.9.2 (*Recht tot herroeping*), vormt de aanmelding van Genoteerde Gewone Aandelen ter aanvaarding van het Bod een onherroepelijke instructie door de betreffende Aandeelhouder aan de desbetreffende Aangesloten Instelling om:

- (i) elke poging tot levering van deze Genoteerde Gewone Aandelen tegen te houden, zodat op of vóór de Dag van Overdracht geen levering van deze Offer Shares uitgevoerd kan worden (anders dan enige handeling die vereist is om de levering aan de Bieder te bewerkstelligen);
- (ii) de effectenrekening te debiteren waarop deze Genoteerde Gewone Aandelen op de Dag van Overdracht worden aangehouden ten aanzien van al deze Genoteerde Gewone Aandelen, tegen betaling van de Biedprijs voor deze Genoteerde Gewone Aandelen door het Afwikkelingskantoor namens de Bieder; en
- (iii) de levering van deze Genoteerde Gewone Aandelen aan de Bieder te bewerkstelligen.

12.8.2 Aanvaarding van het Bod en aanmelding door houders van Geregistreeerde Gewone Aandelen

Houders van Geregistreeerde Gewone Aandelen worden verzocht om de aanmelding van hun Geregistreeerde Gewone Aandelen bekend te maken via overhandiging van een ingevuld en ondertekend aanvaardingsformulier aan het Afwikkelingskantoor. De ingevulde en ondertekende aanvaardingsformulieren moeten door het Afwikkelingskantoor zijn ontvangen vóór 17:40 uur CEST op de Laatste Dag van Aanmelding. Het acceptatieformulier is op verzoek verkrijgbaar bij het Afwikkelingskantoor:

ING Bank N.V.

Telephone number: +31 20 5636619

E-mail: iss.pas@ing.com

Het acceptatieformulier zal ook dienen als een akte van levering met betrekking tot de Geregistreeerde Gewone Aandelen waarnaar in het aanvaardingsformulier wordt verwezen.

12.8.3 Verklaringen en garanties van Aandeelhouders die hun Offer Shares aanmelden

Elke Aandeelhouder die zijn Offer Shares aanmeldt onder het Bod, verbindt zich tot, verklaart en garandeert de Bieder door middel van deze aanmelding dat, op de datum waarop dergelijke Offer Shares worden aangemeld en tot en met de Dag van Overdracht (of, met betrekking tot Offer Shares die worden aangeboden in de Na-aanmeldingstermijn, tot en met de dag van overdracht van dergelijke Offer Shares), dat:

- (a) de aanmelding van Offer Shares een aanvaarding vormt door die Aandeelhouder van het Bod, op en onder de voorwaarden en beperkingen van het Bod zoals uiteengezet in dit Biedingsbericht;

- (b) die Aandeelhouder volledig bevoegd is om de Offer Shares aan te melden, te verkopen en te leveren, en geen andere overeenkomst heeft gesloten om de Offer Shares aan te melden, te verkopen of te leveren aan een andere partij dan de Bieder (samen met alle rechten die aan de Offer Shares verbonden zijn), en, wanneer de Offer Shares worden geleverd aan de Bieder, de Aandeelhouder het volledige juridische en economische eigendom bezit van de Offer Shares en dat deze Offer Shares vrij zijn van enige rechten van derden of andere beperkingen, tenzij dergelijke rechten van derden of andere beperkingen uitsluitend ontstaan en rechtstreeks voortvloeien uit het feit dat de Offer Shares in girale vorm worden gehouden in Euroclear Nederland;
- (c) de Offer Shares worden aangemeld in overeenstemming met de restricties vermeld in Hoofdstukken 2 (*Restrictions*) en 3 (*Important information*) en de effecten en andere Toepasselijke Regelgeving van het rechtsgebied waarin de Aandeelhouder is gevestigd of waarvan hij ingezetene is, en er geen registratie, goedkeuring of indiening bij enige regelgevende instantie van dat rechtsgebied vereist is in verband met de aanmelding van die Offer Shares; en
- (d) die Aandeelhouder niet, direct of indirect, onderwerp of doelwit is van enige economische of financiële sanctie opgelegd of afgedwongen door een instantie van de Amerikaanse overheid, de Europese Unie, een lidstaat van de Europese Unie of de Verenigde Naties, anders dan uitsluitend op grond van zijn opname in, of eigendom door een persoon opgenomen in, de Amerikaanse 'Sectoral Sanctions Identifications (SSI) List' of Annex III, IV, V of VI van Verordening (EU) No. 833/2014 van 31 juli 2014, zoals laatstelijk gewijzigd;

12.9 Aanmelding

12.9.1 Aanmeldingstermijn

De Aanmeldingstermijn vangt aan op 7 april 2021 om 09:00 uur CEST en eindigt op 1 juni 2021 om 17:40 uur CEST, tenzij de Aanmeldingstermijn wordt verlengd in overeenstemming met artikel 15 van het Bob en Hoofdstuk 12.9.4 (*Verlenging*).

Als het Bod gestand wordt gedaan door de Bieder, zal de Bieder alle Aangemelde Aandelen waarvan de aanmelding niet voordien geldig is herroepen, aanvaarden met inachtneming van de procedures zoals uiteengezet in Hoofdstuk 12.8 (*Aanvaarding door Aandeelhouders*).

12.9.2 Recht tot herroeping

De aanmelding van Offer Shares die zijn aangemeld op of voorafgaand aan 17:40 CEST op de Laatste Dag van Aanmelding mag niet worden herroepen, behoudens het recht tot herroeping van elke aanmelding op grond van het bepaalde in artikel 5b, vijfde lid en artikel 15, achtste lid, van het Bob of:

- (a) gedurende een eventuele verlenging van de Aanmeldingstermijn in overeenstemming met de bepalingen in artikel 15 lid 3 van het Bob; of
- (b) na de verhoging van de Biedprijs als gevolg waarvan de Biedprijs niet langer alleen bestaat uit een cashcomponent en in verband met welke verhoging een document algemeen verkrijgbaar is gesteld in overeenstemming met artikel 15a lid 3 van het Bob, mits dergelijke Offer Shares reeds aangemeld waren voordat het document algemeen

verkrijgbaar was gesteld en de herroeping plaatsvindt binnen zeven (7) Werkdagen nadat het document algemeen verkrijgbaar is gesteld.

De aanmelding van Offer Shares wordt herroepen door een daartoe strekkende schriftelijke kennisgeving aan de Aangesloten Instelling, zoals nader beschreven in Hoofdstuk 5.3.6 (*Withdrawal Rights*).

Een herroeping van de aanmelding van Offer Shares kan niet worden teruggedraaid. Gedurende een eventuele Na-aanmeldingstermijn kan de aanmelding van Offer Shares niet worden herroepen.

12.9.3 Gestanddoening

De verplichting van de Bieder om het Bod gestand te doen is onder voorbehoud van de vervulling van de Voorwaarden zoals uiteengezet in Hoofdstuk 12.7.1 (*Voorwaarden*). Van de Voorwaarden kan afstand worden gedaan, voor zover toegestaan bij Toepasselijke Regelgeving, zoals uiteengezet in Hoofdstuk 12.7.2 (*Vervulling van de Voorwaarden en afstand*). Indien afstand wordt gedaan van enige Voorwaarde in overeenstemming met het bepaalde in Hoofdstuk 12.7.2 (*Vervulling van de Voorwaarden en afstand*), dan zal de Bieder daarvan kennisgeven aan de Aandeelhouders zoals voorgeschreven door de Toepasselijke Regelgeving.

De Bieder zal uiterlijk op de Dag van Gestanddoening vaststellen of aan de Voorwaarden is voldaan dan wel daarvan afstand is gedaan. De Bieder zal op de Dag van Gestanddoening een openbare mededeling doen of het Bod:

- (a) gestand wordt gedaan;
- (b) wordt verlengd in overeenstemming met artikel 15 van het Bob en Hoofdstuk 12.9.4 (*Verlenging*); of
- (c) wordt beëindigd omdat niet is voldaan aan de Voorwaarden en daarvan geen afstand is gedaan,

alles in overeenstemming met artikel 16 van het Bob. Indien de Bieder het Bod niet gestand doet, zal de Bieder dit besluit toelichten.

12.9.4 Verlenging

Indien op de dan geplande Laatste Dag van de Aanmeldingstermijn één of meer Voorwaarden niet zijn vervuld en daarvan evenmin afstand is gedaan, mag de Bieder, na overleg met de Vennootschap en in overeenstemming met artikel 15 van het Bob, de Aanmeldingstermijn verlengen, met dien verstande dat (i) de verlenging van de Aanmeldingstermijn minimaal twee (2) weken en maximaal tien (10) weken zal zijn gerekend vanaf de dag vanaf de oorspronkelijke Laatste Dag van Aanmelding, en (ii) elke volgende verlenging afhankelijk zal zijn van het verkrijgen van een vrijstelling van de AFM en deze verlenging zal voortduren voor zolang de Bieder redelijkerwijs noodzakelijk acht om deze Voorwaarden te laten vervullen of daarvan afstand te doen. De Vennootschap heeft zich ertoe verbonden het verzoek van de Bieder aan de AFM om een ontheffing voor de verlenging van de Aanmeldingstermijn volledig te ondersteunen en daaraan haar medewerking te verlenen, tenzij een Verandering van de Aanbeveling heeft plaatsgevonden.

Als de Aanmeldingstermijn wordt verlengd, worden alle verwijzingen in dit Biedingsbericht naar "17:40 uur CEST", "Laatste Dag van Aanmelding" en "1 juni 2021", geacht te zijn gewijzigd in de laatste tijd en datum (zoals van toepassing) waarnaar de Aanmeldingstermijn is verlengd, tenzij uit de context anderszins blijkt.

Als de Aanmeldingstermijn wordt verlengd, waardoor de verplichting op grond van artikel 16 van het Bob om openbaar mede te delen of het Bod gestand wordt gedaan wordt uitgesteld, zal uiterlijk op de derde Werkdag na de oorspronkelijke Laatste Dag van de Aanmelding hierover een openbare mededeling worden gedaan in overeenstemming met de bepalingen van artikel 15, leden 1 en 2 van het Bob. Indien de Bieder de Aanmeldingstermijn verlengt, zal het Bod aflopen op de uiterste tijd en datum waartoe de Bieder de Aanmeldingstermijn heeft verlengd.

Gedurende een verlenging van de Aanmeldingstermijn blijft elk Offer Share dat reeds is aangemeld en waarvan de aanmelding niet is herroepen in overeenstemming met Hoofdstuk 12.9.2 (*Recht tot herroeping*), aangemeld onder het Bod. De aanmelding van elk Offer Share dat wordt aangemeld tijdens een verlenging van de Aanmeldingstermijn kan niet worden herroepen, behoudens het recht tot herroeping in overeenstemming met Hoofdstuk 12.9.2 (*Recht tot herroeping*).

12.9.5 Overdracht

Als de Bieder het Bod gestand doet, zal de Bieder de levering van alle Aangemelde Aandelen aanvaarden onder de voorwaarden van het Bod.

Op de Dag van Overdracht zal de Bieder de Biedprijs betalen voor elk Aangemeld Aandeel dat is aangemeld gedurende de Aanmeldingstermijn en is geleverd aan de Bieder, onder de voorwaarden als uiteengezet in dit Biedingsbericht. De Dag van Overdracht zal niet later zijn dan vijf (5) Werkdagen volgend op de Laatste Dag van Aanmelding. De Bieder kan niet garanderen dat Aandeelhouders de Biedprijs daadwerkelijk binnen deze periode zullen ontvangen. Er is geen specifieke actie van Aandeelhouders vereist met betrekking tot de betaling van de Biedprijs.

Vanaf de Dag van Overdracht is het niet mogelijk de aanmelding, verkoop of levering te herroepen, te ontbinden of te vernietigen van enig Aangemeld Aandeel dat gedurende de Aanmeldingstermijn is aangemeld.

12.9.6 Na-aanmeldingstermijn

Indien de Bieder het Bod gestand doet, kan de Bieder, naar eigen goeddunken en binnen drie (3) Werkdagen na de Dag van Gestanddoening, een na-aanmeldingstermijn aankondigen van uiterlijk twee (2) weken (de "**Na-aanmeldingstermijn**"). Aandeelhouders die hun Offer Shares niet hebben aangemeld tijdens de Aanmeldingstermijn kunnen gedurende de Na-aanmeldingstermijn hun Offer Shares alsnog aanmelden onder dezelfde voorwaarden en beperkingen als het Bod.

De Bieder zal de resultaten van de Na-aanmeldingstermijn en het totale aantal en percentage van de door de Bieder gehouden Offer Shares uiterlijk op de derde (3^e) Werkdag na de laatste dag van de Na-aanmeldingstermijn openbaar mededelen, in overeenstemming met artikel 17 lid 4 van het Bob.

Tijdens de Na-aanmeldingstermijn zal de Bieder doorgaan met het aanvaarden van de levering van alle Offer Shares die op geldige wijze zijn aangemeld (of op ongeldige wijze, indien de Bieder

de aanmelding desalniettemin heeft aanvaard). De betaling van de Biedprijs voor dergelijke Offer Shares die zijn geleverd aan de Bieder tijdens de Na-aanmeldingstermijn zal plaatsvinden niet later dan op de vijfde (5^e) Werkdag volgend op de laatste dag van de Na-aanmeldingstermijn.

Gedurende de Na-aanmeldingstermijn hebben Aandeelhouders niet het recht de aanmelding van Offer Shares te herroepen, ongeacht of de desbetreffende Offer Shares zijn aangemeld tijdens de Aanmeldingstermijn of tijdens de Na-aanmeldingstermijn.

Vanaf de relevante Dag van Overdracht is het niet mogelijk de aanmelding, verkoop of levering te herroepen, te ontbinden of te vernietigen van enig Aangemeld Aandeel dat gedurende de Na-aanmeldingstermijn is aangemeld.

12.10 Besluitvorming en Aanbeveling van de Onafhankelijke Commissie

Vanaf het moment dat dhr. R. Sonnenberg duidelijk maakte dat hij een *take private* van de Vennootschap middels een openbaar bod in contanten op alle Offer Shares door een Verbonden Partij overwoog en onderzocht, hebben de leden van de Onafhankelijke Commissie regelmatig telefoongesprekken gevoerd en vergaderingen gehouden om op de hoogte te blijven van de laatste ontwikkelingen, om het proces te monitoren en om het Bod te bespreken en daarover te onderhandelen.

Vanaf het begin heeft het Bestuur overwogen of de leden van het Bestuur een direct of indirect tegenstrijdig belang hebben in de zin van artikel 2:11 CBW. Ten aanzien van dhr. R. Sonnenberg en dhr. J.T. Sherwin is vastgesteld dat zij een dergelijk tegenstrijdig belang hebben bij de Transactie (inclusief het Bod). Het Bestuur heeft vastgesteld dat dhr. J.T. Sherwin een tegenstrijdig belang heeft, onder andere omdat hij deel uitmaakt van de stichtingsraad van een investeringsvehikel van de familie Sonnenberg. Zij hebben daarom niet deelgenomen aan de beraadslagingen of besluitvorming van de Onafhankelijke Commissie met betrekking tot de Transactie.

In verband met de Transactie heeft het Bestuur besloten dat de Onafhankelijke Commissie de bevoegdheid heeft om de Transactie namens de Vennootschap te onderzoeken, daarover te onderhandelen en de overeenkomsten en andere documentatie in verband met de Transactiegoed te keuren en de Transactie uit te voeren, om onafhankelijke adviseurs te benoemen en om alle maatregelen te nemen of na te laten die zij in verband met de Transactie en de uitvoering ervan raadzaam acht, met inbegrip van de bevoegdheid om de Vennootschap in deze aangelegenheden te vertegenwoordigen. De Onafhankelijke Commissie heeft van haar onafhankelijke financiële en juridische adviseurs financieel en juridisch advies ontvangen met betrekking tot de Transactie.

De Onafhankelijke Commissie heeft alle voorstellen van de bieder beoordeeld in overeenstemming met de fiduciaire taken en verantwoordelijkheden van het Bestuur. De Onafhankelijke Commissie heeft elk voorstel besproken en zorgvuldig overwogen en de rationale, voordelen, impact op de onderneming en risico's voor alle stakeholders van de Vennootschap verkend, waaronder begrepen haar aandeelhouders, klanten, werknemers, leveranciers, financiers en andere stakeholders. De Onafhankelijke Commissie heeft deze beoordeling uitgevoerd samen met haar externe financieel en juridisch adviseurs.

In overeenstemming met de fiduciaire taken en verantwoordelijkheden van het Bestuur heeft de Onafhankelijke Commissie, na uitgebreid juridisch en financieel advies te hebben ontvangen, de

Transactie en de gevolgen hiervan voor de Groep en haar stakeholders zorgvuldig en uitvoerig onderzocht, met inbegrip van (a) de strategische rationale, (b) de financiële aspecten, (c) de niet-financiële aspecten en (d) dealzekerheid.

Na toetsing van de voorwaarden van het Bod en de Fusieovereenkomst, waaronder de Niet-Financiële Convenanten, en rekening houdend met de belangen van alle stakeholders van de Vennootschap, heeft het Onafhankelijk Commissie unaniem vastgesteld dat de Transactie het bestendige succes van de onderneming van de Vennootschap bevordert en in het belang is van de Vennootschap, de Groep en haar stakeholders, waaronder haar Aandeelhouders, klanten, werknemers, leveranciers, financiers en andere stakeholders.

De Onafhankelijke Commissie heeft op 12 december 2020 een *fairness opinion* ontvangen van NIBC waarin staat dat, op die datum en gebaseerd op en afhankelijk van de factoren, veronderstellingen, kwalificaties en andere zaken die in de *fairness opinion* van het NIBC worden uiteengezet, de Biedprijs die door de Aandeelhouders (dat wil zeggen met uitsluiting van de bieder) zal worden ontvangen, vanuit een financieel oogpunt *fair* is voor de Aandeelhouders. De Onafhankelijk Commissie heeft unaniem vastgesteld dat het Bod een billijke prijs is voor alle Aandeelhouders.

Onder verwijzing naar het bovenstaande, (i) steunt de Onafhankelijke Commissie unaniem de Transactie, en (ii) beveelt de Aandeelhouders aan om het Bod te aanvaarden en hun Aandelen aan te bieden in het kader van het Bod (de "**Aanbeveling**").

Op de datum van dit Biedingsbericht heeft de Vennootschap een Standpuntbepaling gepubliceerd in overeenstemming met artikel 18a van het Bob, waarin de Aanbeveling en een uitgebreidere beschrijving van het besluitvormingsproces is opgenomen.

De Onafhankelijke Commissie mag alleen overgaan tot een Verandering van de Aanbeveling in de omstandigheden uiteengezet in Hoofdstuk 6.7.3 (*Revocation or withdrawal of Recommendation*).

Meer informatie is opgenomen in de Standpuntbepaling.

12.11 De gevolgen van het Bod voor Aandeelhouders die hun Offer Shares niet aanbieden

De Bieder beoogt om uiteindelijk 100% van de Aandelen te verwerven. Indien het Bod gestand wordt gedaan, zijn de Bieder en de Vennootschap dan ook voornemens om zo snel mogelijk:

- (a) de Bieder 100% (honderd procent) van de Aandelen te laten verwerven via een Uitkoopprocedure; en
- (b) de schrapping van de notering van de Aandelen bij Euronext Amsterdam en de beëindiging van de noteringsovereenkomst tussen de Vennootschap en Euronext Amsterdam in verband met de notering van de Aandelen, te bewerkstelligen.

Niettegenstaande deze intentie, behoudt de bieder zich het recht voor om elke andere wettelijk toegestane methode te gebruiken om alle Aandelen (of de volledige eigendom van de onderneming van de Groep) te verwerven en/of de bedrijfs-, financierings- of belastingstructuur van de Groep te optimaliseren.

Indien het bod niet gestand wordt gedaan, dan behoudt de bieder zich het recht voor een Uitkoopprocedure te starten.

12.11.1 Uitkoopprocedure

Om na de Dag van Overdracht de resterende Offer Shares te verwerven die niet zijn aangeboden onder het Bod en niet door de bieder of de Vennootschap worden gehouden en/of de Preferente Aandelen te verwerven die na de Dag van Overdracht niet worden gehouden door de bieder of de Vennootschap (vooropgesteld dat deze Preferente Aandelen niet door de Vennootschap zullen worden ingetrokken), is de bieder voornemens een uitkoopprocedure te starten in overeenstemming met artikel 2:250 CBW (de "**Uitkoopprocedure**").

12.11.2 Beëindiging beursnotering

Bergson Holdings is voornemens om zo spoedig mogelijk na de Dag van Overdracht de notering van de Aandelen (inclusief de Genoteerde Gewone Aandelen die niet zijn aangemeld onder het Bod) aan Euronext Amsterdam te beëindigen, door onder meer de noteringsovereenkomst tussen de Vennootschap en Euronext Amsterdam ten aanzien van de notering van de Aandelen te beëindigen. De Vennootschap heeft ingestemd om hier aan mee te werken.

Beëindiging van de notering kan geschieden in overeenstemming met de toepasselijke (beleids)regels van Euronext Amsterdam. In het geval dat de Vennootschap niet langer beursgenoteerd zal zijn en de Aandelen niet langer publiek verhandelbaar zullen zijn, zullen de bepalingen ten aanzien van de *governance* van beursgenoteerde ondernemingen niet meer van toepassing zijn en worden de rechten van resterende minderheidsaandeelhouders mogelijk beperkt tot het wettelijk minimum.

12.11.3 Liquiditeit

De aankoop van Offer Shares door de Bieder in het kader van het Bod zal het aantal Aandeelhouders en het aantal Offer Shares dat anders publiekelijk zou kunnen worden verhandeld, verminderen. Hierdoor kan na de Overdracht de omvang van de *free float* van de Offer Shares aanzienlijk zijn verminderd en kunnen de handelsvolumes en de liquiditeit van de Offer Shares negatief worden beïnvloed. De Bieder heeft niet de intentie de Aandeelhouders voor dergelijke nadelige gevolgen te compenseren.

12.12 Aankondigingen

Iedere verdere aankondiging met betrekking tot het Bod, waaronder begrepen met betrekking tot het al dan niet gestand doen van het Bod door de Bieder en aankondigingen met betrekking tot het verlengen van de Aanmeldingstermijn (indien van toepassing), zal worden gedaan door middel van een persbericht. Ieder gezamenlijk persbericht dat wordt uitgebracht door de Bieder en de Vennootschap zal beschikbaar worden gesteld op de website van de Vennootschap (<http://investor.hunterdouglasgroup.com>) en de Bieder (www.bergson-beheer.com). Ieder persbericht dat wordt uitgebracht door de Bieder zal beschikbaar worden gesteld op de website van de Bieder (www.bergson-beheer.com).

Met inachtneming van de toepasselijke vereisten op grond van de Toepasselijke Regelgeving en zonder afbreuk te doen aan de manier waarop de Bieder een openbare mededeling wenst te doen, zal op de Bieder geen enkele verplichting rusten om een openbare mededeling te doen anders dan zoals uiteengezet in dit Biedingsbericht.

12.13 Governance van de Bieder en de Vennootschap

Het bestuur van de Bieder wordt gevormd door de heren R. Sonnenberg (als directeur A) en L. Reijtenbagh en A. Kuiper (beiden als directeur B). De Bieder heeft geen raad van commissarissen.

De Vennootschap heeft een *one-tier board*, bestaande uit één uitvoerend bestuurder en vier niet-uitvoerende bestuurders. De uitvoerend bestuurder van de Vennootschap is dhr. R. Sonnenberg (Executive Chairman). De vier niet-uitvoerende bestuurders van de Vennootschap zijn de heren J.T. Sherwin, F.N. Wagener, A. Ruys en A. Nühn.

13 SELECTED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY

13.1 Basis for preparation

The selected consolidated financial information of the Company is that of the Company and its consolidated subsidiaries. The selected consolidated financial information of the Company included in Section 13.2 (*Comparative overview of consolidated statements of financial position for the financial years 2019, 2018 and 2017*) through 13.4 (*Comparative overview of the consolidated statements of cash flows relating to the financial years 2019, 2018 and 2017*) comprises of summaries of the consolidated statements of financial position, the consolidated statements of income and the consolidated statements of cash flows for the financial years ended 31 December 2019, 2018 and 2017. This selected consolidated financial information has been derived from:

- (a) the consolidated financial statements for the financial year ended 31 December 2019 as audited by EY, which issued an independent auditor's report thereon, without qualification, on 20 March 2020;
- (b) the consolidated financial statements for the financial year ended 31 December 2018 as audited by EY, which issued an independent auditor's report thereon, without qualification, on 13 March 2019; and
- (c) the consolidated financial statements for the financial year ended 31 December 2017 as audited by EY, which issued an independent auditor's report thereon, without qualification, on 6 March 2018.

The financial statements from which the selected consolidated financial information has been derived were prepared in accordance with IFRS, and Part 9 of Book 2 DCC. Reference is made to Note 2 to the consolidated financial statements for the financial year ended 31 December 2020 included in Section 13.6 (*Financial statements for the financial year 2020 including independent auditor's report of EY*) for a summary of the significant accounting policies of the Company applicable to the financial year ended 31 December 2020.

The selected consolidated financial information set out in Section 13.2 (*Comparative overview of consolidated statements of financial position for the financial years 2019, 2018 and 2017*) through 13.4 (*Comparative overview of the consolidated statements of cash flows relating to the financial years 2019, 2018 and 2017*) contains summaries only of the consolidated statements of financial position, the consolidated statements of income and the consolidated statements of cash flows, excluding related note disclosures and a description of significant accounting policies. For a better understanding of the Company's financial position, income and cash flows, the selected consolidated financial information should be read in conjunction with the unabbreviated audited financial statements for the financial years ended 31 December 2019, 2018 and 2017, including the related notes and description of significant accounting policies that were applied for each of these years, which are available on the website of the Company (<http://investor.hunterdouglasgroup.com>) and the AFM register of financial reporting.

The financial information included in Section 13.6 (*Financial statements for the financial year 2020 including independent auditor's report of EY*) includes the financial statements for the financial year 2020 as published by the Company on 16 March 2021. The financial statements

have been audited by EY, the Company's independent auditor for the financial year 2020. EY issued an auditor's report on 16 March 2021 on these financial statements.

13.2 Comparative overview of consolidated statements of financial position for the financial years 2019, 2018 and 2017

Balance sheet for the year ***in USD x million***

	2019 (* restated) ¹	2018 (* restated) ²	2017 (* restated) ³
Non-current assets			
Intangible fixed assets	1.396	1.069	1.084
Tangible fixed assets	506	492	522
Right-of-use tangible fixed assets	145		
Deferred income tax assets	142	131	164
Other financial non-current assets	56	81	73
Total non-current assets	2.245	1.773	1.843
Current assets			
Inventories	621	771	727
Trade and other receivables	421	568	547
Prepaid income tax	37	35	59
Prepayments	101	97	103
Metal derivatives		15	43
Currency derivatives		4	8
Investment portfolio		1	34
Cash and short-term deposits	39	31	32
Total current assets	1.219	1.522	1.553
TOTAL ASSETS	3.464	3.295	3.396
Equity attributable to equity shareholders			
Issued capital	10	10	10
Share premium	167	81	85
Treasury shares		-35	-29
Foreign currency translation	-284	-321	-245
Legal reserve	134	43	
Retained earnings	1.771	1.722	1.563
Total equity attributable to equity shareholders of the parent	1.798	1.500	1.384
Non-controlling interest	1	9	11
Total equity	1.799	1.509	1.395
Non-current liabilities			
Interest-bearing loans and borrowings	442	531	801
Preferred shares	9	9	10
Lease liabilities	109		
Provisions	295	267	270
Deferred income tax liabilities	33	9	9
Total non-current liabilities	888	816	1.090

Current liabilities			
Trade and other payables	620	728	712
Lease liabilities	42		
Income tax payable	29	30	26
Restructuring provisions	3	6	5
Metal derivatives			4
Currency derivatives	1		8
Interest-bearing loans and borrowings	82	206	156
Total current liabilities	777	970	911
TOTAL LIABILITIES	1.665	1.786	2.001
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3.464	3.295	3.396

1. Information as published in the financial statement for the financial year 2020. Previously published information of the consolidated statement of financial position as of 31 December 2019 has been revised in the comparatives to the consolidated statement of financial position as of 31 December 2020.
2. Information as published in the financial statement for the financial year 2019. Previously published information of the consolidated statement of financial position as of 31 December 2018 has been revised in the comparatives to the consolidated statement of financial position as of 31 December 2019.
3. Information as published in the financial statement for the financial year 2018. Previously published information of the consolidated statement of financial position as of 31 December 2017 has been revised in the comparatives to the consolidated statement of financial position as of 31 December 2018.

13.3 Comparative overview of consolidated statements of income for the financial years 2019, 2018 and 2017

Statement of income for the year ***in USD x million***

	2019 (* restated)¹	2018 (* restated)²	2017 (* restated)³
Continuing operations			
Net sales	3.686	3.634	3.226
Cost of sales	<u>-2.163</u>	<u>-2.172</u>	<u>-1.934</u>
Gross profit	1.523	1.462	1.292
Gross profit metals trading			<u>20</u>
Total gross profit			1.312
Selling and marketing expense	-780	-708	-641
General and administrative expense	<u>-412</u>	<u>-447</u>	<u>-402</u>
Income from operations before other income/expense	331	307	269
Other income	81	75	
Other expense	<u>-54</u>	<u>-36</u>	
Income from operations (EBIT)	358	346	269
Finance income	4	13	11
Finance costs	<u>-18</u>	<u>-18</u>	<u>-20</u>
Income before taxes from continuing operations	344	341	260
Taxes on income	<u>-52</u>	<u>-98</u>	<u>-38</u>
Net result for the year from continuing operations	292	243	
Discontinued operations			
Net profit after tax for the year from discontinued operations	-14	17	
Net profit for the year	278	260	222
Net profit attributable to non-controlling interest		-1	3
Net profit attributable to equity shareholders	278	261	219

1. Information as published in the financial statement for the financial year 2020. Previously published information of the consolidated statement of income as of 31 December 2019 has been revised in the comparatives to the consolidated statement of financial position as of 31 December 2020.
2. Information as published in the financial statement for the financial year 2019. Previously published information of the consolidated statement of income as of 31 December 2018 has been revised in the comparatives to the consolidated statement of financial position as of 31 December 2019.
3. Information as published in the financial statement for the financial year 2018. Previously published information of the consolidated statement of income as of 31 December 2017 has been revised in the comparatives to the consolidated statement of financial position as of 31 December 2018.

13.4 Comparative overview of the consolidated statements of cash flows relating to the financial years 2019, 2018 and 2017

Cash flow statement for the year ***in USD x million***

	2019 (* restated) ¹	2018 (* restated) ²	2017 (* restated) ³
Net profit from continuing operations	292	244	
Net profit from discontinued operations	-14	17	
Net profit	278	261	222
Adjustments for:			
Depreciation tangible fixed assets	99	91	82
Depreciation right-of-use tangible fixed assets	42		
Amortization patents & trademarks	23	19	20
(Decrease) increase provisions	18	-31	-1
Adjustments of put/call options over non-controlling interest	36		
Other non-cash items	-121	58	9
Unrealized result investment portfolio		-1	-8
Operating cash flow before working capital changes	375	397	324
Changes in working capital:			
-decrease (increase) trade and other receivables and prepayments	175	60	-154
-decrease (increase) inventories	169	-69	-45
-increase (decrease) trade and other payables	-173	18	56
Operating cash flow	546	406	181
Dividend paid	-79	-76	-68
Net cash from operations	467	330	113
Cash flow from investing activities			
Investments subsidiaries, net of cash acquired	-112	-73	-400
Investments in tangible fixed assets	-125	-122	-130
Divestment tangible fixed assets	28	18	15
Investments in intangible fixed assets	-1	-3	
Decrease investment portfolio	1	35	180
Decrease (increase) other financial non-current assets	-1		-5
Net cash from investing activities	-210	-145	-340
Cash flow from financing activities			
(Decrease) increase interest-bearing loans and borrowings	-210	-184	215
Payment of lease liabilities	-39		
Net cash from financing activities	-249	-184	215
Net increase (decrease) in cash and cash equivalents	8	1	-12
Change in cash and cash equivalents			
Balance at 1 January	31	32	41
Net increase (decrease) in cash and cash equivalents	8	1	-12

Exchange difference cash and cash equivalents	<u> </u>	<u> -2 </u>	<u> 3 </u>
Balance at 31 December	<u> 39 </u>	<u> 31 </u>	<u> 32 </u>

1. Information as published in the financial statement for the financial year 2020. Previously published information of the consolidated statement of cash flows as of 31 December 2019 has been revised in the comparatives to the consolidated statement of financial position as of 31 December 2020.
2. Information as published in the financial statement for the financial year 2019. Previously published information of the consolidated statement of cash flows as of 31 December 2018 has been revised in the comparatives to the consolidated statement of financial position as of 31 December 2019.
3. Information as published in the financial statement for the financial year 2018. Previously published information of the consolidated statement of cash flows as of 31 December 2017 has been revised in the comparatives to the consolidated statement of financial position as of 31 December 2018.

13.5 Independent auditor's report on the selected consolidated financial information

Independent auditor's report on the selected consolidated financial information of Hunter Douglas N.V. for the years ended 31 December 2017, 2018 and 2019

To: the shareholders, board of directors and audit committee of Hunter Douglas N.V.

Our opinion

The selected consolidated financial information for the years ended 31 December 2017, 2018 and 2019 of Hunter Douglas N.V., based in Willemstad, Curacao, as included in the Section 13 of this offer memorandum is derived from the audited consolidated financial statements of Hunter Douglas N.V. for the years ended 31 December 2017, 2018 and 2019.

In our opinion, the selected consolidated financial information for the years ended 31 December 2017, 2018 and 2019 is consistent, in all material respects, with the audited consolidated financial statements for the years ended 31 December 2017, 2018 and 2019, on the basis described in Section 13.1 Basis for preparation of this offer memorandum.

The selected consolidated financial information comprises summaries of the:

- Consolidated statements of financial position at 31 December 2017, 2018 and 2019
- Consolidated statements of income for the years ended 31 December 2017, 2018 and 2019
- Consolidated statements of cash flow statement for the years ended 31 December 2017, 2018 and 2019

Summary financial statements

The selected consolidated financial information as included in the Section 13 of this offer memorandum does not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union and Part 9 of Book 2 of the Dutch Civil Code. Reading the selected consolidated financial information and our independent auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Hunter Douglas N.V. and our independent auditor's report thereon. The consolidated financial statements and the selected consolidated financial information, do not reflect the effects of events that occurred subsequent to the date of our independent auditor's reports on those financial statements of 6 March 2018, 13 March 2019 and 20 March 2020.

The audited financial statements and our independent auditor's report thereon

We expressed unqualified independent auditor's reports on the consolidated financial statements for the years ended 31 December 2017, 2018 and 2019 in our independent auditor's reports dated 6 March 2018, 13 March 2019 and 20 March 2020.

Responsibilities of the board of directors and the supervisory board for the summary financial statements

The board of directors is responsible for the preparation of the selected consolidated financial information for the years ended 31 December 2017, 2018 and 2019, on the basis as described in accordance with the criteria as set out in Section 13.1 Basis for preparation of this offer memorandum.

The audit committee is responsible for overseeing the company's financial reporting process.

Our responsibility

Our responsibility is to express an opinion on whether the selected consolidated financial information for the years ended 31 December 2017, 2018 and 2019 is consistent, in all material respects, with the audited consolidated financial statements for the years ended 31 December 2017, 2018 and 2019 based on our procedures, which we conducted in accordance with Dutch law, including the Dutch Standard on Auditing 810, "Opdrachten om te rapporteren betreffende samengevatte financiële overzichten" (Engagements to report on summary financial statements).

Restriction of use

The selected consolidated financial information for the years ended 31 December 2017, 2018 and 2019 and our independent auditor's report thereon are intended solely for enclosure in this offer memorandum in connection with the recommended public offer, within the meaning of Article 5:76 of the Netherlands Financial Supervision Act (Wet op het financieel toezicht), made by Bergson Beheer B.V. to all holders of issued and outstanding common shares with a nominal value of EUR 0.24 each in the share capital of Hunter Douglas N.V. to acquire their common shares and cannot be used for other purposes.

Rotterdam, 6 April 2021

Ernst & Young Accountants LLP

signed by P.W.J. Laan

13.6 Financial statements for the financial year 2020 including independent auditor's report of EY

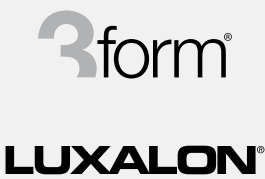


HunterDouglas 



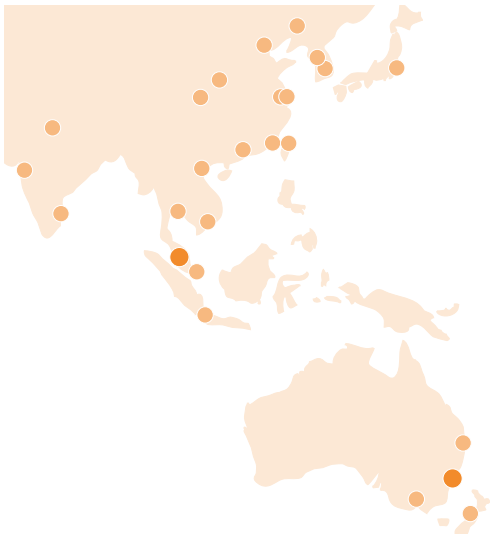
LEVOLOR®

HILLARYS



Operational Headquarters

- **Rotterdam, The Netherlands**
World Headquarters and European Operations
- **Lucerne, Switzerland**
Management Office
- **Pearl River, NY, USA**
North American Operations
- **São Paulo, Brazil**
Latin American Operations
- **Kuala Lumpur, Malaysia**
Asian Operations
- **Sydney, Australia**
Australian Operations



Hunter Douglas is the world market leader in window coverings and a major manufacturer of architectural products.

Hunter Douglas has its head office in Rotterdam, the Netherlands, and a management office in Lucerne, Switzerland.

The group is comprised of 134 companies with 47 manufacturing and 87 assembly operations and marketing organizations in more than 100 countries.

Hunter Douglas employs about 23,000 people with sales in 2020 of \$ 3.5 bln.

Operating Style

Professionally led by entrepreneurial managers who run our business as their own.

Focused on innovation

Decentralized organization structure

- Global network of specialized companies
- Guiding principle 'Maximum accountability with minimum interference'

Strong brands

- HunterDouglas® in North America, Latin America and Asia, and for architectural products worldwide
- Luxaflex® for residential window coverings in Europe and Australia
- Levolor® in North America
- Hillarys® in the United Kingdom

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Financial highlights

Two-year summary

	Notes	USD millions		Notes	EUR per common share	
		2020	2019		2020	2019
Net sales		3,543	3,686			
Earnings before interest, tax, depreciation and amortization (EBITDA)						
(before other income/expense)	4	531	504	2	13.34	12.91
Income from operations (before other income/expense)		378	340			
Net profit from operations						
(before other income/expense)		305	273	2	7.68	7.00
Other income/expense	5	-189	5			
Net profit from operations						
(after other income/expense)		116	278	2	2.92	7.12
Total net profit	1	116	278	2	2.92	7.12
Operating cash flow		479	546	2	12.05	14.00
Investments in tangible fixed assets		73	125			
Depreciation tangible fixed assets		128	141			
Net assets employed	4	2,384	2,669			
Shareholders' equity attributable to equity shareholders		1,926	1,798	3	45.31	46.10
Return on equity		6.2%	16.8%			
RONAE						
(Income from operations/net assets employed)	4	14.9%	13.4%			
Employees (at year-end)		22,871	24,720			

1 Net profit attributable to equity shareholders

2 Based on the average number of shares outstanding during the affected year

3 Based on the number of shares outstanding at year-end

4 Refer to note 31

5 Refer to note 4

Chairman's letter

To our shareholders

2020 was dominated by the Covid-19 pandemic.

While Q1 sales were modestly lower with higher profits, Q2 sales were 30% lower with negative results. As a consequence, we implemented restructuring measures to adapt the business to lower sales resulting in one time charges of \$ 65 mln. Q3 and Q4 showed a steady recovery with improving results.

Full year sales were 3.9% lower than the previous year, while profits declined by 58% to \$ 116 mln (per share € 2.92).

Sales volume declined by 4.6%.

Acquisitions contributed 2.8%, decrease from divestments 1.7% and the currency impact was 0.4% negative.

Sales were:

2% lower in Europe
3% lower in North America
28% lower in Latin America
13% lower in Asia
4% higher in Australia

Earnings before interest, tax, depreciation and amortization - EBITDA

(before other income/expense): Were \$ 531 mln, 5.4% higher than \$ 503 mln in 2019.

Income from Operations (before other income/expense): Was 11.2% higher at \$ 378 mln compared with \$ 340 mln in 2019, higher in all areas, except in Latin America and Asia.

Other income/expense: Were

\$ 189 mln negative compared with \$ 5 mln positive in 2019.

Capital Expenditures: In 2020 were \$ 74 mln compared with \$ 128 mln in 2019. In 2021, capital expenditures will be about \$ 70 mln and depreciation \$ 120 mln.

Operating Cash Flow in 2020 was \$ 479 mln compared with \$ 546 mln in 2019.

Return on Net Assets Employed (RONAE) before other income/expense was 14.9% and on Equity 6.2%.

Financing: All borrowings are covered by committed long term facilities.



Ralph Sonnenberg –
Executive Chairman
David & Marko Sonnenberg –
Co-Presidents & CEOs

Europe: Had lower sales but higher profits. Covid-19 caused major disruptions starting in Q2 followed by a steady recovery in Q3 and Q4. Full year sales were slightly lower with higher profits due to cost saving measures.

North America: Had lower sales and profits. Our plants were confronted with shut-downs. We implemented restructuring measures throughout the organization including the integration of 5 of our trade branded companies into one Management under the Alta Brand and created support programs for our dealers and retail partners.

Latin America: Had lower sales and profits.

Asia: Had lower sales and profits as the Covid-19 pandemic caused project delays.

Australia and New Zealand: Had record sales and profits.

Dividend: Was suspended to preserve funds.

Public Offer: On December 12, 2020 Hunter Douglas and Bergson Holdings B.V. (Bergson), a holding company owned and controlled by me, announced that Bergson is offering to acquire all of Hunter Douglas' outstanding common shares for EUR 64 in cash per share (cum dividend). The offer price represents a premium of 25.5% over the last closing price of Hunter Douglas common shares on December 11, 2020, the last trading day prior to the announcement of the transaction.

The Board established an Independent Committee to review, negotiate and approve the transaction, comprising the independent non-executive Directors, Messrs. Ruys, Nühn and Wagener. The Independent Committee, advised by its own, independent legal and financial advisors, unanimously supports the transaction and recommends the offer for acceptance by the shareholders.

The transaction, which is expected to be completed ultimately in Q3 2021, is subject to the satisfaction of customary offer conditions.

Outlook: Remains dependent on the further development of the Covid-19 pandemic; though once this has been controlled, is cautiously optimistic.

Hunter Douglas is in a strong position in terms of brands, products, distribution and finances.

The people of Hunter Douglas are our most important and valuable asset. They create, make and market our products and are responsible for our continuing success. The Board and I express our sincere thanks and appreciation for their contributions, dedication and support.

Ralph Sonnenberg
Executive Chairman

History

Global time line 1919 – 2020

1919 - Henry Sonnenberg founded a machine tool distribution and manufacturing company in Düsseldorf, Germany.

In 1933 he moved to the Netherlands and established a machine tool operation.

1940 - Henry moved to the United States where he founded the Douglas Machinery Company.

1946 - Henry Sonnenberg established a joint venture with Joe Hunter which developed new technology and equipment for the continuous casting and fabrication of aluminium. This led to the production of lightweight aluminium slats for Venetian Blinds. Hunter Douglas, as we know it today, was born.

1946-1960 - Hunter Douglas' aluminium blinds quickly gained leadership in the American market. The business model was as innovative as the product. Hunter Douglas developed a vast network in the United States and Canada of more than 1,000 independent fabricators, who sold blinds during the day and custom assembled them in their workrooms at night.

In 1956, policy differences led to the sale of the US business. Henry Sonnenberg moved Hunter Douglas' headquarters to Montreal, Canada and, using the European machinery business as a base, concentrated on building the window covering business outside the United States.

1960-1980 - Hunter Douglas expanded its operations in Europe and into Australia and Latin America.

1969 - The Hunter Douglas Group went public, and its shares were listed on the Montreal and Amsterdam Stock Exchanges.

1971 - Hunter Douglas' Group headquarters were moved to Rotterdam, the Netherlands, and Hunter Douglas N.V. became the worldwide Group Parent Company.

1976 - Hunter Douglas reacquired its former US business.

1980-2000 - Hunter Douglas began offering a complete range of window coverings and continued its global growth, expanding into Asia. The innovative spirit of the company led to the development of revolutionary new products.

1985 - Duette® Honeycomb Shades

1991 - Silhouette® Window Shadings

1994 - Vignette® Modern Roman Shades

1996 - Lumnette® Privacy Sheers and PowerRise® battery-powered remote-control system

1999 - UltraGlide® retractable cord system

At the same time, the company began developing a global network of fabrication companies to service dealers with consumer branded programs.

2000-2020

Hunter Douglas expanded further by developing multi-channel distribution capabilities around the world, while continuing to bring breakthrough products to market.

2000 - LiteRise® cordless system

2000 - EOS® hardware system

2007 - Pirouette® Window Shadings

2010 - RB 500 Roller Shade system

2012 - Solera™ Soft Shades

2015 - PowerView® Motorization, Silhouette® Duolite® Shadings

2016 - Redesigned Duette® system

2017 - Sonnette™ Cellular Roller Shades, HeartFelt® ceiling system

2018 - Silhouette® ClearView® Shadings

2019 - PowerView® Automation Smart Home compatibility

2020 - Roller Duolite® Shades

Innovations

About envisioning what comes next

Ever since we created the aluminium blind in 1946, we have defined our industry with products that deliver revolutionary style and functionality. What's more, our expertise in customization helps keep our customers around the world at the forefront of design.

Pirouette® Shadings ClearView®

The Pirouette® Shadings ClearView® option maintains the same proprietary sculptural design as standard Pirouette®, but with a specialized sheer that provides a near unobstructed view of the outside while still diffusing sunlight and filtering out UV rays.

Designer Roller Duolite® Shades

Designer Roller Duolite® Shades set a new design standard with the double-fabric combination of a light-filtering sheer and a room-darkening opaque liner on a single roller shade for softly filtered light when desired and privacy when needed.



➤ Pirouette® Shadings ClearView®



➤ Designer Roller Duolite® Shades



➤ Hi-Light™ Roller Blind and Panel Track



PowerView® Rechargeable Battery

Our new PowerView® Rechargeable Battery Wand offers a convenient and sustainable solution that reduces waste, while the custom-designed Dual Charging Station makes it easy to keep fully charged spare Battery Wands on hand.

Hi-Light™ Roller Blind & Panel Track

Our new Hi-Light™ Roller Blind and Panel Track features an innovative laminated fabric that beautifully diffuses light with a clean, modern aesthetic.





.....
*"There is no substitute
for the beauty of natural
daylight."*

Silhouette® Shades



Our Strengths

Culture

“Business is people” is our core guiding principle. We consider our culture of professional entrepreneurship a key competitive advantage, that drives our organization.

We are a decentralized federation of specialized companies, run by people who manage our companies as their own. This enables fast decision making with organizations that respond quickly to fast changing design trends. Many of our businesses today are still run by their founding entrepreneurs.

We run these businesses with a minimum of staff based on a second core principle of “minimum interference, maximum accountability”.

We believe in strong brands, global product platforms and local management.

We provide our entrepreneurial managers with a network of like-minded companies and colleagues who support their development plans.

We pride ourselves on the long tenure and success of our in-house entrepreneurs, and our ability to invest with a long-term focus.

We excel at rewarding talent with long-term entrepreneurial incentives.

We encourage the application of our key principles in all our companies, with organizational structures that maximize front-line decision-making ability and accountability.

We encourage the rapid advancement of young talent to entrepreneurial roles in our business.

Research and Development

Hunter Douglas was founded on a tradition of bringing breakthrough products to market. Today, we lead the industry in our ability to successfully develop and establish completely new product concepts.

Our unparalleled scale and vertical integration enable us to innovate products end-to-end, from materials to equipment design, from component engineering to automated custom assembly, from industrial design to installation friendly components.

We are pioneers in forming fabrics into unique designs that can trap air for superior insulation, softly diffuse incoming light, and provide privacy while preserving outside views.

We foster a highly collaborative culture among our team of over 300 engineers located in R&D centres around the world where we excel at design for manufacturability and customization.

Our top priorities are achieving the right balance of form and function, managing the quality of light entering the window, combined with the safety and ease of operation of our products.

In 2021 we expect our R & D activities to remain at approximately the same level as in 2020.

Manufacturing & Customization

About 75 years ago Hunter Douglas pioneered the aluminium venetian blind with a unique continuous casting and aluminium fabrication process. Today we apply that willingness and ability to completely innovate the manufacturing process to all aspects of our operations.

We concentrate production of our principal materials in highly specialized global plants, while 87 fabricators located in our key markets ensure quick and efficient delivery of localized product ranges.

Make-to-order manufacturing of premium blinds is a highly complex undertaking. We offer the leading range of operating solutions fitting the very diverse range of window conditions around the world. We also offer a wide range of materials and colors to meet local consumer tastes. We do this around the world, custom made for standard delivery in 5 days.

Our key manufacturing and assembly processes are developed in-house, and we are leaders in the supply of assembly equipment and technology to fabricating customers around the world.

.....
“Think in principles.
Focus on the essentials
but know your business
in every detail”

Global, Multi-Channel Distribution

Another core strength of Hunter Douglas is our ability to service a variety of market opportunities using a portfolio of product designs, brands, and distribution channels most relevant to key consumer segments.

Around the world, consumers share a similar passion for innovative window treatments yet individual consumer style and shopping preferences as well as regional home and window construction details can vary dramatically.

Hunter Douglas satisfies these needs through distinct channel strategies informed by our local market knowledge, adaptation of globalized product designs and marketed through a portfolio of leading consumer brands.

Specialty Retail

The industry's most premium products are marketed under the leading HUNTER DOUGLAS® and LUXAFLEX® brand names, sold through our network of around 10,000 aligned independent specialty dealers around the world. These retailers serve as strategic partners for Hunter Douglas and provide the ultimate in customized, high-end window treatment design services for the most discriminating consumers.

We also service a wide range of specialty dealers through our network of trade brands, targeting more price oriented consumers.

Shop-at-Home

Many consumers appreciate the convenience of an in-home consultation experience. Hunter Douglas provides shop-at-home designers the products, tools and sales support to build their business and wow their clients.

Independent Fabrication

Hunter Douglas supplies a worldwide network of several thousand independent and 87 company-owned fabricators who sell, assemble, and distribute our products via their own networks of local window covering dealers.

Home Centers

The home center channel allows our company to bring its portfolio of window treatments to a more DIY oriented segment of home décor shoppers. Hunter Douglas accomplishes this through a portfolio of brands, including the American industry's best-known mainstream window treatment brand, LEVOLOR®.

Ecommerce

Online shopping is a highly relevant path-to-purchase for many consumers. Hunter Douglas connects with those consumers with a portfolio of unique product brands and designs, specifically crafted to the online shopping community and the associated e-commerce resale partners.

Consumer Marketing

As the global market leader, Hunter Douglas aims for the highest level of customer satisfaction throughout the process of selecting, purchasing and living with our products.

Our focus is on building brands with a reputation for great design and outstanding quality. We actively support our consumer brands with industry leading advertising, generally focused on building demand for our new and proprietary products.

We are increasingly focused on supporting our retail partners with direct response marketing capabilities, including digital marketing and online lead generation.

Our diverse marketing programs are delivered through many global channels including;

- › Brand awareness through Radio, Television, Video and Magazine Advertising Campaigns.
- › Inspiring websites with interactive tools that show how our products look in a room or a window, helping consumers pre-select products before visiting our retailers' showrooms.
- › Demand generation through digital marketing – reaching consumers through search engine marketing and targeted social media programs.
- › Innovative tools to support our architectural clients with technical information on light control, motorization and climate control.

.....

"The only certainty is change. The ability to thrive and flourish depends on flexibility and the willingness to constantly adapt to a changing world"

Retail Development

Hunter Douglas created the industry's first global Retail Alliance Program.

Approximately 90% of our branded products are sold through our Retail Alliance programs.

We offer a very attractive business model for retailers, with turn key support including sales and marketing programs; advertizing and promotional campaigns; sampling, displays and signage; product education and business-building programs; technical service and store management systems. Our products require minimal retail floor space and offer a very high return per square foot of display.

Creating an attractive retail environment is critical for consumers to experience our products. Many of our products and features are completely new to consumers with unique form, function and control options. We help dealers present these products in inspiring and informative settings.

Our training programs help our retailers skilfully demonstrate our products to consumers and select the best product solutions for each window.

Most of our retail dealers offer shop-at-home consultations to help the consumer make their final product selection in the home, as well as taking final measurements. We support our dealers with specialized tools and technology to aid this process.

Proper installation of our products is key to lifetime performance and customer satisfaction. We have extensive training and specialized tools to assist the thousands of professional Hunter Douglas installers around the world.

Community Engagement

We actively support the communities in which we live, work and do business. Decisions of which causes to support and the form that support takes, are made local by our management teams in each country.

We have a 30-year partnership with Habitat for Humanity, whose goal is to eliminate poverty housing and homelessness from the world, and to make decent shelter a matter of conscience and action. We have donated close to 300,000 window coverings to low-income families, and our employees have invested thousands of hours of their "sweat-equity" helping to build hundreds of these homes.

We participate in disaster relief efforts that provide critical assistance in times of tragedy. With the support of our employees and customers, we make substantial donations to organizations aiding in the recovery and relief of those impacted by disasters.

We donate window coverings to hospitals, research centres and healthcare facilities around the world to help create a more comfortable and comforting environment for patients.

Through our 3form® brand, our Full Circle program supports environmental and economic initiatives including education, skills training and microfinance initiatives that help create sustainable communities who collaborate with 3form® to develop highly regarded handcrafted materials.

Our GreenScreen Sea-Tex™ yarns are made from trash collected by the Waterkeeper Alliance, an international group with 300 chapters in 35 countries. The local Waterkeeper Alliance chapters manage beach clean-up events and almost 100% of the plastic shoreline trash they collect is used to make GreenScreen Sea-Tex™ yarns.

Window Coverings

Our strength is our ability to develop and market innovative products, targeted primarily at upscale consumers. Our success is based upon trusted brand names recognized around the world: HunterDouglas®, Luxaflex®, Levolor® and Hillarys®.

Our proprietary fabric shades are consistently recognized for excellence in design, styling, features, quality and breadth of selection: Duette® Honeycomb Shades, Silhouette® and Pirouette® Shades, Luminette® Privacy Sheers, Vignette® and Modern Roman Shades. Our latest innovation - Sonnette™ Cellular Roller Shades - combine the clean lines of a standard roller shade with the innovative design of our original energy-efficient honeycomb shades.

In addition to our proprietary design innovations, we offer a fully integrated and premium line of traditional window covering styles. These include venetian and vertical blinds, roman,

roller, pleated and woven wood shades, wood and alternative wood blinds and custom shutters, exterior venetian blinds, sun screen blinds, shutters and awnings.

Our products are designed to offer a range of light control and privacy options with a broad selection of fabrics and materials from sheer to room darkening to opaque. The innovative design of our products can deflect and redirect sunlight precisely. Our specially engineered translucent fabrics diffuse harsh sunlight and draw it deeper into the room – dispersing the light to help illuminate homes naturally and reduce the need for artificial light.

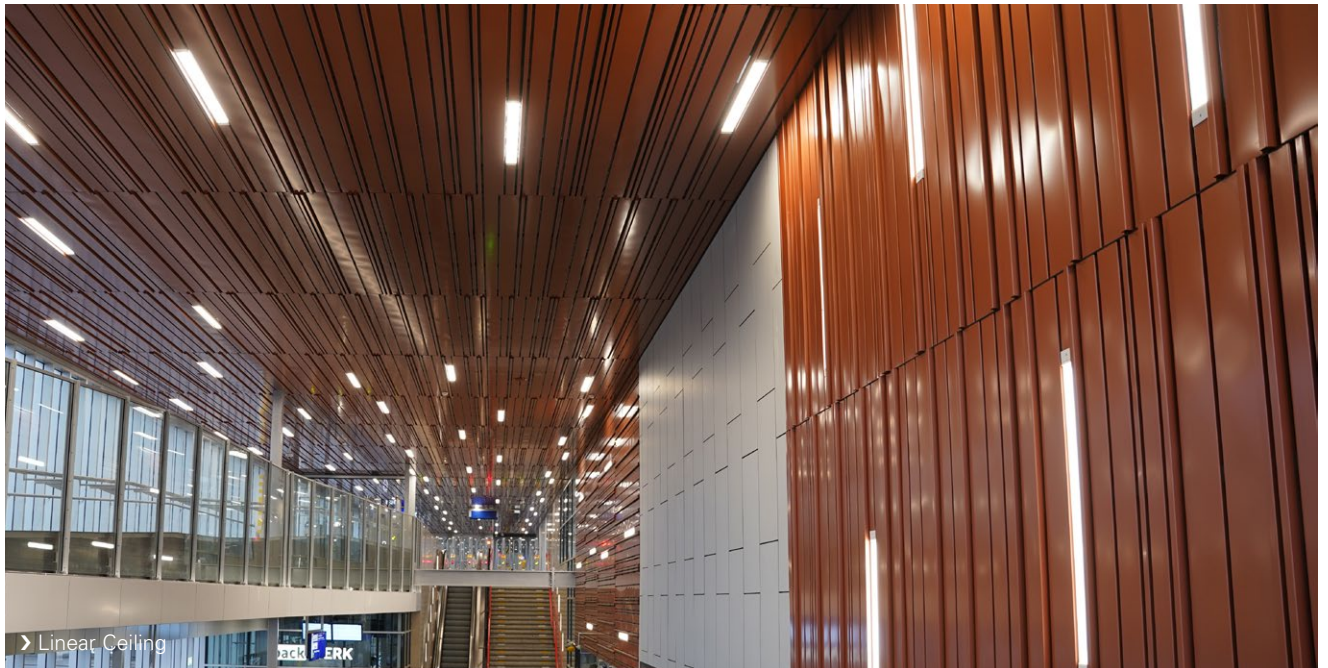
We customize each window covering to the individual consumer's specific needs and typically deliver the manufactured product within a week of ordering.

Our proprietary operating systems make our window treatments easy to use with reliable performance, convenience and improved safety features - as communicated to our customers via our "Designed with Safety in Mind" logo.

Our innovations include the award-winning LiteRise® and SmartCord® lift systems as well as the revolutionary PowerView® Motorization system. PowerView® is an advanced home automation system that allows Hunter Douglas' window treatments to be conveniently operated via a smart phone, tablet or remote control based on personalized settings. The system automatically moves the shades throughout the home to the desired positions at pre-set times. PowerView® also integrates with popular third-party whole-home automation systems.



Architectural Products



At Hunter Douglas, we are continuously developing product solutions that improve building performance and indoor environmental quality, while helping to reduce energy consumption. We focus on high-performance architectural materials with proprietary characteristics in design, comfort and sustainability for both interior and exterior applications.

Our strength is our ability to develop customizable product systems with reliable installation and design flexibility with minimal custom engineering. Our success is based on giving architects a high degree of technical and design assistance in applying our products. We collaborate with architects and owners to realize their design objectives while also meeting functional needs such as light control, energy efficiency, and acoustics.

Sun-Control Solutions

Hunter Douglas is at the forefront of the emerging field of architectural solar-control products, offering an unparalleled breadth of solutions and expertise to manage heat and light inside and outside the windowed wall,

reducing the need for artificial lighting, cooling and heating. With world-class engineering, versatility, durability and style, Hunter Douglas is at the forefront of advanced motorization technology for sun control.

Suspended Ceilings

Luxalon® metal and wood ceiling systems enable a wide variety of designs and applications, including curved and specialty shapes. Our revolutionary Techstyle® acoustical panels deliver superior noise reduction; a clean, monolithic look; and easy access to the plenum. Our latest innovation "HeartFelt®" is a Cradle to Cradle modular felt ceiling system with outstanding acoustics and a unique appearance that has sustainability at its core.

Translucent Architectural Solutions

3form® is the leading manufacturer of decorative translucent resin and glass. Architects and interior designers can play with color, shape, texture, and transparency in a wide range of interior and exterior applications, including back-lit wall features, partitions, ceiling elements, horizontal

surfaces, canopies, building accents and signage. Through its LightArt® division, 3form® designs a range of custom lighting fixtures based on these materials.

Terracotta façades

NBK® brand is a pioneering manufacturer of terracotta façades. NBK® is the market and quality leader in size, flatness, and design options for large terracotta panels. The unique design and performance of NBK® solutions can be seen in some of the world's most visually dynamic buildings.

QuadroClad Façade Systems

Our QuadroClad® ventilated façade system features lightweight skins fused to a honeycomb aluminium core that provides extreme strength and flatness. Engineered to deliver both outstanding performance and aesthetics in even the most severe environmental conditions.

Through our global network of specialized manufacturing facilities, we deliver a broad, consistent range of solutions that can be adapted to local design requirements.

Corporate Governance

Hunter Douglas N.V. has its statutory seat in Curaçao and is therefore not subject to the Netherlands Corporate Governance Code. However, Hunter Douglas adheres to good Corporate Governance and follows many of these recommendations as far as practical.

Corporate structure

Board of Directors

Hunter Douglas has a one-tier corporate structure. Under its Charter the Board of Directors is responsible for the overall management and control of the Company. The Board is appointed by the shareholders. The Board has four regular meetings per year and additional meetings as required.

Mr. Ralph Sonnenberg is Executive Chairman.

Independence

The Board has five members, of whom three are independent. It acts collectively by majority resolution.

Functions

The Board reviews the overall strategy, financial objectives, financing, budgets, acquisitions, divestments, capital expenditures, currency hedging, results and other risks in the Company's business.

Audit and Compensation Committees

The Board has an Audit and a Compensation Committee, whose members are independent.

The Audit Committee reviews the Company's accounts, internal controls and meets with the Company's external Auditors at least once a year.

Officers

The Board annually appoints the Officers of the Company ie the Executive Chairman, Co-Presidents & CEOs and the Regional Presidents and Staff Vice Presidents.

Financial reporting

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The annual report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Internal Controls

The Company has the following key internal controls.

Conflicts of Interest Policy

The Company has a 'Conflicts of Interest Policy' applicable to all key employees which covers relations with customers, suppliers and other third parties.

Insider Trading Policy

The Company has an 'Insider Trading Policy', as prescribed by the Authority Financial Markets ('AFM'), restricting trading in the Company's shares by Directors, Officers, key employees and related persons.

Internal Audit Function

Hunter Douglas' principal Operating Companies have an Internal Audit Program.

Authority limits

Every Manager, including the Regional Presidents, has clearly defined Authority Limits.

Whistleblower Policy

Hunter Douglas has a 'Whistleblower' Policy in each Company.

Compensation

Compensation of Directors and Officers is reviewed by the Compensation Committee of the Board. The Company also follows the 'best practices' as far as practical.

Stock

The Company does not provide stock at no cost.

Loans

Loans to Directors, Officers or other employees bear market interest. There is no forgiveness of principal or interest.

Investor Relations

Hunter Douglas has an Investor Relations Website, regularly issues press releases and holds analysts' and investor meetings.

Risk Management

For risk management objectives and policies in relation to the financial instruments reference is made to note 27 of the financial statements.

Objectives

The Company's objectives are to:

- › Expand its Window Coverings and Architectural Products businesses at a growth rate exceeding that of the market while continuing to be the best Company in the industry;
- › Develop and introduce innovative new products;
- › Seek acquisitions that add to the Company's organic growth by expanding product lines or distribution and that meet its return targets;
- › Have an efficient decentralized entrepreneurial organization, based on the principle of 'maximum accountability with minimum interference'.

- › Prices for raw materials, in particular: aluminium, steel, fabric, synthetics and other oil based products.

Changes in material prices for our window covering and architectural products are normally passed on in our product prices.

Base commodity price risks in our Metals Trading business are substantially hedged;

- › Exchange rates: rates of non US dollar currencies can affect the Company's results. Hunter Douglas' policy is to selectively hedge transactional earnings exposures and generally not to hedge balance sheet exposures.

The company has a low risk appetite to the above mentioned factors.

Rotterdam, 10 March 2021

Board of Directors

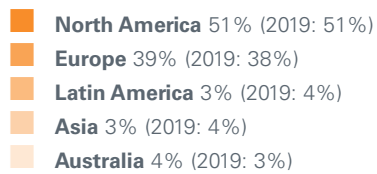
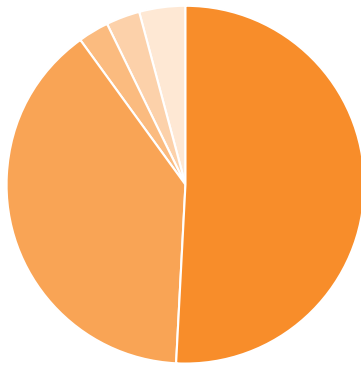
Sensitivity to External Factors

The Company's results are sensitive to external factors of which the following are most influential:

- › Overall economic activity and particularly consumer confidence which affects demand for consumer durables. Our decentralized entrepreneurial organization manages these market risks as effectively as possible;



Worldwide sales



Financial information by region

USD millions	Europe		North America		Latin America		Asia		Australia		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Net sales												
Window Coverings	1,314	1,344	1,703	1,730	65	86	45	54	133	128	3,260	3,342
Architectural Products	67	70	101	131	41	61	74	82			283	344
Total*	1,381	1,414	1,804	1,861	106	147	119	136	133	128	3,543	3,686
Net assets employed	986	1,196	1,065	1,150	86	90	140	124	107	109	2,384	2,669
of which												
Non-current assets*	1,056	965	858	819	41	43	75	75	77	69	2,107	1,971
Additions to tangible fixed assets	24	37	45	79	2	3	2	3	1	3	74	125
Depreciation tangible fixed assets	46	46	66	75	5	7	7	8	4	5	128	141
Employees per year-end**	7,366	7,588	12,320	13,690	1,058	1,467	1,577	1,419	550	556	22,871	24,720

(*) Net sales in the Netherlands were 161 (2019: 136) and non-current assets 65 (2019: 54).

(**) Of which 21,756 (2019: 23,518) employed outside the Netherlands.

Relative distribution of employees per business segment per area is in line with net sales per area.

Europe

Slightly lower sales and higher profits.

2020 was a very challenging year. It started well, but the Covid-19 pandemic caused major disruptions starting in the second quarter, followed by a steady recovery in the third and fourth quarters. The year ended with sales slightly below last year with higher profits due to cost saving measures.

Window Covering Products

Our business continued to grow in the Benelux, Scandinavia, Germany and France. Our UK business experienced the most significant decrease in our main markets due to sustained lockdowns and lower consumer confidence, in part due to Brexit related uncertainties.

Specialty Retail, Luxaflex®

Luxaflex® sales grew slightly while profit was higher, as we continued to build on our core capabilities in product innovation, strengthening our distribution network, and attracting more gallery dealers.

In 2020 our trade initiatives were geared to supporting dealers during the pandemic, including with new sales and marketing tools to help service consumers during the lockdowns.



Aad Kuiper
President & CEO
European Operations

The most significant 2020 product launches included: Venetian Blinds with new looks and colors, Silhouette® Shades with Clearview™ fabrics and an extension of our PowerView® Automation system.

Our promotional campaigns were focused on PowerView® Automation. The shift to digital marketing also remains a significant focus for the brand.

Trade Brands

Our trade brands, which focus on servicing value-oriented consumer through specialty dealers, had another solid year with level sales and increased profits.

Shop-at-Home

Our Hillarys business was severely impacted by the inability to visit customers in their homes, supply disruptions, and operational

USD			
Amounts in millions	2020	2019	
Net sales			
Window Coverings	1,314	1,344	
Architectural Products	67	70	
Total	1,381	1,414	
 Net assets employed	 986	 1,196	
 Employees per year-end	 7,366	 7,588	



➤ Silhouette® Shades



challenges due to Covid-19 related factory measures. We acquired TLC, a small Romanian supplier, and are expanding their production.

Our Norwegian Shop-at-Home business, which was far less affected by lockdowns, had improved sales and profits.

Components & Fabrics

Components and fabrics sales to independent fabricators remained strong in continental Europe but declined in the UK.

Benthin and Blöcker, our German manufacturers of vertical, roller blind and pleated blind systems, continued to perform well with level sales and increased profits.

Duette® Shades continued to grow, benefiting from ongoing demand driven by awareness and interest in energy saving products.

Home Centers

Sunflex, our supplier of packaged products to home centers in the UK had a solid year, with lower sales and level profits. Debel, the leading Danish supplier to the mass merchant channel, continued to grow.

Ecommerce

Our E-commerce businesses benefited from the lockdowns, and the increase in online shopping during the pandemic. Blinds2go, the leading online blinds retailer in the UK, in which Hunter Douglas has a 65% stake, performed very well with considerable sales and profit growth. In France, Stores-Discount, the online blinds retailer we acquired last year, performed well with increased sales and profits.

Our newly launched online brand Tuiss in the Benelux, had a promising start and was also launched in France.

Architectural and Project Market

Sales decreased, due to project delays - a consequence of the pandemic. The Middle East region showed a recovery in sales after a decline last year.

We closed part of our specialty ceilings manufacturing in the Netherlands and shifted supply to our Shanghai ceiling plant.

Heartfelt®, our new modular felt ceiling system, continued to perform in line with 2019.

Sales and results of our NBK terracotta façade business decreased, driven by lower demand and delayed projects.

Manufacturing

Due to a structural decline in volume, we closed our Rotterdam aluminium casting, rolling and coil coating facilities.

Our honeycomb manufacturing business continued to perform well, and additional capacity was added.

Artex, our textile development and production center in the Netherlands, also performed well with improved sales and results.

Our sunscreen manufacturers Mermet (France), Helioscreen (Belgium), and Copaco (Belgium), which was acquired last year, grew their combined sales and profits, benefiting from high demand for sunscreen fabrics and by realizing production efficiencies.

North America

Lower sales and profits.

2020 was an unprecedented year. It started positively before Covid-19 changed everything. As a result of the lockdowns, we experienced a steep decline in orders and shipments in the second quarter followed by a steady increase into the third and fourth quarters. This resulted in a total year's sales volume decline of 7%. Our plants were confronted with shutdowns, and when reopened, required new safety protocols to safeguard our Associates. Our teams that could work remotely needed to establish new ways of working. We quickly created support programs for our network of dealers and retail partners. These programs provided assistance, which helped our partners recover from the steep drop-off in business and demonstrated our commitment to them.

We integrated five of our Trade branded companies into one management under the Alta brand. This consolidation will provide benefits to our dealers and consumers through a strengthened product portfolio, additional support programs, and enhanced services under one unified division.

Our newly established company-wide Purchasing and Materials Planning Team provided support to our



Ron Kass
President & CEO
North American Operations

divisions in the myriad of supply challenges created by the pandemic. This team is helping us become more effective in the way we work with our supply partners.

We continued to advance motorization and automation options for our window coverings for all of our

brands. In July, Hunter Douglas PowerView® introduced a high-performance rechargeable battery system that was well received by dealers and consumers.

New roller shade collections were introduced by several of our brands as this product category continues

Amounts in millions	USD	
	2020	2019
Net sales		
Window Coverings	1,703	1,730
Architectural Products	101	131
Total	1,804	1,861
Net assets employed	1,065	1,150
Employees per year-end	12,320	13,690



> Silhouette® ClearView shades



to experience above-average growth. In the Hunter Douglas branded collection, Duolite®, our innovative design option, featuring two shades on one roller tube, was launched. Our motorization portfolio in these collections clearly differentiates us in the market.

Levolor improved operational efficiencies, necessary due to the continued uncertainty surrounding Covid induced plant disruptions.

3 Day Blinds effectively managed through its many Covid related challenges. The recently acquired Next Day Blinds, closed its storefront showrooms as well as its Maryland assembly plant, and successfully transitioned their sales and marketing to the 3Day shop-at-home model.

In the second quarter, we set up mask-making production lines in several of our plants. In addition, we leveraged our newly formed central Supply Chain and focused on procurement and distribution of PPE, both internally and externally. Through these efforts, we produced 375,000 and purchased an additional 400,000 masks, which were donated free to healthcare facilities, frontline workers, and community groups across North America. Our Associates are proud of our ability to mobilize around this effort and help fight the pandemic.

2020 was a very challenging year, but we were able to continue to build on our strategic goals of delivering innovative products that delight consumers in all major channels of the window coverings market.

Latin America

Lower sales and profits.

Our Latin American Operations had lower sales and lower profits, mainly as a result of Covid-19.

Sales were significantly lower across the region causing us to restructure to lower expenses.

Our Window Covering business had significantly lower sales, flat operational profits and slightly higher total profits, as we were able to lower expenses and increase margins.

Our exclusive Hunter Douglas branded dealer network weathered this period with only modest attrition. We continue to focus on a high-end clientele, in part through interior designers.

In the mass merchant channel, where we sell stock window coverings in Colombia, Mexico and Panama under the regional Reggia® brand, we experienced lower sales and profits.

Our Architectural Products business was strongly affected by Covid-19, with lower sales and profits. Demand contracted, and we experienced jobsite disruptions and delays. Restrictions on imports in a number



Renato Rocha
President & CEO
Latin American Operations

of countries affected our export business from Chile. Our strategy continues to be focused on building local manufacturing capabilities to improve our competitive position, while complementing our offer with innovative products from our Chilean operation.

Brazil

- › Lower sales but higher profits despite a slow economy and currency devaluation.
- › Window Coverings and Architectural Products both had lower sales, and an improvement in profits.

Mexico

- › Lower sales and profits.
- › Our Window Coverings businesses had lower sales and profits.
- › Our Architectural Products business had lower sales and profits.

Chile

- › Significantly lower sales and profits.
- › Window Coverings had lower sales and profits.
- › Architectural Products had lower sales and profits due to lower export sales.

Colombia

- › Lower sales and lower profits.
- › Our Window Coverings businesses had lower sales and higher profits.

- › Architectural Products had lower sales and profits.

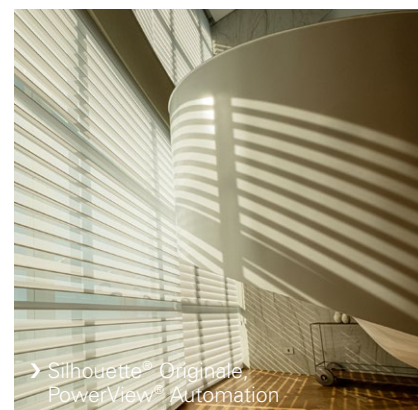
Argentina

- › Lower sales but higher profits despite a significant currency devaluation.
- › Window Coverings had lower sales but higher profits to record levels from a strong recovery in the second half.
- › Architectural Products had significantly lower sales and profits.

Panama, Peru & Venezuela

- › Peru had lower sales and profits.
- › Venezuela had flat sales and lower profits.
- › Our Panamanian business had lower sales and profits. We will terminate local assembly.

	USD	
Amounts in millions	2020	2019
Net sales		
Window Coverings	65	86
Architectural Products	41	61
Total	106	147
 Net assets employed	 86	 90
 Employees per year-end	 1,058	 1,467



› Silhouette® Originate
PowerView® Automation

Asia

Lower sales and profits.

The Covid-19 pandemic negatively impacted our business in most countries except Korea and Taiwan.

Our Architectural products business had lower sales and profits as lockdowns prevented installations from being completed, especially in India and in South East Asia. Order bookings were higher.

Window covering products had lower sales and profits. Our commercial project business suffered a significant drop in sales and profits due to project delays. Our residential business slowed our store merchandising upgrades, while we continued to focus on developing our distribution into the interior design community.

China

- › Metal architectural products had higher sales but lower profits, mainly in infrastructure projects. Private sector projects also slowed while order bookings were higher.
- › Our NBK business had lower sales and results. Order bookings grew.
- › Our commercial window covering business had much lower sales and profits due to installation delays. Order bookings were higher.



G.C. Neoh
President & CEO
Asian Operations

- › Our residential business had lower sales but higher profits.

India

- › Architectural products had lower sales and profits. Orders for several major airports and MRT projects could not be executed due to lockdowns and the resulting slow project site progress. Our order backlog grew.
- › Window covering products had lower sales and profits.

Japan

- › Our window covering business had higher sales and profits.

- › We are transitioning our small architectural business to a distributor.

Korea

- › Higher sales and profits in both our window coverings and architectural product business.

Taiwan

- › Higher sales and profits.

Southeast Asia

- › Lower sales and profits.

Amounts in millions	USD	
	2020	2019
Net sales		
Window Coverings	45	54
Architectural Products	74	82
Total	119	136
Net assets employed	140	124
Employees per year-end	1,577	1,419



› Nanjing Jiangbei Citizen Center

Australia

Record sales and profits.

- › Growth in new products and improved performance in several of our businesses delivered higher sales and profits despite Covid-19.
- › Our Luxaflex® branded window covering business, supported by its network of aligned Gallery and Showcase retailers, had higher sales, margins and profit. This reflected the strong reception of the recently introduced Lumishade™ and MagnaTrack products along with increased sales of our PolySatin® Shutters. Our new range of curtains was well received.
- › Our window coverings components business had increased sales, margins and profit. Most notably was the Alpha M external range of channel guided sun protection systems, a leader in its class.
- › Covid-19 adversely impacted our businesses in New Zealand and Victoria due to sustained lockdowns. Blindware, a component supplier acquired in July 2019 and Victory Curtains and Blinds, our shop-at-home business along with our Blindmaker in New Zealand achieved higher profits.



.....

Tony Politis
Managing Director
Australia & New Zealand

- › Blinds Online, our e-commerce business had record sales and profits, driven by consumers turning more to on-line shopping during the pandemic.
- › Vertilux, our specialised commercial fabricator, well settled in new premises regained its momentum and delivered higher sales and level profits.

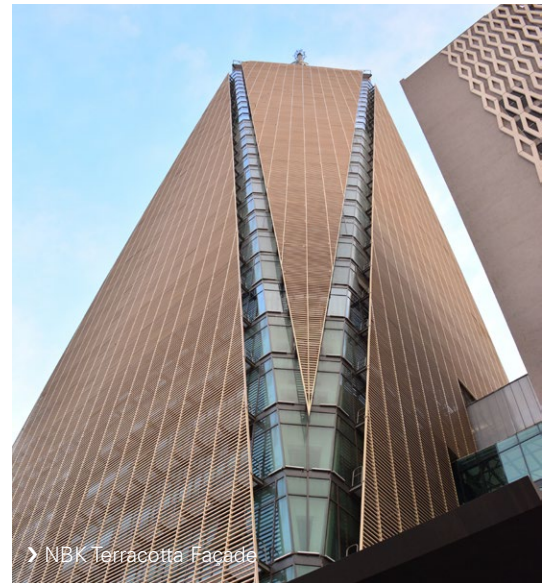


› Curtains and Duette® Shades

Amounts in millions	USD	
	2020	2019
Net sales		
Window Coverings	133	128
Architectural Products		
Total	133	128
Net assets employed	107	109
Employees per year-end	550	556



> Linear Ceiling



> NBK Terracotta Façade



> Ceiling



> NBK Terracotta Façade

Consolidated statement of income for the year



Leen Reijtenbagh
Vice President, CFO & Secretary



Chris King
Vice President General Counsel

Amounts in millions		USD	
	Notes	2020	2019
Continuing operations			
Net sales	3	3,543	3,686
Cost of sales	4	-2,151	-2,163
Gross profit		1,392	1,523
Selling and marketing expense	3	-692	-780
General and administrative expense	3	-387	-412
Income from operations before other income/expense		313	331
Other income	4	6	81
Other expense	4	-130	-54
Income from operations (EBIT)		189	358
Finance income	4	11	4
Finance costs	4	-11	-18
Income before taxes from continuing operations		189	344
Taxes on income	20	-73	-52
Net profit for the year from continuing operations		116	292
Discontinued operations			
Net profit after tax for the year from discontinued operations			-14
Net profit for the year		116	278
Net profit attributable to non-controlling interest			
Net profit attributable to equity shareholders		116	278
Earnings per share			
- Basic, profit for the year attributable to ordinary equity holders of the parent	22	3.34	7.98
- Diluted, profit for the year attributable to ordinary equity holders of the parent		3.34	7.98
Earnings per share for continuing operations			
- Basic, profit from continuing operations attributable to ordinary equity holders of the parent		3.34	8.38
- Diluted, profit from continuing operations attributable to ordinary equity holders of the parent		3.34	8.38

The accounting policies and explanatory notes on pages 32 through 59 form an integral part of the financial statements.

Consolidated statement of comprehensive income for the year

Amounts in millions	Notes	USD	
		2020	2019
Net profit for the year		116	278
Other comprehensive income			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods</i>			
Recycle of foreign exchange to P/L			6
Currency translation differences		40	32
Tax effect on other comprehensive income	20	-5	
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		35	38
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</i>			
Actuarial losses	24	-31	-32
Tax effect on other comprehensive income	20	7	6
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods		-24	-26
Total comprehensive income for the year, net of tax		127	290
Attributable to non-controlling interest		0	1
Attributable to equity shareholders		127	289

The accounting policies and explanatory notes on pages 32 through 59 form an integral part of the financial statements.

Consolidated balance sheet as per 31 December

Assets

Amounts in millions	Notes	USD	
		2020	2019
Non-current assets			
Intangible fixed assets	7	1,418	1,396
Tangible fixed assets	8	486	506
Right-of-use tangible fixed assets	9	135	145
Deferred income tax assets	20	147	142
Other financial non-current assets	10	69	56
Total non-current assets		2,255	2,245
Current assets			
Inventories	11	604	621
Trade and other receivables	12	429	421
Prepaid income tax		38	37
Prepayments	13	105	101
Currency derivatives	28	1	
Cash and short-term deposits	14	47	39
Total current assets		1,224	1,219
TOTAL ASSETS		3,479	3,464

The accounting policies and explanatory notes on pages 32 through 59 form an integral part of the financial statements.

Consolidated balance sheet as per 31 December

Shareholders' equity and liabilities

Amounts in millions	Notes	USD	
		2020	2019
Equity attributable to equity shareholders			
Issued capital	15	10	10
Share premium		167	167
Foreign currency translation		-244	-284
Legal reserve		126	134
Retained earnings		1,866	1,771
Total equity attributable to equity shareholders of the parent		1,925	1,798
Non-controlling interest	16	1	1
Total equity		1,926	1,799
Non-current liabilities			
Interest-bearing loans and borrowings	17	122	442
Preferred shares	17	10	9
Lease liabilities	9	104	109
Provisions	18	228	295
Deferred income tax liabilities	20	46	33
Total non-current liabilities		510	888
Current liabilities			
Trade and other payables	19	879	620
Lease liabilities	9	37	42
Income tax payable		47	29
Restructuring provisions		22	3
Currency derivatives	28		1
Interest-bearing loans and borrowings	17	58	82
Total current liabilities		1,043	777
TOTAL LIABILITIES		1,553	1,665
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,479	3,464

The accounting policies and explanatory notes on pages 32 through 59 form an integral part of the financial statements.

Consolidated cash flow statement for the year

Amounts in millions	Notes	USD	
		2020	2019
Net profit from continuing operations		116	292
Net profit from discontinued operations			-14
Adjustments for:			
Depreciation tangible fixed assets	8	90	99
Depreciation right-of-use tangible fixed assets		38	42
Amortization patents & trademarks	7	25	23
(Decrease) increase provisions		-57	18
Adjustments of put/call options over non-controlling interest	18	130	36
Other non-cash items		-16	-121
Operating cash flow before working capital changes		326	375
Changes in working capital:			
- decrease trade and other receivables and prepayments		2	175
- decrease inventories		34	169
- increase (decrease) trade and other payables		117	-173
Operating cash flow		479	546
Dividend paid	23		-79
Net cash from operations		479	467
Cash flow from investing activities			
Investments subsidiaries, net of cash acquired	5	-6	-112
Investments in tangible fixed assets	8	-73	-125
Divestment tangible fixed assets	8	19	28
Investments in intangible fixed assets	7	-1	-1
Decrease investment portfolio			1
Decrease (increase) other financial non-current assets		1	-1
Net cash from investing activities		-60	-210
Cash flow from financing activities			
Decrease interest-bearing loans and borrowings	17	-371	-210
Payment of lease liabilities		-41	-39
Net cash from financing activities		-412	-249
Net increase in cash and cash equivalents		7	8
Change in cash and cash equivalents			
Balance at 1 January		39	31
Net increase in cash and cash equivalents		7	8
Exchange difference cash and cash equivalents		1	
Balance at 31 December	14	47	39

Income tax paid 60 (2019: 84), interest paid 12 (2019: 19) and interest received 1 (2019: 1) are included in net cash from operations.

The accounting policies and explanatory notes on pages 32 through 59 form an integral part of the financial statements.

Consolidated statement of changes in equity for the year

Amounts in millions	Attributable to equity shareholders of the parent								
	Issued capital	Share premium	Treasury shares	Foreign currency translation	Legal reserve	Retained earnings	Total	Non-controlling interest	Total equity
At 1 January 2019	10	81	-35	-321	43	1,722	1,500	9	1,509
Net profit						278	278		278
Recycle of foreign exchange to P/L				6			6		6
Other comprehensive income (expense)				31		-26	5	1	6
Total comprehensive income (expense)	0	0	0	37	0	252	289	1	290
Exchange on capital and share premium		-2				2	0		0
Cancellation of shares			35			-35	0		0
Addition to legal reserve					91	-91	0		0
Capital contribution		88					88		88
Disposal							0	-9	-9
Equity dividends						-79	-79		-79
At 31 December 2019	10	167	0	-284	134	1,771	1,798	1	1,799
Net profit						116	116		116
Other comprehensive income (expense)				40		-29	11		11
Total comprehensive income (expense)	0	0	0	40	0	87	127	0	127
Transfer from legal reserve					-8	8	0		0
At 31 December 2020	10	167	0	-244	126	1,866	1,925	1	1,926

The accounting policies and explanatory notes on pages 32 through 59 form an integral part of the financial statements.

Notes to consolidated financial statements

1. Corporate information

The consolidated financial statements of Hunter Douglas N.V. for the year ended 31 December 2020 were authorized for issue on 10 March 2021. These financial statements will be adopted by the Annual General Meeting of Shareholders on 2 June 2021.

Hunter Douglas N.V. is incorporated in Curaçao. Common shares are publicly traded at Amsterdam (HDG) and Frankfurt (HUD) for the common shares; the preferred shares are traded at Amsterdam (HUNDP).

Hunter Douglas N.V. is registered at the Chamber of Commerce number 24117994.

The principal activities of the Company are described in note 3.

2. Summary of significant accounting policies

Basis of presentation

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, which have been measured at fair value. The consolidated financial statements are presented in U.S. dollars and all values are rounded to the nearest million except when otherwise indicated.

Statement of compliance

The consolidated financial statements of Hunter Douglas N.V. and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and International Financial Reporting Standards as issued by the IASB and title 9 of Book 2 of the Civil Code.

In accordance with Article 2:402 of the Civil Code, an abbreviated version of the income statement is presented in the Company's financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Hunter Douglas N.V. and its subsidiaries as at 31 December each year. The financial statements of subsidiaries are prepared for the same reporting year as the parent Company, using consistent accounting policies. All intercompany balances and transactions, including unrealized profits arising from intra-group transactions, have been eliminated upon consolidation.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group, in which case the consolidated financial statements include

the results for the part of the reporting year during which Hunter Douglas N.V. had control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns.

Acquisitions have been included in the consolidated financial statements using the acquisition accounting method. The purchase method of accounting involves allocating the costs of the business combination to the fair value of the assets acquired and liabilities assumed at the date of acquisition.

Accordingly, the consolidated financial statements include the results from the new acquisitions from the date of their acquisition.

Non-controlling interest represents the portion of profit or loss and net assets in some Latin American subsidiaries not held by Hunter Douglas N.V. and are presented separately in the statement of income and within equity in the consolidated balance sheet, separately from shareholders' equity.

Foreign currency translation

The consolidated financial statements are presented in US dollars, which is the Parent company's presentation and functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded at the functional currency rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange on the balance sheet dates. All differences are taken to the income statement with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to other comprehensive income until the disposal of the net investment, at which time they are recognized in the income statement. Tax charges and credits attributable to exchange differences on those borrowings are also recognized in other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

As at the reporting date, the assets and liabilities of the subsidiaries are translated into the presentation currency of the Company (US dollar) at the rate of exchange on the balance sheet date and their income statements are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognized in other comprehensive income relating to that particular foreign operation is recognized in the income statement.

Discontinued operations

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Additional disclosures are provided in Note 21. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

Intangible assets

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible asset.

Business Combinations and Goodwill

Business Combinations are accounted for using the acquisition accounting method. This involves recognizing identifiable assets (including previously unrecognized intangible assets) and liabilities (including contingent liabilities and excluding future restructuring) of the acquired business at fair value. Goodwill on acquisition is initially measured at cost being the excess

Notes to consolidated financial statements

of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. If the acquirer's interest in the net fair value of the identifiable assets and liabilities and contingent liabilities is higher than the cost of the business combination, the difference is recognized as a gain in the income statement.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained. Non-controlling interests in the acquiree are measured at the proportionate share of the acquiree's identifiable net assets. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognized.

Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

In case of the finalization of a purchase price allocation in the following year of the acquisition certain balances, which were based on a provisional assessment of their fair value, will be adjusted in line with IFRS 3.45.

Significant accounting judgement and estimates

The preparation of financial statements requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements in order to conform to IFRS.

These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. We evaluate these estimates and judgements on an ongoing basis and base our estimates on experience, current and expected future conditions, third-party evaluations and various other assumptions that we believe are reasonable under the circumstances. The results of these estimates form the basis for making judgements about the carrying values of assets and liabilities as well as identifying and assessing the accounting treatment with respect to commitments and contingencies. Actual results could differ from the estimates and assumptions.

Estimates significantly impact goodwill and other intangibles acquired, impairments, fair value of the investment portfolio and derivatives, liabilities from employee benefit plans, other provisions and tax and other contingencies. The fair values of acquired identifiable intangibles are based on an assessment of future cash flows. Impairment analyses of goodwill are performed annually and whenever a triggering event has occurred to determine whether the carrying value exceeds the recoverable amount. These analyses are based on estimates of future cash flows.

Assumptions used to determine pension liabilities include the interest rate and discount rate. Assumptions used to determine the fair value of the investment portfolio relate to credit risk and liquidity risk of the fund.

In various countries the Company has taken standpoints regarding its tax position which may at any time be challenged by the tax authorities because the authorities in question interpret the law differently. In determining the probability of realization of deferred tax assets and liabilities these uncertainties are taken into account.

Tangible fixed assets

Tangible fixed assets are carried at cost less accumulated depreciation and any accumulated impairment in value. Fixed assets are depreciated over the expected useful lives, using the straight-line method. An indication of the expected useful life is as follows:

Buildings	20 – 40 years
Machinery & equipment	5 – 10 years
Other tangible fixed assets	3 – 10 years
Land is not depreciated	

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where

the carrying values exceed the estimated recoverable amounts, the assets of cash-generating units are written down to their recoverable amount.

Other financial non-current assets

Other financial non-current assets are recorded at amortized costs. Investments in unconsolidated associates are recorded at equity value.

Inventories

Inventories are valued at the lower of production cost and net realizable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials are stated principally at the lower of cost (first-in/first-out) or net realizable value;
- Finished goods and work-in-progress are stated at cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognized and carried at original invoice amount less an allowance for impairment. Under IFRS 9, a forward-looking expected credit loss model must be applied when assessing impairment. In making impairment assessments, the Company applies the standard simplified approach to estimate the lifetime expected credit losses and considers its historical credit loss experience, adjusted for forward-looking factors specific to the nature of the Company's receivables and economic environment. If any such evidence exists, an impairment allowance is recognized.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of less than three months. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and

Notes to consolidated financial statements

any discount or premium on settlement. Gains and losses are recognized in net profit or loss when the liabilities are derecognized, as well as through the amortization process.

IAS 23 requires capitalization of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Pensions and other post-employment benefits

The Company operates two defined benefit pension schemes, all of which require contributions to be made to separately administered funds.

The cost of providing benefits under the plans is determined separately for each plan using the projected unit credit actuarial valuation method. Actuarial gains and losses for the defined benefit plans are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in retained earnings and are not reclassified to profit or loss in subsequent periods.

The defined benefit asset or liability comprises the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled. Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Company, nor can they be paid directly to the Company. Fair value is based on market price information and, in the case of quoted securities, it is the published bid price. The value of any defined benefit

asset recognized is restricted to the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

The Company also operates a number of defined contribution pension plans. The cost of providing contributions under the plans is charged to the income statement in the period to which the contributions relate.

Share-based payments/option plans

Share-based payments are expensed on the basis of their value determined by using option pricing models. The share-based payments qualify as cash-settled transactions and are measured initially at fair value at the grant date using the Black-Scholes formula, taking into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured at each balance sheet date up to and including the settlement date with changes in fair value recognized in the income statement.

Put-call option agreement

A put/call option is initially recognized as a financial asset or liability at its fair value of the underlying redemption amount, with any subsequent changes in its fair value recognized in profit or loss (see note 4, 5, 18 and 19 Business combinations).

Treasury shares

Own equity instruments which are reacquired (treasury shares) are deducted from equity. No gain or loss is recognized in the income statement on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. No rent concessions were received because of Covid-19.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets

includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land & buildings	3-50 years
Machinery & equipment	3-5 years
Other	3-5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. See also the policy about tangible fixed assets.

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Non-lease components, such as maintenance services, have been combined with the lease components, in accordance with IFRS 16.15.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are reported separately.

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of

Notes to consolidated financial statements

12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term. All lease liabilities with an initial contract value equal or less than USD 5,000 have been threatened as low-value assets.

Net sales

Net sales are recognized when control over a product is transferred to a customer. This is usually when the product is sent to the customer. Revenue is measured at the transaction price which is based on the amount of consideration that the Company expects to receive in exchange for transferring the promised goods to the customer net of freight, returns, allowances and sales tax. Cost of sales are recorded in the same period as sales are recognized. Other revenues and expenses are recorded in the period in which they originate.

Metals trading

Metals trading is presented on a net basis as these activities classify as broker/trader activities. Metals trading sales are excluded from net sales. Gross profit on metals trading represents the margin earned on bulk aluminium delivered to clients net of direct acquisition and trading costs. This business has been sold on September 13, 2019 (see also note 21).

Research and development

Research costs are expensed as incurred. Development costs are capitalized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

Income tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences such as the value of inventories, fixed assets and provisions for tax purposes which differ from the value used for financial reporting purposes, except where the deferred income tax liability arises from the initial recognition

of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized, except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognized directly in equity or other comprehensive income are recognized in equity or other comprehensive income and not in the income statement.

Sales tax

Revenues, expenses and assets are recognized net of the amount of sales tax except:

- where the sales tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the

asset or as part of the expense item as applicable; and

- receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Derecognition of financial instruments

A financial asset(or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Derivative financial instruments

The Company uses derivative financial instruments such as foreign currency contracts, interest rate swaps and metals futures to hedge its risks associated with interest rate, metal commodities and foreign currency fluctuations. Such derivative financial instruments are stated at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values are determined from listed market prices, price quotations from banks or from pricing models. Any gains or losses arising from changes in fair value on derivatives are taken directly to the income statement. No hedge accounting is applied for hedges except for net investments.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognized directly as a separate component of equity, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognized in the statement of income.

Notes to consolidated financial statements

Significant events in the period and accounting judgements and estimates

Impact of Covid-19 on the financial statements

The Covid-19 pandemic had a limited impact on the consolidated financial statements of the Group as of 31 December 2020. Q2 sales were overall 30% lower with negative results. As a consequence we quickly implemented restructuring measures to adapt the business to lower sales resulting in restructuring expenses of 63.

To mitigate the impact of the Covid-19 pandemic the Group received 19 subsidy, mainly from the UK and USA government. The total amount received is recognized in the consolidated statement of income and mainly in the line item "cost of sales". Government grants are recognized when there is reasonable assurance that the grants will be received.

The Group has taken the situation into account in its estimates, notably those related to the non-current and current assets valuation. The valuation of the non-current and current assets has not been adjusted as of 31 December 2020 as a result of the Covid-19 outbreak. Based on the above the Group determined that the going concern assumption is still appropriate.

Significant accounting estimate and judgements

The preparation of financial statements requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements in order to conform to IFRS. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. We evaluate these estimates and judgements on an ongoing basis and base our estimates on experience, current and expected future conditions, third-party evaluations and various other assumptions that we believe are reasonable under the circumstances. The results of these estimates form the basis for making judgements about the carrying values of assets and liabilities as well as identifying and assessing the accounting treatment with respect to commitments and contingencies. Actual results could differ from the estimates and assumptions.

Estimates significantly impact goodwill and other intangibles acquired, impairments, fair value of derivatives, provisions for put/call options, liabilities from employee benefit plans, other provisions and tax and other contingencies. The fair values of acquired identifiable intangibles are

based on an assessment of future cash flows. Impairment analyses of goodwill are performed annually and whenever a triggering event has occurred to determine whether the carrying value exceeds the recoverable amount. These analyses are based on estimates of future cash flows.

Assumptions used to determine pension liabilities include the interest rate and discount rate.

In various countries the Company has taken standpoints regarding its tax position which may at any time be challenged by the tax authorities because the authorities in question interpret the law differently. In determining the probability of realization of deferred tax assets and liabilities these uncertainties are taken into account.

New and amended standards and interpretations effective as from 2020

Several amendments apply for the first time in 2020, but do not have a material impact on the consolidated financial statements of the Company. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The nature and the impact of each of the following new standards, amendments and/or interpretations are described below:

- Amendments to References to the Conceptual Framework in IFRS Standards, effective 1 January 2020
- Amendments to IFRS 3 Business Combinations – Definition of a Business, effective 1 January 2020
- Amendments to IFRS 9 Financial Instruments, IFRS 7 Financial Instruments: Disclosures and IAS 39 Financial Instruments: Recognition and measurement- Interest Rate Benchmark Reform, effective 1 January 2020
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of material, effective 1 January 2020
- Amendment to IFRS 16 Leases – Covid-19 related rent concessions, effective 1 June 2020

These amendments did not have a material impact on the consolidated financial statements of the Company.

IFRS accounting standards issued but not yet effective

A number of amendments to existing standards have been published and are mandatory for the Company beginning on or after 1 January 2021, or later periods, and the Company has not early-adopted them. The changes to those standards are not expected to have a material impact on the Company's financial statements.

Notes to consolidated financial statements

3. Segment information

The Company has determined its reportable segments based on its internal reporting practices and on how the Company's management evaluates the performance of operations and allocates resources. The segments are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The window coverings segment relates to sales and manufacturing of window coverings for commercial and residential use. The architectural products segment relates to sales and manufacturing of architectural products mainly for commercial use. Up to 2019, the Metals Trading segment represents trading in metals mainly in contracts on bulk aluminium. During September 2019, the Metals Trading business unit has been disposed of. The Metals Trading segment information has been provided in this note to provide the full picture of the Company and has been presented as discontinued operations. Going forward the remaining reportable segments will be window coverings and architectural products. Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net profit and is measured consistently with net profit in the consolidated financial statements. Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. The Company's geographical segments are determined by the location of the Company's assets and operations.

Financial information by region

	Europe		North America		Latin America		Asia		Australia		Total	
USD millions												
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Net sales												
Window Coverings	1,314	1,344	1,703	1,730	65	86	45	54	133	128	3,260	3,342
Architectural Products	67	70	101	131	41	61	74	82			283	344
Total*	1,381	1,414	1,804	1,861	106	147	119	136	133	128	3,543	3,686
Net assets employed	986	1,196	1,065	1,150	86	90	140	124	107	109	2,384	2,669
of which												
Non-current assets*	1,056	965	858	819	41	43	75	75	77	69	2,107	1,971
Additions to tangible												
fixed assets	24	37	45	79	2	3	2	3	1	3	74	125
Depreciation tangible												
fixed assets	46	46	66	75	5	7	7	8	4	5	128	141
Employees per year-end**	7,366	7,588	12,320	13,690	1,058	1,467	1,577	1,419	550	556	22,871	24,720

(*) Net sales in the Netherlands were 161 (2019: 136) and non-current assets 65 (2019: 54).

(**) Of which 21,756 (2019: 23,518) employed outside the Netherlands.

Relative distribution of employees per business segment per area is in line with net sales per area.

Notes to consolidated financial statements

3. Segment information (continued)

Business segments

The following table presents revenue and income information and certain asset and liability information regarding the Company's business segments for the years ended 31 December 2020 and 2019.

Amounts in millions	Window Coverings		Architectural Products		Metals Trading		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Continuing operations								
Revenue								
Sales to external customers	3,260	3,342	283	344			3,543	3,686
Segment revenue	3,260	3,342	283	344			3,543	3,686
Total gross profit	1,294	1,384	98	139			1,392	1,523
Selling and marketing expense	-627	-701	-65	-79			-692	-780
General and administrative expense	-355	-381	-32	-31			-387	-412
Income from operations before other income/expense	312	302	1	29			313	331
Other income	6	81					6	81
Other expense	-130	-54					-130	-54
Income from operations (EBIT)	188	329	1	29			189	358
Finance income	11	4					11	4
Finance costs	-10	-17	-1	-1			-11	-18
Income before taxes	189	316	0	28			189	344
Taxes on income	-73	-48		-4			-73	-52
Net profit from continuing operations	116	268	0	24			116	292
Discontinued operations								
Net profit after tax from discontinued operations						-14	0	-14
Net profit for the year	116	268	0	24	0	-14	116	278
Net profit attributable to non-controlling interest							0	0
Net profit attributable to equity shareholders	116	268	0	24	0	-14	116	278
Assets and liabilities								
Segment assets	3,166	3,148	277	307			3,443	3,455
Investment in an associate	36	9					36	9
Total assets	3,202	3,157	277	307			3,479	3,464
Segment liabilities	1,401	1,469	152	196			1,553	1,665
Total liabilities	1,401	1,469	152	196			1,553	1,665
Net assets employed	2,220	2,466	164	203			2,384	2,669
Other segment information								
Additions tangible fixed assets	67	115	6	10			73	125
Depreciation tangible fixed assets	112	126	16	15			128	141
Intangibles	1,388	1,364	30	32			1,418	1,396
Amortization patents and trademarks	22	20	3	3			25	23
Non-recurring restructuring expenses	51	8	14	1			65	9

Notes to consolidated financial statements

4. Revenues and expenses

Amounts in millions	2020	2019
Finance income		
Other financial income	11	4
Total finance income	<u>11</u>	<u>4</u>
Finance costs		
Bank loans and overdraft	-5	-6
Lease liabilities	-3	-3
Other loans (including non-cumulative redeemable preference shares)	-3	-9
Total finance costs	<u>-11</u>	<u>-18</u>
Other income		
This relates to the fair value adjustment on an acquired company (also refer to note 5) (2019: step-up acquisition of 3 Day Blinds)	6	81
Other expense		
This relates to adjustments of put/call options over the non-controlling interest (also refer to note 18) (2019: it also relates to losses on divestments)	-130	-54
Non-recurring restructuring expenses are included in the consolidated income statement as follows:		
Cost of sales	52	4
Selling and marketing expense	6	4
General and administrative expense	7	1
	<u>65</u>	<u>9</u>
Non-recurring restructuring expenses mainly relate to the reduction of employees caused by changes of the business per company		
Depreciation, amortization and costs of inventories included in consolidated income statement		
Included in cost of sales:		
Depreciation of tangible fixed assets	74	66
Employee benefits expense	459	471
Costs of inventories recognized as an expense	1,618	1,626
	<u>2,151</u>	<u>2,163</u>
Included in selling and marketing expense:		
Depreciation of tangible fixed assets	15	14
Employee benefits expense	308	326
Included in general and administrative expense:		
Depreciation of tangible fixed assets	39	61
Employee benefits expense	251	254
Amortization other intangibles	25	23
Employee benefits expense		
Wages and salaries	823	842
Social security costs	161	170
Pension costs	34	39
Employee benefits expense included in other expense	34	
	<u>1,052</u>	<u>1,051</u>
Research costs		

Research costs consist of 44 (2019: 47) charged directly to general and administrative expense in the income statement.

Notes to consolidated financial statements

5. Business combination

In 2020 Hunter Douglas acquired 3 small businesses in the window covering segment with total additional sales in 2020 of USD 45 mln.

In 2019 Hunter Douglas acquired the following businesses:

- Stores-Discount, a leading e-commerce retailer in France for window covering products since May 2019 with 2019 sales of EUR 15 mln and employs 125 people.
 - Copaco Screenweavers, a leading European manufacturer of sunscreen fabrics since May 2019 with 2019 sales of EUR 19 mln and employs 125 people.
 - 3 Day Blinds (incl. Next Day Blinds), a North American in-home seller and manufacturer of its own branded line of shades, blinds and draperies since December 2019 with 2019 sales of USD 191 mln and employs about 1,200 people.
- The above subsidiaries have been accounted for as 100% acquired as the Company has put/call options over the non-controlling interest. Refer to note 18 for further details.
- 30% of Select Blinds, a North American online retailer of its own branded window covering products since December 2019 with 2019 sales of USD 123 mln.

The fair value of the identifiable assets and liabilities of these companies determined as at the date of acquisition are:

Recognized on acquisitions	2020	2019		
Amounts in millions	Total Window covering	US Shop-at-home	European Window covering	Total
Inventories	2	11	11	22
Trade and other receivables	7	5	23	28
Cash and short-term deposits	11	8	11	19
Trade and other payables	-12	-55	-23	-78
Tangible fixed assets	2	8	11	19
Intangible fixed assets	1	64		64
Other non-current assets		1		1
Short-term loans			-3	-3
Long-term loans			-9	-9
Deferred income tax provision		-1		-1
Other long-term provision		-7	-1	-8
Fair value of net assets	11	34	20	54
Goodwill arising on acquisitions	22	203	64	267
Total consideration	33	237	84	321
Consideration				
Cash paid	17	47	84	131
Step-up gain		81		81
Fair value adjustment	6			0
Deferred consideration	10			0
Equity adjustment		88		88
Previous financial interest		21		21
	33	237	84	321
Cash outflow on acquisitions:				
Cash paid	-17	-47	-84	-131
Net cash acquired with acquisitions	11	8	11	19
	-6	-39	-73	-112

The goodwill of 22 includes 6 fair value adjustment recognized in the consolidated statement of income. Goodwill arising on acquisitions mainly relates to the increase in market share as well as the assembled workforce and are not tax deductible in the future. The reason of the fair value adjustment is the result of the difference between the agreed purchase price and the fair value of the shares.

Notes to consolidated financial statements

6. Impairment testing of indefinitely lived goodwill

The carrying amount of goodwill is allocated to the cash-generating units within the window coverings or architectural products segment.

The recoverable amount of the units is based on value-in-use calculations. Those calculations use cash flow projections based on the budget for the coming year extrapolated with no growth to determine the terminal value. A pre-tax Weighted Average Cost of Capital (WACC) of 10.2% (2019: 9.8%) has been used as a basis to discount the projected cash flows. Per unit local market conditions are accounted for in determining next year's budget. The budgets are founded on achieved results in the preceding years and expectations on local industry developments going forward.

With regard to the assessment of value in use, management believes that, considering the assumptions used, that no reasonably possible change in any of the above key variables would result in an impairment. For Hillarys' impairment testing of goodwill a longer period up to 2026 is used to calculate the value in use. A long-term growth rate of 0.8% (2019: 3%) is applied to determine the terminal value. The pre-tax WACC for Hillarys was set at 10.9% (2019: 8.9%). The outcome of the calculation resulted in a marginal headroom and will be followed up carefully on a quarterly basis. A long-term growth rate of 0.5% would result in an impairment of 11. An increase in the pre-tax WACC of 0.5 percentage point would result in an impairment of 25.

7. Intangible fixed assets

Amounts in millions	Goodwill		Patents & Trademarks		Total	
	2020	2019	2020	2019	2020	2019
At 1 January	1,195	909	201	160	1,396	1,069
Acquisitions	23	267		64	23	331
Additions	1	1			1	1
Transfer*	-15				-15	0
Amortization			-25	-23	-25	-23
Exchange	37	18	1		38	18
At 31 December	1,241	1,195	177	201	1,418	1,396
At 1 January						
Cost	1,195	909	339	275	1,534	1,184
Accumulated amortization			-138	-115	-138	-115
Net carrying amount	1,195	909	201	160	1,396	1,069
At 31 December						
Cost	1,241	1,195	340	339	1,581	1,534
Accumulated amortization			-163	-138	-163	-138
Net carrying amount	1,241	1,195	177	201	1,418	1,396

* The transfer relates to the deconsolidation of the 247 Home Furnishings Ltd. of which Hunter Douglas had to give up control pursuant to an initial enforcement order by the Competition and Market Authority (CMA) in 2020.

Goodwill is not amortized but is subject to annual impairment testing (see note 6). Any impairment on goodwill is recorded in profit or loss through other expenses (see Note 4). Patents and trademarks are amortized between 10 and 20 years. For the 2019 acquisitions the fair value amounts were provisional. These have been finalized in 2020 with changes to the provisional amounts. For the 2020 acquisitions the fair value amounts are provisional. This will be finalized in 2021.

The carrying amount of goodwill of 1,241 (2019: 1,195) exists mainly of goodwill paid for the following 4 (2019: 4) cash generating units:

- The pleated blind systems distribution in Europe (WCP segment) is mainly handled by Benthin and Blöcker in Germany and Thomas Sanderson in the UK.

For those companies, acquired in the past, the Company has per balance sheet date an amount of 20 (2019: 20) for goodwill.

- As the US window covering business is very much integrated, we see this business as one cash generating unit. For these companies, acquired in this segment, the Company has per balance sheet date an amount of 439 (2019: 409) for goodwill.

- The acquired online retailer business has per balance sheet date an amount of 167 (2019: 175) for goodwill.

- The acquired Hillarys business has per balance sheet date an amount of 363 (2019: 351) for goodwill.

Notes to consolidated financial statements

8. Tangible fixed assets

Amounts in millions	Land & Buildings		Machinery & Equipment		Other fixed assets		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
At 1 January	198	211	284	257	24	24	506	492
Additions	24	21	48	102	1	2	73	125
Acquisitions		10	1	9	1		2	19
Disposals	-8	-19	-11	-9			-19	-28
Depreciation charge for the year	-17	-23	-71	-74	-2	-2	-90	-99
Exchange	6	-2	8	-1			14	-3
At 31 December, net of accumulated depreciation	203	198	259	284	24	24	486	506
At 1 January								
Cost	470	469	1,121	1,100	59	60	1,650	1,629
Accumulated depreciation	-272	-258	-837	-843	-35	-36	-1,144	-1,137
Net carrying amount	198	211	284	257	24	24	506	492
At 31 December								
Cost	497	470	1,185	1,121	68	59	1,750	1,650
Accumulated depreciation	-294	-272	-926	-837	-44	-35	-1,264	-1,144
Net carrying amount	203	198	259	284	24	24	486	506

Included in tangible fixed assets at 31 December 2020 is an amount of 39 (2019: 37) relating to expenditure in construction.

9. Right-of-use tangible fixed assets

Amounts in millions	Right-of-use tangible fixed assets				Lease Liabilities*
	Land & Buildings	Machinery & Equipment	Other fixed assets	Total	
At 1 January 2019	101	4	17	122	122
Additions	59	1	9	69	69
Disposals	-2		-2	-4	-4
Depreciation expense	-32	-2	-8	-42	
Interest expense				0	3
Payments				0	-39
At 31 December 2019	126	3	16	145	151
Additions	33	1	7	41	41
Disposals	-17		-1	-18	-17
Depreciation expense	-30	-2	-6	-38	
Interest expense				0	3
Payments				0	-41
Exchange	4	1		5	4
At 31 December 2020	116	3	16	135	141

* Excluding short-term leases and leases of low-value assets

The Company has lease contracts for various items of plant, machinery, vehicles and other equipment used in its operations. Leases of plant and machinery generally have lease terms between 3 and 10 years, while motor vehicles and other equipment generally have lease terms between 3 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of office equipment with low value. The Company applies the 'lease of low-value assets' recognition exemptions for these leases. The lease expense for low-value assets for 2020 were not material. The Company does not have leases with a lease terms of 12 months or less for which the company applied the 'short-term lease' recognition exemptions for these leases. The Company had total cash outflows for leases of 41 in 2020.

Notes to consolidated financial statements

10. Other financial non-current assets

Amounts in millions	Receivables from key management employees	Other long-term receivables	Investments in associates	Other	2019
At 1 January 2019		43	26	12	81
Additions	1		9	2	12
Deductions		-11	-26		-37
At 31 December 2019	1	32	9	14	56
Additions			7	2	9
Transfer*			20*		20
Deductions	-1	-8		-7	-16
At 31 December 2020	0	24	36	9	69

* The transfer relates to the deconsolidation of the 247 Home Furnishings Ltd. of which Hunter Douglas had to give up control pursuant to an initial enforcement order by the Competition and Market Authority (CMA) in 2020.

11. Inventories

Amounts in millions	2020	2019
Raw materials (at cost)	417	433
Work-in-progress (at cost)	31	34
Finished goods:		
- At cost	327	299
- Provision	-171	-145
	604	621

12. Trade and other receivables (current)

Amounts in millions	2020	2019
Trade receivables	407	398
Financial institutions	14	15
Other receivables	2	4
Short-term advances	6	4
	429	421

Trade receivables are non-interest bearing and are generally on 30-60 day terms. As at 31 December 2020, trade receivables at nominal value of 42 (2019: 24) were impaired and fully provided for and relate to the trade receivables that are past due.

Movements in the provision for impairment of trade receivables were as follows:

Amounts in millions	2020	2019
At 1 January	24	24
Additions	25	13
Utilized	-8	-12
Exchange	1	-1
At 31 December	42	24

The provision for impairment has been primarily established for receivables that are past due.

Notes to consolidated financial statements

As at 31 December the ageing of trade receivables is as follows:

Amounts in millions	Not due		Past due		
	< 30 days	30-60 days	60-90 days	90-120 days	> 120 days
2020	325	46	14	11	11
2019	299	48	19	16	16

The company has 371 (2019: 347) of not yet due trade receivables.

Financial institutions

Amounts in millions	2020	2019
Deposits	14	15
	14	15

13. Prepayments

Amounts in millions	2020	2019
Prepaid expenses	85	84
Prepaid taxes (no income tax)	12	11
Other	8	6
	105	101

The net amount of sales tax receivable and sales tax payable is non-interest bearing and is remitted to the appropriate taxation authorities on a monthly basis.

14. Cash and short-term deposits

Cash at bank and in hand earns interest at floating rates based on market conditions. Short-term deposits are made for varying periods of between one day and 3 months depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. At 31 December 2020 the fair value of cash and cash equivalents is 47 (2019: 39).

At 31 December 2020, the Company had available 818 (2019: 540) of undrawn committed borrowing facilities. For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise the following at 31 December:

Amounts in millions	2020	2019
Cash at bank and in hand	45	38
Short-term deposits	2	1
	47	39

Funds in certain countries in which the Company operates are subject to varying exchange regulations. No material restrictions exist for transfers of a current nature, such as dividends from subsidiaries. A few countries have more severe restrictions on remittances of a capital nature, which are immaterial to the Company.

Notes to consolidated financial statements

15. Issued capital and reserves

Numbers x 1,000	Ordinary shares	
	2020	2019
	€ 0.24 each	€ 0.24 each
Issued and fully paid-in		
At 1 January	34,790	35,432
Cancellation		-642
At 31 December	<u>34,790</u>	<u>34,790</u>
Treasury shares		
At 1 January		642
At 31 December		

The Sonnenberg Family owns at year-end 2020 29,176,579 (2019: 28,764,039) common shares of Hunter Douglas N.V. representing 83.87% (2019: 82.68%) of the common shares of the Company.

Public offer: On December 12, 2020 Hunter Douglas and Bergson Holdings B.V., a holding company owned and controlled by Mr. R. Sonnenberg, announced that Bergson is offering to acquire all of Hunter Douglas' outstanding common shares for EUR 64 in cash per share (cum dividend). The transaction, which is expected to be completed ultimately in Q3 2021, is subject to the satisfaction of customary offer conditions.

Share premium: under present Dutch Law, substantially all share premium may be distributed as stock dividend free from Dutch dividend withholding tax.

The foreign currency translation reserve and the cash flow hedge reserve are legal reserves and when negative/positive, the retained earnings cannot be distributed for this amount.

Retained earnings: this reserve is freely distributable.

There are no external capital requirements.

16. Non-controlling interest

Amounts in millions	2020	2019
Other	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

Notes to consolidated financial statements

17. Interest-bearing loans and borrowings

Amounts in millions	Currency	Interest rate	Maturity date	2020	2019
Current					
Bank overdraft		Various *	N/A	42	31
Short-term bank loans		Various *	N/A	16	51
				58	82
Non-current					
Agricultural Bank of China	EUR	Various *	N/A		34
Agricultural Bank of China	EUR	Various *	N/A		56
Bayerische Landesbank	EUR	Various *	N/A		28
ING Bank	EUR	Various *	2022		140
Svenska Handelsbanken	EUR	Various *	2022	122	112
Commerzbank	EUR	Various *	2024		72
				122	442
Preferred shares					
Preferred shares	EUR	Various *	N/A	10	9

* Mostly at Interbank rates plus a margin

Average life of long-term loans is 1.89 years (2019: 2.56 years); all loans are at variable rates of interest. The balance consists mainly of Euro lines of credit at Interbank interest rates with varying spreads. All loans are unsecured.

Hunter Douglas N.V.'s Articles of Association fix the annual dividend on each preferred share at a percentage of the par value. This percentage amounts to 2.25% per annum over the European Central Bank's deposit rate on the last working day of May of the affected year.

The decrease in total interest bearing loans and borrowings of 371, offset by 29 exchange differences, is caused by positive cash flow from operations.

18. Provisions

Amounts in millions	Pensions (note 24)	Other Employee Benefits	Put / Call Options	Other	Total
At 1 January	100	51	123	21	295
Additions from income statement	5		130	20	155
Contributions	-44				-44
Actuarial losses	27				27
Transfer to other payables (current)			-155		-155
Utilized		-28	-18	-11	-57
Exchange			7		7
At 31 December	88	23	87	30	228
Non-current 2020	88	23	87	30	228
Non-current 2019	100	51	123	21	295

The provision for put/call options relates to options for minority shares in consolidated subsidiaries that have been accounted for as 100% acquired. The maturity of these options is presented in the liquidity risk table in Note 28. The options mature between 2021 and 2027. The options have variable exercise prices based on forecasted results of the subsidiaries against a multiple up to maturity date and are valued as such in the provision. The forecasted results have an element of uncertainty as they relate to the future performance of the related subsidiaries.

The transfer of 155 in the put/call options is because during Q1 2021 the remaining shares of Blinds2go, the UK internet business, have been acquired.

Notes to consolidated financial statements

19. Trade and other payables (current)

Amounts in millions	2020	2019
Trade payables	184	164
Accrued wages, social charges and other compensation	175	164
Other payables and accrued expenses	237	165
Commissions, discounts and allowances	35	27
Put / Call options	155	
Other	93	100
	879	620

Terms and conditions of the above financial liabilities: Trade payables are non-interest-bearing and are normally settled on 45-day terms. Other payables are non-interest-bearing and have an average term of 6 months.

20. Income tax

Amounts in millions	2020	2019
Consolidated income statement		
Current income tax		
Current income tax charge	65	35
Adjustments in respect of current income tax of previous years	-2	-2
Deferred income tax		
Relating to origination and reversal of temporary differences and recognition of tax losses	10	19
	73	52

A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate for the years ended 31 December 2020 and 2019 is as follows:

Amounts in millions	2020	2019
Accounting profit before income tax	189	344
At Dutch statutory income tax rate of 25% (2019: 25%)	47	86
Tax losses not recognized in prior years	-1	-13
Tax losses not recognized in the year	2	
Adjustments to previous years	5	-2
Impact different tax rates per country	-8	-14
Non-deductable expense put/call options	28	7
Permanent differences	6	-8
Effect of NL tax rate change on DTA	-10	-3
Other	4	-1
At effective income tax rate of 38.6% (2019: 15.1%)	73	52
Income tax expense reported in consolidated income statement	73	52

Deferred tax assets have been only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profits will be available, against which the temporary differences can be utilized.

The Company has unused tax losses of 41 (2019: 40), of which 6 expires within 5 years and the remaining 35 has no expiry date. The unused tax losses are available for offset against future taxable profits of the companies in which the losses arose.

Notes to consolidated financial statements

20. Income tax (continued)

Amounts in millions	Consolidated Balance Sheet		Consolidated Income Statement		Via O.C.I.	
	2020	2019	2020	2019	2020	2019
Deferred income tax assets						
Losses available for offset against future taxable income	24	33	-9	6		
Temporary valuation differences:						
Tangible fixed assets	2	3	-1			
Inventories	2	4	-2	1		
Pensions	20	25	-12	4	7	6
Trademarks	68	53	15	-7		
Other	31	24	12	1	-5	
	<u>147</u>	<u>142</u>				
Deferred income tax liabilities						
Temporary valuation differences						
on IP from Hillarys acquisition	6	9	3			
on IP from 3 Day Blinds acquisition	9	9		-9		
Other	31	15	-16	-15		
	<u>46</u>	<u>33</u>				
Deferred income tax income (expense)			<u>-10</u>	<u>-19</u>	<u>2</u>	<u>6</u>

Notes to consolidated financial statements

21. Metals Trading business

The Company has sold its Metals Trading business on 13 September 2019 to a management group under the leadership of its long-time President, George Ribet.

The results of Metals Trading are presented below:

Amounts in millions	2020	2019 Jan to Sept
Net sales		392
Expenses		-5
Operating income		9
Profit (loss) before tax		-12
Tax		-2
Profit (loss) after tax	0	-14

The net cash flow incurred by Metals Trading is as follows:

Amounts in millions	2020	2019 Jan to Sept
Operating		39
Investing		-3
Financing		-36
Net cash inflow (outflow)	0	0

Earnings per share

Basic, profit (loss) for the year from discontinued operations	-0.40
Diluted, profit (loss) for the year from discontinued operations	-0.40

22. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options).

The income and share data used in the basic and diluted earnings per share computations is as follows:

Amounts in millions	2020	2019
Net profit attributable to equity shareholders	116	278
Numbers x 1,000	2020	2019
Weighted average number of ordinary shares for basic earnings per share	34,790	34,790

On January 9, 2019 the company has cancelled 642,089 ordinary shares which were held as Treasury shares.

Notes to consolidated financial statements

23. Dividend paid

Amounts in millions	2020	2019
Declared and paid during the year:		
Equity dividend on ordinary shares:		
Final dividend for 2019: nil (2018: EUR 2.00)		79
	0	79

24. Employee benefits

Pension plans

Defined benefit plans

Employee pension plans have been established in many countries in accordance with the legal requirements, customs and the local situation in the countries involved. The minority of employees in the United Kingdom and North America are covered by defined benefit plans. The defined benefit plan in North America is based on average wage earned, in the United Kingdom is the defined benefit plan based on last wage earned. The benefits provided by these plans are based on employees' years of service and compensation levels. The measurement date for defined benefit plans is 31 December.

Contributions are made by the Company as necessary, to provide assets sufficient to meet the benefits payable to defined benefit pension plan participants. These contributions are determined based upon various factors, including funded status, legal and tax considerations as well as local customs. The UK pension plan was frozen as of 1 January 2000. The US pension plan was frozen as of 31 December 2012. No future benefits accruals and no new participants are allowed.

The following tables summarize the components of the net benefit expense recognized in the consolidated income statement and the funded status and amounts recognized in the consolidated balance sheet for the UK and US pension plans, as well as the principal assumptions applied. Other defined benefit pension plans included in the net benefit expense and consolidated balance sheet are not material.

The principal assumptions used for the purpose of the actuarial valuation are as follows:

%	Pension plans			
	US		UK	
	2020	2019	2020	2019
Discount rate	2.45	3.20	1.30	2.00
Future salary increase	NA	NA	2.40	2.90
Inflation assumption	NA	NA	2.90	2.90

Sensitivity analysis: If the discount rate in the US increases (decreases) with 0.25% the pension provision will decrease (increase) with around 11, for the other plans changes are not expected to have a material effect on equity or profit-and-loss.

Notes to consolidated financial statements

24. Employee benefits (continued)

The amount recognized in the balance sheet in respect of the Company's defined benefit retirement plans is as follows:

Amounts in millions	Pension plans			
	US		UK	
	2020	2019	2020	2019
Defined benefit obligations	-245	-310	-87	-70
Fair value of plan assets	185	224	59	56
Funded status	-60	-86	-28	-14
Net liability in balance sheet	-60	-86	-28	-14

Amounts recognized in profit or loss in respect of the defined benefit plans are as follows:

Amounts in millions	Pension plans			
	US		UK	
	2020	2019	2020	2019
Current service cost	1	1	1	
Interest cost on benefit obligation	9	11	1	2
Interest return on plan assets	-7	-9	-1	-1
Net benefit expense	3	3	1	1
Actual return on plan assets	16	28	4	6

Changes in the fair value of the defined benefit obligations are as follows:

Amounts in millions	Pension plans			
	US		UK	
	2020	2019	2020	2019
Opening defined benefit obligations	310	268	70	63
Current service cost and received employee contributions	1	1	1	
Interest cost on benefit obligation	9	11	1	2
Benefits paid	-13	-13	-2	-3
Settlement payments	-88			
Actuarial loss	26	43	14	5
Exchange differences on plans			3	3
Closing defined benefit obligations	245	310	87	70

Notes to consolidated financial statements

24. Employee benefits (continued)

Changes in the fair value of the plan assets are as follows:

Amounts in millions	Pension plans			
	US		UK	
	2020	2019	2020	2019
Opening fair value of plan assets	224	214	56	50
Interest return on plan assets	7	9	1	1
Contributions	43	2	1	1
Benefits paid	-13	-13	-2	-3
Settlement payments	-88			
Actuarial gain	12	12	1	4
Exchange differences			2	3
Closing fair value of plan assets	185	224	59	56
Of which:				
Bonds	15	49	2	20
Equities	122	130	38	34
Other	48	45	19	2
The actual return on plan assets amounts	9.5%	12.7%	3.9%	13.3%

For the next years we expect the contributions to remain at the same level as in 2020.

The plan assets do not include any of the Company's own financial instruments, nor any property occupied or other assets used by the Company and exists mainly of hedge funds. The Company expects to contribute approximately 1 to its defined benefit plans in 2021. Contribution by employer will not materially differ from previous years.

Defined contribution plans

The expense of the defined contribution plans for 2020 amounts to 31 (2019: 35).

25. Commitments and contingencies

Capital commitments

At 31 December 2020, the Company has commitments for capital expenditures of 14 (2019: 18).

Legal claims

Legal claims have been filed against the Company in the course of its normal business. Management together with their legal counsel have only recognized a provision if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Guarantees

Hunter Douglas N.V. has the following contingent liabilities at 31 December 2020:

- The Company is contingently liable for guarantees given mainly for its subsidiaries (guarantees under article 2:403 of Dutch Civil Code), on which no material losses are expected.
- The Company forms part of a fiscal unity for Dutch corporate income tax purposes, and as such is jointly and severally liable for the liabilities of the whole fiscal unity.

Notes to consolidated financial statements

26. Related party disclosure

The consolidated financial statements include the financial statements of Hunter Douglas N.V. and the subsidiaries as listed on page 70 and 71.

Amounts in millions	2020	2019
Short-term employee benefits	24	21
Total compensation paid to key management employees	24	21

As per year-end loans and advances amounted to key management employees nil (2019: 1).

27. Capital management and risk management objectives and policies

The financing of the Company is based on a conservative capital structure. The Company has procedures and policies in place to control risks related to financial instruments. These policies and procedures include a clear segregation of duties between operating, settlement, accounting and controlling of all financial instruments used. The Company's senior management takes an active role in the risk management process. In addition, the geographical spread of the Company's activities limits the exposures to concentrations of credit or market risk.

The Company attempts to minimize the counterparty credit risk associated with the financial instruments used by selecting counterparties that it assumes to be creditworthy, given their high credit ratings.

The Company does not have significant credit risk exposure to any individual customer or counterparty. A substantial part of trade receivables is covered by securities obtained, credit insurance or letters of credit. Also, the Company has concluded netting arrangements with some counterparties to offset financial instruments. Given their credit ratings, the remaining credit exposure with these counterparties is not considered of significance.

The following instruments are used:

a. Interest derivatives

Interest derivatives are used to manage exposure to movements in interest rates and to assume trading positions.

b. Foreign exchange derivatives

Foreign exchange derivatives are used to manage the exposure of currency exchange rate risks resulting from cash flows from (anticipated) business activities and financing arrangements denominated in foreign currencies and to assume trading positions.

Interest, commodity and foreign exchange derivatives are carried at their fair value. The interest, commodity and foreign exchange derivatives generally mature within one year. All changes in the fair value of derivatives are taken directly to the income statement as no hedge accounting is applied.

Notes to consolidated financial statements

27. Capital management and risk management objectives and policies (continued)

Interest rate risk table

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variances held constant, of the Company's profit before tax (through the impact on floating rate borrowings). The effect on equity excludes the effect on profit before tax which ends up in equity.

Amounts in millions	Increase/decrease in basis points	Effect on profit before tax	Effect on equity
2020			
Euro	50	1	
US dollar	50		
2019			
Euro	50	2	
US dollar	50		

Foreign currency risk

As a result of significant operations in Europe, the Company's balance sheet can be affected significantly by movements in the US dollar / Euro exchange rates. The Company seeks to mitigate the effect of its structural currency exposure by borrowing in Euros. Between 20% and 50% of the Company's investment in non-USD operations will be hedged in this manner.

The following table demonstrates the sensitivity to a reasonably possible change in the Euro exchange rate, with all other variances held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Company's equity (due to changes in the net investments, excluding the effect on profit before tax which ends up in equity).

Amounts in millions	Increase/decrease Euro exchange rate	Effect on profit before tax	Effect on equity
2020	5%	0	22
	-5%	-1	-22
2019	5%	0	151
	-5%	-2	-151

28. Financial instruments

Derivative financial instruments

Amounts in millions	2020		2019	
	Face amount	Fair value	Face amount	Fair value
Currency forward				
Buy	121	-5	106	-3
Sell	-133	6	-23	2
	<u>-12</u>	<u>1</u>	<u>83</u>	<u>-1</u>

Currency forwards are valued at existing forward rates at the balance sheet date.

Notes to consolidated financial statements

28. Financial instruments (continued)

Fair values

Set out below is a comparison by category of carrying amounts and fair values of all the Company's financial instruments.

The fair value of borrowings has been calculated by discounting the expected future cash flows at prevailing interest rates. The fair value of other financial assets has been calculated using the market interest rates. For financial instruments at fair value, the fair value hierarchy is indicated.

Amounts in millions	Carrying amount		Fair value	
	2020	2019	2020	2019
Financial assets				
Non-current				
Other financial assets - amortized cost	24	32	24	32
Current				
Trade receivables - amortized cost	407	398	407	398
Financial institutions and brokers - amortized cost	14	15	14	15
Currency derivatives - fair value through P&I (level 2)	1		1	
Cash and short-term deposits - amortized cost	47	39	47	39
	<u>469</u>	<u>452</u>	<u>469</u>	<u>452</u>
Financial liabilities				
Non-current - amortized cost				
Preferred shares - floating rate*	10	9	10	9
Other borrowings - floating rate*	122	442	122	442
	<u>132</u>	<u>451</u>	<u>132</u>	<u>451</u>
Current				
Trade payables - amortized cost	184	164	184	164
Currency derivatives - fair value through P&I (level 2)		1		1
Bank overdraft - floating rate* - amortized cost	42	31	42	31
Short-term bank loans - floating rate* - amortized cost	16	51	16	51
	<u>242</u>	<u>247</u>	<u>242</u>	<u>247</u>

* For interest-bearing loans and borrowings with a floating rate their fair value approximates their carrying value.

Notes to consolidated financial statements

28. Financial instruments (continued)

Liquidity risk

Amounts in millions	Within 1 year		1-2 years		2-3 years		3-4 years		4-5 years		More than 5 years		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Trade payables	184	164											184	164
Other payables	609	488											609	488
Lease liabilities	38	45	27	32	20	23	14	17	9	12	45	44	153	173
Currency derivatives		1											0	1
Put/call options	155	5		37		3	1	3	27	5	59	70	242	123
Floating rate														
Bank loans	58	82	122	118		252				72			180	524
Preferred shares											10	9	10	9
	<u>1,044</u>	<u>785</u>	<u>149</u>	<u>187</u>	<u>20</u>	<u>278</u>	<u>15</u>	<u>20</u>	<u>36</u>	<u>89</u>	<u>114</u>	<u>123</u>	<u>1,378</u>	<u>1,482</u>

Amounts in millions	Within 1 year		1-2 years		2-3 years		3-4 years		4-5 years		More than 5 years		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Interest	2	5	1	3		2		1					3	11

Assets measured at fair value

Description	2020 Fair value measurement at the end of the reporting period using:				2019 Fair value measurement at the end of the reporting period using:			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss								
Trading derivatives		1		1				0
Total	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Notes to consolidated financial statements

28. Financial instruments (continued)

Liabilities measured at fair value

Amounts in millions	2020			2019		
	Fair value measurement at the end of the reporting period using:			Fair value measurement at the end of the reporting period using:		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Description						
Financial liabilities at fair value through profit and loss						
Trading derivatives			0		1	1
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>

Assets measured at fair value based on Level 3

Amounts in millions	2020		2019	
	Fair value measurement at the end of the reporting period		Fair value measurement at the end of the reporting period	
	Trading securities	Total	Trading securities	Total
Financial assets at fair value through profit and loss				
Opening balance	0	0	1	1
Total gain in profit or loss		0		0
Redemption		0	-1	-1
Closing balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Notes to consolidated financial statements

29. Events after balance sheet date

There are no material subsequent events after balance sheet date.

30. Significant subsidiaries

The consolidated financial statements include the assets and liabilities of more than 200 legal entities. The subsidiaries as listed below are the most important operational legal entities including the country in which their main operation is located and the percentage of ownership.

Hunter Douglas Holdings Ltd.	100.0%
Hunter Douglas Europe B.V.	100.0%
Hillarys Blinds (Holdings) Ltd.	98.2%
Blinds2go Ltd.	65.2%
Levolor Inc.	100.0%
3form LLC	100.0%
Hunter Douglas Fabrication Company	100.0%
3 Day Blinds LLC	98.2%

The disclosed subsidiaries represent an approximate total revenue of 1.9 bln (2019: 2.2 bln) and total asset value of 1.2 bln (2019: 1.3 bln).

The principal operating companies are listed on page 70 and 71.

31. Alternative performance measures (APM)

Net assets employed (NAE)

This consists of total assets (excl. investment portfolio and deferred income tax assets) minus non-interest bearing current liabilities.

Amounts in millions	2020	2019
Total assets	3,479	3,464
Deferred income tax assets	-147	-142
Current liabilities (non-interest bearing)	-948	-653
Net assets employed	2,384	2,669

Notes to consolidated financial statements

31. Alternative performance measures (APM) (continued)

Earnings before interest, tax, depreciation and amortization (before other income/expense) (EBITDA)

Amounts in millions	2020	2019
Income from operations (before other income/expense)	313	331
Non-recurring restructuring expenses	65	9
Depreciation	128	141
Amortization	25	23
EBITDA (before other income/expense)	531	504

Return on net assets employed (RONAE)

This represents income from operations (before other income/expense) divided by the 2x average net assets employed.

Amounts in millions	2020	2019
Income from operations (before other income/expense)	313	331
Non-recurring restructuring expenses	65	9
Income from operations (before other income/expense)	378	340
Average net assets employed	2,526	2,533

To facilitate the understanding of the economic and financial performance of the Company, management has identified a number of Alternative Performance Measures (APM), which are used to identify operational trends and to make investment and resource allocation decisions. To ensure that the APM are correctly interpreted it is emphasized that these measures are not indicative of the future performance of the Group. The APM are not part of international reporting standards (IFRS) and are unaudited. They should not be taken as replacements of the measures required under the reference financial reporting standards.

The APM should be read together with the consolidated financial information. Since they are not based on the reference financial reporting standards, the APM used by the Company may not be consistent and comparable with those used by other companies or groups. The APM used by the Company have been consistently calculated and presented for all the reporting periods for which financial information is presented in these financial statements.

Set out below are the main APM's identified by the Company:

- Net Assets Employed (NAE)
- Earnings before interest, tax, depreciation and amortization (before other income/expense) (EBITDA)
- Return on Net Assets Employed (RONAE)

Balance sheet* & statement of income – Hunter Douglas N.V.

Amounts in millions	Notes	USD	
		2020	2019
ASSETS			
Non-current assets			
Financial fixed assets			
- Investments in subsidiaries	2	2,731	2,660
- Advances to subsidiaries	3	271	300
- Other	4	73	68
Total non-current assets		3,075	3,028
Current assets			
Accounts receivable		37	43
Accounts receivable - affiliated companies		214	312
Total current assets		251	355
TOTAL ASSETS		3,326	3,383
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Issued capital	5	10	10
Share premium		167	167
Foreign currency translation		-244	-284
Legal reserve		126	134
Retained earnings		1,750	1,493
Net result for the year		116	278
Total shareholders' equity		1,925	1,798
Provisions			
Provision for pensions		4	4
Total provisions		4	4
Non-current liabilities			
Long-term loans - other	6	132	451
Long-term loans - affiliated companies		321	295
Total non-current liabilities		453	746
Current liabilities			
Short-term borrowings		36	47
Accounts payable - other		7	9
Accounts payable - affiliated companies		901	779
Total current liabilities		944	835
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,326	3,383
STATEMENT OF INCOME			
Income from subsidiaries and affiliates after taxation		145	301
Other expense, net		-29	-23
Net profit		116	278

* Before appropriation of net profit

Notes to financial statements

1. Accounting policies

General

The Company's financial statements have been prepared in accordance with Title 9 of Book 2 of the Dutch Civil Code. As permitted by Article 2:362 paragraph 8 of this code, the Company's financial statements have been prepared applying the same IFRS accounting policies as used in the consolidated financial statements in order to maintain consistency between the figures in the consolidated and Company's financial statements. In accordance with Article 2:402 of the Civil Code, an abbreviated version of the income statement is presented. The principal accounting policies adopted are the same as those set out in note 2 to the consolidated financial statements except that investments in subsidiaries are stated at net asset value as the Company effectively exercises influence of significance over the operational and financial activities of these investments. The net asset value is determined on the basis of the accounting principles applied by the Company.

For intercompany receivables the expected credit loss (ECL) would be applicable as well. The ECL on intercompany receivables are recognized in profit and loss, however this could cause differences between equity recognized in the consolidated and separate financial statements. For this reason, the Company will eliminate these differences (if any) through the respective receivable account by reversing the ECL recognized in profit and loss.

2. Financial fixed assets - investment in subsidiaries

Amounts in millions	2020	2019
Beginning of the year	2,660	214
Change during the year		
Share in results, net	145	301
Actuarial losses	-27	-32
Received dividends	-235	-182
Increase, net	105	2,347*
Exchange differences	83	12
Net change	71	2,446
End of year	2,731	2,660

* The loan of EUR 1,964 to Buismetaal IV was converted into capital

3. Financial fixed assets - advances to subsidiaries

Amounts in millions	2020	2019
Beginning of the year	300	2,648
Change during the year		
Additions	17	13
Deductions	-46	-2,361*
Net change	-29	-2,348
End of year	271	300

* The loan of EUR 1,964 to Buismetaal IV was converted into capital

Notes to financial statements

4. Financial fixed assets - other non-current assets

Amounts in millions	2020	2019
Beginning of the year	68	67
Change during the year		
Additions	3	2
Deductions		
Exchange	2	-1
Net change	5	1
End of year	73	68

Other non-current mainly relate to Dutch deferred income tax assets.

5. Shareholders' equity

Details are given in note 15 to the consolidated financial statements.

6. Long-term loans - other

Amounts in millions	2020	2019
Unsecured loans maturing in various installments through 2022	122	442

Average life of long-term loans is 1.89 years (2019: 2.56 years); all loans are at variable rates of interest. Maturities until 2022 are: 122.

Amounts in millions	2020	2019
Preferred shares	10	9

The decrease in long-term loans - other of 349, offset by 29 exchange differences, is caused by positive cash flow from operations.

For the conditions in respect of preferred shares: see note 17.

7. Contingencies

The Company is contingently liable for guarantees given mainly for its subsidiaries, on which no material losses are expected.

The Company forms part of a fiscal unity for Dutch corporate income tax purposes, and as such is jointly and separately liable for the liabilities of the whole fiscal unity.

Notes to financial statements

8. Employee benefits

Compensation* paid to directors was: R. Sonnenberg nil (2019: nil), J.T. Sherwin 205 (2019: 909) as compensation and all other directors total 135 (2019: 134) as directors fee. No pension contributions were paid.

* Amounts in thousands

9. Remuneration of the auditor

	2020	2019
Audit of financial statements	2.8	2.9
Non-audit services	1.0	0.3
	3.8	3.2

The remuneration for Ernst & Young Accountants LLP in the Netherlands was 0.5 (2019: 0.4) for audit of financial statements and nil (2019: nil) for non-audit services.

10. Employees

The number of employees at year-end amounts 18 (2019: 18), all employed in the Netherlands.

Rotterdam, 10 March 2021

Board of Directors

Additional information

1. Independent auditor's report

**To: the shareholders of
Hunter Douglas N.V.**

**Report on the audit of the financial
statements 2020 included in the annual
report**

Our opinion

We have audited the financial statements 2020 of Hunter Douglas N.V. (the Company) based in Curaçao. The financial statements comprise the consolidated and company financial statements (collectively referred to as the financial statements).

In our opinion:

- › The accompanying consolidated financial statements give a true and fair view of the financial position of Hunter Douglas N.V. as at 31 December 2020 and of its result and its cash flows for 2020 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code
- › The accompanying company financial statements give a true and fair view of the financial position of Hunter Douglas N.V. as at 31 December 2020 and of its result for 2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- › The consolidated balance sheet as per 31 December 2020
- › The following statements for 2020: the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated cash flow statement and consolidated statement of changes in equity
- › The notes comprising a summary of the significant accounting policies and other explanatory information

The Company financial statements comprise:

- › The balance sheet as per 31 December 2020
- › The statement of income for 2020
- › The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Hunter Douglas N.V. in accordance with the "Wet toezicht accountantsorganisaties" (Wta, Audit firms supervision act), the "Verordening inzake de onafhankelijkheid van accountants"

bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Our understanding of the business

Hunter Douglas N.V. operates as a highly decentralized, global federation of small and medium-sized companies that manufacture and market window coverings and architectural products. The group is structured in components and we tailored our group audit approach accordingly. We paid specific attention in our audit to a number of areas driven by the operations of the group and our risk assessment. We refer to the key audit matters in this audit opinion for more information.

We start by determining materiality and identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud, non-compliance with laws and regulations or error in order to design audit procedures responsive to those risks and to 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.

In 2020 and the beginning of 2021 we were forced to perform our procedures to a greater extent remotely due to the Covid-19 measures. This limits our observations and increases the risk of missing certain signals. In order to compensate for the limitations related to physical contact and direct observation, we intensified the contacts with the component teams to ensure that we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality

USD22 million (2019: USD25 million).

Benchmark applied

Approximately 7% of profit before tax, excluding one-off other income and expenses as disclosed on the face of the consolidated statement of income.

Explanation

Based on perspectives and expectations

of the users of the financial statements in the context of our understanding of the entity and the environment in which it operates we determined the materiality for the financial statements as a whole at USD22 million. As Hunter Douglas N.V. is profitable, we consider an earnings based measure to be an appropriate basis to determine our materiality.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the audit committee that misstatements in excess of USD 1.1 million which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Hunter Douglas N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Hunter Douglas N.V.

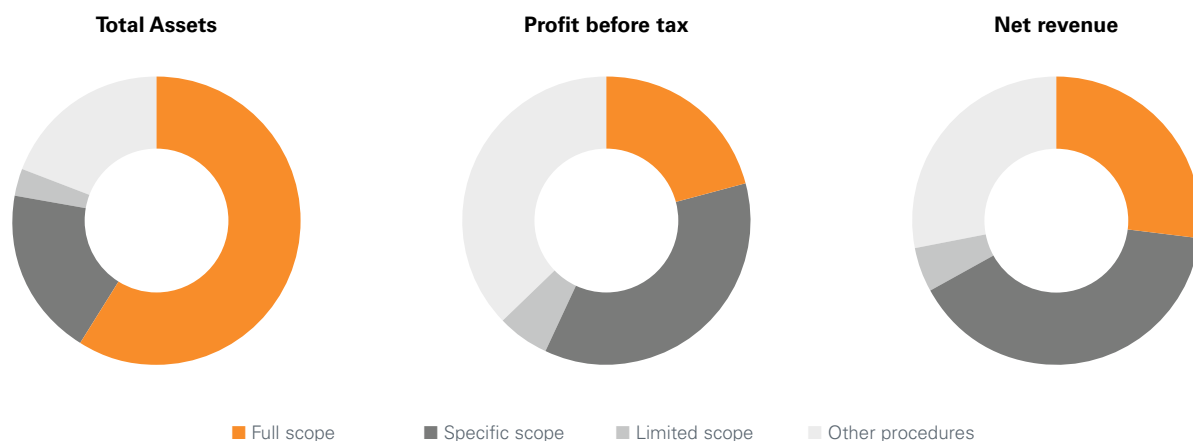
Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected 33 group reporting entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Our group audit mainly focused on significant group reporting entities. We identified 6 group reporting entities which, in our view, required an audit of their complete financial information, either due to their overall size or their risk characteristics. Specific scope audit procedures on certain balances and transactions were performed on 21 group reporting entities. Limited scope procedures are performed on the remaining six entities.

In establishing the overall approach to the audit, we determined the nature of work that is performed centrally, as group auditors, or by component auditors from Ernst & Young Global member firms or by component auditors not from Ernst & Young Global member firms all operating under our instructions. We have performed the following procedures:

- › The group consolidation, financial statements and disclosures and the audit of the key audit matters valuation of goodwill and financial statements consolidation process are audited centrally by the group engagement team

Additional information



in addition to the other procedures the group team is responsible for

- › The group audit team further performs specific scope audit procedures for the Dutch reporting entities, Hunter Douglas Europe and Luxaflex Nederland
- › The group engagement team through videoconference calls had direct contact with local management and the auditors of the component which is significant based on size and/or their related risk: Hunter Douglas North America (US). For this location we reviewed the audit files of the component auditor and determined the sufficiency and appropriateness of the work performed. In addition, the group engagement held video conference calls during the planning and conclusion phase of all in scope entities

All component audit teams included in the group scope received detailed instructions from the group audit team including key risk areas and the group engagement team reviewed their deliverables.

In total these procedures represent 81% of the group's total assets, 63% of profit/loss and 72% of net sales.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

Teaming, use of specialists and internal audit

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of a listed client. We included specialists in the areas of IT audit, forensics and income tax and have made use of our own experts in the areas of acquisitions and goodwill impairment analysis.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Non-compliance with laws and regulations may result in fines, litigation or other consequences for the Company that may have a material effect on the financial statements.

Our audit response related to fraud risks

Although we are not responsible for preventing fraud or non-compliance and cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error.

Non-compliance with laws and regulations may result in fines, litigation or other consequences for the Company that may have a material effect on the financial statements.

Our audit response related to fraud risks In order to identify and assess the risks of material misstatements of the financial statements due to fraud, we obtained an understanding of the entity and its environment, including the entity's internal control relevant to the audit and in order to design audit procedures that are appropriate in the circumstances. As in all of our audits, we addressed the risk of management override of internal control. We do not audit internal control per se for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

We considered available information and made enquiries of relevant executives, directors (including internal audit, legal, human resources and area directors) and the audit committee. As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption assisted by our forensic specialists.

In our process of identifying fraud risks, we considered whether the Covid-19 pandemic gives rise to specific fraud risk factors resulting from a dilution in the effectiveness of controls as a result of the general disruption associated with remote working, illness and workforce reductions, supply chain failures and pressure to make emergency procurements, management overrides and workarounds becoming the norm, manual invoicing and manual payments, abuse of government schemes intended to support companies during the pandemic.

We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls that mitigate fraud risks. In addition, we performed procedures to evaluate key accounting estimates for management bias in particular relating to important judgment areas and significant accounting estimates as disclosed in Note 2 the financial statements. We have also used data analysis to identify and address high-risk journal entries. For our audit procedures performed on manual journal entries in the financial statements close process we refer to the key audit matters in this audit report for more information.

We incorporated elements of unpredictability in our audit. We considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance. If so, we reevaluate our assessment of fraud risk and its resulting impact on our audit procedures.

Our audit response related to risks of non-compliance with laws and regulations

We assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, reading minutes, inspection of internal audit and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected lawyers' letters and correspondence with regulatory authorities, if any, and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Going concern

We performed the following procedures in order to identify and assess the risks relating to going concern and to conclude on the appropriateness of management's use of the going concern basis of accounting. Management made a specific assessment of the Company's ability to continue as a going concern and to continue its operations for at least the next twelve months. We discussed and evaluated this assessment with management exercising professional judgment and maintaining professional skepticism, and specifically focusing on the process followed by management to make the assessment, management bias that could represent a risk, the impact of current events and conditions have on the Company's operations and forecasted cash flows, with a focus on whether the Company will have sufficient liquidity to continue to meet its obligations as they fall due. We consider, 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 a Company to cease to continue as a going concern.

General audit procedures

Our audit further included among others:

- › Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion

- › Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- › Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- › Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the audit committee. The key audit matters are not a comprehensive reflection of all matters discussed.

The key audit matter Business combinations — acquisition accounting which was included in our last year's auditor's report, is not considered a key audit matter for this year as there are no significant acquisitions in the year and no significant changes to the 2019 provisional purchase price allocations occurred.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Net sales Recognition

Risk

The Company has net sales of USD3,543 million in 2020.

Net sales are recognized when control over a product is transferred to a customer. Net sales are measured at the transaction price which is based on the amount of consideration that the Company expects to receive in exchange for transferring the promised goods to the customer net of freight, returns, allowances and sales tax.

Considering the nature of the business and size of net sales, we have determined that sales recognition with regard to cut-off, constitutes a fraud risk.

The disclosures for net sales recognition is included in the financial statements in note 3.

Our audit approach

We obtained an understanding of the processes related to net sales recognition and evaluated the design and implementation of internal control procedures and tested the controls related to the fraud risks identified in this area in the US, which represents the largest country in terms of net sales.

Our procedures included examining contracts with significant customers, performing extensive sales cut-off testing, performing analytical procedures over key revenues streams and comparisons with prior periods. For our procedures we made use of data analytics in the US and the Netherlands, which covers a large portion of the Company's net sales.

Finally, we evaluated the adequacy of the disclosures of the Company in this area.

Key observations

Based on the audit procedures performed, we did not identify any material misstatements in the net sales recognized and conclude that the disclosures in the financial statements are adequate.

Valuation of goodwill

Risk

At 31 December 2020 the total carrying value of goodwill amounted to USD 1,241 million.

Goodwill is allocated to (groups of) Cash Generating Units (CGU) within the window coverings or architectural products segment, which represent the lowest level within the Group at which goodwill is monitored for internal management purposes in accordance with IAS 36.

Impairment tests are performed by group management annually, or more frequently if impairment indicators are present, by comparing the carrying amount to the recoverable amount of the CGU to which non-current assets are allocated. The recoverable amount is the higher of the CGU's fair value less costs of disposal and its value in use. In assessing the recoverable amount, the pre-tax forecasted future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

The assumptions used in the impairment test represent management's best estimate for the period under consideration, including the consequences of Covid-19, if any.

Considering the level of uncertainty and subjectivity in the assumptions used in estimating the recoverable amount we have determined that this area constitutes a significant risk. The Company disclosed the nature and value of the assumptions used in the impairment test in note 6.

Our audit approach

We designed our audit procedures to be responsive to this risk:

- › We updated our understanding of the impairment assessment process and evaluated the design and implementation

Additional information

of controls related to the significant risk identified in this area

- › We validated that the CGUs identified continue to be appropriate in the current year and tested the allocation of assets and liabilities to each CGU
- › Our focus included evaluating and testing key assumptions used in the valuation, challenging forecasted future cash flows and we performed sensitivity analyses
- › The forecasted cash flows are an important input for the assessment of the recoverability. We have reconciled these forecasts for the CGUs to the Group's 2021 approved budgets. Considering the nature of the business the 2021 budget is the most reliable forecast for future cash flows and this is extrapolated to future years. For Hillarys' impairment testing, a longer period up to 2026 is used to calculate the value in use. We also assessed the forecasting quality by comparing forecasts as included in prior years impairment test to the actual results and took into consideration the Covid-19 implications, if any

We have involved EY valuation experts to support us in these procedures.

Finally, we reviewed the adequacy of the disclosures made by the Company in this area.

Key observations

The assumptions relating to the impairment model are within acceptable ranges and we agree with management's conclusions. Furthermore, we concluded the disclosures in the consolidated financial statements being appropriate and adequate, with specific reference to the disclosures made on the impairment assessment of Hillarys.

Financial statements consolidation process

Risk

As part of the consolidation process, the Company uses spreadsheets to determine and record eliminations and processes numerous manual adjustments and other consolidation entries, which include IFRS adjustments, acquisition accounting (including options), accounting for taxes and leases.

The use of spreadsheets and the numerous manual entries are inherently more prone to errors. We consider this, in combination with the limited number of people involved in the consolidation process, to be a fraud risk.

Our audit approach

We designed and performed the following audit procedures to be responsive to this risk:

- › We updated our understanding of the consolidation process and evaluated the design and implementation of the controls related to the fraud risk identified in this area
- › We tested the elimination and consolidation adjustments. We performed testing procedures on all material manual journal entries recorded, with additional emphasis on entries with a direct impact on the Company's results, including adjustments for acquisition accounting (including options), accounting for taxes and leases. We verified that the adjustments are in line with the accounting policies

Key observations

Based on our procedures performed, we concluded that the eliminations, manual entries and other consolidation entries are materially correct.

Report on other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- › The Directors' Report
- › Other information as required by Part 9 of Book 2 of the Dutch Civil Code

Based on the following procedures performed, we conclude that the other information:

- › Is consistent with the financial statements and does not contain material misstatements
- › Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information.

Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Directors' Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, other information required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were engaged by the audit committee as auditor of Hunter Douglas N.V. as of the audit for the year 2004 and have operated as statutory auditor ever since that date.

Description of responsibilities for the financial statements

Responsibilities of management and the audit committee for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements 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. Management should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The audit committee is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Our audit approach section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Additional information

Communication

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, 16 March 2021

Ernst & Young Accountants LLP

signed by P.W.J. Laan

2. Appropriation of profits

Common shares

Hunter Douglas N.V.'s Articles of Association require the general meeting of common and preferred shareholders to determine the value of the annual common share dividend and the meeting of common shareholders to decide that the dividend will be distributed in cash or, alternatively, shares. The directors agreed on 4 June 2020 to suspend the 2019 dividend. For 2020 the directors also recommend no dividend distribution.

Preferred shares

Hunter Douglas N.V.'s Articles of Association fix the annual dividend on each preferred share at a percentage of the par value. This percentage amounts to 2.25% per annum over the European Central Bank's deposit rate on the last working day of May of the affected year. The general meeting of preferred shareholders is to decide whether such dividend is distributed in cash or, alternatively, shares.

3. Shareholders' meetings

The shareholders' meetings will be held on 2 June 2021 at the Dokweg 19, Maduro Plaza, Willemstad, Curaçao, starting at 9.00 a.m. for the common shareholders, 9.30 a.m. for the preferred shareholders and 10.00 a.m. for the common and preferred shareholders.

4. Audit and Compensation Committees

The members for both committees are:

A. Nühn
A. Ruys
F. Wagener

Five-year summary

Millions, except per share data	Notes	USD				
		2020	2019	2018	2017	2016
Net sales		3,543	3,686	3,634	3,226	2,821
Earnings before interest, tax, depreciation and amortization (EBITDA)						
(before other income/expense)		531	504	436	391	365
Income from Operations (before other income/expense)		378	340	326	289	279
Net profit from operations (before other income/expense)		305	273	223	233	221
Other income/expense	5	-189	5	37	-20	-16
Net profit from operations (after other income/expense)		116	278	260	213	205
Net result investment portfolio				1	6	1
Total net profit		116	278	261	219	206
Extraordinary tax gain						65
Total net profit (after extraordinary tax gain)		116	278	261	219	271
Operating cash flow		479	546	406	181	197
Investments in tangible fixed assets		73	125	122	130	84
Depreciation of tangible fixed assets		128	141	91	82	71
Net assets employed	1	2,384	2,669	2,399	2,434	1,772
Shareholders' equity		1,926	1,798	1,500	1,378	1,246
Per common share						
- Total net profit (before extraordinary tax gain)	2	3.34	7.98	7.49	6.28	5.94
- Operating cash flow	2	15.29	15.69	11.66	5.22	5.68
- Shareholders' equity	3	55.34	51.69	43.11	39.62	35.84
- Dividend in EUR				2.00	1.85	1.75
Average annual exchange rate EUR/USD		1.14	1.12	1.18	1.13	1.10
Year-end exchange rate EUR/USD		1.22	1.12	1.14	1.20	1.05
Average number of outstanding common shares (thousands)	4	34,790	34,790	34,790	34,790	34,786
Year-end number of outstanding common shares (thousands)	4	34,790	34,790	34,790	34,790	34,786

1 Refer to note 31

2 Based on average number of shares outstanding during affected year, adjusted for stock dividends and treasury shares, where applicable.

3 Based on number of shares outstanding at year-end, adjusted for stock dividends and treasury shares, where applicable.

4 Adjusted for stock dividends and treasury shares, where applicable.

5 Refer to note 4

Hunter Douglas Principal Operating Companies

Europe, Middle East and Africa

www.hunterdouglasgroup.com

Belgium

Copaco, Harelbeke
Hunter Douglas Belgium, Lokeren
Luxaflex Belgium, Bruges
Helioscreen, Lokeren

Bulgaria

Hunter Douglas Bulgaria, Sofia

Croatia

Hunter Douglas Croatia, Zagreb

Czechia

Hunter Douglas Czechia, Prague
Hunter Douglas Kadan, Kadan

Denmark

Debel, Randers (80%)
Luxaflex Scandinavia, Aarhus, Hornum
W.H. Produkter, Odense

France

Hunter Douglas, Paris
Luxalon Plafonds France, Bonneuil
Filtersun, La Loupe
Luxaflex France, Tourcoing
Mermet, Veyrins-Thuellin
Stores-Discount, Villeneuve d'Ascq
Tuiss France, Villeneuve d'Ascq

Germany

Benthin, Bremerhaven
Blöcker, Bremen
Hunter Douglas, Düsseldorf, Bremerhaven,
Kassel
Hunter Douglas Architektur-Systeme,
Düsseldorf
NBK, Emmerich

Ireland

T.M. Blinds, Newcastle

Israel

Holis, Afula

Italy

Hunter Douglas Italia, Milan
Tuiss Italy, Milan

Netherlands

Hunter Douglas, Rotterdam
Hunter Douglas Europe, Rotterdam, Leek,
Oudenbosch
Buismetaal IV, Rotterdam
ABZ Zonwering, 's-Gravenhage
Artex, Aarle-Rixtel
Asco, Roermond
HCI Holland Coating Industries, Hoogeveen
Luxaflex Nederland,
Hardinxveld-Giessendam
Luxaflex Outdoor, Eindhoven
Multisol Raambekleding, Nijmegen
Schellekens en Schellekens, Beuningen
Sunway (Benelux), Nieuwegein
Tuiss, Rotterdam

Norway

Hunter Douglas Norge, Gjøvik, Oslo
HD Solskjerming, Molde
Luxaflex Scandinavia, Oslo

Poland

Akant, Koszalin (70%)
Hunter Douglas Fabrication, Chludowo
Hunter Douglas Polska, Warsaw
Magnum Metal, Zdunska Wola

Portugal

Luxaflex Portugal, Albergaria-a-Velha,
Fajozes
NBK, Figueira da Foz

Romania

Hunter Douglas Romania, Bucharest
TLC Shutters, Alexandria

Russia

Hunter Douglas, Moscow

Serbia

Hunter Douglas, Belgrade

South Africa

Aluvert, Johannesburg (88.26%)
Luxaflex South Africa, Johannesburg
Hunter Douglas Architectural South Africa,
Johannesburg

Spain

Hunter Douglas España, Llagostera,
Madrid
Louverdrape, Madrid

Sweden

Hunter Douglas Scandinavia, Alingsås,
Hillerstorp
Hunter Douglas Assembly Automation,
Stenungsund
Nibrol, Angered
Luxaflex Scandinavia, Helsingborg,
Anderstorp, Falköping
Tuiss Scandinavia, Helsingborg

Switzerland

Hunter Douglas Management, Lucerne
Hunter Douglas (Schweiz), Root

Turkey

TKIS Blinds, Istanbul

United Arab Emirates

Hunter Douglas Middle East, Dubai

United Kingdom

Apollo Blinds, Glasgow
Blinds2go, Nottingham (65.2%)
Eclipse, Glasgow
Hillarys, Nottingham (98.2%)
Hunter Douglas, Sunninghill,
Luxaflex Stockport, Birmingham
Stevens, Brechin
Sunflex, Cannock
Turnils, Glasgow

North America

www.hunterdouglas.com

Canada

Hunter Douglas Canada, Brampton (ON)
Levolor, Oakville (ON)
Select Blinds, Saint-Laurent (QC) (30%)
Shade-O-Matic, Brampton (ON)
Turnils, Oakville (ON)

U.S.A.

Hunter Douglas North America,
Pearl River (NY)
Hunter Douglas Window Fashions Division,
Broomfield (CO)
Hunter Douglas Window Designs Division,
Bessemer City (NC)
Hunter Douglas Metals and Distribution
Centre, Tupelo (MS)
Hunter Douglas Plastics and Casting
Centre, Owensboro (KY)
Hunter Douglas Custom Shutter Division,
Tempe (AZ)
Hunter Douglas Horizontal Blinds Division,
Tempe (AZ)
Hunter Douglas Fabrication:
Cumberland (MD), Salt Lake City (UT),
West Sacramento (CA)
3form, Salt Lake City (UT)
Architectural Window Shades,
El Monte (CA)
Carole Fabrics, Augusta (GA)
Comfortex Window Fashions,
Maplewood (NY)
HD Architectural Window Coverings,
Poway (CA)
Custom Brands Group, Cerritos (CA)
Eclipse Shutters, Suwanee (GA)
Flexo Solutions, Appleton (WI)
Kirsch Drapery Hardware, Buford (GA)
Levolor, Atlanta (GA), High Point (NC),
Ogden (UT)
LightArt, Seattle (WA)
Mermet, Cowpens (SC)
Nibrol/Julius Koch USA, Lancaster (SC)
Timber Blinds Manufacturing,
McKinney (TX)
Progressive Screens, Sarasota (FL)
Select Blinds, Meza (AZ) (30%)
3 Day Blinds, Irvine (CA)
Turnils, Buford (GA)
Vista Products, Jacksonville (FL)

Hunter Douglas Principal Operating Companies

Latin America

www.hunterdouglas.cl

Argentina

Hunter Douglas Argentina, Buenos Aires

Brazil

Hunter Douglas do Brasil (99.78%),
São Paulo, Campinas

Chile

Hunter Douglas Chile (95%), Santiago
Persianas Andina (95%), Santiago

Colombia

Hunter Douglas de Colombia (95%),
Bogotá

Mexico

Hunter Douglas de Mexico, Mexico City
Hunter Douglas Fabrication, Monterrey
ILM, Playas de Rosarito
Levalor, Agua Prieta
Plenimex, S.A. De C.V., Ensenada

Panama

Hunter Douglas Panama, Panama City

Peru

Hunter Douglas Peru, Lima

Venezuela

Hunter Douglas Venezuela, Caracas

Asia

www.hunterdouglas.asia

China

Hunter Douglas Architectural Products,
Shanghai, Beijing, Suzhou, Xian, Chengdu,
Shenzhen
Hunter Douglas Window Covering
Products, Shanghai, Beijing, Shenzhen
Turnils/Mermet, Shanghai

Hong Kong, SAR

Hunter Douglas China/Hong Kong

India

Hunter Douglas India, Chennai, Mumbai,
New Delhi, Bangalore, Silvassa, Kolkata

Indonesia

Hunter Douglas Indonesia, Jakarta,
Cikarang

Japan

Hunter Douglas Japan, Tokyo, Ibaraki
Tuiss Décor, Tokyo

Korea

Hunter Douglas Korea, Seoul, Gumi City

Malaysia

Hunter Douglas Malaysia, Kuala Lumpur
Turnils-Mermet Asia, Kuala Lumpur

Singapore

Hunter Douglas Singapore, Singapore

Taiwan

Hunter Douglas Taiwan, Taipei

Thailand

Hunter Douglas Thailand, Bangkok

Vietnam

Hunter Douglas Indochina, Ho Chi Minh
City, Hanoi, Danang, Can Tho,
Phnom Penh (Cambodia)
Blaze, Hanoi (49%)

Australia

www.hunterdouglas.com.au

Australia

Hunter Douglas Components, Sydney
Hunter Douglas Blindmaker, Sydney,
Brisbane
Turnils, Sydney
Blinds Online, Melbourne (65.2%)
Blindware, Melbourne
Vertilux, Melbourne
Victory Curtains and Blinds,
Melbourne

New Zealand

New Zealand Window Shades, Auckland

Directors

R. Sonnenberg
Executive Chairman
Hunter Douglas N.V.

A. Nühn
Former Chairman Sara Lee/DE

A. Ruys
Chairman Heineken N.V. (retired)
(since January 2017)

J.T. Sherwin
Executive Vice President
Hunter Douglas N.V. (retired)

F.N. Wagener
Chairman Bourse Luxembourg

Officers

R. Sonnenberg
Executive Chairman

D.H. Sonnenberg
Co-President & CEO

M.H. Sonnenberg
Co-President & CEO

R.R. Kass
President & CEO
North American Operations

C. King
Vice President General Counsel

A. Kuiper
President & CEO European Operations

G.C. Neoh
President & CEO Asian Operations

T. Politis
Managing Director Hunter Douglas
Australia & New Zealand

L. Reijtenbagh
Vice President, CFO & Secretary

R. Rocha
President & CEO Latin American
Operations

Registered office

Hunter Douglas N.V.
Dokweg 19
Willemstad
Curaçao

Head office

Hunter Douglas N.V.
2, Piekstraat
3071 EL Rotterdam
The Netherlands
Phone: +31-10-486 99 11
Fax: +31-10-485 03 55
E-mail: info@hdnv.nl

Stock listings

Common shares:

- › Amsterdam (HDG)
- › Frankfurt (HUD)

Preferred shares:

- › Amsterdam (HUNDP)

Hunter Douglas Management AG

Adligenswilerstrasse 37
6006 Lucerne
Switzerland
Phone: +41-41-419 27 27
Fax: +41-41-419 27 28

R. Sonnenberg
Executive Chairman

C. King
Vice President, General Counsel &
Secretary

Investor relations

www.hunterdouglasgroup.com

L. Reijtenbagh
Vice President, CFO & Secretary
Phone: +31-10-486 95 82

Depositories and dividend disbursement agents

- › ABN AMRO BANK N.V.: Amsterdam,
Rotterdam - The Netherlands
- › ING BANK: Amsterdam, Rotterdam -
The Netherlands

ADVISORS TO OFFEROR

Financial Advisor

ING Bank N.V.

Legal Advisor

De Brauw Blackstone Westbroek N.V.

ADVISORS TO THE COMPANY

Financial Advisor

NIBC Bank N.V.

Legal Advisor

DLA Piper Nederland N.V.