

Kvadrat Shade B.V

at Enter

**Financial report for the year ended 31
December 2021**

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The Netherlands

To the General Meeting and Board of Directors of
Kvadrat Shade B.V
Attn. Mr. C. Baum Blaakaer
Vonderweg 48
7468 DC ENTER

Amstelveen, 11 March 2022
ref: 1074413//HE/IM

Dear Mr. Baum Blaakær,

At your request we have compiled the 2021 financial report of Kvadrat Shade B.V, Enter. The financial report is the responsibility of the management of the legal entity. Our conclusion can be found in the compilation report. The financial statements are included together with the other information in this financial report.



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Accountant's compilation report

The financial statements of Kvadrat Shade B.V, at Enter, have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2021 and the profit and loss account for the year then ended with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with Dutch law, including the Dutch Standard 4410, 'Compilation engagements', which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that you provide us with all relevant information and that this information is correct. Therefore, we have conducted our work in accordance with the applicable regulations on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole to consider whether the financial statements as presented correspond with our understanding of Kvadrat Shade B.V.

During this engagement we have complied with the relevant ethical requirements prescribed by the 'Verordening Gedrags- en Beroepsregels Accountants' (VGBA). You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

Amstelveen, 11 March 2022

For and on behalf of BDO Accountants

H.J.M. Egberts RA

Balance sheet as at 31 December 2021

(After proposal distribution of result)

	31-12-2021		31-12-2020	
	€	€	€	€
ASSETS				
Fixed assets				
Intangible assets		176.571		222.034
Property, plant and equipment		16.008		21.658
Financial assets		234.214		263.707
Current assets				
Receivables				
Receivables from group companies		137.571		463.374
Other receivables and accrued assets		56.357		224.558
		193.928		687.932
Total assets		620.721		1.195.331

	31-12-2021		31-12-2020	
	€	€	€	€
EQUITY AND LIABILITIES				
Equity				
Share capital paid called up	600.002		600.002	
Share premium reserve	999.998		999.998	
Legal and statutory reserves	176.571		-	
Other reserves	-1.784.600		-1.131.803	
		-8.029		468.197
Current liabilities				
Payables to banks	285.560		187.250	
Trade payables	19.873		39.047	
Liabilities to group companies	161.634		329.269	
Payables relating to taxes and social security contributions	23.331		42.223	
Accruals and deferred income	138.352		129.345	
		628.750		727.134
Total equity and liabilities		620.721		1.195.331

Profit and loss account for the year 2021

	<u>2021</u>		<u>2020</u>	
	€	€	€	€
Net turnover	1.315.034		394.979	
Cost of sales	-892.742		-339.115	
Gross margin		<u>422.292</u>		<u>55.864</u>
Expenses of employee benefits	526.683		516.756	
Amortisation of intangible fixed assets	56.221		53.765	
Depreciation of property, plant and equipment	5.650		5.650	
Other operating expenses	272.701		271.839	
Total of sum of expenses		<u>861.255</u>		<u>848.010</u>
Total of operating result		-438.963		-792.146
Financial income and expense		-7.770		-3.489
Total of result before tax		<u>-446.733</u>		<u>-795.635</u>
Income tax expense		-29.493		165.707
Total of result after tax		<u><u>-476.226</u></u>		<u><u>-629.928</u></u>

Accounting policies

Entity information

Registered address and registration number trade register

The registered and actual address of Kvadrat Shade B.V is Vonderweg 48, 7468 DC in Enter. Kvadrat Shade B.V is registered at the Chamber of Commerce under number 73912328.

General notes

General notes

The most important activities of the entity

The activities of Kvadrat Shade B.V consist mainly of: the development and sales of window coverings.

Going concern

Disclosure of going concern

At the time of preparation of these financial statements the global COVID-19 (Coronavirus) pandemic is ongoing. The direct and indirect effects of the COVID-19 pandemic currently have and will have an impact on the activities and results of Kvadrat Shade B.V. The full impact is as yet uncertain as events and challenges continue to develop. We are working with our customers, suppliers and government institutions to understand the best solutions to minimise any long lasting impact. We will make use of the support measures from the national Governments and also the full support of our parent company when necessary. We do not expect acute problems to threaten Kvadrat Shade B.V. as going concern. Therefore the accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are based on the assumption of going concern of the company.

Group structure

Disclosure of group structure

Kvadrat Shade B.V is part of a group. Kvadrat Holding A/S and Coulisse B.V. both own 50% of the shares.

Estimates

Disclosure of estimates

In applying the principles and policies for drawing up the financial statements, the directors of Kvadrat Shade B.V make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the transparency required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

General accounting principles

General accounting principles

The accounting standards used to prepare the financial statements

The financial statements are drawn up in accordance with the provisions of Title 9, Book 2 of the

Kvadrat Shade B.V, Enter

Dutch Civil Code and the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost.

Foreign currency translation

Basis of Conversion and Processing of Exchange Rate Differences Relating to Foreign Currency Transactions for the Balance Sheet

Receivables, liabilities and other commitments denominated in foreign currencies are translated at the exchange rates prevailing at the balance sheet date. Transactions in foreign currencies during the financial year are recognised in the financial statements at the exchange rates prevailing at the transaction date. Exchange differences arising are recorded in the profit and loss account.

Financial instruments

Financial instruments

Financial instruments refer to both primary financial instruments, such as receivables and payables, and derivatives. For the policies applied to primary financial instruments, reference is made to the note for each balance sheet item.

Accounting principles

Accounting principles applied to the valuation of assets and liabilities

Intangible assets

Intangible fixed assets are valued at cost less accumulated amortisation and any recognised impairments in value. Amortisation is charged as a fixed percentage of cost, as specified in more detail in the notes to the balance sheet. The useful life of an asset and the amortisation method used are reassessed at the end of each financial year.

Property, plant and equipment

Tangible fixed assets are valued at cost less accumulated depreciation and any recognised impairment in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Tangible fixed assets are depreciated when they are put into use.

The depreciation rate for tangible fixed assets is 20% per annum.

Deferred tax assets

Taxation at the current rate is provided on the aggregate of differences, if any, in the value of balance sheet items for accounting purposes and for tax purposes. The provision is reduced by the amount of taxation recoverable in the future in respect of the carry-forward of unused tax losses, to the extent that it is probable that taxable profit will be available in the future to absorb the tax losses.

Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. Provisions for bad debts are deducted from the carrying amount of the receivable.

Current liabilities

Current liabilities are liabilities due within one year after the balance sheet date. Current liabilities are recorded initially at face value and subsequently measured at amortised cost. This is equal to the nominal value.

Accounting principles for the determination of the result

Accounting principles for determining the result

The result for the year is the difference between net turnover and all related costs. The costs are determined using the stated accounting policies. Profits are recognised in the year when the corresponding turnover is recognised. Losses are recognised in the year in which they are first foreseen. Other gains and losses are recognised in the financial year to which they relate.

Revenue recognition

Net turnover represents amounts invoiced for goods supplied and services rendered during the financial year, net of discounts and value added taxes.

Turnover from the sale of goods is recognised when the risks and rewards of the goods have been transferred to the customer. The related cost of these goods is recognised in the same period.

Revenue from services is recognised to the extent to which the services have been rendered. The related cost of these services is recognised in the same period.

Applied policy of pension costs

Kvadrat Shade B.V applies the liability approach to account for all pension schemes. The premium payable during the reporting year is recorded as an expense. The contributions are recorded as personnel costs from the date that they become payable. Prepaid contributions are reported as accrual if this results in a repayment or a reduction in future payments. Contributions that are not yet paid are included as a liability in the balance sheet.

Income tax expense

Tax on the result is calculated based on the result before tax in the profit and loss account, taking account of the losses available for set-off from previous financial years and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

Notes to the balance sheet as at 31 December 2021

Fixed assets

	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
<u>Intangible assets</u>		
Other intangible assets	176.571	222.034
	<u> </u>	<u> </u>
<u>Intangible assets</u>		<i>Other intangible assets</i>
		€
Book value as at 1 January 2021		222.034
Additions		10.758
Amortisations		-56.221
Book value as at 31 December 2021		<u>176.571</u>
		<u> </u>
	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
<u>Financial assets</u>		
Deferred tax assets	234.214	263.707
	<u> </u>	<u> </u>

The deferred tax assets relate to unutilised tax losses.

Current assets

	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
<u>Receivables</u>		
<i>Receivables from group companies</i>		
Receivable from Kvadrat GmbH	83.211	9.058
Receivable from Kvadrat AB	44.084	-
Receivable from Kvadrat A/S	4.878	202.672
Receivable from Kvadrat B.V.	3.615	490
Receivable from Kvadrat Ltd.	934	2.752
Receivable from Kvadrat Norway	601	4.521
Receivable from Kvadrat Austria	248	-
Receivable from Coulisse B.V.	-	243.881
	<u>137.571</u>	<u>463.374</u>
	<u> </u>	<u> </u>

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	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
<i>Other receivables and prepayments</i>		
Taxes and social security charges	36.147	94.791
Accrued income and prepaid expenses	20.210	129.767
	<u>56.357</u>	<u>224.558</u>
<i>Taxes and social security charges</i>		
Value added tax	36.147	94.791
	<u>36.147</u>	<u>94.791</u>
<i>Accrued income and prepaid expenses</i>		
Accrued income	11.099	120.583
Prepaid personnel expenses	1.897	2.178
Other receivables	7.214	7.006
	<u>20.210</u>	<u>129.767</u>

Equity

Movements in equity were as follows:

	<i>Share capital paid called up</i>	<i>Share premium reserve</i>	<i>Legal and statutory reserves</i>	<i>Other reserves</i>	<i>Total</i>
	€	€	€	€	€
Balance as at 1 January 2021	600.002	999.998	-	-1.131.803	468.197
Appropriation of result	-	-	-	-476.226	-476.226
Movement legal reserve	-	-	176.571	-176.571	-
Balance as at 31 December 2021	<u>600.002</u>	<u>999.998</u>	<u>176.571</u>	<u>-1.784.600</u>	<u>-8.029</u>

Textual disclosure**Disclosure of share capital paid called up**

The issued capital amounts to € 600.002 have been issued and fully paid up.

	<u>31-12-2021</u>	<u>31-12-2020</u>
	€	€
<i>Legal and statutory reserves</i>		
Legal reserve for capitalised development costs	176.571	-
<i>Liabilities to group companies</i>		
Liability to Verosol	156.838	329.269
Liability to Coulisse B.V.	4.796	-
	<u>161.634</u>	<u>329.269</u>
<i>Accruals and deferred income</i>		
Holiday allowance	13.140	21.014
Payable royalty's on turnover	8.400	10.000
Bonus	30.094	-
Other accruals	86.718	98.331
	<u>138.352</u>	<u>129.345</u>

Off-balance-sheet commitments, guarantees and security**Textual disclosure****Disclosure of off-balance sheet commitments**

The company has contractual leasing obligations of € 59.131 which will fall due as follows (excluding value added tax):

31-12-2021

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<1 year	€ 24.980
1>5 years	€ 34.151
5< years	€ 0
Total	€ 59.131

Notes to the profit and loss account for the year 2021

	<u>2021</u>	<u>2020</u>
	€	€
<u>Expenses of employee benefits</u>		
Wages and salaries	446.790	443.669
Social security premiums and pensions cost	79.893	73.087
	<u>526.683</u>	<u>516.756</u>

The company received NOW subsidy from the Dutch Government as a compensation for wage costs during the COVID-19 pandemic for the amount of 35.664.

	<u>2021</u>	<u>2020</u>
	€	€
<i>Social security premiums and pensions cost</i>		
Social security charges	32.303	24.846
Pension charges	47.590	48.241
	<u>79.893</u>	<u>73.087</u>

<u>Amortisation of intangible fixed assets</u>		
Amortisation costs other intangible fixed assets	56.221	53.765
	<u>56.221</u>	<u>53.765</u>

<u>Depreciation of property, plant and equipment</u>		
Other fixed assets	5.650	5.650
	<u>5.650</u>	<u>5.650</u>

<u>Other operating expenses</u>		
Other expenses of employee benefits	23.201	15.343
Selling expenses	68.312	81.399
Car expenses	57.897	48.217
Office expenses	42.125	20.045
General expenses	81.166	106.835
	<u>272.701</u>	<u>271.839</u>

<i>Other expenses of employee benefits</i>		
Other staff expenses	23.201	15.343
	<u>23.201</u>	<u>15.343</u>

<i>Selling expenses</i>		
Fairs and exhibitions	68	23.048
Travelling and hotel expenses	23.295	25.932
Other selling expenses	44.949	32.419
	<u>68.312</u>	<u>81.399</u>

	<u>2021</u>	<u>2020</u>
	€	€
<i>Car expenses</i>		
Fuel expenses	8.318	5.350
Repair and maintenance cars	996	373
Car tax and insurance	10.023	7.336
Lease expenses	24.449	31.578
Other car expenses	14.111	3.580
	<u>57.897</u>	<u>48.217</u>
	<u><u>57.897</u></u>	<u><u>48.217</u></u>
<i>Office expenses</i>		
Office supplies	680	1.901
Telephone and fax expenses	1.466	1.774
Automation expenses	39.979	16.370
	<u>42.125</u>	<u>20.045</u>
	<u><u>42.125</u></u>	<u><u>20.045</u></u>
<i>General expenses</i>		
Expenses regarding change of supplier	1.573	42.872
Consultancy expenses	59.790	37.116
Accountant and bookkeeping expenses	13.745	12.864
Legal expenses	-	6.386
Other general expenses	6.058	7.597
	<u>81.166</u>	<u>106.835</u>
	<u><u>81.166</u></u>	<u><u>106.835</u></u>
<u>Financial income and expense</u>		
Interest and similar expenses	-4.977	-2.730
Currency translation differences	-2.793	-759
	<u>-7.770</u>	<u>-3.489</u>
	<u><u>-7.770</u></u>	<u><u>-3.489</u></u>

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Other notes

Average number of employees

Breakdown

	<u>2021</u>	<u>2020</u>
Average number of employees over the period working in the Netherlands	<u>4,80</u>	<u>4,90</u>
Average number of employees over the period	<u><u>4,80</u></u>	<u><u>4,90</u></u>

Enter, 11 March 2022

Kvadrat Shade B.V

C. Baum Blaakær
Director