



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer:	913 921 410
Organisasjonsform:	Aksjeselskap
Foretaksnavn:	HUNTER DOUGLAS HOLDING NORGE AS
Forretningsadresse:	Studievegen 2 2815 GJØVIK

### Regnskapsår

Årsregnskapets periode:	01.01.2020 - 31.12.2020
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### Konsern

Mørselskap i konsern:	Ja
Konsernregnskap lagt ved:	Ja

### Regnskapsregler

Regler for små foretak benyttet:	Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler
Benyttet ved utarbeidelsen av årsregnskapet til konsernet:	-

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Kai Fremstad
Dato for fastsettelse av årsregnskapet:	19.08.2021

### Grunnlag for avgivelse

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

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

Brønnøysundregistrene, 19.08.2022



## Resultatregnskap

Beløp i: NOK	Note	2020	2019
<b>RESULTATREGNSKAP</b>			
<b>Kostnader</b>			
Annen driftskostnad	2	173 063	154 791
<b>Sum kostnader</b>		<b>173 063</b>	<b>154 791</b>
<b>Driftsresultat</b>		<b>-173 063</b>	<b>-154 791</b>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt	3	14 866 747	92 947 455
<b>Sum finansinntekter</b>		<b>14 866 747</b>	<b>92 947 455</b>
Rentekostnad til foretak i samme konsern		1 689 684	1 952 091
<b>Sum finanskostnader</b>		<b>1 689 684</b>	<b>1 952 091</b>
<b>Netto finans</b>		<b>13 177 063</b>	<b>90 995 364</b>
<b>Ordinært resultat før skattekostnad</b>		<b>13 004 000</b>	<b>90 840 573</b>
<b>Ordinært resultat etter skattekostnad</b>		<b>13 004 000</b>	<b>90 840 573</b>
<b>Årsresultat</b>		<b>13 004 000</b>	<b>90 840 573</b>
<b>Overføringer og disponeringer</b>			
Overføringer annen egenkapital	7	13 004 000	90 840 573
<b>Sum overføringer og disponeringer</b>		<b>13 004 000</b>	<b>90 840 573</b>



### Balanse

Beløp i: NOK	Note	2020	2019
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Finansielle anleggsmidler</b>			
Investering i datterselskap	3	260 429 828	260 429 828
Lån til foretak i samme konsern	4	24 800 000	24 800 000
<b>Sum finansielle anleggsmidler</b>		<b>285 229 828</b>	<b>285 229 828</b>
<b>Sum anleggsmidler</b>		<b>285 229 828</b>	<b>285 229 828</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer			3 750
Andre fordringer	4	2 685 244	1 444 072
<b>Sum fordringer</b>		<b>2 685 244</b>	<b>1 447 822</b>
<b>Bankinnskudd, kontanter og lignende</b>			
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>238 025</b>	<b>502 674</b>
<b>Sum omløpsmidler</b>		<b>2 923 269</b>	<b>1 950 496</b>
<b>SUM EIENDELER</b>		<b>288 153 097</b>	<b>287 180 324</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
Aksjekapital	6, 7	330 000	330 000
Overkurs	7	100 559 243	100 559 243
<b>Sum innskutt egenkapital</b>		<b>100 889 243</b>	<b>100 889 243</b>
<b>Opptjent egenkapital</b>			



## Balanse

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Annen egenkapital	7	115 624 059	102 620 058
<b>Sum opptjent egenkapital</b>		<b>115 624 059</b>	<b>102 620 058</b>
<b>Sum egenkapital</b>		<b>216 513 302</b>	<b>203 509 301</b>
<b>Gjeld</b>			
<b>Langsiktig gjeld</b>			
<b>Annen langsiktig gjeld</b>			
Øvrig langsiktig gjeld	4	67 106 942	66 081 624
<b>Sum annen langsiktig gjeld</b>		<b>67 106 942</b>	<b>66 081 624</b>
<b>Sum langsiktig gjeld</b>		<b>67 106 942</b>	<b>66 081 624</b>
<b>Kortsiktig gjeld</b>			
Annen kortsiktig gjeld	4	4 532 853	17 589 399
<b>Sum kortsiktig gjeld</b>		<b>4 532 853</b>	<b>17 589 399</b>
<b>Sum gjeld</b>		<b>71 639 795</b>	<b>83 671 023</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>288 153 097</b>	<b>287 180 324</b>



## Brønnøysundregistrene

### ÅRSREGNSKAP FOR REGNSKAPSÅRET 2020 - GENERELL INFORMASJON

Journalnummer: 2021 727308

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Organisasjonsform: Aksjeselskap  
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Brønnøysundregistrene, 21.09.2021



Organisasjonsnr: 913 921 410  
HUNTER DOUGLAS HOLDING NORGE AS

## RESULTATREGNSKAP

<b>Beløp i: NOK</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
<b>RESULTATREGNSKAP</b>			
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HUNTER DOUGLAS HOLDING NORGE AS

## BALANSE

Beløp i: NOK Note 2020 2019

### BALANSE - EIENDELER

#### Anleggsmidler

##### Immaterielle eiendeler

##### Finansielle anleggsmidler

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<b>Sum anleggsmidler</b>		<b>285 229 828</b>	<b>285 229 828</b>

#### Omløpsmidler

##### Varer

##### Fordringer

Kundefordringer			3 750
Andre fordringer	4	2 685 244	1 444 072
<b>Sum fordringer</b>		<b>2 685 244</b>	<b>1 447 822</b>

##### Bankinnskudd, kontanter og lignende

<b>Sum bankinnskudd, kontanter og lignende</b>		<b>238 025</b>	<b>502 674</b>
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<b>SUM EIENDELER</b>		<b>288 153 097</b>	<b>287 180 324</b>
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### BALANSE - EGENKAPITAL OG GJELD

#### Egenkapital

##### Innskutt egenkapital

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<b>Sum egenkapital</b>		<b>216 513 302</b>	<b>203 509 301</b>
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#### Gjeld

##### Langsiktig gjeld

##### Annen langsiktig gjeld



Øvrig langsiktig gjeld	4	67 106 942	66 081 624
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Organisasjonsnr: 913 921 410  
HUNTER DOUGLAS HOLDING NORGE AS

NOTEOPPLYSNINGER - SELSKAP - alle poster oppgitt i hele tall

Note  
6

Antall aksjer og aksjeeiere

Note  
2

Lønn og ytelser

Selskapet har ingen ansatte. Det er ikke utbetalt honorar til styret. Honorar til revisor er utbetalt med kr. 28 859 i revisjonshonorar og kr. 41 750 i honorar for annen bistand.

Note

Ytelser til ledende personer  
Er det gitt ytelser til ledende person: Nei

Ytelser til daglig leder

<u>Ytelser</u>	<u>Lønn</u>	<u>Pensj.forpl.</u>	<u>Andre godtgj.</u>
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Note

Antall årsverk i regnskapsåret

Virksomheten har hatt følgende antall årsverk:  
0.00

Note

Lån og sikkerhetsstillelse til ledende personer og aksjeeiere

Er det gitt lån eller sikkerhetsstillelse til ledende personer: Nei

Note  
3

Konsern, tilknyttet selskap og datterselskap

Tilknyttet selskap/datterselskap

<u>Navn og adresse</u>	<u>Eierandel</u>	<u>Stemmeandel</u>	<u>Egenkapital</u>	<u>Resultat</u>
------------------------	------------------	--------------------	--------------------	-----------------



HD Solskjerming AS	98.90%	314528209.00	206680366.00
Hunter Douglas Norge AS	100.00%	44907393.00	18432296.00

Konsernregnskapet inngår i konsolideringen til morselskap: Ja

<u>Navn</u>	<u>Forretningskontor</u>
Hunter Douglas Holding Norge AS	Studievegen 2 2815 GJØVIK 0502 Gjøvik

Datterselskap er utelatt fra konsolideringen: Nei





HunterDouglas 



LEVOLOR

HILLARYS



LUXALON



**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



## Contents

### **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

### **Financial highlights**

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# Financial highlights

## Two-year summary

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

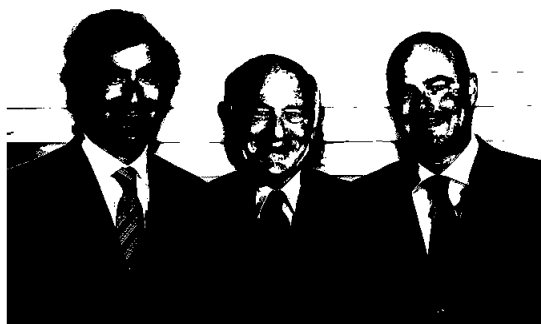
**Other income/expense:** Were \$ 189 mln negative compared with \$ 5 mln positive in 2019.

**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 - 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.

### 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®

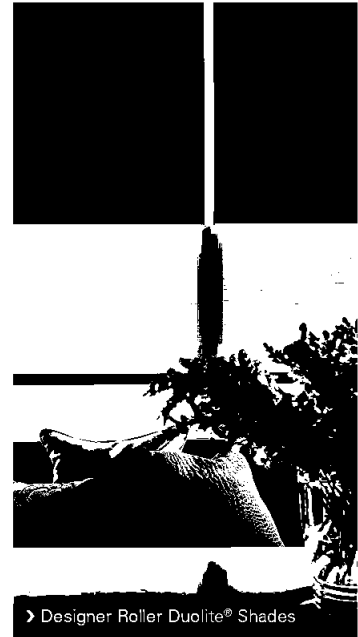
The Pirouette® Shadings ClearView® option maintains the same proprietary sculptural design as standard Pirouette®, but with a specialized sheer that provides a near unobstructed view of the outside while still diffusing sunlight and filtering out UV rays.



> Pirouette® Shadings ClearView®

### 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.



> 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

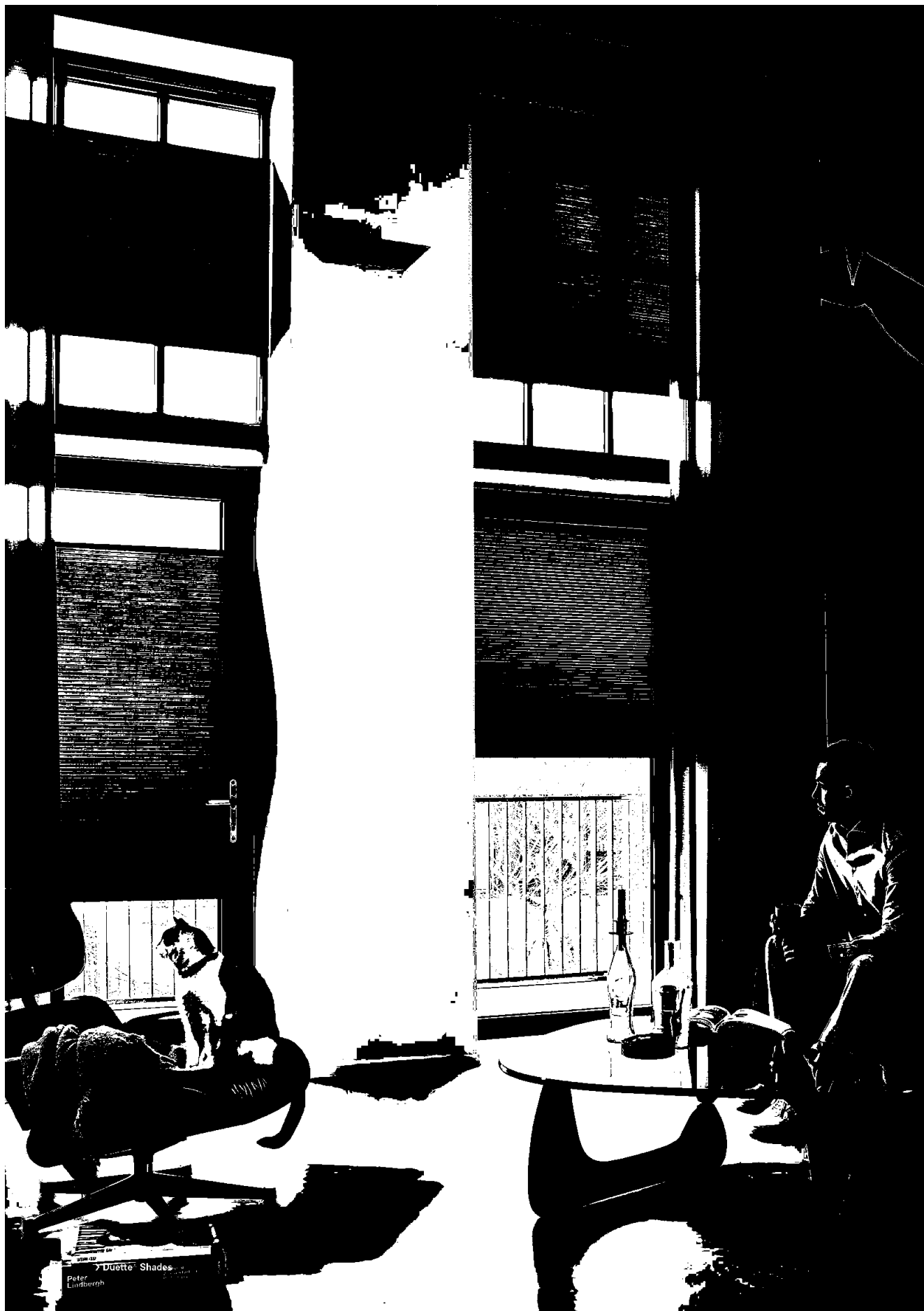
Our new Hi-Light™ Roller Blind and Panel Track features an innovative laminated fabric that beautifully diffuses light with a clean, modern aesthetic.





.....  
*"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.

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

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.



## 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; advertising 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

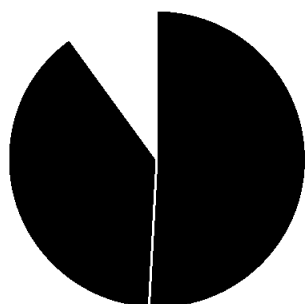
## Sensitivity to External Factors

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



■	<b>North America</b> 51% (2019: 51%)
■	<b>Europe</b> 39% (2019: 38%)
■	<b>Latin America</b> 3% (2019: 4%)
■	<b>Asia</b> 3% (2019: 4%)
■	<b>Australia</b> 4% (2019: 3%)

### 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
	<b>Net sales</b>											
Window Coverings	<b>1,314</b>	1,344	<b>1,703</b>	1,730	<b>65</b>	86	<b>45</b>	54	<b>133</b>	128	<b>3,260</b>	3,342
Architectural Products	<b>67</b>	70	<b>101</b>	131	<b>41</b>	61	<b>74</b>	82	<b>133</b>	128	<b>283</b>	344
Total*	<b>1,381</b>	1,414	<b>1,804</b>	1,861	<b>106</b>	147	<b>119</b>	136	<b>133</b>	128	<b>3,543</b>	3,686
Net assets employed	<b>986</b>	1,196	<b>1,065</b>	1,150	<b>86</b>	90	<b>140</b>	124	<b>107</b>	109	<b>2,384</b>	2,669
of which												
Non-current assets*	<b>1,056</b>	965	<b>858</b>	819	<b>41</b>	43	<b>75</b>	75	<b>77</b>	69	<b>2,107</b>	1,971
Additions to tangible												
fixed assets	<b>24</b>	37	<b>45</b>	79	<b>2</b>	3	<b>2</b>	3	<b>1</b>	3	<b>74</b>	125
Depreciation tangible												
fixed assets	<b>46</b>	46	<b>66</b>	75	<b>5</b>	7	<b>7</b>	8	<b>4</b>	5	<b>128</b>	141
Employees per year-end**	<b>7,366</b>	7,588	<b>12,320</b>	13,690	<b>1,058</b>	1,467	<b>1,577</b>	1,419	<b>550</b>	556	<b>22,871</b>	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

Amounts in millions	USD	
	2020	2019
<b>Net sales</b>		
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





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-Discout, 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
<b>Net sales</b>		
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



› Designer Roller Shades with Duolite®

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.

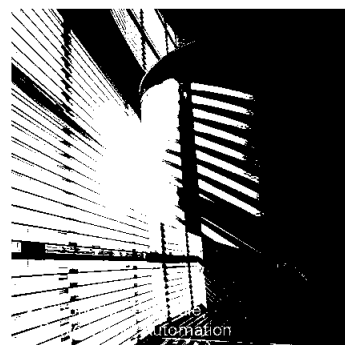
### Argentina

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.

Amounts in millions	USD	
	2020	2019
<b>Net sales</b>		
Window Coverings	65	86
Architectural Products	41	61
Total	106	147
Net assets employed	86	90
Employees per year-end	1,058	1,467





# 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.

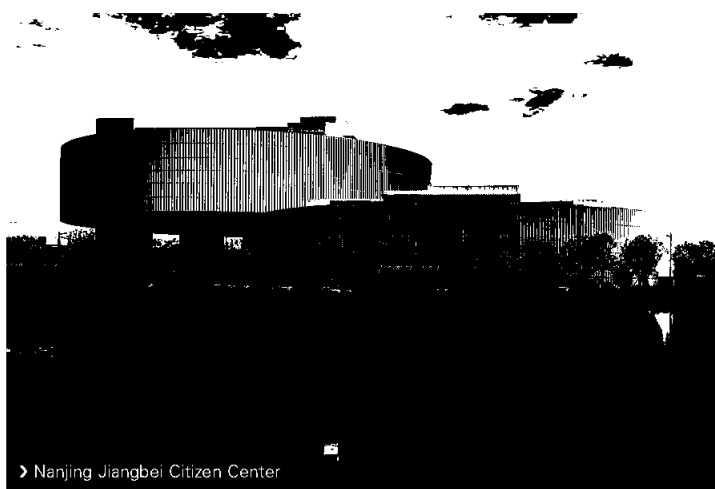
### Taiwan

Higher sales and profits.

### Southeast Asia

Lower sales and profits.

Amounts in millions	USD	
	2020	2019
<b>Net sales</b>		
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.



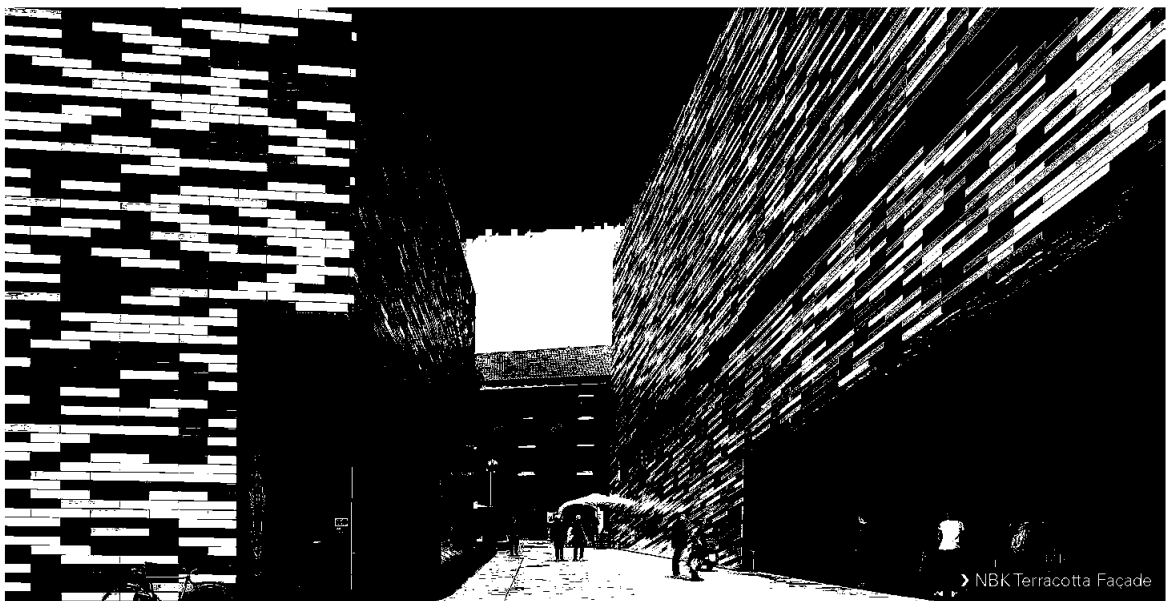
.....  
Tony Politis  
Managing Director  
Australia & New Zealand

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.



Amounts in millions	USD	
	2020	2019
<b>Net sales</b>		
Window Coverings	133	128
Architectural Products		
Total	133	128
Net assets employed	107	109
Employees per year-end	550	556



## Consolidated statement of income for the year



Leen Reijtenbagh  
Vice President, CFO & Secretary



Chris King  
Vice President General Counsel

Amounts in millions	Notes	USD	
		2020	2019
<b>Continuing operations</b>			
<b>Net sales</b>	3	<b>3,543</b>	3,686
Cost of sales	4	<b>-2,151</b>	-2,163
<b>Gross profit</b>		<b>1,392</b>	1,523
Selling and marketing expense	3	<b>-692</b>	-780
General and administrative expense	3	<b>-387</b>	-412
<b>Income from operations before other income/expense</b>		<b>313</b>	331
Other income	4	<b>6</b>	81
Other expense	4	<b>-130</b>	-54
<b>Income from operations (EBIT)</b>		<b>189</b>	358
Finance income	4	<b>11</b>	4
Finance costs	4	<b>-11</b>	-18
<b>Income before taxes from continuing operations</b>		<b>189</b>	344
Taxes on income	20	<b>-73</b>	-52
Net profit for the year from continuing operations		<b>116</b>	292
<b>Discontinued operations</b>			
Net profit after tax for the year from discontinued operations			-14
<b>Net profit for the year</b>		<b>116</b>	278
Net profit attributable to non-controlling interest			
<b>Net profit attributable to equity shareholders</b>		<b>116</b>	278
<b>Earnings per share</b>			
	22		
- Basic, profit for the year attributable to ordinary equity holders of the parent		<b>3.34</b>	7.98
- Diluted, profit for the year attributable to ordinary equity holders of the parent		<b>3.34</b>	7.98
<b>Earnings per share for continuing operations</b>			
- Basic, profit from continuing operations attributable to ordinary equity holders of the parent		<b>3.34</b>	8.38
- Diluted, profit from continuing operations attributable to ordinary equity holders of the parent		<b>3.34</b>	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
<b>Net profit for the year</b>		<b>116</b>	278
<b>Other comprehensive income</b>			
<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		<b>40</b>	32
Tax effect on other comprehensive income	20	<b>-5</b>	
<b>Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods</b>		<b>35</b>	38
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</i>			
Actuarial losses	24	<b>-31</b>	-32
Tax effect on other comprehensive income	20	<b>7</b>	6
<b>Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods</b>		<b>-24</b>	-26
<b>Total comprehensive income for the year, net of tax</b>		<b>127</b>	290
Attributable to non-controlling interest		<b>0</b>	1
Attributable to equity shareholders		<b>127</b>	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
<b>Non-current assets</b>			
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
<b>Total non-current assets</b>		<b>2,255</b>	<b>2,245</b>
<b>Current assets</b>			
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
<b>Total current assets</b>		<b>1,224</b>	<b>1,219</b>
<b>TOTAL ASSETS</b>		<b>3,479</b>	<b>3,464</b>

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
<b>Equity attributable to equity shareholders</b>			
Issued capital	15	10	10
Share premium		167	167
Foreign currency translation		-244	-284
Legal reserve		126	134
Retained earnings		1,866	1,771
<b>Total equity attributable to equity shareholders of the parent</b>		<b>1,925</b>	<b>1,798</b>
Non-controlling interest	16	1	1
<b>Total equity</b>		<b>1,926</b>	<b>1,799</b>
<b>Non-current liabilities</b>			
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
<b>Total non-current liabilities</b>		<b>510</b>	<b>888</b>
<b>Current liabilities</b>			
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
<b>Total current liabilities</b>		<b>1,043</b>	<b>777</b>
<b>TOTAL LIABILITIES</b>		<b>1,553</b>	<b>1,665</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>3,479</b>	<b>3,464</b>

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
<b>Net profit from continuing operations</b>		<b>116</b>	292
<b>Net profit from discontinued operations</b>			-14
<b>Adjustments for:</b>			
Depreciation tangible fixed assets	8	<b>90</b>	99
Depreciation right-of-use tangible fixed assets		<b>38</b>	42
Amortization patents & trademarks	7	<b>25</b>	23
(Decrease) increase provisions		<b>-57</b>	18
Adjustments of put/call options over non-controlling interest	18	<b>130</b>	36
Other non-cash items		<b>-16</b>	-121
<b>Operating cash flow before working capital changes</b>		<b>326</b>	375
<b>Changes in working capital:</b>			
- decrease trade and other receivables and prepayments		<b>2</b>	175
- decrease inventories		<b>34</b>	169
- increase (decrease) trade and other payables		<b>117</b>	-173
<b>Operating cash flow</b>		<b>479</b>	546
Dividend paid	23		-79
<b>Net cash from operations</b>		<b>479</b>	467
<b>Cash flow from investing activities</b>			
Investments subsidiaries, net of cash acquired	5	<b>-6</b>	-112
Investments in tangible fixed assets	8	<b>-73</b>	-125
Divestment tangible fixed assets	8	<b>19</b>	28
Investments in intangible fixed assets	7	<b>-1</b>	-1
Decrease investment portfolio			1
Decrease (increase) other financial non-current assets		<b>1</b>	-1
<b>Net cash from investing activities</b>		<b>-60</b>	-210
<b>Cash flow from financing activities</b>			
Decrease interest-bearing loans and borrowings	17	<b>-371</b>	-210
Payment of lease liabilities		<b>-41</b>	-39
<b>Net cash from financing activities</b>		<b>-412</b>	-249
<b>Net increase in cash and cash equivalents</b>		<b>7</b>	8
<b>Change in cash and cash equivalents</b>			
<b>Balance at 1 January</b>		<b>39</b>	31
Net increase in cash and cash equivalents		<b>7</b>	8
Exchange difference cash and cash equivalents		<b>1</b>	
<b>Balance at 31 December</b>	14	<b>47</b>	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
<b>At 1 January 2019</b>	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
<b>At 31 December 2019</b>	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
<b>At 31 December 2020</b>	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

USD millions	Europe		North America		Latin America		Asia		Australia		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	<b>Net sales</b>											
Window Coverings	<b>1,314</b>	1,344	<b>1,703</b>	1,730	<b>65</b>	86	<b>45</b>	54	<b>133</b>	128	<b>3,260</b>	3,342
Architectural Products	<b>67</b>	70	<b>101</b>	131	<b>41</b>	61	<b>74</b>	82			<b>283</b>	344
Total*	<b>1,381</b>	1,414	<b>1,804</b>	1,861	<b>106</b>	147	<b>119</b>	136	<b>133</b>	128	<b>3,543</b>	3,686
Net assets employed	<b>986</b>	1,196	<b>1,065</b>	1,150	<b>86</b>	90	<b>140</b>	124	<b>107</b>	109	<b>2,384</b>	2,669
of which												
Non-current assets*	<b>1,056</b>	965	<b>858</b>	819	<b>41</b>	43	<b>75</b>	75	<b>77</b>	69	<b>2,107</b>	1,971
Additions to tangible												
fixed assets	<b>24</b>	37	<b>45</b>	79	<b>2</b>	3	<b>2</b>	3	<b>1</b>	3	<b>74</b>	125
Depreciation tangible												
fixed assets	<b>46</b>	46	<b>66</b>	75	<b>5</b>	7	<b>7</b>	8	<b>4</b>	5	<b>128</b>	141
Employees per year-end**	<b>7,366</b>	7,588	<b>12,320</b>	13,690	<b>1,058</b>	1,467	<b>1,577</b>	1,419	<b>550</b>	556	<b>22,871</b>	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.

	Window Coverings		Architectural Products		Metals Trading		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Amounts in millions								
<b>Continuing operations</b>								
<b>Revenue</b>								
Sales to external customers	3,260	3,342	283	344			3,543	3,686
<b>Segment revenue</b>	<b>3,260</b>	<b>3,342</b>	<b>283</b>	<b>344</b>			<b>3,543</b>	<b>3,686</b>
<b>Total gross profit</b>	<b>1,294</b>	<b>1,384</b>	<b>98</b>	<b>139</b>			<b>1,392</b>	<b>1,523</b>
Selling and marketing expense	-627	-701	-65	-79			-692	-780
General and administrative expense	-355	-381	-32	-31			-387	-412
<b>Income from operations before other income/expense</b>	<b>312</b>	<b>302</b>	<b>1</b>	<b>29</b>			<b>313</b>	<b>331</b>
Other income	6	81					6	81
Other expense	-130	-54					-130	-54
<b>Income from operations (EBIT)</b>	<b>188</b>	<b>329</b>	<b>1</b>	<b>29</b>			<b>189</b>	<b>358</b>
Finance income	11	4					11	4
Finance costs	-10	-17	-1	-1			-11	-18
<b>Income before taxes</b>	<b>189</b>	<b>316</b>	<b>0</b>	<b>28</b>			<b>189</b>	<b>344</b>
Taxes on income	-73	-48		-4			-73	-52
<b>Net profit from continuing operations</b>	<b>116</b>	<b>268</b>	<b>0</b>	<b>24</b>			<b>116</b>	<b>292</b>
<b>Discontinued operations</b>								
Net profit after tax from discontinued operations						-14	0	-14
<b>Net profit for the year</b>	<b>116</b>	<b>268</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>-14</b>	<b>116</b>	<b>278</b>
Net profit attributable to non-controlling interest							0	0
<b>Net profit attributable to equity shareholders</b>	<b>116</b>	<b>268</b>	<b>0</b>	<b>24</b>	<b>0</b>	<b>-14</b>	<b>116</b>	<b>278</b>
<b>Assets and liabilities</b>								
Segment assets	3,166	3,148	277	307			3,443	3,455
Investment in an associate	36	9					36	9
<b>Total assets</b>	<b>3,202</b>	<b>3,157</b>	<b>277</b>	<b>307</b>			<b>3,479</b>	<b>3,464</b>
Segment liabilities	1,401	1,469	152	196			1,553	1,665
<b>Total liabilities</b>	<b>1,401</b>	<b>1,469</b>	<b>152</b>	<b>196</b>			<b>1,553</b>	<b>1,665</b>
<b>Net assets employed</b>	<b>2,220</b>	<b>2,466</b>	<b>164</b>	<b>203</b>			<b>2,384</b>	<b>2,669</b>
<b>Other segment information</b>								
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
<b>Finance income</b>		
Other financial income	11	4
<b>Total finance income</b>	<u>11</u>	<u>4</u>
<b>Finance costs</b>		
Bank loans and overdraft	-5	-6
Lease liabilities	-3	-3
Other loans (including non-cumulative redeemable preference shares)	-3	-9
<b>Total finance costs</b>	<u>-11</u>	<u>-18</u>
<b>Other income</b>		
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
<b>Other expense</b>		
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
<b>Non-recurring restructuring expenses are included in the consolidated income statement as follows:</b>		
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		
<b>Depreciation, amortization and costs of inventories included in consolidated income statement</b>		
<b>Included in cost of sales:</b>		
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>
<b>Included in selling and marketing expense:</b>		
Depreciation of tangible fixed assets	15	14
Employee benefits expense	308	326
<b>Included in general and administrative expense:</b>		
Depreciation of tangible fixed assets	39	61
Employee benefits expense	251	254
Amortization other intangibles	25	23
<b>Employee benefits expense</b>		
Wages and salaries	823	842
Social security costs	161	170
Pension costs	34	39
Employee benefits expense included in other expense	34	39
	<u>1,052</u>	<u>1,051</u>
<b>Research costs</b>		
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	
	Total Window covering	US Shop-at-home	European Window covering	Total
Amounts in millions				
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
<b>Total consideration</b>	<b>33</b>	<b>237</b>	<b>84</b>	<b>321</b>
<b>Consideration</b>				
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
<b>Cash outflow on acquisitions:</b>				
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 termination 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
<b>At 1 January</b>	<b>1,195</b>	909	<b>201</b>	160	<b>1,396</b>	1,069
Acquisitions	<b>23</b>	267		64	<b>23</b>	331
Additions	<b>1</b>	1			<b>1</b>	1
Transfer*	<b>-15</b>				<b>-15</b>	0
Amortization			<b>-25</b>	-23	<b>-25</b>	-23
Exchange	<b>37</b>	18	<b>1</b>		<b>38</b>	18
<b>At 31 December</b>	<b>1,241</b>	1,195	<b>177</b>	201	<b>1,418</b>	1,396
<b>At 1 January</b>						
Cost	<b>1,195</b>	909	<b>339</b>	275	<b>1,534</b>	1,184
Accumulated amortization			<b>-138</b>	-115	<b>-138</b>	-115
<b>Net carrying amount</b>	<b>1,195</b>	909	<b>201</b>	160	<b>1,396</b>	1,069
<b>At 31 December</b>						
Cost	<b>1,241</b>	1,195	<b>340</b>	339	<b>1,581</b>	1,534
Accumulated amortization			<b>-163</b>	-138	<b>-163</b>	-138
<b>Net carrying amount</b>	<b>1,241</b>	1,195	<b>177</b>	201	<b>1,418</b>	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
	<b>At 1 January</b>	<b>198</b>	211	<b>284</b>	257	<b>24</b>	24	<b>506</b>
Additions	<b>24</b>	21	<b>48</b>	102	<b>1</b>	2	<b>73</b>	125
Acquisitions		10	<b>1</b>	9	<b>1</b>		<b>2</b>	19
Disposals	<b>-8</b>	-19	<b>-11</b>	-9			<b>-19</b>	-28
Depreciation charge for the year	<b>-17</b>	-23	<b>-71</b>	-74	<b>-2</b>	-2	<b>-90</b>	-99
Exchange	<b>6</b>	-2	<b>8</b>	-1			<b>14</b>	-3
<b>At 31 December, net of accumulated depreciation</b>	<b>203</b>	198	<b>259</b>	284	<b>24</b>	24	<b>486</b>	506
<b>At 1 January</b>								
Cost	<b>470</b>	469	<b>1,121</b>	1,100	<b>59</b>	60	<b>1,650</b>	1,629
Accumulated depreciation	<b>-272</b>	-258	<b>-837</b>	-843	<b>-35</b>	-36	<b>-1,144</b>	-1,137
<b>Net carrying amount</b>	<b>198</b>	211	<b>284</b>	257	<b>24</b>	24	<b>506</b>	492
<b>At 31 December</b>								
Cost	<b>497</b>	470	<b>1,185</b>	1,121	<b>68</b>	59	<b>1,750</b>	1,650
Accumulated depreciation	<b>-294</b>	-272	<b>-926</b>	-837	<b>-44</b>	-35	<b>-1,264</b>	-1,144
<b>Net carrying amount</b>	<b>203</b>	198	<b>259</b>	284	<b>24</b>	24	<b>486</b>	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			Total	Lease Liabilities*
	Land & Buildings	Machinery & Equipment	Other fixed assets		
<b>At 1 January 2019</b>	101	4	17	<b>122</b>	<b>122</b>
Additions	59	1	9	<b>69</b>	<b>69</b>
Disposals	-2		-2	<b>-4</b>	<b>-4</b>
Depreciation expense	-32	-2	-8	<b>-42</b>	
Interest expense				<b>0</b>	<b>3</b>
Payments				<b>0</b>	<b>-39</b>
<b>At 31 December 2019</b>	126	3	16	<b>145</b>	<b>151</b>
Additions	33	1	7	<b>41</b>	<b>41</b>
Disposals	-17		-1	<b>-18</b>	<b>-17</b>
Depreciation expense	-30	-2	-6	<b>-38</b>	
Interest expense				<b>0</b>	<b>3</b>
Payments				<b>0</b>	<b>-41</b>
Exchange	4	1		<b>5</b>	<b>4</b>
<b>At 31 December 2020</b>	116	3	16	<b>135</b>	<b>141</b>

\* 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
<b>At 1 January 2019</b>		43	26	12	<b>81</b>
Additions	1		9	2	<b>12</b>
Deductions		-11	-26		<b>-37</b>
<b>At 31 December 2019</b>	<b>1</b>	<b>32</b>	<b>9</b>	<b>14</b>	<b>56</b>
Additions			7	2	<b>9</b>
Transfer*			20*		<b>20</b>
Deductions	-1	-8		-7	<b>-16</b>
<b>At 31 December 2020</b>	<b>0</b>	<b>24</b>	<b>36</b>	<b>9</b>	<b>69</b>

\* 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)	<b>417</b>	433
Work-in-progress (at cost)	<b>31</b>	34
Finished goods:		
- At cost	<b>327</b>	299
- Provision	<b>-171</b>	-145
	<b>604</b>	621

### 12. Trade and other receivables (current)

Amounts in millions	2020	2019
Trade receivables	<b>407</b>	398
Financial institutions	<b>14</b>	15
Other receivables	<b>2</b>	4
Short-term advances	<b>6</b>	4
	<b>429</b>	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
<b>At 1 January</b>	<b>24</b>	24
Additions	<b>25</b>	13
Utilized	<b>-8</b>	-12
Exchange	<b>1</b>	-1
<b>At 31 December</b>	<b>42</b>	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
<b>2020</b>	<b>325</b>	<b>46</b>	<b>14</b>	<b>11</b>	<b>11</b>
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	<u>14</u>	<u>15</u>
	<b>14</b>	<b>15</b>

### 13. Prepayments

Amounts in millions	2020	2019
Prepaid expenses	<b>85</b>	84
Prepaid taxes (no income tax)	<b>12</b>	11
Other	<b>8</b>	6
	<u><b>105</b></u>	<u>101</u>

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	<b>45</b>	38
Short-term deposits	<b>2</b>	1
	<u><b>47</b></u>	<u>39</u>

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
<b>Issued and fully paid-in</b>		
At 1 January	<b>34,790</b>	35,432
Cancellation		-642
At 31 December	<b>34,790</b>	34,790
<b>Treasury shares</b>		
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	<b>1</b>	1
	<b>1</b>	1



## Notes to consolidated financial statements

### 17. Interest-bearing loans and borrowings

Amounts in millions	Currency	Interest rate	Maturity date	2020	2019
<b>Current</b>					
Bank overdraft		Various *	N/A	42	31
Short-term bank loans		Various *	N/A	16	51
				<b>58</b>	<b>82</b>
<b>Non-current</b>					
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
				<b>122</b>	<b>442</b>
<b>Preferred shares</b>					
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
<b>At 1 January</b>	100	51	123	21	<b>295</b>
Additions from income statement	5		130	20	<b>155</b>
Contributions	-44				<b>-44</b>
Actuarial losses	27				<b>27</b>
Transfer to other payables (current)			-155		<b>-155</b>
Utilized		-28	-18	-11	<b>-57</b>
Exchange			7		<b>7</b>
<b>At 31 December</b>	<b>88</b>	<b>23</b>	<b>87</b>	<b>30</b>	<b>228</b>
Non-current 2020	88	23	87	30	<b>228</b>
Non-current 2019	100	51	123	21	<b>295</b>

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
	<b>879</b>	<b>620</b>

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
<b>Consolidated income statement</b>		
<b>Current income tax</b>		
Current income tax charge	65	35
Adjustments in respect of current income tax of previous years	-2	-2
<b>Deferred income tax</b>		
Relating to origination and reversal of temporary differences and recognition of tax losses	10	19
	<b>73</b>	<b>52</b>

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
<b>At effective income tax rate of 38.6% (2019: 15.1%)</b>	<b>73</b>	<b>52</b>
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
<b>Deferred income tax assets</b>						
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>				
<b>Deferred income tax liabilities</b>						
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
<b>Profit (loss) after tax</b>	<b>0</b>	<b>-14</b>

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
<b>Net cash inflow (outflow)</b>	<b>0</b>	<b>0</b>

### 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
<b>Declared and paid during the year:</b>		
Equity dividend on ordinary shares:		79
Final dividend for 2019: nil (2018: EUR 2.00)	<u>0</u>	<u>79</u>

### 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	<b>2.45</b>	3.20	<b>1.30</b>	2.00
Future salary increase	<b>NA</b>	NA	<b>2.40</b>	2.90
Inflation assumption	<b>NA</b>	NA	<b>2.90</b>	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
<b>Net liability in balance sheet</b>	<b>-60</b>	<b>-86</b>	<b>-28</b>	<b>-14</b>

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
<b>Net benefit expense</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>1</b>
<b>Actual return on plan assets</b>	<b>16</b>	<b>28</b>	<b>4</b>	<b>6</b>

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
<b>Closing defined benefit obligations</b>	<b>245</b>	<b>310</b>	<b>87</b>	<b>70</b>



## 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
<b>Closing fair value of plan assets</b>	<b>185</b>	<b>224</b>	<b>59</b>	<b>56</b>
<b>Of which:</b>				
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
<b>2020</b>			
Euro	50	1	
US dollar	50		
<b>2019</b>			
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
<b>2020</b>			
	5%	0	22
	-5%	-1	-22
<b>2019</b>			
	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
<b>Currency forward</b>				
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
<b>Financial assets</b>				
<b>Non-current</b>				
Other financial assets - amortized cost	24	32	24	32
<b>Current</b>				
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>
<b>Financial liabilities</b>				
<b>Non-current - amortized cost</b>				
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>
<b>Current</b>				
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
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
<b>Floating rate</b>														
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

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
<b>Total</b>	<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
<b>Description</b>						
Financial liabilities at fair value through profit and loss						
Trading derivatives			0		1	1
<b>Total</b>	<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
<b>Closing balance</b>	<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
<b>Total assets</b>	<b>3,479</b>	3,464
Deferred income tax assets	-147	-142
Current liabilities (non-interest bearing)	-948	-653
<b>Net assets employed</b>	<b>2,384</b>	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
<b>Income from operations (before other income/expense)</b>	<b>313</b>	331
Non-recurring restructuring expenses	65	9
Depreciation	128	141
Amortization	25	23
<b>EBITDA (before other income/expense)</b>	<b>531</b>	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
<b>Income from operations (before other income/expense)</b>	<b>313</b>	331
Non-recurring restructuring expenses	65	9
<b>Income from operations (before other income/expense)</b>	<b>378</b>	340
Average net assets employed	<b>2,526</b>	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
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial fixed assets			
- Investments in subsidiaries	2	2,731	2,660
- Advances to subsidiaries	3	271	300
- Other	4	73	68
<b>Total non-current assets</b>		<b>3,075</b>	<b>3,028</b>
<b>Current assets</b>			
Accounts receivable		37	43
Accounts receivable - affiliated companies		214	312
<b>Total current assets</b>		<b>251</b>	<b>355</b>
<b>TOTAL ASSETS</b>		<b>3,326</b>	<b>3,383</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
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
<b>Total shareholders' equity</b>		<b>1,925</b>	<b>1,798</b>
<b>Provisions</b>			
Provision for pensions		4	4
<b>Total provisions</b>		<b>4</b>	<b>4</b>
<b>Non-current liabilities</b>			
Long-term loans - other	6	132	451
Long-term loans - affiliated companies		321	295
<b>Total non-current liabilities</b>		<b>453</b>	<b>746</b>
<b>Current liabilities</b>			
Short-term borrowings		36	47
Accounts payable - other		7	9
Accounts payable - affiliated companies		901	779
<b>Total current liabilities</b>		<b>944</b>	<b>835</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>3,326</b>	<b>3,383</b>
<b>STATEMENT OF INCOME</b>			
Income from subsidiaries and affiliates after taxation		145	301
Other expense, net		-29	-23
<b>Net profit</b>		<b>116</b>	<b>278</b>

\* 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
<b>Beginning of the year</b>	<b>2,660</b>	214
<b>Change during the year</b>		
Share in results, net	145	301
Actuarial losses	-27	-32
Received dividends	-235	-182
Increase, net	105	2,347*
Exchange differences	83	12
<b>Net change</b>	<b>71</b>	2,446
<b>End of year</b>	<b>2,731</b>	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
<b>Beginning of the year</b>	<b>300</b>	2,648
<b>Change during the year</b>		
Additions	17	13
Deductions	-46	-2,361*
<b>Net change</b>	<b>-29</b>	-2,348
<b>End of year</b>	<b>271</b>	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
<b>Beginning of the year</b>	<b>68</b>	67
<b>Change during the year</b>		
Additions	3	2
Deductions		
Exchange	2	-1
<b>Net change</b>	<b>5</b>	1
<b>End of year</b>	<b>73</b>	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
	<u>3.8</u>	<u>3.2</u>

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.



## Additional information

### **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 PWJ. 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
<b>Net sales</b>		<b>3,543</b>	3,686	3,634	3,226	2,821
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>						
(before other income/expense)		<b>531</b>	504	436	391	365
Income from Operations (before other income/expense)		<b>378</b>	340	326	289	279
<b>Net profit from operations (before other income/expense)</b>		<b>305</b>	273	223	233	221
Other income/expense	5	<b>-189</b>	5	37	-20	-16
<b>Net profit from operations (after other income/expense)</b>		<b>116</b>	278	260	213	205
Net result investment portfolio				1	6	1
<b>Total net profit</b>		<b>116</b>	278	261	219	206
Extraordinary tax gain						65
Total net profit (after extraordinary tax gain)		<b>116</b>	278	261	219	271
<b>Operating cash flow</b>		<b>479</b>	546	406	181	197
Investments in tangible fixed assets		<b>73</b>	125	122	130	84
Depreciation of tangible fixed assets		<b>128</b>	141	91	82	71
<b>Net assets employed</b>	1	<b>2,384</b>	2,669	2,399	2,434	1,772
<b>Shareholders' equity</b>		<b>1,926</b>	1,798	1,500	1,378	1,246
<b>Per common share</b>						
- Total net profit (before extraordinary tax gain)	2	<b>3.34</b>	7.98	7.49	6.28	5.94
- Operating cash flow	2	<b>15.29</b>	15.69	11.66	5.22	5.68
- Shareholders' equity	3	<b>55.34</b>	51.69	43.11	39.62	35.84
- Dividend in EUR				2.00	1.85	1.75
Average annual exchange rate EUR/USD		<b>1.14</b>	1.12	1.18	1.13	1.10
Year-end exchange rate EUR/USD		<b>1.22</b>	1.12	1.14	1.20	1.05
Average number of outstanding common shares (thousands)	4	<b>34,790</b>	34,790	34,790	34,790	34,786
Year-end number of outstanding common shares (thousands)	4	<b>34,790</b>	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  
Levolor, 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



## Hunter Douglas N.V.

### 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](http://www.hunterdouglasgroup.com)

**L. Reijtenbagh**

Vice President, CFO & Secretary  
Phone: +31-10-486 95 82

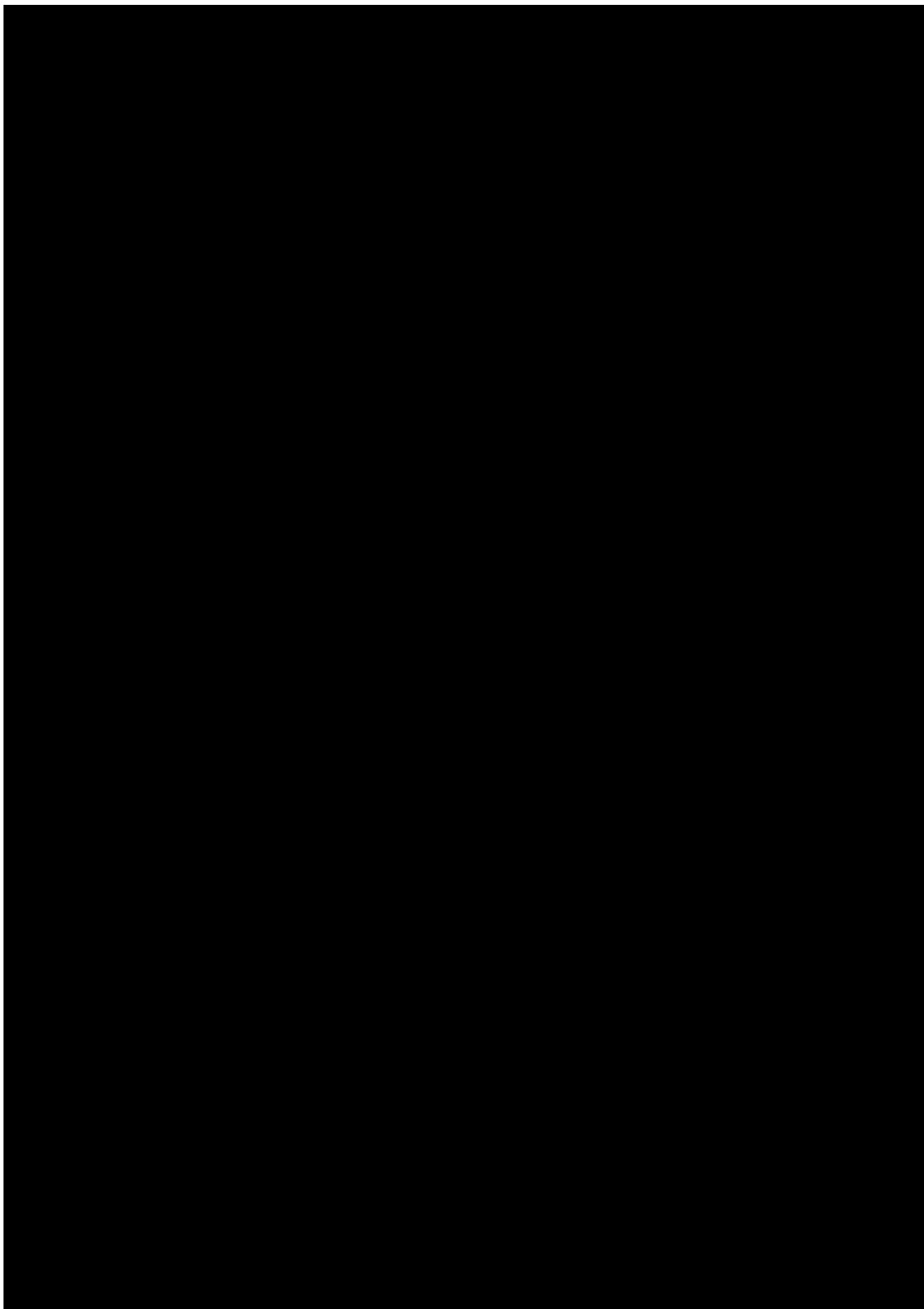
**Depositaries and dividend  
disbursement agents**

ABN AMRO BANK N.V.: Amsterdam,  
Rotterdam - The Netherlands  
ING BANK: Amsterdam, Rotterdam -  
The Netherlands



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**Hunter Douglas Holding Norge AS**

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## **Årsrapport for 2020**

### **Årsberetning**

#### **Årsregnskap**

- Resultatregnskap
- Balanse
- Kontantstrømoppstilling
- Noter

### **Revisjonsberetning**



## Hunter Douglas Holding Norge AS 2020

### Virksomhetens art og hvor den drives

Hunter Douglas Holding Norge AS er et holdingselskap beliggende i Gjøvik Kommune som har som formål å eie og investere i andre selskaper.

### Foretakets utsikter

Styret ser positivt på fremtiden og mener videre drift vil tilføre selskapet positive resultater og likviditet.

### Rettvisende bilde

Styret mener at årsregnskapet gir et rettvisende bilde av selskapets eiendeler og gjeld, finansielle stilling og resultat.

### Finansiell risiko

Styret anser den finansielle risikoen i selskapet som svært liten.

### Kontantstrøm

Samlet kontantstrøm fra driften i selskapet var på NOK 11.714.034,- mens driftsresultatet for selskapet utgjorde NOK -173.063,-. Differansen skyldes i hovedsak innbetalt utbytte fra datterselskaper.

### Forskning og utvikling

Selskapet har ikke hatt forskning- og utviklingskostnader i 2020.

### Fortsatt drift

Årsregnskapet for 2020 er satt opp under forutsetning av fortsatt drift. Det bekreftes herved at forutsetningen for fortsatt drift er til stede.

Virkningen av hvilke effekter COVID-19 er ventet å medføre for selskapet er vurdert. På tidspunktet for avleggelse av årsregnskapet har ikke koronautbruddet påvirket selskapets drift i særlig grad. Etter styrets oppfatning så forventes det ikke at COVID-19 ikke vil påvirke selskapets evne til fortsatt drift i vesentlig grad.

### Arbeidsmiljø

Selskapet har ingen ansatte.

### Ytre miljø

Selskapets virksomhet er ikke regulert av konsesjoner eller pålegg. Bedriften forurenser ikke det ytre miljø.

### Resultat, investeringer, finansiering og likviditet

Driftsresultatet for 2020 ble på -173.063,- mot -154.791,- i 2019. Årsresultatet ble på +13.004.000,- mot et resultat på +90.840.573,- i 2019.

Egenkapitalen ved utgangen av året er på 216.513.302,-, noe som tilsvarer 75,1 % av totalkapitalen. Selskapets likviditetsbeholdning pr 31.12.20 var på 238.025,-



## Redegjørelse for årsregnskapet og resultatdisponering

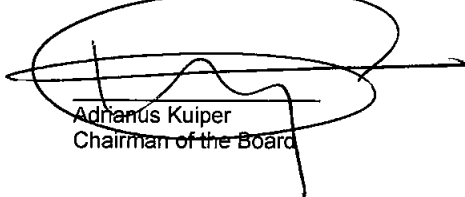
Etter styrets oppfatning gir fremlagt resultatregnskap og balanse med noter uttrykk for virksomhetens resultat for 2020 og økonomiske stilling ved årsskiftet.

Det er ikke inntrådt forhold etter regnskapsårets slutt som er av betydning for bedømmelsen av regnskapet.

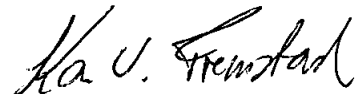
Virksomheten har for 2020 hatt et overskudd på kr +13.004.000,- som foreslås fordelt som følger:

Avsatt utbytte	kr	+	0
Overført annen egenkapital	kr	+	13.004.000
Sum disponert	kr	+	13.004.000

Rotterdam, June 30st 2021



Adrianus Kuiper  
Chairman of the Board



Kai Vidar Fremstad  
Member of the Board



**Hunter Douglas Holding Norge AS**

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**Resultatregnskap**

	Note	2020	2019
<b>Driftskostnader</b>			
Annen driftskostnad	2	<u>173 063</u>	<u>154 791</u>
Driftsresultat		<u>-173 063</u>	<u>-154 791</u>
<b>Finansinntekter og finanskostnader</b>			
Annen finansinntekt	3	14 866 747	92 947 455
Rentekostnad til foretak i samme konsern		<u>1 689 684</u>	<u>1 952 091</u>
Netto finansposter		<u>13 177 063</u>	<u>90 995 364</u>
Ordinært resultat før skattekostnad		<u>13 004 000</u>	<u>90 840 573</u>
<b>Årsresultat</b>		<u>13 004 000</u>	<u>90 840 573</u>
<b>Overføringer og disponeringer</b>			
Overføringer annen egenkapital	7	<u>13 004 000</u>	<u>90 840 573</u>



**Hunter Douglas Holding Norge AS**

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**Balanse pr. 31. desember**

	Note	2020	2019
<b>Anleggsmidler</b>			
<i>Finansielle anleggsmidler</i>			
Investeringer i datterselskap	3	260 429 828	260 429 828
Lån til foretak i samme konsern	4	24 800 000	24 800 000
Sum finansielle anleggsmidler		<u>285 229 828</u>	<u>285 229 828</u>
Sum anleggsmidler		<u>285 229 828</u>	<u>285 229 828</u>
<b>Omløpsmidler</b>			
<i>Fordringer</i>			
Kundefordringer		0	3 750
Andre fordringer	4	2 685 244	1 444 072
Sum fordringer		<u>2 685 244</u>	<u>1 447 822</u>
Bankinnskudd, kontanter og lignende		<u>238 025</u>	<u>502 674</u>
Sum omløpsmidler		<u>2 923 269</u>	<u>1 950 496</u>
Sum eiendeler		<u>288 153 097</u>	<u>287 180 324</u>

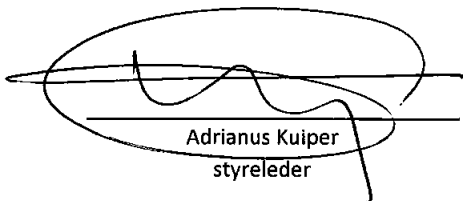


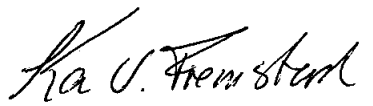
**Hunter Douglas Holding Norge AS**

**Balanse pr. 31. desember**

	Note	2020	2019
<b>Egenkapital</b>			
<i>Innskutt egenkapital</i>			
Aksjekapital	6, 7	330 000	330 000
Overkurs	7	<u>100 559 243</u>	<u>100 559 243</u>
Sum innskutt egenkapital		<u>100 889 243</u>	<u>100 889 243</u>
<i>Opptjent egenkapital</i>			
Annen egenkapital	7	<u>115 624 059</u>	<u>102 620 058</u>
Sum opptjent egenkapital		<u>115 624 059</u>	<u>102 620 058</u>
Sum egenkapital		<u>216 513 302</u>	<u>203 509 301</u>
<b>Gjeld</b>			
<i>Annen langsiktig gjeld</i>			
Øvrig langsiktig gjeld	4	<u>67 106 942</u>	<u>66 081 624</u>
Sum annen langsiktig gjeld		<u>67 106 942</u>	<u>66 081 624</u>
<i>Kortsiktig gjeld</i>			
Annen kortsiktig gjeld	4	<u>4 532 853</u>	<u>17 589 399</u>
Sum kortsiktig gjeld		<u>4 532 853</u>	<u>17 589 399</u>
Sum gjeld		<u>71 639 795</u>	<u>83 671 023</u>
Sum egenkapital og gjeld		<u>288 153 097</u>	<u>287 180 324</u>

31. desember 2020  
Rotterdam, .

  
Adrianus Kuiper  
styreleder

  
Kai Vidar Fremstad  
styremedlem



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**Hunter Douglas Holding Norge AS**

**Kontantstrømoppstilling**

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	Noter	2020	2019
<b><i>Kontantstrømmer fra operasjonelle aktiviteter</i></b>			
Resultat før skattekostnad		13 004 000	90 840 573
Endring i andre tidsavgrensningsposter		-1 289 966	79 715
<b>Netto kontantstrøm fra operasj. aktiviteter</b>		<b>11 714 034</b>	<b>90 920 288</b>
<b><i>Kontantstrømmer fra investeringsaktiviteter</i></b>			
Endring langsiktige fordringer	4	-	-9 800 000
<b>Netto kontantstrøm fra investeringsaktiviteter</b>		<b>-</b>	<b>-9 800 000</b>
<b><i>Kontantstrømmer fra finansieringsaktiviteter</i></b>			
Utbetalt utbytte		-13 004 000	-82 532 118
Endring langsiktig gjeld		1 025 318	1 759 104
<b>Netto kontantstrøm fra finansieringsaktiviteter</b>		<b>-11 978 682</b>	<b>-80 773 014</b>
<b><i>Endring likvidbeholdning</i></b>			
Netto endring i likvider		-264 648	347 274
Beholdning av likvider 1.1.		502 673	155 399
<b>Beholdning av likvider 31.12.</b>		<b>238 025</b>	<b>502 673</b>

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## Hunter Douglas Holding Norge AS

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### Noter til regnskapet for 2020

#### Note 1 - Regnskapsprinsipper

Årsregnskapet er satt opp i samsvar med regnskapslovens bestemmelser og god regnskapsskikk.

##### *Konsolidering*

Hunter Douglas Holding Norge AS eier 100 % av aksjene i datterselskapene Hunter Douglas Norge AS, HD Solskjerming AS og Lunex AS. Konsernet er del av et underkonsern hvor Industrie- en Handelsovernemning Buismetaal B.V i Nederland er morselskap. Med hjemmel i Regnskapsloven § 3-7 er konsolidering av Hunter Douglas Holding Norge unnlatt da konsolidering blir gjort av morselskapet i Nederland.

##### *Datterselskaper*

Datterselskap vurderes etter kostmetoden i selskapsregnskapet. Investeringen er vurdert til anskaffelseskost for aksjene med mindre nedskrivning har vært nødvendig. Det er foretatt nedskrivning til virkelig verdi når verdifall skyldes årsaker som ikke kan antas å være forbigående og det må anses nødvendig etter god regnskapsskikk. Nedskrivninger er reversert når grunnlaget for nedskrivning ikke lenger er til stede.

Utbytte inntektsføres samme år som det blir utbetalt. Konsernbidrag inntektsføres samme år som det er avsatt i datterselskapet. Overstiger utbytte og konsernbidrag andel av tilbakeholdt resultat etter kjøpet, representerer den overskytende del tilbakebetaling av investert kapital, og utdelingene er fratrukket investeringens verdi i balansen.

##### *Klassifisering og vurdering av balanseposter*

Omløpsmidler og kortsiktig gjeld omfatter poster som forfaller til betaling innen ett år etter balansedagen, samt poster som knytter seg til varekretsløpet. Øvrige poster er klassifisert som anleggsmiddel/langsiktig gjeld.

Omløpsmidler vurderes til laveste av anskaffelseskost og virkelig verdi. Kortsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

Anleggsmidler vurderes til anskaffelseskost, men nedskrives til virkelig verdi ved verdifall som ikke forventes å være forbigående. Anleggsmidler med begrenset økonomisk levetid avskrives planmessig. Langsiktig gjeld balanseføres til nominelt beløp på etableringstidspunktet.

##### *Fordringer*

Kundefordringer og andre fordringer er oppført i balansen til pålydende etter fradrag for avsetning til forventet tap. Avsetning til tap gjøres på grunnlag av individuelle vurderinger av de enkelte fordringene. I tillegg gjøres det for øvrige kundefordringer en uspesifisert avsetning for å dekke antatt tap.

##### *Skatter*

Skattekostnaden i resultatregnskapet omfatter både periodens betalbare skatt og endring i utsatt skatt. Utsatt skatt er beregnet med 22% på grunnlag av de midlertidige forskjeller som eksisterer mellom regnskapsmessige og skattemessige verdier, samt ligningsmessig underskudd til fremføring ved utgangen av regnskapsåret. Skatteøkende og skattereduserende midlertidige forskjeller som reverserer eller kan reversere i samme periode er utlignet og nettoført. Netto utsatt skattefordel balanseføres i den grad det er sannsynlig at denne kan bli nyttiggjort.

##### *Kontantstrømoppstilling*

Kontantstrømoppstillingen er utarbeidet etter den indirekte metode. Kontanter og kontantekvivalenter omfatter kontanter, bankinnskudd og andre kortsiktige, likvide plasseringer.

##### *Bruk av estimater*

Ledelsen har brukt estimater og forutsetninger som har påvirket resultatregnskapet og verdsettelsen av

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## Hunter Douglas Holding Norge AS

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### Noter til regnskapet for 2020

eiendeler og gjeld, samt usikre eiendeler og forpliktelser på balansedagen under utarbeidelsen av årsregnskapet i henhold til god regnskapsskikk.

#### Note 2 - Lønnskostnader, antall ansatte, lån til ansatte og godtgjørelse til revisor

Selskapet har ingen ansatte.  
Det er ikke utbetalt honorar til styret.

Honorar til revisor er utbetalt med kr. 28 859 i revisjonshonorar og kr. 41 750 i honorar for annen bistand.

#### Note 3 - Datterselskap

Selskap	Anskaf. år	Kontor	Eier- andel	Resultat 2020	Egenkapital pr. 31.12	Bokført verdi pr. 31.12
HD Solskjerming AS	2014/2016	Molde/Kløfta	99 %	206 680 366	314 528 209	184 729 985
Hunter Douglas Norge AS	2015	Gjøvik	100 %	18 432 296	44 907 393	75 699 843
Sum				225 112 662	359 435 602	260 429 828

#### Note 4 - Mellomværende med selskap i samme konsern

<i>Fordringer</i>	2020	2019
Lån til foretak i samme konsern	24 800 000	24 800 000
Andre fordringer	2 685 244	1 444 072
Sum	27 485 244	26 244 072
<i>Gjeld</i>	2020	2019
Annen kortsiktig gjeld	-4 532 853	-17 589 399
Langsiktig gjeld	-67 106 942	-66 081 624
Sum	-71 639 795	-83 671 023

Det er ikke avtalt nedbetalingsplan på langsiktig lån fra morselskap. Rente beregnes etter markedsmessige betingelser



## Hunter Douglas Holding Norge AS

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### Noter til regnskapet for 2020

#### Note 5 - Skatt

<i>Beregning av årets skattegrunnlag:</i>	<b>2020</b>
Ordinært resultat før skattekostnad og mottatt konsernbidrag	13 004 000
Tilbakeføring av inntektsført utbytte	-13 004 000
Årets skattegrunnlag	<u>0</u>

#### Note 6 - Aksjekapital og aksjonærinformasjon

Aksjekapitalen består av 30 000 aksjer, hver pålydende kr. 11,-. Disse eies 100 % av Industrie- en Handelsonderneming Buismetaal B.V i Nederland.

Selskapet inngår i konsernregnskapet til The Hunter Douglas Group Nederland. Konsernregnskapet kan lastes ned fra [www.hunterdouglasgroup.com](http://www.hunterdouglasgroup.com).

#### Note 7 - Egenkapital

	Aksjekapital	Overkurs	Annen egenkapital	Sum
Egenkapital 1.1	330 000	100 559 243	102 620 058	203 509 301
Årsresultat	0	0	13 004 000	13 004 000
Egenkapital 31.12	<u>330 000</u>	<u>100 559 243</u>	<u>115 624 058</u>	<u>216 513 301</u>

#### Note 8 - Covid-19

Virkingen av COVID-19 pandemien har vært liten for selskapet. Heller ikke for datterselskapene har dette har særlig negativ innvirkning.



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Statsautoriserte revisorer  
Ernst & Young AS

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Medlemmer av Den norske revisorforening

## UAVHENGIG REVISORS BERETNING

Til generalforsamlingen i Hunter Douglas Holding Norge AS

### Uttalelse om revisjonen av årsregnskapet

#### Konklusjon

Vi har revidert årsregnskapet for Hunter Douglas Holding Norge AS som består av balanse per 31. desember 2020, resultatregnskap og kontantstrømoppstilling for regnskapsåret avsluttet per denne datoen, og en beskrivelse av vesentlige anvendte regnskapsprinsipper og andre noteopplysninger.

Etter vår mening er årsregnskapet avgitt i samsvar med lov og forskrifter og gir et rettviseende bilde av selskapets finansielle stilling per 31. desember 2020, og av dets resultater og kontantstrømmer for regnskapsåret avsluttet per denne datoen i samsvar med regnskapslovens regler og god regnskapsskikk i Norge.

#### Grunnlag for konklusjonen

Vi har gjennomført revisjonen i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder de internasjonale revisjonsstandardene (ISA-ene). Våre oppgaver og plikter i henhold til disse standardene er beskrevet i avsnittet *Revisors oppgaver og plikter ved revisjonen av årsregnskapet*. Vi er uavhengige av selskapet i samsvar med de relevante etiske kravene i Norge knyttet til revisjon slik det kreves i lov og forskrift. Vi har også overholdt våre øvrige etiske forpliktelser i samsvar med disse kravene. Etter vår oppfatning er innhentet revisjonsbevis tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon.

#### Øvrig informasjon

Øvrig informasjon omfatter informasjon i selskapets årsrapport bortsett fra årsregnskapet og den tilhørende revisjonsberetningen. Styret og daglig leder (ledelsen) er ansvarlig for den øvrige informasjonen. Vår uttalelse om revisjonen av årsregnskapet dekker ikke den øvrige informasjonen, og vi attesterer ikke den øvrige informasjonen.

I forbindelse med revisjonen av årsregnskapet er det vår oppgave å lese den øvrige informasjonen med det formål å vurdere hvorvidt det foreligger vesentlig inkonsistens mellom den øvrige informasjonen og årsregnskapet eller kunnskap vi har opparbeidet oss under revisjonen, eller hvorvidt den tilsynelatende inneholder vesentlig feilinformasjon. Dersom vi konkluderer med at den øvrige informasjonen inneholder vesentlig feilinformasjon, er vi pålagt å rapportere det. Vi har ingenting å rapportere i så henseende.

#### Ledelsens ansvar for årsregnskapet

Ledelsen er ansvarlig for å utarbeide årsregnskapet i samsvar med lov og forskrifter, herunder for at det gir et rettviseende bilde i samsvar med regnskapslovens regler og god regnskapsskikk i Norge. Ledelsen er også ansvarlig for slik intern kontroll som den finner nødvendig for å kunne utarbeide et årsregnskap som ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil.

Ved utarbeidelsen av årsregnskapet må ledelsen ta standpunkt til selskapets evne til fortsatt drift og opplyse om forhold av betydning for fortsatt drift. Forutsetningen om fortsatt drift skal legges til grunn for årsregnskapet med mindre ledelsen enten har til hensikt å avvikle selskapet eller legge ned virksomheten, eller ikke har noe annet realistisk alternativ.

#### Revisors oppgaver og plikter ved revisjonen av årsregnskapet

Vårt mål er å oppnå betryggende sikkerhet for at årsregnskapet som helhet ikke inneholder vesentlig feilinformasjon, verken som følge av misligheter eller feil, og å avgi en revisjonsberetning som inneholder vår konklusjon. Betryggende sikkerhet er en høy grad av sikkerhet, men ingen garanti for at en revisjon utført i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, alltid vil avdekke vesentlig feilinformasjon. Feilinformasjon kan skyldes misligheter eller feil og er å anse som vesentlig



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dersom den enkeltvis eller samlet med rimelighet kan forventes å påvirke de økonomiske beslutningene som brukerne foretar på grunnlag av årsregnskapet.

Som del av en revisjon i samsvar med lov, forskrift og god revisjonsskikk i Norge, herunder ISA-ene, utøver vi profesjonelt skjønn og utviser profesjonell skepsis gjennom hele revisjonen. I tillegg

- ▶ identifiserer og anslår vi risikoen for vesentlig feilinformasjon i årsregnskapet, enten det skyldes misligheter eller feil. Vi utformer og gjennomfører revisjonshandlinger for å håndtere slike risikoer, og innhenter revisjonsbevis som er tilstrekkelig og hensiktsmessig som grunnlag for vår konklusjon. Risikoen for at vesentlig feilinformasjon som følge av misligheter ikke blir avdekket, er høyere enn for feilinformasjon som skyldes feil, siden misligheter kan innebære samarbeid, forfalskning, bevisste utelatelser, uriktige fremstillinger eller overstyring av intern kontroll;
- ▶ opparbeider vi oss en forståelse av den interne kontrollen som er relevant for revisjonen, for å utforme revisjonshandlinger som er hensiktsmessige etter omstendighetene, men ikke for å gi uttrykk for en mening om effektiviteten av selskapets interne kontroll;
- ▶ vurderer vi om de anvendte regnskapsprinsippene er hensiktsmessige og om regnskapsestimatene og tilhørende noteopplysninger utarbeidet av ledelsen er rimelige;
- ▶ konkluderer vi på om ledelsens bruk av fortsatt drift-forutsetningen er hensiktsmessig, og, basert på innhentede revisjonsbevis, hvorvidt det foreligger vesentlig usikkerhet knyttet til hendelser eller forhold som kan skape betydelig tvil om selskapets evne til fortsatt drift. Dersom vi konkluderer med at det foreligger vesentlig usikkerhet, kreves det at vi i revisjonsberetningen henleder oppmerksomheten på tilleggsopplysningene i årsregnskapet. Hvis slike tilleggsopplysninger ikke er tilstrekkelige, må vi modifisere vår konklusjon. Våre konklusjoner er basert på revisjonsbevis innhentet frem til datoen for revisjonsberetningen. Etterfølgende hendelser eller forhold kan imidlertid medføre at selskapets evne til fortsatt drift ikke lenger er til stede;
- ▶ vurderer vi den samlede presentasjonen, strukturen og innholdet i årsregnskapet, inkludert tilleggsopplysningene, og hvorvidt årsregnskapet gir uttrykk for de underliggende transaksjonene og hendelsene på en måte som gir et rettviseende bilde.

Vi kommuniserer med styret blant annet om det planlagte omfanget av revisjonen, tidspunktet for vårt revisjonsarbeid og eventuelle vesentlige funn i vår revisjon, herunder vesentlige svakheter i den interne kontrollen som vi avdekker gjennom vårt arbeid.

## Uttalelse om øvrige lovmessige krav

### Konklusjon om årsberetningen

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, mener vi at opplysningene i årsberetningen om årsregnskapet, forutsetningen om fortsatt drift og forslaget til disponering av resultatet er konsistente med årsregnskapet og i samsvar med lov og forskrifter.

### Konklusjon om registrering og dokumentasjon

Basert på vår revisjon av årsregnskapet som beskrevet ovenfor, og kontrollhandlinger vi har funnet nødvendige i henhold til internasjonal standard for attestasjonsoppdrag (ISAE) 3000 «Attestasjonsoppdrag som ikke er revisjon eller forenklet revisorkontroll av historisk finansiell informasjon», mener vi at ledelsen har oppfylt sin plikt til å sørge for ordentlig og oversiktlig registrering og dokumentasjon av selskapets regnskapsopplysninger i samsvar med lov og god bokføringsskikk i Norge.

Lillehammer, 19. august 2021  
ERNST & YOUNG AS

*Revisjonsberetningen er signert elektronisk*

Tor Kjetil Lund  
statsautorisert revisor

Uavhengig revisors beretning - Hunter Douglas Holding Norge AS

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