20240708122244

Årsredovisning

för

HD Sweden Holding AB

556713-0322

Räkenskapsåret

2023

Fastställelseintyg

Undertecknad styrelseledamot i HD Sweden Holding AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 28 juni 2024. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Alingsås den 28 juni 2024

Jonas Persson

20240708122245

Årsredovisning

för

HD Sweden Holding AB

556713-0322

Räkenskapsåret

2023

Denna årsredovisning har undertecknats elektroniskt

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Styrelsen och verkställande direktören för HD Sweden Holding AB, med säte i Alingsås, får härmed avge årsredovisning för räkenskapsåret 2023.

Årsredovisningen är upprättad i svenska kronor, SEK.

Förvaltningsberättelse

Information om verksamheten

HD Sweden Holding AB, ingår i Hunter Douglas-gruppen, vars slutliga moderbolag, 3G Capital Partners (71760), har sitt säte i New York, USA.
Verksamheten består av att äga och förvalta aktier i dotterbolag.

Väsentliga händelser under räkenskapsåret

Bolaget har under 2023 avyttrat aktier i dotterbolaget Luxaflex AS, Norge, samt förvärvat aktier i W.H. Produkter A/S, Danmark.

Risker och osäkerhetsfaktorer

Eftersom verksamheten består i att äga och förvalta aktier i dotterbolag så utgörs bolagets risker och osäkerhetsfaktorer av de risker som finns i respektive dotterbolag.

Flerårsöversikt (Tkr)	**2023**	**2022**	**2021**	**2020**
Nettoomsättning	565	565	565	565
Resultat efter finansiella poster	4 921	24 093	108 398	8 292
Balansomslutning	498 167	456 554	568 216	398 779
Soliditet (%)	98,6	94,7	95,6	98,0
Avkastning på eget kap. (%)	1,0	5,6	19,9	2,1
Antal anställda	0	0	0	0

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	438 322 561
årets vinst	52 437 451
	490 760 012
disponeras så att	
till aktieägare utdelas	50 000 000
i ny räkning överföres	440 760 012
	490 760 012

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Styrelsen föreslås bemyndigas att besluta om tidpunkt då utdelningen skall betalas.

Styrelsen anser att förslaget är förenligt med försiktighetsregeln i 17 kap. 3 § aktiebolagslagen enligt följande redogörelse: Styrelsens uppfattning är att vinstutdelningen är försvarlig med hänsyn till de krav verksamhetens art, omfattning och risk ställer på storleken på det egna kapitalet, bolagets konsolideringsbehov, likviditet och ställning i övrigt.

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med tilläggsupplysningar.

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Resultaträkning
Tkr

	Not	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Nettoomsättning	1	565	565
Bruttoresultat		**565**	**565**
Rörelsens kostnader			
Administrationskostnader		-1 881	-91
Rörelseresultat	2	**-1 316**	**474**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag	3	5 286	22 558
Ränteintäkter och liknande resultatposter	4	1 057	1 137
Räntekostnader och liknande resultatposter	5	-106	-76
		6 237	**23 619**
Resultat efter finansiella poster		**4 921**	**24 093**
Bokslutsdispositioner	6	59 725	119 721
Skatt på årets resultat	7	-12 209	-24 989
Årets resultat		**52 437**	**118 825**

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Balansräkning

Tkr

	Not	2023-12-31	2022-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	8, 9	417 211	300 130
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		73 443	146 039
Övriga fordringar		7 000	10 385
Summa kortfristiga fordringar		**80 443**	**156 424**
Kassa och bank		513	0
Summa omsättningstillgångar		**80 956**	**156 424**
SUMMA TILLGÅNGAR		**498 167**	**456 554**

Denna handling är undertecknad med BankID av: [illegible]

Balansräkning

Tkr

	Not	2023-12-31	2022-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		222	200
Fritt eget kapital	10		
Balanserad vinst eller förlust		438 323	313 239
Årets resultat		52 437	118 825
Summa eget kapital		**490 982**	**432 265**
Kortfristiga skulder			
Skulder till koncernföretag		4 485	5 267
Aktuella skatteskulder		2 608	18 800
Övriga skulder		0	141
Upplupna kostnader och förutbetalda intäkter		91	81
Summa kortfristiga skulder		**7 185**	**24 289**
SUMMA EGET KAPITAL OCH SKULDER		**498 167**	**456 554**

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Rapport över förändringar i eget kapital

Tkr

	Aktie-kapital	Balanserat resultat	Årets resultat	Summa eget kapital
Ingående eget kapital 2022-01-01	**200**	**390 550**	**152 690**	**543 439**
Omföring resultat föreg år		152 690	-152 690	0
Lämnad utdelning		-230 000		-230 000
Årets resultat			118 825	118 825
Utgående eget kapital 2022-12-31	**200**	**313 240**	**118 825**	**432 265**
Omföring resultat föreg år		118 825	-118 825	0
Nyemission	22	124 581		124 604
Lämnad utdelning		-118 323		-118 323
Årets resultat			52 437	52 437
Utgående eget kapital 2023-12-31	**222**	**438 323**	**52 437**	**490 982**

Denna årsredovisning är undertecknad med elektronisk signering

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Tilläggsupplysningar

Redovisnings- och värderingsprinciper

Allmänna redovisningsprinciper
Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Fordringar och skulder
Om inget annat anges värderas kortfristiga fordringar till det lägsta av dess anskaffningsvärde och det belopp varmed de beräknas bli reglerade. Långfristiga fordringar och långfristiga skulder värderas efter det första värderingstillfället till upplupet anskaffningsvärde. Övriga skulder värderas till de belopp varmed de beräknas bli reglerade. Övriga tillgångar redovisas till anskaffningsvärde om inget annat anges.

Koncerntillhörighet och koncernredovisning
Företaget är ett moderföretag, men upprättar ingen koncernredovisning med hänvisning till undantagsregeln i årsredovisningslagen 7 kap 2§.

Närmast överordnade moderföretag som upprättar koncernredovisning i vilken företaget ingår är Hunter Douglas Holding B.V. i Rotterdam, Holland, reg nr 84968192. Årsredovisningen finns tillgänglig på www.hunterdouglasgroup.com.

Intäktsredovisning
Intäkter har tagits upp till verkligt värde av vad som erhållits eller kommer att erhållas och redovisas i den omfattning det är sannolikt att de ekonomiska fördelarna kommer att tillgodogöras bolaget och intäkterna kan beräknas på ett tillförlitligt sätt.

Nedskrivning av anläggningstillgångar
Redovisat värde granskas beträffande eventuell värdeminskning när händelse eller ändrade förutsättningar indikerar att det redovisade värdet eventuellt inte kommer att kunna återvinnas. Om det finns sådana indikationer och om det redovisade värdet överstiger det förväntade återvinningsbara beloppet skrivs tillgångarna ned till det återvinningsbara beloppet, vilket motsvarar det högsta av nettoförsäljningsvärdet och nyttjandevärdet. Nyttjandevärdet utgörs av nuvärdet av de förväntade framtida kassaflödena enligt en diskonteringsfaktor före skatt, som avspeglar marknadens aktuella uppskattning av pengars tidsvärde och de risker, som förknippas med tillgången. Nedskrivningen redovisas i resultaträkningen.

Finansiella instrument
Finansiella instrument värderas utifrån anskaffningsvärdet. Instrumentet redovisas i balansräkningen när bolaget blir part i instrumentets avtalsmässiga villkor. Finansiella tillgångar tas bort från balansräkningen när rätten att erhålla kassaflöden från instrumentet har löpt ut eller överförts och bolaget har överfört i stort sett alla risker och förmåner som är förknippade med äganderätten. Finansiella skulder tas bort från balansräkningen när förpliktelserna har reglerats eller på annat sätt upphört.

Omräkning av poster i utländsk valuta
Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

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Koncernbidrag
Erhållna och lämnade koncernbidrag redovisas som bokslutsdispositioner.

Nyckeltalsdefinitioner
Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Avkastning på eget kap. (%)
Resultat efter finansiella poster i procent av justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt).

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Noter

Tkr

Not 1 Nettoomsättningens fördelning

Av moderbolagets nettoomsättning har 100% (100%) gått till andra koncernbolag.

Not 2 Anställda och personalkostnader

Bolaget har inte haft några anställda och några löner har ej utbetalats.

Not 3 Resultat från andelar i koncernföretag

	2023	2022
Erhållna utdelningar	7 360	22 558
Resultat vid avyttringar	-2 074	0
	5 286	**22 558**

Not 4 Ränteintäkter och liknande resultatposter

	2023	2022
Ränteintäkter från koncernföretag	1 057	1 137
	1 057	**1 137**

Not 5 Räntekostnader och liknande resultatposter

	2023	2022
Övriga räntekostnader	-106	-76
	-106	**-76**

Denna handling är undertecknad med BankID av: ANDERS LINDQVIST, ANDREAS KOVA

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Not 6 Bokslutsdispositioner

	2023	2022
Erhållna koncernbidrag	59 725	119 721
59 725	**119 721**

Not 7 Aktuell och uppskjuten skatt

	2023	2022
Skatt på årets resultat		
Aktuell skatt	-12 209	-24 989
Totalt redovisad skatt	**-12 209**	**-24 989**

Avstämning av effektiv skatt

	2023		2022	
	Procent	**Belopp**	**Procent**	**Belopp**
Redovisat resultat före skatt		64 647		143 814
Skatt enligt gällande skattesats	20,60	-13 317	20,60	-29 626
Permanenta ej avdragsgilla kostnader		-438		-12
Permanenta ej skattepliktiga intäkter		1 545		4 649
Redovisad effektiv skatt	**18,89**	**-12 209**	**17,38**	**-24 989**

Totalt underskottsavdrag i bolaget uppgår till 0 tkr (0 tkr).

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Not 8 Andelar i koncernföretag

	2023-12-31	2022-12-31
Ingående anskaffningsvärden	300 130	300 130
Inköp	124 604	0
Försäljningar/utrangeringar	-7 523	0
Utgående ackumulerade anskaffningsvärden	**417 211**	**300 130**
Utgående redovisat värde	**417 211**	**300 130**

Not 9 Specifikation andelar i koncernföretag

Namn	Säte	Rösträtts andel	Antal andelar	Bokfört värde
Hunter Douglas Assembly Automation AB (556458-3234)	Stenungsund	100	60 500	6 100
Luxaflex AB (556391-9728)	Anderstorp	100	50 000	118 617
Hunter Douglas Scandinavia AB (556057-9871)	Alingsås	100	225 300	135 000
Luxaflex A/S (64850717)	Risskov/Danmark	100	3	28 481
Tuiss Scandinavia AB (556507-3706)	Helsingborg	100	1 000	4 409
W/H Produkter	Odense	100	3 400	124 604
				417 211

Med stöd av Årsredovisningslagen kap 5 §30 lämnas inte upplysning om dotterbolagens resultat och eget kapital. För att erhålla informationen hänvisas till respektive bolags årsredovisning. Koncernredovisning erhålles närmast i årsredovisningen för Hunter Douglas Holding B.V., reg nr 84968192.
Årsredovisningen finns tillgänglig på www.hunterdouglasgroup.com.

Not 10 Disposition av vinst eller förlust

Förslag till resultatdisposition

	2023-12-31	2022-12-31
Styrelsen föreslår att till förfogande stående medel:		
balanserad vinst	319 065	313 239
överkursfond	119 258	0
årets vinst	52 437	118 825
	490 760	**432 064**
disponeras så att		
till aktieägare utdelas	50 000	113 000
i ny räkning överföres	440 760	319 065
	490 760	**432 065**

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Not 11 Händelser efter balansdagen

Inga väsentliga händelser att rapportera.

Not 12 Ställda säkerheter

	2023-12-31	2022-12-31
Ställda säkerheter	0	0
	0	**0**

Not 13 Eventualförpliktelser

	2023-12-31	2022-12-31
Övriga eventualförpliktelser	0	0
	0	**0**

Årsredovisningen undertecknades av samtliga, Alingsås den 28 juni 2024

Henrik Svensson
Styrelseordförande / Verkställande direktör

Jonas Persson

Lennart Gustafsson

Vår revisionsberättelse har lämnats

Ernst & Young AB

Michaela Nilsson
Auktoriserad revisor

PENNEO

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Med vänlig hälsning/Best regards

20240708122258

Sven Henrik Svensson (SSN-validerad)
ÅR - VD / Styrelseledamot
Serienummer: 728b4c0801f978[…]45d4f59a20f11
IP: 62.20.xxx.xxx
2024-06-28 07:38:25 UTC

Bengt Jonas Persson (SSN-validerad)
Styrelseledamot
Serienummer: fff1fa918758b0[…]ee95e2bfb80df
IP: 194.237.xxx.xxx
2024-06-28 07:50:39 UTC

Lennart Roger Gustafsson (SSN-validerad)
Styrelseledamot
Serienummer: 3b775fd3cc8da5[…]77e66a5905e6f
IP: 176.10.xxx.xxx
2024-06-28 08:02:00 UTC

Michaela Sofia Therése Nilsson (SSN-validerad)
Aukt. Revisor / Godkänd revisor
Serienummer: e0a4b674f80885[…]10254c17b71d4
IP: 147.161.xxx.xxx
2024-06-28 08:18:37 UTC

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HunterDouglas

Hunter Douglas Holdings Limited

Annual report and financial statements
Year ended: December 31, 2023

Registered number: 14453520

20241011103773

Building a better working world

Revisionsberättelse

Till bolagsstämman i HD Sweden Holding AB, org.nr 556713 - 0322

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för HD Sweden Holding AB för räkenskapsåret 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av HD Sweden Holding ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till HD Sweden Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Penneo dokumentnyckel: BL6CY-4NV6Q-TES2U-4LSA5-6NP1O-P1QAW

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Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning av HD Sweden Holding AB för räkenskapsåret 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till HD Sweden Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Göteborg den dag som framgår av vår elektroniska underskrift

Ernst & Young AB

Michaela Nilsson
Auktoriserad revisor

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Michaela Sofia Therése Nilsson (SSN-validerad)
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Hunter Douglas Holdings Limited
Company information

Directors	D Schwartz A Behring Costa D Sonnenberg
Company number	14453520
Registered office	The Darwin Building 2 Colwick Quays Business Park Private Road No.2 Nottingham United Kingdom NG4 2JY
Auditors	Ernst & Young LLP 1 Cambridge Business Park Cowley Road Cambridge CB4 0WZ

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Hunter Douglas Holdings Limited
Strategic report

The directors present the strategic report and consolidated financial statements of Hunter Douglas Holdings Limited (the "Company") and its group undertakings (together referred to as "Hunter Douglas" or the "Group") for the year ended December 31, 2023.

The strategic report, directors' report and consolidated financial statements present all dates in the American English date format.

The strategic report has been prepared for the Group and therefore gives a greater emphasis to matters that are significant to the Group when viewed as a whole.

About Hunter Douglas
Hunter Douglas comprises approximately 240 companies and approximately 22,000 employees, with approximately 40 manufacturing and approximately 80 assembly operations, complemented by marketing and distribution operations in more than 100 countries.

The Company was incorporated on October 31, 2022. The Company was dormant from its incorporation date of October 31, 2022 to February 23, 2023.

On February 23, 2023, the Company entered into a share-for-share exchange with Hunter Douglas Group Limited and consequently the Company became the 100% owner, and ultimate parent, of the Group. The transaction was accounted for as a group restructuring and not as a business combination. As the share-for-share exchange transaction did not result in a change of control for the Group, the consolidated financial statements for Hunter Douglas Holdings Limited reflect the Group as if it had always existed. Accordingly, the consolidated financial statements include the results, and assets and liabilities of the acquired group for the whole of the current and corresponding period, with no regard to the date of acquisition.

Description of business
Hunter Douglas is a leading manufacturer of window coverings and architectural products, with trusted brand names recognized around the world: HunterDouglas®, Luxaflex®, Levolor® and Hillarys®.

Window Coverings
Our window covering products are designed to offer a range of light control and privacy options with a broad selection of fabrics and materials from sheer to opaque. The innovative design of our products can deflect and redirect sunlight precisely. We customize each window covering to the individual consumer's specific needs and typically deliver the manufactured product within three to four weeks of ordering.

Our success is based upon trusted brand names recognized around the world for great design and outstanding quality: HunterDouglas®, Luxaflex®, Levolor® and Hillarys®. Our window covering businesses continue to strategically invest in innovations in motorization and fabrics as we seek to harness consumer interest in smart, sustainable homes and drive top line growth.

Architectural Products
Our architectural products businesses focus on high performance proprietary architectural materials and products, which realize design objectives while also meeting functional needs such as light control and acoustics. Our businesses continue to strategically invest in innovations in materials and design concepts, as well as expanding our façade, screens and related product offerings to drive top line growth.

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Fair review of the business

The Group's consolidated financial statements present the results of operations of the Group for the year ended December 31, 2023, and the period ended December 31, 2022 (the "comparative financial statements").

The comparative financial statements cover the period from December 13, 2021 to December 31, 2022, and while this is a long period of account, it does not include a full year of trading as the Group was acquired on February 25, 2022. Accordingly, the comparative financial statements presented reflect a trading period of only ten months and may not be entirely comparable.

Net sales for the year ended December 31, 2023 and the period ended December 31, 2022 were $4,476 million and $3,952 million respectively. Both the year ended December 31, 2023 and the period ended December 31, 2022, were impacted by macroeconomic headwinds and unfavourable foreign currency fluctuations.

The Group generated a loss of $513 million and $506 million for the year ended December 31, 2023 and the period ended December 31, 2022, respectively, primarily driven by non-cash items, including impairments, amortization and unrealized gains (losses) related to derivative instruments.

Due to purchase accounting adjustments associated with the 2022 Acquisition (described in Note 4 of the Consolidated Financial Statements), during the year ended December 31, 2023 and the period ended December 31, 2022, the Group recorded $0 million and $223 million of amortization costs related to inventory fair value adjustments, respectively and $113 million and $89 million of amortization costs related to acquired intangible assets, respectively.

As a result of the annual goodwill impairment test, performed on October 1, 2023 and October 1, 2022, the Group recorded impairment losses related to certain cash-generating units of $518 million and $546 million respectively. The impairment losses were primarily due to emerging macroeconomic conditions affecting forecasted demand and anticipated costs, which reduced the recoverable value of the cash-generating units below their carrying value.

Other expense of $17 million and other income of $231 million was recognized during the year ended December 31, 2023 and the period ended December 31, 2022, respectively. Other (expense) income comprises amounts not directly related to core operations, including realized and unrealized (i.e., "mark to market") amounts arising from non-qualifying, (economic) hedges, foreign currency gains/losses arising on remeasurement of intercompany loan balances and foreign denominated debt and other non-operating items. These amounts are reported outside of operating income in the Consolidated Statements of Income.

Key performance indicators

Management uses Adjusted EBITDA to identify operating trends and benchmark across periods to evaluate performance.

Adjusted EBITDA is defined as net income (loss) from continuing operations before finance costs, income tax expense, depreciation and amortization, share of (income) loss of associates, and further excluding other ancillary (income) loss. The excluded items generally fall into one or more of the following broad categories: non-operating expenses not directly related to core operations, costs incurred to effect organization-wide transformation initiatives, legacy matters having no relevance to the Group's current businesses or operating performance; adjustments to enhance transparency to the underlying economics of transactions; and measures that management believes to be common to the industry. Adjusted EBITDA for the year ended December 31, 2023 and period ended December 31, 2022 was $793 million and $726 million, respectively. Please refer to Note 31 of the consolidated financial statements for further detail.

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Principal risks and uncertainties

For information related to risk management, please refer to Note 21.6 of the consolidated financial statements.

The Group's results from operations are sensitive to external factors, of which the following are generally most consequential:

- **Macroeconomic trends (e.g., interest rates and inflation) and resulting effects on consumer confidence.** Generally, these factors impact housing sales, rates of new construction (both residential and commercial) and repair and remodelling activity, which then impacts consumer demand for our products. Management, in consultation with the Board members, contemplate market and segment specific indicators and are empowered to take actions deemed necessary to manage this risk.

- **Prices for raw materials, in particular: aluminum, steel, fabric, synthetics and other oil-based products.** Generally, changes in material prices are passed on in our product prices.

- **Foreign currency fluctuations.** The Group operates in over 100 countries, with a material volume of foreign denominated sales and purchases. Where deemed cost effective, the Group uses derivative instruments (primarily options and forwards) to mitigate its foreign currency exchange rate exposure.

Going concern

In preparing these financial statements the directors have made an assessment of the Group and Company's ability to continue as a going concern for the period to June 30, 2025, based on recent historical performance and its most recent budgets and forecasts.

The Group generated a loss after tax of $513 million, however, this was significantly impacted by non-cash items, and the Group still generated operating cash inflows of $475 million for the year ended December 31, 2023. Net assets were $1,966 million, of which net current assets were $1,120 million at December 31, 2023.

At December 31, 2023 the Group had approximately $4,480 million of long-term debt, $48 million of which is classified as a current liability in the Consolidated Balance Sheets, with $4,377 million due only after 2028. Repayments of long-term debt for the year ended December 31, 2023 were $36 million. Cash paid for interest was $375 million for the year ended December 31, 2023.

The Group uses interest rate swaps to manage the interest rate volatility with regard to the Group's long-term debt. The realized gains (losses) arising from these non-qualifying, (economic) hedges fix the effective interest rate associated with approximately 75% of the B-1 and B-2 loans at approximately 5.8% per annum.

The Group liquidity position is sound, with approximately $878 million of cash and cash equivalents on hand at December 31, 2023, further strengthened by access to approximately $789 million under the Group's credit facility.

As part of its assessment, the directors conducted a sensitivity analysis and reverse stress test which showed that even if net sales were to decline by 25%, the Group had sufficient funding to remain a going concern with appropriate headroom on its facilities and related covenants. The directors' assessment also considered recent macro-economic trends and events, which have had only a modest impact on the Group to date.

Based on the above, the directors believe it remains appropriate to prepare the financial information on a going concern basis, as they are satisfied that they have a reasonable basis upon which to conclude that the Group is able to meet its liabilities as they fall due in the foreseeable future.

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Future developments
Hunter Douglas remains relentlessly focused on the following objectives: (a) rapid, profitable growth, (b) market leading innovation, and (c) operational efficiency.

Macroeconomic headwinds attributable to rising interest rates, inflationary pressures, labor shortages and subsiding, but ongoing, pressure on global supply chains for key materials (in particular; aluminum, steel, fabric, synthetics and other oil-based products) are anticipated to impact the results of operations in 2024.

The Group intends to continue to evaluate opportunities to augment growth through opportunistic acquisitions.

Research and development activities
Our culture of professional entrepreneurship is a key competitive advantage that drives our organization.

Hunter Douglas was founded on a tradition of bringing breakthrough products to market, developing the aluminum venetian blind with a unique continuous casting and aluminum fabrication process over 75 years ago.

Today, Hunter Douglas leads the industry in designing and delivering new product concepts.

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 are 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.

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

As smart home technology emerges as a transformative force, we continue to invest in enhancing our motorisation offerings, including expanding compatibility across our range of window covering products and improving connectivity and integration with popular third-party whole-home automation systems.

Section 172 statement
When making decisions, each Director ensures that they act in the way they consider, in good faith, would most likely promote the Group's success for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- *The likely consequences of any decision in the long term*
  The Board members responsibilities include review of overall strategy, financial objectives, financing, budgets, significant acquisitions and/or divestitures, significant capital expenditures, and results of operations of the Group.

- *The interests of the Group's employees*
  The Board members recognize that employees are the most valuable resource of the Group. The success of our business depends on attracting, retaining, developing and motivating talented employees. The Board members consider and assess the implications of relevant decisions on employees and the wider workforce.

- *The need to foster the Group's business relationships with suppliers, customers and others*
  The Board members recognize the importance of strategic partners, including retailers, dealers, installers and others in serving its diverse customer base and providing an expansive range of window covering and architectural product solutions.

- *The impact of the Group's operations on the community and the environment*
  The Board members are committed to being a responsible manufacturer, customer, employer, vendor and neighbor.

- *The desirability of the Group maintaining a reputation for high standards of business conduct*
  The Board members recognize that the Group needs to operate in ways which are ethical and responsible.

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- *The need to act fairly between members of the Group*
  After consideration of all factors outlined above, the Board members consider which course of action best enables the delivery of its long-term strategy whilst also considering the impact on key stakeholders.

Sustainability

The Group assessed the most important social and environmental impacts of our operations and value chain to identify the following strategic priorities (the "strategic priorities").

Climate change action	*Resources and circular economy*	*Responsible business*
• Reduce the carbon footprint of the Group. • Increase net CO2 savings during the life cycle of our products.	• Reduce waste in our production process. • Increase recycled content and end of life recyclability.	• Compliance in the supply chain. • Diversity and inclusion. • Strive for zero accidents.

Streamlined energy and carbon report ("SECR")

As a large, unquoted organization, Hunter Douglas Holdings Limited is required to report its UK energy use and carbon emissions. Annual reporting regarding greenhouse gas emissions from Scope 1 and 2 Electricity, Gas and Transport are required.

Methodology

The reporting period for the SECR is January 1, 2023 to December 31, 2023, being the most recent financial year for the UK entities within the scope of the reporting requirements.

This report has been compiled in line with the March 2019 BEIS 'Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance' and the EMA methodology for SECR Reporting. All measured emissions from activities which the organization has financial control over are included as required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, unless otherwise stated.

The carbon figures have been calculated using the DESNZ 2023 carbon conversion factors for all fuels, other than the market-based electricity which has been taken from Npower, British Gas Lite, Pozitive, SSE, E-on and Engie as the UK supplier.

Energy efficiency actions taken within the UK

- Installation of solar panels at various UK sites.
- Switched to 100% renewable energy contracts where possible with the view to moving all UK business to renewable energy contracts upon termination of existing long-term contracts.
- Continuing to install motion sensors and LED lights across office and communal spaces.
- Transition of company cars to hybrid or electric cars.

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UK carbon footprint data

Scope	Description	Emissions Source		tC02e 2023	tC02e 2022
Scope 1	Combustion of fuel and on-site transportation	On site: Natural Gas, Diesel, Petrol, Hybrid	Location based	1,483	2,017
			Market based	1,483	2,017
Scope 2	Purchased energy	Electricity	Location based	475	466
			Market based	359	539
Scope 3	Indirect Emissions	Unknown Vehicle Fuel	Location based	18	19
			Market based	18	19
Total			Location based	1,976	2,502
			Market based	1,859	2,576
Intensity Ratio	tCO2e / £1m Turnover		Location based	4.50	5.89
			Market based	4.23	6.07
Energy Usage	Total kWh consumed	Electricity, Natural Gas, Petrol, Diesel, Hybrid, EV, Unknown vehicle fuel		10,199,999	12,939,844
Renewable %		Electricity		25	-

Assumptions and estimations

Of the total emissions compiled for this report, 1.61% were emissions estimated using either pro rata extrapolation or benchmarking.

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UK Climate Related Financial Disclosures

The Companies (Strategic Report) (Climate-related Financial Disclosures) Regulations 2022 requires certain large private companies to incorporate Task Force on Climate-related Financial Disclosures ("TCFD") aligned climate disclosures in their annual reports.

Governance

Requirement	Disclosure
Description of the governance arrangements of the Group in relation to assessing and managing climate-related risks and opportunities	Climate-related risks and opportunities are assessed and managed by the Senior Management Team, pursuant to a cross functional ESG Steering Committee comprising the Chief Legal and ESG Officer, the Chief Financial Officer, the Chief Supply Chain Officer, the Chief Procurement Officer and the Chief Human Resources Officer. The Senior Management Team report periodically on ESG matters to, and have the Group's ESG strategy and risk assessment approved by, the Board members.

Strategy

Description of:
- principal climate-related risks and opportunities arising in connection with the operations of the Group;
- the time periods by reference to which those risks and opportunities are assessed; and
- the actual and potential impacts of the principal climate-related risks and opportunities on the Group's business model and strategy.

Analysis of the resilience of the Group's business model and strategy, taking into consideration different climate-related scenarios.

The potential climate outcomes considered when reviewing climate risks and opportunities ranged from a sustainable transition scenario that limits global warming to 1.5°C, to an adaptation scenario where emissions continue on the current pathway, which leads to around 4°C warming, such that they cover both high physical and high transition risks.

Scenarios are not intended to be predictions of likely future events or outcomes and, therefore, are not the basis for the Group's operating plans or financial statements.

Risk or Opportunity	Category	Time horizon	Potential impact
Physical risk; Increase in impacts from extreme weather events and chronic climate change on the Group's operations and supply chain	Acute & Chronic	Medium-term	• Disruption to operations and/or damage to physical assets due to extreme events. • Disruption to supply of raw materials. • Revenue losses due to decreased productivity. • Increased operating costs due to greater energy needs, higher insurance costs and higher repair/maintenance expenditures.
Transition risk; Climate-related regulation becomes more stringent and widespread	Policy	Short-term	• Increased capital costs to execute transition plans to realized targets. • Increased operating costs to understand, analyze and comply with dynamic regulatory framework.

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Risk or Opportunity	Category	Time horizon	Potential impact
Transition risk; Increased scrutiny of climate-related disclosures	Policy	Short-term	• Increased operating costs to understand, analyze and comply with dynamic regulatory framework. • Revenue losses due to negative customer perceptions. • Increased cost of capital resulting from higher levels of scrutiny by investors.
Transition opportunity; Enhanced corporate value through diversification of product lines and accessing new markets	Products and services	Medium-term	• Increased revenue due to growing customer demand for low-emission and more resource efficient products.

Resilience of the Group's strategy to different climate-related scenarios

The Group's financial strength and access to liquidity give us the ability to be agile in response to various climate-related scenarios. They also allow us to withstand potential volatility in costs or reduced revenue due to transition and physical risks.

Risk Management

Requirement	Disclosure
Description of how the Group identifies, assesses climate-related risks and opportunities	Beginning 2022, the Group carried out a double materiality assessment to identify the most important social and environmental impacts of our operations and value chain. This process involved peer benchmarking and the identification of all potential sustainability topics considered important. This was supported by secondary research on sustainability risks and trends. Within this framework, the Group evaluated several potential specific issues across three value chain stages: upstream, our direct operations, and downstream. This analysis resulted in 38 material issues that were clustered into 10 material themes correlated with the UN Sustainable Development Goals. These themes and their position on both materiality axes (financial and sustainability) were validated and adjusted in key internal and external stakeholder workshops. The above exercise enabled the Group to identify the strategic priorities referred to in page 9 of the Strategic report (the "Strategic Priorities").
Description of how the Group manages climate-related risks and opportunities	The Senior Management Team is responsible for managing climate-related risks and opportunities, which includes: (i) periodically re-assessing the impact of climate change on the Group; (ii) establishing target baselines in connection with each of the Strategic Priorities; and (iii) developing, monitoring and cascading action plans for the implementation of each of the Strategic Priorities.

Requirement	Disclosure
Description of how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management process in the Group	The Group is developing the foundations of its global climate-related risk and opportunities management and control systems.

Metrics & Targets

Requirement	Disclosure
Description of the targets used by the Group to manage climate-related risks and to realise climate-related opportunities and of performance against those targets	The Senior Management Team is implementing data capture tools across each of the functions represented in the ESG Steering Committee to develop target baselines and key performance indicators for each of the Strategic Priorities. Once baselines are established, targets will be developed and submitted for the revision and approval of the Board members.
Description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based	The Senior Management Team is implementing data capture tools across each of the functions represented in the ESG Steering Committee to develop target baselines and key performance indicators for each of the Strategic Priorities.

On behalf of the board

Dated: June 28, 2024

D Schwartz

A Behring Costa

D Sonnenberg

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Hunter Douglas Holdings Limited
Directors' report

The directors present their report and the consolidated financial statements of the Group for the year ended December 31, 2023.

Principal activities
The principal activities of the Group are that of manufacturer and retailer of window coverings and architectural products.

The Company was dormant from its incorporation date of October 31, 2022 to February 23, 2023.

On February 23, 2023, the Company entered into a share-for-share exchange with Hunter Douglas Group Limited and consequently the Company became the 100% owner, and ultimate parent, of the Group. The transaction was accounted for as a group restructuring and not as a business combination. As the share-for-share exchange transaction did not result in a change of control for the Group, the consolidated financial statements for Hunter Douglas Holdings Limited reflect the Group as if it had always existed. Accordingly, the consolidated financial statements include the results, and assets and liabilities of the acquired group for the whole of the current and corresponding period, with no regard to the date of acquisition.

Incorporation
The Company was incorporated on October 31, 2022.

Results and dividends
For the year ended December 31, 2023, the loss attributable to the owners of the Company was $561 million. For the period ended December 31, 2022, the loss attributable to the owners of the Company was $453 million.

The directors do not recommend the payment of a dividend for the year ended December 31, 2023.

Directors
The directors who held office during the period and up to the date of signature of the consolidated financial statements were as follows:

D Schwartz	(Appointed November 23, 2022)
A Costa	(Appointed February 24, 2023)
D Sonnenberg	(Appointed February 24, 2023)
J Castro Neves	(Appointed October 31, 2022, Resigned November 23, 2022)

Qualifying third-party indemnity provisions
Directors' and officers' liability insurance has been put into place and renewed by the Group during the year ended December 31, 2023, and the period ended December 31, 2022.

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Subsequent events
The Group has evaluated subsequent events that have occurred from January 1, 2024 to June 28, 2024, which is the date that the consolidated financial statements were available to be issued, and determined that there were no subsequent events or transactions that required recognition or disclosure in the consolidated financial statements, other than the matters described below.

2024 Acquisitions
Subsequent to December 31, 2023, the Company acquired controlling interests in several businesses that manufacture and sell window covering products. Each acquisition is expected to enhance the Company's portfolio of products and further advance the Company's growth strategy. Total cash consideration transferred was approximately $91.0 million. The identifiable assets acquired were approximately $47.0 million and included approximately $46.0 million of intangible assets. The fair value of noncontrolling interests was approximately $10.0 million. Goodwill related to the acquisitions amounted to approximately $54.0 million. Provisional estimates of fair value are established at the time of each acquisition and are subsequently reviewed and finalized within the first year of operations subsequent to the acquisition date.

Sale of architectural products business
On April 26, 2024, the Group sold an architectural product business based in North America for cash consideration of approximately $95.0 million.

Restricted stock and restricted stock units
The Company issued approximately 0.7 million common shares to certain employees, for consideration of approximately $7.8 million. The Company granted approximately 1.2 million restricted stock units to certain employees, the fair value of the restricted stock units was approximately $13.0 million.

Employees
"Business is people" is one of the core guiding principles of Hunter Douglas. Hunter Douglas seeks to attract, hire, develop and promote the best talent in the world. We are focussed on the creation of a work environment where unique backgrounds, experiences and perspectives are respected and valued and, as a result, all employees can reach their full potential.

We believe that attracting and selecting the right people is important. The Group is committed to the principle of equal employment opportunity for all workplace participants. All employment decisions are based on business needs, job requirements and individual qualifications.

Code of Business Conduct
Hunter Douglas has a Code of Business Conduct that applies to all employees. The principles and best practices established in the Code of Business Conduct reflect the corporate culture that the Board members wants to embed in the day-to-day routines of all employees. The core values of Hunter Douglas are included in the Code of Business Conduct and relate to professional conduct, integrity and safety. The Code of Business Conduct includes topics related to diversity, privacy and ethical conduct, including; conflicts of interest, gifts and anti-bribery. The Code of Business Conduct can be found on Hunter Douglas' website.

Whistle-blower protection
Hunter Douglas employees are offered the opportunity to report irregularities or suspicions with regards to violations of the Code of Business Conduct, the law, safety policies, the environment or any other forms of misbehaviour without bringing their (legal) position in jeopardy. Internal reporting of such instances by Hunter Douglas employees can be made in complete anonymity through a prescribed website.

Auditor
Ernst and Young LLP were appointed as auditors. Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Ernst and Young LLP will therefore continue in office.

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Hunter Douglas Holdings Limited
Directors' report

Statement of disclosure to auditor
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Political contributions
The Company did not make any political donations or incur any political expenditure from October 31, 2022 to December 31, 2023.

Strategic report
The Group has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the Group's Strategic Report information required by Schedule 7 of the Large and medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and has done so in respect of a review of its principal risks, financial risk management, future developments, a review of its business and streamlined energy and carbon reporting.

On behalf of the board

Dated: June 28, 2024

D Schwartz

A Behring Costa

D Sonnenberg

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Hunter Douglas Holdings Limited
Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Group and the Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and company financial statements for each financial year. Under that law they have elected to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards ('IAS') and applicable law and have elected to prepare the company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101: Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of their profit or loss for that period. In preparing each of the Group and the Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
    - for the Group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
    - for the Company financial statements, state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

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Independent auditor's report to the members of Hunter Douglas Holdings Limited

Opinion

We have audited the financial statements of Hunter Douglas Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended December 31, 2023 which comprise the Consolidated Statements of Income, the Consolidated Statements of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statements of Cash Flows and the related notes 1 to 32 and 1 to 9 in respect of the parent company, including a summary of material accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the group's and of the parent company's affairs as at December 31, 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period to June 30, 2025.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

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statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 16, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the financial reporting framework (IFRS, FRS 101 and the Companies Act 2006) and compliance with the relevant direct and indirect tax

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regulations in the United Kingdom. In addition, the group and the parent company have to comply with laws and regulations relating to its operations, including employment law, health, safety, environmental regulations, and General Data Protection Regulation ("GDPR").

- We understood how Hunter Douglas Holdings Limited and its subsidiaries are complying with those frameworks by making enquiries of the senior finance personnel and those charged with governance to understand how they maintain and communicate policies and procedures in these areas, how the Company has adequate oversight over the potential for override of controls or other inappropriate influence over the financial reporting process and how management has put controls in place to reduce the opportunities for fraudulent transactions and non-compliance with laws and regulations. We read Board minutes and made enquiries of the appropriate personnel to identify if there are matters where there is a risk of breach of such regulations which could have a material impact on the Company. Supporting documentation was obtained and examined to corroborate our understanding of these matters.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur through performing inquiries of senior finance personnel and those charged with governance. We considered how revenue could be manipulated through postings of manual and non-standard journals. We also assessed the risk of fraud due to management override of controls and performed responsive procedures in line with relevant auditing standards. Our procedures included:
    - Testing the appropriateness of journal entries: We obtained the entire population of journals for the period and tested manual and non-standard journals posting to revenue, considering the nature of these transactions, and further identified specific transactions which did not meet our expectations based on certain criteria for further investigation.
    - Evaluating the business rationale for significant, unusual transactions outside the normal course of business;
    - Evaluating management bias in the determination of accounting estimates;
    - Considering whether there are any fraud risk factors associated with related party relationships and transactions and if so, whether they gave rise to a risk of material misstatement due to fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures were as set out above.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Adrian Bennett (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge
Date: June 28, 2024

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Hunter Douglas Holdings Limited
Consolidated Statements of Income
(in millions)

		January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Net sales	Note 5	$ 4,476	$ 3,952
Cost of products sold		(2,573)	(2,516)
Gross profit		**1,903**	**1,436**
Selling, general and administrative expenses	Note 9	(1,367)	(1,136)
Impairment losses	Note 17, Note 30	(519)	(549)
Other operating expenses	Note 10	(115)	(126)
Operating income (loss)		**(98)**	**(375)**
Finance costs	Note 13	(399)	(219)
Other (expense) income	Note 12	(17)	231
Income (loss) before income taxes		**(514)**	**(363)**
Income tax expense	Note 19	(1)	(120)
Share of income (loss) of associates		2	(23)
Net income (loss)		**$ (513)**	**$ (506)**
Net income (loss) attributable to noncontrolling interests		22	(123)
Net income (loss) attributable to common shareholders		$ (535)	$ (383)

All amounts relate to continuing activities.

See accompanying notes to the consolidated financial statements.

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Hunter Douglas Holdings Limited
Consolidated Statements of Comprehensive Income
(in millions)

		January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Net income (loss)		**$ (513)**	**$ (506)**
Other comprehensive income (loss):			
Items that may be reclassified to Statements of Income			
Foreign currency translation adjustments		(6)	(135)
Income tax (expense) benefit		(11)	16
Total items that may be reclassified to Statements of Income		**(17)**	**(119)**
Items that will not be reclassified to Statements of Income			
Net actuarial gains (losses) arising on employee benefit plans	Note 25	(8)	29
Income tax expense	Note 19	(1)	(3)
Total items that will not be reclassified to Statements of Income		**(9)**	**26**
Other comprehensive income (loss)		**$ (26)**	**$ (93)**
Comprehensive income (loss)		**$ (539)**	**$ (599)**
Comprehensive income (loss) attributable to noncontrolling interests		22	(146)
Comprehensive income (loss) attributable to common shareholders		$ (561)	$ (453)

All amounts relate to continuing activities.
See accompanying notes to the consolidated financial statements.

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Hunter Douglas Holdings Limited
Consolidated Balance Sheets
(in millions)

		December 31, 2023	December 31, 2022
Assets			
Goodwill	Note 17	$ 1,691	$ 1,943
Intangible assets, net	Note 18	3,485	3,421
Property, plant and equipment, net	Note 15	961	1,041
Lease right-of-use assets	Note 16	92	121
Deferred income taxes	Note 19	162	53
Investments in unconsolidated associates	Note 28	7	94
Assets held for sale	Note 30	22	-
Other assets	Note 20	276	541
Total non-current assets		**6,696**	**7,214**
Cash and cash equivalents		878	815
Accounts receivable	Note 21.1	361	395
Inventories	Note 14	671	774
Other current assets	Note 20	220	185
Total current assets		**2,130**	**2,169**
Total assets		**$ 8,826**	**$ 9,383**
Equity			
Share capital	Note 27	$ -	$ -
Share premium	Note 27	13	2,315
Merger reserve	Note 27	2,947	-
Foreign currency translation reserve	Note 27	(107)	(90)
Retained earnings (deficit)	Note 27	(907)	(363)
Other capital reserves	Note 27	5	1
Total shareholders' equity		**1,951**	**1,863**
Noncontrolling interests		15	641
Total equity		$ **1,966**	$ **2,504**
Liabilities			
Lease liabilities	Note 16	$ 70	$ 89
Long-term debt	Note 23	4,432	4,461
Deferred income taxes	Note 19	1,067	1,027
Other liabilities	Note 20	281	197
Total non-current liabilities		**5,850**	**5,774**
Accounts payable		180	141
Current portion of lease liabilities	Note 16	25	28
Current portion of long-term debt	Note 23	48	41
Other current liabilities	Note 20	757	895
Total current liabilities		**1,010**	**1,105**
Total liabilities		**$ 6,860**	**$ 6,879**
Total liabilities and equity		**$ 8,826**	**$ 9,383**

See accompanying notes to the consolidated financial statements.

These financial statements were approved by the board of directors on June 28, 2024 and were signed on its behalf by:

D Schwartz
Company registered number: 14453520

A Behring Costa

D Sonnenberg

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Hunter Douglas Holdings Limited
Consolidated Statements of Changes in Equity
(in millions)

		January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Share capital			
Balance at beginning of period		$ -	$ -
Common stock issued		-	-
Balance at end of period		$ -	$ -
Share premium			
Balance at beginning of period		$ 2,315	$ -
Common stock issued		-	2,315
Group restructuring		(2,315)	-
Sale of common stock in consolidated subsidiary		13	-
Balance at end of period		$ 13	$ 2,315
Merger reserve			
Balance at beginning of period		-	-
Common stock issued		2,500	-
Group restructuring		447	-
Balance at end of period		$ 2,947	-
Foreign currency translation reserve			
Balance at beginning of period		$ (90)	$ -
Foreign currency translation adjustments, net of tax		(17)	(90)
Balance at end of period		$ (107)	$ (90)
Retained earnings (deficit)			
Balance at beginning of period		$ (363)	$ -
Net income (loss) attributable to common shareholders		(535)	(383)
Net actuarial gains (losses) arising on employee benefit plans, net of tax		(9)	20
Balance at end of period		$ (907)	$ (363)
Other capital reserves			
Balance at beginning of period		$ 1	$ -
Stock-based compensation	Note 8	4	1
Balance at end of period		$ 5	$ 1
Total shareholders' equity		**$ 1,951**	**$ 1,863**
Noncontrolling interests			
Balance at beginning of period		$ 641	$ -
Acquisitions		-	787
Net income (loss) attributable to noncontrolling interests		3	(123)
Net actuarial gains (losses) arising on employee benefit plans, net of tax		-	6
Foreign currency translation adjustments, net of tax		3	(29)
Group restructuring		(632)	-
Contributions from noncontrolling interests		-	-
Distributions to noncontrolling interests		-	-
Balance at end of period		$ 15	$ 641
Total equity		**$ 1,966**	**$ 2,504**

See accompanying notes to the consolidated financial statements.

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Hunter Douglas Holdings Limited
Consolidated Statements of Cash Flows
(in millions)

		January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Cash flows from operating activities			
Net loss		$ (513)	$ (506)
Adjustments to reconcile net loss to net cash from operating activities:			
Finance costs		399	219
Income tax expense		1	120
Depreciation and amortization		278	218
Amortization of purchase price allocation to inventory		-	223
Impairment losses		519	549
Stock-based compensation	Note 8	9	5
Foreign currency transactions		(26)	60
Unrealized (gains) losses on derivatives	Note 22	147	(355)
Loss on disposal and scrap of property, plant and equipment		34	1
Share of (income) loss of associates, net of dividends received		(2)	33
Other		71	16
Changes in operating assets and liabilities:			
Accounts receivable		37	39
Inventories		113	(56)
Accounts payable		39	(68)
Other assets		(41)	67
Other liabilities		(85)	(16)
Interest paid		(375)	(168)
Taxes paid		(130)	(135)
Net cash provided by (used for) operating activities		**475**	**246**
Cash flows from investing activities			
Purchases of property, plant and equipment	Note 15	(107)	(179)
Proceeds from sale of property, plant and equipment		44	77
Acquisition of businesses, net of cash acquired	Note 4	(158)	(6,055)
Loan repayments received from unconsolidated associates		30	-
Other, net		-	5
Net cash provided by (used for) investing activities		**(191)**	**(6,152)**
Cash flows from financing activities			
Proceeds from long-term debt		-	4,593
Proceeds from issuance of common stock		-	2,315
Proceeds from issuance of restricted stock		6	-
Payments of debt issue costs		-	(126)
Redemption of noncontrolling interests		(2)	-
Repayments of long-term debt		(36)	(18)
Distributions to noncontrolling interests		(12)	(7)
Settlement of squeeze-out proceedings		(140)	-
Proceeds from sale of common stock in consolidated subsidiary		15	-
Payment of principal portion of lease liabilities		(38)	(33)
Other, net		(9)	(11)
Net cash provided by (used for) financing activities		**(216)**	**6,713**
Effect of exchange rate changes on cash and cash equivalents		(5)	8
Net change in cash and cash equivalents		63	815
Balance at beginning of period		815	-
Balance at end of period		**$ 878**	**$ 815**

See accompanying notes to the consolidated financial statements.

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Hunter Douglas Holdings Limited
Notes to Consolidated Financial Statements

Note 1. Organization

Hunter Douglas Holdings Limited (the "Company") is a private company limited by shares and incorporated and domiciled in the United Kingdom ("UK"). The registered number is 14453520 and the registered address office is The Darwin Building, 2 Colwick Quays Business Park, Private Road No.2, Nottingham, United Kingdom, NG4 2JY.

The principal activities of the Company and its subsidiaries (the "Group") are described in the strategic report.

Reporting period

These consolidated financial statements cover the year ended December 31, 2023, and the period ended December 31, 2022 (the "comparative financial statements"). The comparative financial statements cover the period from December 13, 2021 to December 31, 2022, and while this is a long period of account, it does not include a full year of trading as the Group was acquired on February 25, 2022. Accordingly, the comparative financial statements presented reflect a trading period of only ten months and may not be entirely comparable.

Note 2. Material accounting policies

Basis of presentation

These consolidated financial statements have been prepared on a going concern basis and in accordance with UK-adopted International Accounting Standards ("IAS") in conformity with the requirements of the Companies Act 2006.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, which have been measured at fair value.

As a significant majority of the Group's earnings are denominated in US Dollars ($), the presentation currency of these consolidated financial statements is US Dollars. All amounts in the financial statements have been rounded to the nearest million except when otherwise indicated.

The accounting policies set out below have, unless otherwise stated, been applied consistently throughout the period presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have material effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 3.

Principles of consolidation

The Company was incorporated on October 31, 2022, and was dormant to February 23, 2023.

On February 23, 2023, the Company entered into a share-for-share exchange with Hunter Douglas Group Limited and consequently the Company became the 100% owner, and ultimate parent, of the Group. The transaction was accounted for as a group restructuring and not as a business combination. As the share-for-share exchange transaction did not result in a change of control for the Group, the consolidated financial statements for Hunter Douglas Holdings Limited reflect the Group as if it had always existed. Accordingly, the consolidated financial statements include the results, and assets and liabilities of the acquired group for the whole of the current and corresponding period, with no regard to the date of acquisition.

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2023 and December 31, 2022. 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 the Group has (a) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee), (b) Exposure, or rights, to variable returns from its involvement with the investee and (c) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including (a) The contractual arrangement(s) with the other voting right holders of the investee, (b) Rights arising from other contractual arrangements and (c) The Group's voting rights and potential voting rights.

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The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the investee and ceases when the Group loses control of the investee. Assets, liabilities, income and expenses of an investee acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the investee.

A change in the ownership interest of a consolidated subsidiary, without a loss of control, is accounted for as an equity transaction.

Noncontrolling interests are the portion of equity and net income (loss) in consolidated subsidiaries not attributable, directly or indirectly, to the Group.

All material intercompany accounts and transactions have been eliminated.

Equity investments in entities that the Group does not consolidate, including corporate entities in which the Group has significant influence and partnership and partnership-like entities in which the Group has significant influence over the operating and financial policies, are accounted for under the equity method. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date.

Foreign currency
For all significant foreign operations, the functional currency is the local currency. Assets and liabilities of these operations are translated into US Dollars at the exchange rate in effect at each period end. Revenues and expenses are translated into US Dollars at average rates prevailing during the period. Foreign currency translation adjustments arising from the use of differing exchange rates are presented within foreign currency translation reserve in the Consolidated Balance Sheets, until the subsidiary is disposed of, at which time, the cumulative amount is reclassified to the Consolidated Statements of Income.

Transaction gains (losses) from intercompany transactions denominated in a currency other than the functional currency of the entities involved are presented within other (expense) income in the Consolidated Statements of Income.

Revenue recognition
Revenue is recognized when control of a promised product is transferred to a customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for transferring the product. The Group records revenue net of returns, allowances for discounts and sales tax. Shipping and handling charges billed to customers are presented within net sales and the related costs are presented within cost of products sold in the Consolidated Statements of Income.

Accounts receivable
A receivable is recognized if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities
A contract liability is recognized if a payment is received from a customer before the Group transfers the related goods or services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Selling, general and administrative expenses
Selling, general and administrative costs are expensed as incurred. Selling, general and administrative expenses include employee compensation (excluding those employees engaged in product manufacturing), depreciation and amortization (excluding amounts related to product manufacturing), allowance for credit losses, advertising expenses, rent expense (excluding amounts related to product manufacturing), and any other costs related to selling product or administrating the business.

Advertising costs are expensed as incurred and presented within selling, general and administrative expenses in the Consolidated Statements of Income. The Group incurred advertising costs of $266.7 million and $239.2 million for the year ended December 31, 2023 and the period ended December 31, 2022, respectively.

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Research and development expense
Research costs are expensed as incurred and presented within selling, general and administrative expenses in the Consolidated Statements of Income. Development expenditures are recognized as an intangible asset when the Group can demonstrate (i) the technical feasibility of completing the asset, (ii) its intention to complete and use the asset, (iii) how the asset will demonstrate future economic benefits, (iv) the availability of resources to develop the asset, and (iv) the ability to measure reliably the expenditure during development. The Group incurred research costs of $45.2 million and $43.5 million for the year ended December 31, 2023 and the period ended December 31, 2022, respectively.

Stock-based compensation - equity-settled transactions
The Group measures stock-based compensation cost at the grant date, based on the estimated fair value of the award and recognizes the cost, together with a corresponding increase in equity (within other capital reserves), over the period in which the service conditions are fulfilled.

Stock-based compensation - cash-settled transactions
The Group records a liability for the fair value of cash-settled transactions. The fair value is updated at each reporting date up to and including the settlement date, with changes in fair value recognized in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability.

Income taxes
Current income tax assets and liabilities 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 reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income taxes represent the expected future tax consequences of temporary differences between the carrying amounts and tax basis of assets and liabilities. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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 reporting date.

Income taxes relating to items recognized directly in equity are recognized in equity and not in the results of operations.

The Group offsets deferred tax assets and deferred tax liabilities if the amounts relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle the liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously.

Cash and cash equivalents
Cash and cash equivalents include deposits with banks, money market funds and other short-term, highly liquid investments with original maturity dates of ninety days or less.

Funds in certain countries in which the Group operates are subject to varying exchange regulations. No material restrictions exist for transfers of a current nature, such as dividends from subsidiaries. Certain countries have more severe restrictions on remittances of a capital nature, which are not material to the Group.

Inventories
Inventories are stated at the lower of cost or net realizable value. Cost represents the direct and indirect expenditures to bring inventory to its existing condition and location, and generally includes material, labor and overhead. Net realizable value is the estimated selling price in the ordinary course of business less reasonably predictable costs of completion, disposal and transportation.

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Property, plant and equipment
Property, plant and equipment is stated at cost, net of accumulated depreciation and amortization.

Depreciation expense is calculated on a straight-line basis over the estimated useful lives, as follows:

Buildings	20 to 40 years
Machinery and equipment	5 to 20 years
Furniture, fixtures and other	2 to 10 years

Land is not depreciated.

Betterments, renewals, and extraordinary repairs that materially extend the useful lives of assets are capitalized; other repairs and maintenance charges are expensed as incurred.

Capitalized software costs are included in property, plant and equipment if the Group has the contractual right to take possession of the software at any time and it is feasible for the Group to either run the software on its own hardware or contract with a third-party to host the software. These costs are amortized on a straight-line basis over the estimated useful lives of the software, which do not exceed five years.

An item of property, plant and equipment is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the results of operations when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is the aggregate of the consideration transferred, which is measured at the acquisition date fair value, and the amount of any noncontrolling interests in the acquiree.

The Group measures the noncontrolling interests in the acquiree at fair value. In certain circumstances, a noncontrolling interest may have the right to require the Group to repurchase their shares at specified dates in the future or within specified periods in the future ("contingently redeemable noncontrolling interest"). The redemption value is generally a variable amount based on a formula linked to the earnings of the respective subsidiary. The Group has concluded that future earnings are a non-financial variable, and as a result, these arrangements do not constitute derivative instruments. The Group initially recognizes a liability for contingently redeemable instruments at fair value. These financial liabilities are subsequently measured at the present value of the redemption value, with changes in the present value of the redemption value recognized in the results of operations.

Acquisition related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. When the Group acquires a business, it assesses the assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date, with any subsequent changes in fair value recognized in the results of operations.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred, the amount recognized for noncontrolling interests and any previous interest held, over the net identifiable assets acquired and liabilities assumed).

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After initial recognition, goodwill is measured at cost less, where applicable, any accumulated impairment losses. For the purposes of impairment testing, goodwill is allocated to cash-generating units that are expected to benefit from the business combination.

Intangible assets
Intangible assets are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less, where applicable, any accumulated amortization and accumulated impairment losses.

Intangible assets with definite 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 definite useful life are 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 may be considered to modify the amortization period or method, and adjusted prospectively, if appropriate.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to definite is made on a prospective basis.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the results of operations.

Leases
The Group determines whether a contract is or contains a lease at contract inception based on the presence of identified assets and the Group's right to obtain substantially all the economic benefit from or to direct the use of such assets. When the Group determines a lease exists, a right-of-use asset and corresponding lease liability is recorded in the balance sheet. Right-of-use assets represent the Group's right to use an underlying asset for the lease term. Lease liabilities represent the Group's obligation to make lease payments under the terms of the lease.

Right-of-use assets are recognized at the lease commencement date at the value of the lease liability and are adjusted for any prepayments, lease incentives received, and initial direct costs incurred. Lease liabilities are recognized at the lease commencement date based on the present value of remaining lease payments over the lease term. As the discount rate implicit in the lease is not readily determinable in most of the Group's leases, the Group's incremental borrowing rate based on the information available at the lease commencement date is used to determine the present value of lease payments.

The Group does not record lease contracts with a term of twelve months or less in the Consolidated Balance Sheets.

Impairment of non-financial assets
The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. When the carrying amount exceeds the recoverable amount, an asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies, and/or other available fair value indicators.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually as at October 1, and when circumstances indicate that the carrying value may be impaired. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating unit's) to which the goodwill and intangible assets relate. When the recoverable amount of the cash-generating unit (or group of cash-generating unit's) is less than the carrying amount, an impairment loss is recognized.

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Impairment losses relating to goodwill cannot be reversed in future periods. Previously recognized impairment losses relating to intangible assets with indefinite useful lives may be reversed if there is a change in the assumptions used to determine the asset's recoverable amount since the impairment loss was recognized. The reversal is recognized in the results of operations and is limited such that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined had no impairment losses been previously recognized.

Provisions
Provisions are recognized when the Group 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.

Pensions and other post-employment benefits
The Group has several defined benefit pension plans, covering its US based employees and employees in certain other countries. The benefits provided are based on employees' years of service and compensation levels, either average wage earned or last wage earned. The Group uses a December 31 measurement date. All pension plans are frozen, and no new participants are allowed. The funded status of the Group's defined benefit pension plans is the difference between the fair value of plan assets and the benefit obligation at the measurement date and is recognized in the Consolidated Balance Sheets. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognized immediately in the Consolidated Balance Sheets with a corresponding adjustment to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The Group sponsors defined contribution plans for certain employees. The Group incurred contribution expenses of approximately $43.7 million and $34.5 million for the year ended December 31, 2023 and the period ended December 31, 2022, respectively.

Debt
Debt is initially recorded as the proceeds received at issuance, net of any directly attributable transaction costs. Debt is subsequently measured at amortized cost.

Derivative financial instruments and hedging activity
The Group uses various derivative financial instruments to manage interest rate and foreign currency exposures. Derivatives are recorded in the Consolidated Balance Sheets as assets or liabilities at fair value. Changes in the fair value of derivatives are recorded each period in results of operations or other comprehensive income, depending on whether the derivative is designated as part of a hedge transaction, and if so, the type of hedge transaction.

Fair value measurement
Assets and liabilities recorded at fair value in the balance sheet are measured and classified in accordance with a fair value hierarchy consisting of three "levels" based on the observability of valuation inputs.

Level 1: Fair value measurements based on quoted prices (unadjusted) in active markets that the Group has the ability to access for identical assets or liabilities. Market price data generally is obtained from exchange or dealer markets. The Group does not adjust the quoted price for such instruments.

Level 2: Fair value measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3: Fair value measurements based on valuation techniques that use significant inputs that are unobservable. Both observable and unobservable inputs may be used to determine the fair values of positions classified in Level 3. The circumstances for using these measurements include those in which there is little, if any, market activity for the asset or liability. Accordingly, the estimate of fair value requires certain assumptions about the inputs a hypothetical market participant would use to value that asset or liability.

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In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Assets held for sale
The Group classifies assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset or disposal group, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortized once classified as held for sale.

Future application of accounting standards
The Group has performed an assessment of new standards issued by the International Accounting Standards Board ("IASB") that are not yet effective. The Group has concluded that the impact of adopting these accounting standards on its consolidated financial statements would not be material.

New and amended accounting standards and interpretations
The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of accounting policies
The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. The amendments impacted the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
The amendments introduce a new definition of accounting estimates. Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". The amendments had no impact on the Group's consolidated financial statements.

Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's consolidated financial statements

International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12
The amendments to IAS 12 include a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date. The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The amendments impacted the Group's disclosures regarding income taxes, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

Note 3. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with IAS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

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These accounting estimates require the use of assumptions about matters, some of which are highly uncertain at the time of estimation. To the extent actual experience differs from the assumptions used, the Group's consolidated results of operations, financial condition and cash flows could be materially affected.

Valuation of acquired assets
To properly allocate purchase price consideration, management is required to estimate the fair value of assets acquired, liabilities assumed, and any noncontrolling interest in the acquiree, as at the acquisition date. Management estimates the fair value of acquired assets, liabilities assumed and (where applicable) noncontrolling interest, using a combination of market and income approaches. Application of an income approach requires significant assumptions related to projected annual net cash flows for each asset, or group of assets, and selection of a discount rate that appropriately reflects the risk inherent in each projected cash flow. Management develops projected annual net cash flows using historical data, supplemented by current and anticipated market conditions, estimated product category growth rates, management's plans and market comparables (where available).

Valuation of goodwill and indefinite lived intangible assets
Estimating the recoverable amount of an asset, a cash-generating unit or a group of cash-generating units is judgmental in nature and involves the use of significant estimates and assumptions. Management estimates the recoverable amount using a value in use calculation which requires significant assumptions related to projected annual net cash flows and selection of a discount rate that appropriately reflects the risk inherent in each projected cash flow. Projected annual net cash flows are developed based on management's most recent budgets and forecasts, with a long-term growth rate applied to calculate growth beyond the discrete projection period.

Valuation of contingently redeemable noncontrolling interests
Estimating the redemption value of redeemable noncontrolling interests requires management to estimate projected annual earnings for each respective subsidiary during the respective exercise period(s). Projected annual earnings are developed using historical data, supplemented by current and anticipated market conditions, estimated product category growth rates, management's plans and market comparables.

Valuation of stock-based compensation
Estimating the fair value of stock-based compensation for a private company involves the use of significant assumptions. Management uses a Black-Scholes model to estimate the fair value of awards. A Black-Scholes model requires significant assumptions related to the Group's equity value and expected volatility. Management's assumptions contemplate market transactions and other observable market evidence whenever possible, including valuation multiples and quoted share prices for comparable publicly traded companies.

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Note 4. Acquisitions

2023 Acquisitions

During 2023, the Group acquired controlling interests in several businesses that manufacture and sell window covering products. Each acquisition is expected to enhance the Group's portfolio of products and further advance the Group's growth strategy.

The total fair value of consideration transferred, in aggregate, was as follows:

($ in millions)		
Cash paid	$	171
Contingent consideration		6
Outstanding debt settled on acquisition		96
Fair value of consideration transferred	**$**	**273**

The identified assets acquired and liabilities assumed at the respective acquisition dates, in aggregate, were as follows:

($ in millions)		
Cash and cash equivalents	$	13
Accounts receivable		3
Inventories		10
Property, plant and equipment		1
Intangible assets		108
Other assets		3
Deferred income taxes		(28)
Other liabilities		(35)
Redeemable noncontrolling interests[a]		(14)
Identifiable net assets acquired	ii	**61**
Fair value of consideration transferred		273
Fair value of previously held equity interest		82
	i	**355**
Goodwill[b]	(i - ii)	**$ 294**

(a) Comprises contingently redeemable noncontrolling interests of $8.0 million and mandatorily redeemable noncontrolling interests of $6.0 million.
(b) Goodwill recognized on 2023 Acquisitions, after purchase accounting was finalized.

The intangible assets were valued using income approaches. The weighted average amortization period is 42 years. Goodwill is primarily attributable to the assembled workforce, synergies and economies of scale anticipated to be achieved. The goodwill is not deductible for tax purposes.

The contingent consideration is payable if certain profit targets are achieved by the relevant businesses in the annual periods ending December 31, 2024 through December 31, 2029. There is no limit to the contingent consideration potentially payable under the acquisition agreements. The fair value of the liability is estimated on the acquisition date based on projected financial information for the relevant businesses. The Group developed projected financial information using historical data, supplemented by current and anticipated market conditions, estimated product category growth rates, management's plans and market comparables.

The results of operations and financial condition of the acquired businesses were included in the Group's Consolidated Statements of Income and Consolidated Balance Sheets from the respective acquisition dates. Acquisition related costs were not material to the Group's results of operations. The pro forma financial information assuming the acquisitions had occurred at beginning of the calendar year, as well as the revenues and earnings generated subsequent to acquisition, were not material for disclosure purposes.

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2022 Acquisition

On December 30, 2021, Hunter Douglas Holding B.V. ("Holdings"), a subsidiary of the Company, and Hunter Douglas N.V. (the "Acquiree") entered into an asset sale agreement, whereby Holdings purchased all of the assets and liabilities of the Acquiree for the purposes of carrying on the business of the Acquiree (the "Asset Purchase"). Concurrently with the Asset Purchase, 3G HD Holdings (NL) B.V., an investment vehicle owned by 3G Special Situation Fund V LP, a fund managed by 3G Capital Advisors Ltd. (collectively, "3G Capital") agreed to purchase 75% of the equity of Hunter Douglas B.V., a subsidiary of the Company, (the "Block Trade"). On February 25, 2022, the Asset Purchase and Block Trade were consummated, in a transaction referred to as the "2022 Acquisition".

The 2022 Acquisition was consummated on February 25, 2022. The 2022 Acquisition was accounted for using the acquisition method of accounting, with the assets acquired and liabilities assumed recognized at their acquisition date fair values, with any excess of the consideration transferred over the estimated fair values of the identifiable net assets acquired recorded as goodwill.

On February 25, 2022 Hunter Douglas Inc. and Holdings, subsidiaries of the Company, entered into a credit agreement with a syndicate of banks and other financial institutions to provide financing of up to approximately $5.3 billion, consisting of term B-1 loans with an aggregate principal amount of $3.5 billion (the "B-1 Loans"), term B-2 loans with an aggregate principal amount of €1.0 billion ($1.1 billion at February 25, 2022 exchange rates) (the "B-2 Loans") and an initial revolving facility of up to $750.0 million (the "Revolving Credit Facility" and, together with the B-1 Loans and B-2 Loans, the "Senior Credit Facilities"). Concurrent with and to effect the consummation of the 2022 Acquisition, the full amount of the B-1 Loans and B-2 Loans were drawn; no amounts were drawn under the Revolving Credit Facility. Further information about the Group's long-term debt is disclosed in Note 23.

The former controlling shareholder of Hunter Douglas N.V. received €175.00 in cash for each share of common stock and €0.43 in cash for each share of preferred stock. Following the 2022 Acquisition, the Group initiated squeeze-out proceedings against the joint minority shareholders before the Curaçao court of first instance. The Group's remaining liability to the joint minority shareholders at December 31, 2022 was $130.2 million, presented within other current liabilities in the Consolidated Balance Sheets. In 2023, the Group settled the liability to the joint minority shareholders.

The total consideration paid in connection with the 2022 Acquisition was approximately $6.2 billion. The identified assets acquired and liabilities assumed at the acquisition date were as follows:

($ in millions)		
Cash and cash equivalents	$	218
Accounts receivable		434
Inventories		941
Property, plant and equipment		1,017
Intangible assets		3,503
Other assets		808
Accounts payable		(863)
Deferred income taxes		(1,087)
Other liabilities		(455)
Noncontrolling interest		(787)
Total identifiable net assets acquired	$	3,729
Goodwill	**$**	**2,433**

Acquired inventories included raw materials, work in progress and finished goods. Management determined that the carrying value of raw materials was a reasonable approximation of fair value. Work in progress and finished goods were valued at selling price less costs to complete and dispose, and a reasonable profit allowance for the selling effort.

The fair value of the property, plant and equipment was estimated using a combination of market, income and cost approaches, dependent on the information available, level of uniqueness and the economics of the respective asset or group of assets.

Management determined that the carrying value of accounts receivable, other assets, accounts payable and other liabilities was a reasonable approximation of fair value at the acquisition date.

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The deferred tax liability mainly comprises the tax effect of the purchase price allocation to inventory, property, plant and equipment and the identifiable intangible assets.

The identifiable intangible assets acquired in the 2022 Acquisition were as follows:

($ in millions)

			Weighted average amortization period
Brands (indefinite lived) [a]	$	964	N/A
Brands (definite-lived)		959	50 years
Customer relationships		1,580	18 years
Total identifiable intangible assets	**$**	**3,503**	

(a) The brands have no legal, regulatory, contractual, competitive or economic factors that limit their useful life to the Group. As a result, the brands are assessed as having an indefinite useful life.

The identifiable intangible assets were valued using income approaches (including the relief-from-royalty method and multi-period excess earnings method).

Goodwill is primarily attributable to the assembled workforce, synergies and economies of scale anticipated to be achieved as a result of the 2022 Acquisition. The goodwill is not deductible for tax purposes.

The Group incurred acquisition related costs of $45.1 million in the period ended December 31, 2022, presented within other operating expenses in the Consolidated Statements of Income.

Supplemental pro forma financial information
The following table presents unaudited pro forma consolidated financial information for the year ended December 31, 2022 and assumes the 2022 Acquisition occurred on January 1, 2022. The unaudited pro forma consolidated financial information is provided for informational purposes only and is not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the transaction been completed at January 1, 2022 or that may be achieved in the future. The unaudited pro forma consolidated financial information does not give consideration to the impact of possible revenue enhancements, expense efficiencies, synergies or asset dispositions that may result from the 2022 Acquisition.

($ in millions)

		January 1, 2022 to December 31, 2022
Net sales	$	4,677
Net (loss)	$	(461)

Droma Acquisition
On December 22, 2021 the Group entered into an agreement to acquire 74% of the shares of Droma-Sunshade Experts SP. Z O.O. ("Droma"), a producer of blinds, shutters and sun visors based in Poland (the "Droma Acquisition"). The Group acquired Droma to expand its exterior product offerings. The Droma Acquisition was consummated on February 28, 2022. The Droma Acquisition was accounted for using the acquisition method of accounting. The total cash consideration paid in connection with the Droma Acquisition was approximately $147.7 million. The identified assets acquired and liabilities assumed at the acquisition date were as follows:

($ in millions)		
Intangible asset (definite-lived brand)	$	19
Intangible asset (customer relationships)		49
Other net assets		33
Contingently redeemable noncontrolling interest		(18)
Total identifiable net assets acquired	$	83
Goodwill	**$**	**65**

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The identifiable intangible assets were valued using income approaches. The weighted average amortization period is 27 years. Goodwill is primarily attributable to the assembled workforce, synergies and economies of scale anticipated to be achieved. The goodwill is not deductible for tax purposes.

The fair value of the contingently redeemable noncontrolling interest was estimated based on the ownership percentage retained by the sellers, applied to the fair value of total equity at the acquisition date.

The results of Droma since March 1, 2022 that have been included in the Group's Consolidated Statements of Income were as follows:

($ in millions)

	March 1, 2022 to December 31, 2022
Net sales	$ 64
Net income (loss)	$ 12

Acquisition related costs were not material to the Group's results of operations. The pro forma financial information assuming the Droma Acquisition had occurred at the beginning of the calendar year was not material for disclosure purposes.

Other 2022 acquisitions
During the 2022, the Group acquired other businesses that manufacture and sell window covering products. Other than the impacts to goodwill, individually or in the aggregate, these acquisitions have not had a material impact on the Group's consolidated results of operations, financial condition or cash flows.

The results of operations and financial condition of acquired businesses have been included in the Group's Consolidated Statements of Income and Consolidated Balance Sheets from the respective acquisition dates. Acquisition related costs were not material to the Group's results of operations. The pro forma financial information assuming the acquisitions had occurred at the beginning of the respective calendar year, as well as the revenues and earnings generated subsequent to acquisition, were not material for disclosure purposes.

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Note 5. Revenue

The Group's revenue primarily comprises sales of premium window covering products and architectural products. Substantially all of the Group's revenue has a single performance obligation and is recognized at a point in time, when the product is shipped, delivered or installed.

Net sales by geography were as follows:

($ in millions)

	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
US	$ 2,289	$ 2,070
UK	599	495
The Netherlands	316	302
Rest of world	1,272	1,085
Total net sales	**$ 4,476**	**$ 3,952**

Net sales by product were as follows:

($ in millions)

	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Window covering products	$ 4,180	$ 3,732
Architectural products[(a)]	274	204
Other[(b)]	22	16
Total net sales	**$ 4,476**	**$ 3,952**

(a) Revenue from sale of architectural products is generally recognized at a point in time when control transfers to the customer. In certain circumstances, installation of architectural products is sold separately and considered a separate performance obligation that is satisfied over time. Revenue for installation services is recognized based on the percentage of completion method. At December 31, 2023 and December 31, 2022, the Group's contract asset balances were not material.
(b) Includes alliance fee arrangements where the Group earns revenue for standing ready to provide services to dealers. Revenue relating to alliance fee arrangements is recognized on a straight-line basis over the annual period of performance.

Contract liabilities represent deposits made by customers before the performance obligation is satisfied. Upon satisfaction of the performance obligation, the liability for the customer deposit is relieved and revenue is recognized. Contract liabilities at December 31, 2023 and December 31, 2022, amounted to $101.1 million and $95.3 million, respectively, presented within other current liabilities in the Consolidated Balance Sheets.

All unsatisfied performance obligations at December 31, 2023 are expected to be satisfied in the next twelve months.

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Note 6. Employee benefits expense

The average number of persons employed by the Group (including directors) during the period, analysed by category, was as follows:

(Number of persons)

	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Manufacturing	14,880	15,603
Research and development	282	275
Selling and marketing	4,848	4,671
General and administrative	1,645	2,684
Total number of persons	**21,655**	**23,233**

The aggregate payroll costs of these persons were as follows:

($ in millions)

	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Wages and salaries	1,038	$ 825
Social security costs	190	146
Pension costs	45	35
Stock-based compensation	9	5
Total employee benefits expense	**$ 1,283**	**$ 1,011**

Note 7. Directors' remuneration

During the year ended December 31, 2023, directors were employees of either entities within the Group or the ultimate parent of the Group, and total remuneration paid to directors was approximately $2.0 million. Total remuneration for the highest paid director was approximately $2.0 million.

During the period ended December 31, 2022, directors were employees of either the ultimate parent of the Group or a third-party company responsible for providing company secretarial services to the Company, and they did not receive specific remuneration relating to their activities as directors of Hunter Douglas Group Limited.

Note 8. Stock-based compensation

Restricted stock and restricted stock units

The Group has a bonus program under which eligible employees may elect to convert a portion of their annual bonus compensation to Hunter Douglas Group Limited common shares ("Invested Shares"). Invested Shares are subject to restrictions on transfer and to a risk of forfeiture if certain conditions are met. During 2023, the Group issued 620,899 common shares to participants in this program, for consideration of $6.2 million.

Employees who participated in the bonus program received restricted stock units ("RSUs") based on the percentage of their bonus converted to Invested Shares. The RSUs vest in tranches, generally over a five-year service period. The RSUs do not include any market or performance vesting conditions.

RSU activity during 2023 consisted of the following:

	January 1, 2023 to December 31, 2023
Unvested at January 1, 2023	-
Granted	1,066,475
Forfeited	(2,201)
Vested	-
Unvested at December 31, 2023	**1,064,274**

The weighted average grant date fair value of awards granted during 2023 was $10.00.

The Group recognized compensation expense related to RSUs of $2.3 million in 2023.

At December 31, 2023, the unrecognized cost related to RSUs was $7.8 million, expected to be recorded over the next four years.

Participants in the bonus program have the right to require the Group to repurchase their Invested Shares and vested RSUs. At December 31, 2023, the Group recognized a liability of $8.5 million related to the Invested Shares and RSUs, presented within other liabilities in the Consolidated Balance Sheets.

Stock options

The Group provides an annual award to certain employees, including senior executive officers and other highly compensated employees. Off-cycle grants are made during the year generally as sign-on awards to new hires or as a result of a change in employee status.

The awards vest in tranches, generally over a five-year service period. The awards do not include any market or performance vesting conditions. The fair value of the awards was estimated on the grant date using the Black-Scholes model.

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The weighted average assumptions used to determine the fair value of the awards were as follows:

	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Risk-free interest rate[a]	3.39%	1.56%
Expected volatility[b]	55%	55%
Expected forfeiture rate[c]	5%	5%
Expected dividend yield	-	-
Discount for lack of marketability	30%	30%
Expected term[d]	5 years	5 years

(a) Term-matched risk-free rate interpolated from the US one-year constant maturity treasury yield curve at the grant date.
(b) Estimated equity volatility based on review of publicly traded peer companies and further adjusted based on the financial leverage of the Group at the grant date. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.
(c) In accordance with their respective plans, awards are forfeited if a holder voluntarily terminates employment prior to the vesting date. The Group estimates forfeitures based on an analysis of historical trends updated as discrete new information becomes available and are re-evaluated on an annual basis.
(d) In the absence of historical data, the expected term is estimated based on the weighted average vesting period and the contractual term of the awards and is not necessarily indicative of exercise patterns that may occur.

Award activity during 2023 consisted of the following:

	Number of stock options	Weighted average exercise price	Aggregate intrinsic value	Average remaining contractual term
Outstanding at January 1, 2023	2,997,100	$ 10.00		9.2 years
Granted	2,675,000	$ 10.00		
Forfeited	(88,668)	$ 10.00		
Exercised	-	-		
Outstanding at December 31, 2023	**5,583,432**	**$ 10.00**	**$ -**	8.7 years
Exercisable at December 31, 2023	**-**	**$ -**	**$ -**	

The weighted average grant date fair value of awards granted during the year ended December 31, 2023 and the period ended December 31, 2022 was $3.09 and $2.97, respectively.

Stock-based compensation expense is presented within selling, general and administrative expenses in the Consolidated Statements of Income. The Group recognized stock-based compensation expense of $3.8 million and $1.7 million for the year ended December 31, 2023 and the period ended December 31, 2022 respectively.

At December 31, 2023, the unrecognized cost related to stock options was $12.1 million, expected to be recorded over the next three years.

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Profits units
The profits units settle in cash and vest in tranches, generally over a five-year service period. The profits units do not include any market or performance vesting conditions. At December 31, 2023 and December 31, 2022, the liability related to the profits units was $7.8 million and $3.5 million, respectively. At December 31, 2023, no profits units had vested or were forfeited. The Group recognized stock-based compensation expense of $4.2 million and $3.5 million for the year ended December 31, 2023 and the period ended December 31, 2022, respectively.

The weighted average assumptions used to determine the fair value of the awards were as follows:

	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Risk-free interest rate[(a)]	3.84%	1.56%
Expected volatility[(b)]	55%	55%
Expected forfeiture rate[(c)]	5%	5%
Expected dividend yield	-	-
Discount for lack of marketability	30%	30%
Expected term[(d)]	5 years	5 years

(a) Term-matched risk-free rate interpolated from the US one-year constant maturity treasury yield curve.
(b) Estimated equity volatility based on review of publicly traded peer companies and further adjusted based on the financial leverage of the Group. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.
(c) In accordance with their respective plans, awards are forfeited if a holder voluntarily terminates employment prior to the vesting date. The Group estimates forfeitures based on an analysis of historical trends updated as discrete new information becomes available and are re-evaluated on an annual basis.
(d) In the absence of historical data, the expected term is estimated based on the weighted average vesting period and the contractual term of the awards and is not necessarily indicative of exercise patterns that may occur.

Note 9. Selling, general and administrative expenses

($ in millions)

	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Selling expenses	$ 790	$ 685
General and administrative expenses	349	301
Depreciation and amortization	180	134
Other expenses	48	16
Total selling, general and administrative expenses	**$ 1,367**	**$ 1,136**

Note 10. Other operating expenses

($ in millions)

	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Restructuring expenses	$ 21	$ 35
Deal and integration expenses	81	85
Other expenses	13	6
Total other operating expenses	**$ 115**	**$ 126**

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Note 11. Auditor's remuneration

($ in millions)

	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Audit of the Company's financial statements	$ 1	$ 1
Audit of the subsidiaries' financial statements	5	6
Total auditor's remuneration	**$ 6**	**$ 7**

During the year ended December 2023, in connection with non-audit services, the Group incurred costs of approximately $1.0 million with member firms of the global Ernst & Young organization.

Note 12. Other (expense) income

($ in millions)

	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Remeasurement of foreign denominated long-term debt	$ (33)	$ 52
Remeasurement of foreign denominated intercompany debt	(52)	(123)
Unrealized gains (losses) on interest rate swaps and cross-currency swaps	(148)	355
Realized gains (losses) on interest rate swaps and cross-currency swaps	111	2
Unrealized loss on option to acquire controlling interest in associate	-	(39)
Other non-operating income (expense)	105	(16)
Total other (expense) income	**$ (17)**	**$ 231**

Note 13. Finance costs

($ in millions)

	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Term debt interest expense	$ 378	$ 203
Amortization of deferred issuance costs and debt discount - Term Loans	15	11
Amortization of deferred issuance costs and debt discount - Credit Facility	2	3
Other interest expense	4	2
Total finance costs	**$ 399**	**$ 219**

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Note 14. Inventories

($ in millions)

	December 31, 2023	December 31, 2022
Raw materials	$ 600	$ 576
Work in process	33	35
Finished goods	195	307
Provisions	(157)	(144)
Total inventories	**$ 671**	**$ 774**

For the year ended December 31, 2023 and the period ended December 31, 2022, $2,051.7 million and $2,133.0 million respectively, was recognized as an expense for inventories, presented within cost of products sold in the Consolidated Statements of Income.

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Note 15. Property, plant and equipment

Changes in the carrying amount of property, plant and equipment during the periods were as follows:

($ in millions)

	January 1, 2023 to December 31, 2023		
	Land and buildings	Machinery and equipment	Furniture, fixtures and other
Cost or valuation			
Balance at beginning of period	$ 581	$ 323	$ 104
Acquisitions	-	1	-
Additions	17	20	18
Disposals	(42)	(36)	(7)
Foreign currency translation	24	13	4
Transfer to assets held for sale	(27)	-	-
Balance at end of period	**$ 553**	**$ 321**	**$ 119**
Depreciation and amortization			
Balance at beginning of period	$ (25)	$ (64)	$ (17)
Depreciation and amortization	(24)	(56)	(37)
Impairment losses	-	-	-
Disposals	2	8	1
Transfer to assets held for sale	4	-	-
Balance at end of period	**$ (43)**	**$ (112)**	**$ (53)**
Net book value at end of period	**$ 510**	**$ 209**	**$ 66**

($ in millions)

	January 1, 2023 to December 31, 2023		
	Construction in progress	Software	Total property, plant and equipment
Cost or valuation			
Balance at beginning of period	$ 94	$ 48	$ 1,150
Acquisitions	-	-	1
Additions	44	8	107
Disposals	(2)	(3)	(90)
Foreign currency translation	3	1	45
Transfer to assets held for sale	-	-	(27)
Balance at end of period	**$ 139**	**$ 54**	**$ 1,186**
Depreciation and amortization			
Balance at beginning of period	$ -	$ (3)	$ (109)
Depreciation and amortization	-	(15)	(132)
Impairment losses	-	-	-
Disposals	-	1	12
Transfer to assets held for sale	-	-	4
Balance at end of period	**$ -**	**$ (17)**	**$ (225)**
Net book value at end of period	**$ 139**	**$ 37**	**$ 961**

Depreciation and amortization expense related to property, plant and equipment was $131.6 million for the year ended December 31, 2023, with $64.4 million recognized within cost of products sold and $67.2 million recognized within selling, general and administrative expenses in the Consolidated Statements of Income.

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($ in millions)

	December 13, 2021 to December 31, 2022		
	Land and buildings	Machinery and equipment	Furniture, fixtures and other
Cost or valuation			
Balance at beginning of period	$ -	$ -	$ -
Acquisitions	591	294	52
Additions	70	26	65
Disposals	(78)	-	-
Foreign currency translation	(2)	3	(13)
Transfer to assets held for sale	-	-	-
Balance at end of period	**$ 581**	**$ 323**	**$ 104**
Depreciation and amortization			
Balance at beginning of period	$ -	$ -	$ -
Depreciation and amortization	(23)	(63)	(17)
Impairment losses	(2)	(1)	-
Disposals	-	-	-
Transfer to assets held for sale	-	-	-
Balance at end of period	**$ (25)**	**$ (64)**	**$ (17)**
Net book value at end of period	**$ 556**	**$ 259**	**$ 87**

($ in millions)

	December 13, 2021 to December 31, 2022		
	Construction in progress	Software	Total property, plant and equipment
Cost or valuation			
Balance at beginning of period	$ -	$ -	$ -
Acquisitions	71	38	1,046
Additions	14	4	179
Disposals	-	-	(78)
Foreign currency translation	9	6	3
Transfer to assets held for sale	-	-	-
Balance at end of period	**$ 94**	**$ 48**	**$ 1,150**
Depreciation and amortization			
Balance at beginning of period	$ -	$ -	$ -
Depreciation and amortization	-	(3)	(106)
Impairment losses	-	-	(3)
Disposals	-	-	-
Transfer to assets held for sale	-	-	-
Balance at end of period	**$ -**	**$ (3)**	**$ (109)**
Net book value at end of period	**$ 94**	**$ 45**	**$ 1,041**

Depreciation and amortization expense related to property, plant and equipment was $106.0 million for the period ended December 31, 2022, with $60.5 million recognized within cost of products sold and $45.4 million recognized within selling, general and administrative expenses in the Consolidated Statements of Income.

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Note 16. Leases

The Group 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 2 and 15 years, while motor vehicles and other equipment generally have lease terms between 2 and 8 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The carrying amounts of right-of-use assets recognized and movements during the periods were as follows:

($ in millions)

	January 1, 2023 to December 31, 2023		
	Land and buildings	Other fixed assets	Total right-of-use assets
Cost or valuation			
Balance at beginning of period	$ 105	$ 16	$ 121
Acquisitions	4	-	4
Additions	7	14	21
Termination	(17)	-	(17)
Foreign currency translation	(1)	(3)	(4)
Balance at end of period	**$ 98**	**$ 27**	**$ 125**
Depreciation			
Depreciation	(24)	(9)	(33)
Balance at end of period	**$ (24)**	**$ (9)**	**$ (33)**
Net book value at end of period	**$ 74**	**$ 18**	**$ 92**

($ in millions)

	December 13, 2021 to December 31, 2022		
	Land and buildings	Other fixed assets	Total right-of-use assets
Cost or valuation			
Balance at beginning of period	$ -	$ -	$ -
Acquisitions	89	15	104
Additions	34	6	40
Foreign currency translation	-	-	-
Balance at end of period	**$ 123**	**$ 21**	**$ 144**
Depreciation			
Depreciation	(18)	(5)	(23)
Balance at end of period	**$ (18)**	**$ (5)**	**$ (23)**
Net book value at end of period	**$ 105**	**$ 16**	**$ 121**

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The carrying amounts of lease liabilities and the movements during the periods were as follows:

($ in millions)	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Balance at beginning of period	$ 117	$ -
Acquisitions	4	102
Additions	21	38
Termination	(17)	-
Accretion of interest[a]	9	10
Payments	(38)	(33)
Foreign currency translation	(1)	-
Balance at end of period	**$ 95**	**$ 117**
Current	$ 25	$ 28
Non-current	$ 70	$ 89

(a) Accretion of interest is presented within cost of products sold and selling, general and administrative expenses in the Consolidated Statements of Income.

At December 31, 2023, the weighted average lease term was 6.0 years and annual discount rate was 9.25%. At December 31, 2022, the weighted average lease term was 4.7 years and annual discount rate was 9.4%.

Expected future minimum lease payments for leases is as follows:

($ in millions)	
2024	$ 33
2025	26
2026	17
2027	13
2028	11
Thereafter	28
Total future undiscounted lease payments	128
Imputed interest	(33)
Total lease liability	**$ 95**

Lease expense related to short-term leases was $12.4 million for the year ended December 31, 2023. and $7.0 million in the period ended December 31, 2022.

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Note 17. Goodwill

Changes in the carrying amount of goodwill were as follows:

($ in millions)

	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Balance at beginning of period	$ 1,943	$ -
Acquisitions	294	2,587
Foreign currency translation and other movements	(28)	(98)
Impairment losses	(518)	(546)
Balance at end of period	**$ 1,691**	**$ 1,943**

Impairment test at October 1, 2023

On December 31, 2022, the Group completed an internal reorganization and beginning on January 1, 2023, the Group manages operating results through segments defined by geographic region or channel. The internal reorganization changed the composition of certain cash-generating units, and the Group reassigned goodwill effective January 1, 2023. To evaluate the valuation of goodwill immediately before and after the internal reorganization, an impairment test was performed as of December 31, 2022 and January 1, 2023. The Group did not identify any impairment losses related to the internal reorganization.

The Group performed its annual impairment test at October 1, 2023. The recoverable value of each cash-generating unit and/or group of cash-generating units was estimated using a value in use calculation. Impairment losses were recognized in the Europe, Asia, Latin America and Oceania cash-generating units, primarily due to emerging macroeconomic conditions affecting forecasted demand and anticipated costs.

The results of the impairment test were as follows:

($ in millions, unless otherwise indicated)

	Number of cash-generating units	Impairment losses recorded	Goodwill and indefinite lived intangible assets at December 31, 2023[a]
Impairment losses recorded	4	$ (518)	$ 199
Recoverable value exceeded carrying value by less than 10%	1	-	577
Recoverable value exceeded carrying value by greater than 10%	2	-	1,867
Total		**$ (518)**	**$ 2,643**

(a) Remaining goodwill and intangible assets at December 31, 2023, after impairment losses recorded as a result of the annual impairment test at October 1, 2023.

Reflected in the Consolidated Balance Sheets as follows:

($ in millions)

	December 31, 2023
Goodwill	$ 1,691
Intangible assets, net	952
Total goodwill and indefinite lived intangible assets	**$ 2,643**

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The carrying amount of goodwill and indefinite lived intangible assets allocated to each cash-generating unit and/or group of cash-generating units, subsequent to impairment losses, were as follows:

($ in millions)

	December 31, 2023	
	Indefinite lived intangible assets	Goodwill
North America	$ 694	$ 849
Europe	105	54
International Shop at Home	153	424
International[a]	-	364
Total indefinite lived intangible assets and goodwill	**$ 952**	**$ 1,691**

(a) Comprising the Latin America, Asia, Oceania and E-Commerce cash-generating units.

The range of significant assumptions developed by management to estimate the recoverable amount of each cash-generating unit or group of cash-generating units at October 1, 2023, and the recoverable amount were as follows:

($ in millions, unless otherwise indicated)

	Discount rate assumption	Long-term growth rate assumption	Recoverable amount at October 1, 2023
North America	10.5%	2.5%	$ 3,726
Europe	11.0%	2.0%	$ 1,101
International Shop at Home	11.0%	2.0%	$ 572
International[a]	10.5% - 14.0%	2.0% - 3.0%	$ 887

(a) Comprising the Latin America, Asia, Oceania and E-Commerce cash-generating units.

Impairment test at October 1, 2022

The Group performed its annual impairment test at October 1, 2022. The recoverable amount of each cash-generating unit or group of cash-generating units was estimated using a value in use calculation. Impairment losses were recognized primarily due to an increase in the discount rate assumption.

The range of significant assumptions developed by management to estimate the recoverable amount of each cash-generating unit or group of cash-generating units at October 1, 2022, and the recoverable amount were as follows:

($ in millions, unless otherwise indicated)

	Discount rate assumption	Long-term growth rate assumption	Recoverable amount at October 1, 2022
North America	11.0%	2.0%	$ 3,276
Droma[b]	13.5%	1.5%	$ 122
Latin America	14.0%	3.0%	$ 173
Europe	11.5%	1.5%	$ 1,626
International Shop at Home	11.5%	2.0%	$ 633
International[a]	11.0% - 12.0%	1.5% - 4.0%	$ 377

(a) Comprising the Asia and Oceania cash-generating units.
(b) The goodwill assigned to the Droma cash-generating unit was reduced to nil following the impairment losses. The cash-generating unit was subsumed into the Europe cash-generating unit concurrent with the internal reorganization effective January 1, 2023.

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Significant assumptions and sensitivity to changes in assumptions

Discount rates represent the current market assessment of the risks specific to each cash-generating unit or group of cash-generating units, taking into consideration the time value of money and a geographical based risk premium. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. An increase in the discount rate, which is reasonably possible due to changes in the cost of debt and/or cost of equity, would result in further impairment losses.

Projected annual net cash flows are developed based on management's most recent budgets and forecasts, with a long-term growth rate applied to calculate growth beyond the discrete projection period. Long-term growth rates are estimated based on published industry research supplemented by current and anticipated market conditions, estimated product category growth rates, management's plans and market comparables. A decrease in the long-term growth rate, which is reasonably possible due to changes in macroeconomic conditions, would result in further impairment losses.

Note 18. Intangible assets

($ in millions)

	December 31, 2023	December 31, 2022
Indefinite lived intangible assets	$ 952	$ 943
Definite-lived intangible assets	2,533	2,478
Total intangible assets	**$ 3,485**	**$ 3,421**

Changes in the carrying amount of indefinite lived brand intangible assets were as follows:

($ in millions)

	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Balance at beginning of period	$ 943	$ -
Acquisitions	-	964
Foreign currency translation and other movements	9	(21)
Balance at end of period	**$ 952**	**$ 943**

Changes in definite-lived intangible assets by major asset class were as follows:

($ in millions)

	January 1, 2023 to December 31, 2023		
	Brands	Customer relationships	Total definite-lived intangible assets
Cost			
Balance at beginning of period	$ 974	$ 1,593	$ 2,567
Acquisitions	79	28	107
Additions	-	-	-
Disposals	-	-	-
Foreign currency translation and other movements	25	36	61
Balance at end of period	**$ 1,078**	**$ 1,657**	**$ 2,735**
Amortization and impairment			
Balance at beginning of period	$ (16)	$ (73)	$ (89)
Impairment losses	-	-	-
Amortization	(21)	(92)	(113)
Disposals	-	-	-
Balance at end of period	**$ (37)**	**$ (165)**	**$ (202)**
Net book value at end of period	**$ 1,041**	**$ 1,492**	**$ 2,533**

($ in millions)

	December 13, 2021 to December 31, 2022		
	Brands	Customer relationships	Total definite-lived intangible assets
Cost			
Balance at beginning of period	$ -	$ -	$ -
Acquisitions	996	1,630	2,626
Additions	-	-	-
Disposals	-	-	-
Foreign currency translation and other movements	(22)	(37)	(59)
Balance at end of period	**$ 974**	**$ 1,593**	**$ 2,567**
Amortization and impairment			
Balance at beginning of period	$ -	$ -	$ -
Impairment losses	-	-	-
Amortization	(16)	(73)	(89)
Disposals	-	-	-
Balance at end of period	**$ (16)**	**$ (73)**	**$ (89)**
Net book value at end of period	**$ 958**	**$ 1,520**	**$ 2,478**

Amortization expense was $113.0 million and $89.4 million for the year ended December 31, 2023 and the period ended December 31, 2022, respectively, presented within selling, general and administrative expenses in the Consolidated Statements of Income.

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Expected future amortization expense of definite-lived intangible assets is as follows:

($ in millions)	
2024	$ 112
2025	112
2026	112
2027	112
2028	112
Thereafter	1,973
	$ 2,533

Note 19. Income taxes

($ in millions)	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Current income tax		
Current income tax charge	$ 127	$ 127
Adjustments in respect of current income tax of prior periods	-	(2)
Deferred income tax		
Relating to origination and reversal of temporary differences	(126)	(37)
Resulting from changes in tax rates	-	32
Total income tax expense	**$ 1**	**$ 120**

Hunter Douglas Holdings Limited is incorporated in the UK. Differences between the income taxes computed at the respective statutory rate and the provision for income taxes were as follows:

($ in millions)	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Jurisdiction of reporting entity	UK	UK
Statutory rate	25.0%	19.0%
Loss before income taxes	$ (514)	$ (363)
Tax expense (benefit) at statutory tax rate	$ (129)	$ (69)
Foreign earnings and losses	(29)	19
State, withholding and other taxes	3	4
Non-deductible expenses	156	111
Tax attributes not recognized in the year	14	19
Credits and other tax incentives	(5)	(3)
Non-taxable income	(12)	(3)
Acquisition related items	-	6
Changes in tax rates	-	32
Other	3	4
Total income tax expense	**$ 1**	**$ 120**

The Group operates in an international environment; accordingly, the consolidated effective tax rate is a composite rate reflecting the earnings in various locations and the applicable tax rates. Fluctuations in the amount of income generated across locations with differing tax rates, or movements in tax rates due to a change in tax law, could impact comparability of reconciling items between periods.

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Deferred income tax assets and liabilities consisted of the following:

($ in millions)

	December 31, 2023	December 31, 2022
Deferred tax assets:		
Loss carry forwards	$ 14	$ 17
Interest carry forwards	52	13
Intangible assets	46	50
Accruals not currently deductible, and other	26	34
Foreign exchange	14	19
Inventories	(2)	6
Other	12	-
Total gross deferred tax assets	**$ 162**	**$ 139**
Deferred tax liabilities:		
Intangible assets	$ 919	$ 896
Long-lived assets	83	109
Derivatives	53	84
Employee benefit plan obligations	4	6
Other	8	18
Total gross deferred tax liabilities	**$ 1,067**	**$ 1,113**
Net deferred tax assets (liabilities)	**$ (905)**	**$ (974)**

Reflected in the Consolidated Balance Sheets as follows:

($ in millions)

	December 31, 2023	December 31, 2022
Deferred income taxes - asset	$ 162	$ 53
Deferred income taxes - liability	(1,067)	(1,027)
Net deferred tax assets (liabilities)	**$ (905)**	**$ (974)**

Loss carry forwards for income tax purposes at December 31, 2023, were approximately $322.5 million before tax effects; certain amounts are subject to annual limitation under applicable tax law. If not utilized, a portion of these losses will begin to expire in 2024. The losses with a limited carry forward period are not material for disclosure purposes. Interest carry forwards for income tax purposes at December 31, 2023, were approximately $342.7 million before tax effects and are subject to annual limitations under applicable tax law. Interest tax carry forwards have an indefinite carry forward period. Management determined that it is not probable that loss carry forwards of approximately $251.3 million (before tax effects), credit carry forwards of approximately $500.0 million, and interest carry forwards of approximately $141.9 million (before tax effects), will be realized and as such, the amounts were not recognized in the Group's Consolidated Balance Sheets.

Factors that may affect future tax expense

On October 8, 2021, the Organization for Economic Co-Operation and Development ("OECD") announced the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting, which agreed to a two-pillar solution to address tax challenges arising from digitalization of the economy. On December 20, 2021, the OECD released Pillar Two Model Rules defining a global minimum tax applied on a country-by-country basis, to which many jurisdictions have now committed to an effective enactment date starting January 1, 2024. The Group is continuing to evaluate the potential impact on future periods of the Pillar Two Framework, pending legislative adoption by individual countries.

It is unclear if the Pillar Two Model Rules create additional temporary differences, whether to remeasure deferred taxes for the Pillar Two Model Rules and which tax rate to use to measure deferred taxes. In response to this uncertainty, on May 23, 2023 and June 27, 2023, respectively, the IASB issued amendments to IAS 12 'Income taxes' introducing a mandatory temporary exception to the requirements of IAS 12 under which a company does not recognize or disclose information about deferred tax assets and liabilities related to the proposed Pillar Two Model Rules. The Company applied the temporary exception at December 31, 2023.

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Note 20. Other assets and other liabilities

($ in millions)

	December 31, 2023	December 31, 2022
Prepayments	$ 85	$ 48
Indirect taxes receivable	69	45
Income taxes receivable	30	54
Derivatives not designated as hedging instruments	2	-
Other short-term assets	34	38
Total other current assets	**$ 220**	**$ 185**

($ in millions)

		December 31, 2023	December 31, 2022
Derivatives not designated as hedging instruments	Note 22	$ 238	$ 355
Loans to associates	Note 21.2	1	118
Other long-term prepayments and assets		37	68
Total other assets		**$ 276**	**$ 541**

($ in millions)

		December 31, 2023	December 31, 2022
Liability to the joint minority shareholders	Note 4	$ -	$ 131
Accrued employee benefits expense		231	207
Employee benefit plan obligations		2	2
Contract liabilities	Note 5	101	95
Warranty liabilities[a]		53	53
Indirect taxes payable		47	36
Income taxes payable		54	74
Restructuring expenses[b]		7	11
Redeemable preferred shares	Note 21.4	9	-
Contingently redeemable noncontrolling interests	Note 21.3	3	6
Select Canada noncontrolling interest to be redeemed		9	-
Accrued expenses and other short-term obligations		241	280
Total other current liabilities		**$ 757**	**$ 895**

(a) A provision is recognized for expected warranty claims on products sold during the year, based on past experience of the level of repairs and returns. It is expected that these costs will be incurred in the next financial year. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available on returns based on the warranty period for all products sold.
(b) Restructuring provisions are recognized when the Group has a constructive obligation, which is when: (a) There is a detailed formal plan that identifies the business or part of the business concerned, the location and number of employees affected, the detailed estimate of the associated costs, and the timeline; and (b) The employees affected have been notified of the plan's main features. The Group's restructuring activities are focused on workforce reduction and factory consolidation. Restructuring expenses primarily include severance and employee benefit costs. Severance and employee benefit costs include cash severance, non-cash severance, pension and other termination benefits.

($ in millions)

		December 31, 2023	December 31, 2022
Employee benefit plan obligations	Note 25	$ 22	$ 22
Redeemable preferred shares	Note 21.4	18	-
Accrued employee benefits expense		20	23
Contingently redeemable noncontrolling interests	Note 21.3	155	116
Derivatives not designated as hedging instruments		33	-
Other long-term obligations		33	36
Total other liabilities		**$ 281**	**$ 197**

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Note 21. Financial assets and financial liabilities

The Group's financial assets were as follows:

($ in millions)

		December 31, 2023	December 31, 2022
Derivatives not designated as hedging instruments			
Interest rate swaps	Note 22	$ 238	$ 335
Cross-currency swaps	Note 22	-	20
Foreign exchange swaps	Note 22	2	-
Debt instruments at amortized cost			
Accounts receivable	Note 21.1	361	395
Loans to associates	Note 21.2	1	118
Total financial assets[a]		**$ 602**	**$ 868**
Current		$ 361	$ 395
Non-current		$ 241	$ 473

(a) Financial assets, other than cash and cash equivalents.

The Group's financial liabilities were as follows:

($ in millions)

		December 31, 2023	December 31, 2022
Financial liabilities at fair value through profit or loss			
Contingently redeemable noncontrolling interests	Note 21.3	$ 158	$ 122
Derivatives not designated as hedging instruments			
Cross-currency swaps	Note 22	33	-
Debt			
Floating rate borrowings	Note 23	4,466	4,454
Fixed rate borrowings	Note 23	14	22
Contingently redeemable preferred stock	Note 21.4	27	26
Lease liabilities	Note 16	95	117
Other financial liabilities at amortized cost, other than debt			
Accounts payable	Note 21.5	180	141
Total financial liabilities		**$ 4,973**	**$ 4,882**
Current		$ 266	$ 217
Non-current		$ 4,707	$ 4,665

Note 21.1 Accounts receivable

Accounts receivable represent an unconditional right to consideration and are generally non-interest bearing. The Group typically collects a portion of the purchase price as a customer deposit upon order, with the remaining balance generally due within 30 days of delivery or installation.

There is no single customer, or group of related customers, representing 10% or more of the Group's net sales or accounts receivable.

The carrying value of accounts receivable approximates fair value due to the short-term maturities of these financial assets.

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Note 21.2 Loans to associates

($ in millions)

	December 31, 2023	December 31, 2022
Loan to SelectBlinds LLC	$ -	$ 87
Loans to SelectBlinds LLC Shareholder	-	30
Loan to Persianas Y Cortinas del Ecuador SA Percesa	1	1
Total loans to associates	**$ 1**	**$ 118**

On October 7, 2021, the Group entered into a loan agreement with SelectBlinds LLC and the SelectBlinds LLC Shareholder ("Select Shareholder"). The SelectBlinds LLC loan matures on December 31, 2028, accrues interest at an annual rate of 7%, with principal repayments of $2.4 million due each year and the remaining principal balance due at the maturity date. The loan balance was effectively settled on the acquisition of the remaining 50.1% ownership interest of SelectBlinds LLC on October 2, 2023.

The Select Shareholder loans mature on January 1, 2028 and accrue interest at an annual rate of 3.25%. These loans were repaid concurrent with the consummation of the acquisition of SelectBlinds LLC.

The Persianas Y Cortinas del Ecuador SA Percesa loan matures in 2024 and accrues interest at an annual rate of 8%. The carrying value of the assets approximate fair value and are classified as a Level 3 fair value measurement.

Changes in loans to associates were as follows:

($ in millions)

	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Balance at beginning of period	$ 118	$ -
Acquisitions	-	121
Repayments	(30)	(3)
Effectively settled on acquisition[(a)]	(87)	-
Foreign currency translation	-	-
Balance at end of period	**$ 1**	**$ 118**

(a) The loan balance that was effectively settled upon the acquisition of SelectBlinds LLC included interest of $9.0 million.

Note 21.3 Contingently redeemable noncontrolling interests

The Group is subject to put arrangements where the holders of certain noncontrolling interests can require the Group to repurchase their shares at specified dates in the future or within specified periods in the future. The redemption value is generally a variable amount based on a formula linked to the earnings of the respective subsidiary. The put arrangements were valued using an income approach. Significant assumptions include projected annual earnings of each respective subsidiary during the respective exercise period(s). The Group developed projected annual earnings using historical data, supplemented by current and anticipated market conditions, estimated product category growth rates, management's plans and market comparables.

A change in the projected annual earnings and/or the probability of exercise would not materially affect the fair value of the contingently redeemable noncontrolling interests. The carrying value of redeemable noncontrolling interests approximates fair value. The contingently redeemable noncontrolling interests are classified as Level 3 fair value measurements.

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Changes in contingently redeemable noncontrolling interests were as follows:

($ in millions)	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Balance at beginning of period	$ 122	$ -
Acquisitions	8	111
Net income (loss) attributable to redeemable noncontrolling interests	18	(1)
Changes in redemption value	28	9
Accrued compensation for services rendered	15	10
Cash flows	(12)	(7)
Redemption of noncontrolling interests	(21)	-
Balance at end of period	**$ 158**	**$ 122**

The Group's estimate of redemption amounts on fixed or determinable dates are as follows:

($ in millions)	
2024	$ 3
2025	28
2026	45
2027	22
2028	-
Thereafter	60
	$ 158

Note 21.4 Contingently redeemable preferred stock

On April 21, 2021, a subsidiary of the Company issued preference shares to Blinds2Go Limited management, which are redeemable at the option of the shareholders, within a twelve-month notice period. The redemption value is defined within the contractual agreement. The shareholders are entitled to a dividend linked to the earnings of Blinds2Go Limited and Blindsonline.com.au Pty Ltd.

For the year ended December 31, 2023 and period ended December 31, 2022, preferred dividends amounted to $2.6 million and $2.6 million, respectively.

During 2023, the Group received redemption notices from all shareholders. Preference shares expected to be redeemed in 2024 amounted to $9.2 million, presented within other current liabilities in the Consolidated Balance Sheets. Preference shares expected to be redeemed in 2025 amounted to $18.3 million, presented within other liabilities in the Consolidated Balance Sheets.

The redemption value of the preferred stock approximates fair value and is classified as a Level 3 fair value measurement.

Note 21.5 Accounts payable

Trade payables are non-interest bearing and are generally settled on 90-day terms. The carrying value of accounts payable approximates fair value due to the short-term maturities of these liabilities.

Note 21.6 Financial instruments risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, contingently redeemable financial instruments and accounts payable. The main purpose of these financial liabilities is to finance the Group's operations and execute opportunistic acquisitions. The Group's principal financial assets include accounts receivable and cash and cash equivalents, which derive directly from its operations. The Group also holds loans receivable from certain associates and enters into derivative transactions. All derivative activities for risk management purposes are carried out by a specialist

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team that has the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk generally comprises three types of risk: interest rate risk, currency risk and commodity risk. Financial instruments affected by market risk include long-term debt and derivative financial instruments.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages interest risk through entering interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. The Group's interest rate swaps are not designated hedging instruments. At December 31, 2023, after taking into account the effect of interest rate swaps, approximately 75% of the Group's borrowings are at a fixed rate of interest.

Interest rate sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate borrowings (with all other variables held constant):

($ in millions, except for basis points)

	Increase / decrease in basis points[a]	Impact on income (loss) before income taxes[b]
Euro	+ 100	$ (20)
US Dollars	+ 100	$ (31)
Euro	- 100	$ 2
US Dollars	- 100	$ 22

(a) The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.
(b) The sensitivity analyses relate to the outstanding principal balances and floating interest rates at December 31, 2023.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the fair value of the interest rate swaps (with all other variables held constant):

($ in millions, except for basis points)

	Increase / decrease in basis points[a]	Impact on income (loss) before income taxes[b]
Euro	+ 100	$ 29
US Dollars	+ 100	$ 111
Euro	- 100	$ (31)
US Dollars	- 100	$ (118)

(a) The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.
(b) The sensitivity analyses relate to the position at December 31, 2023.

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Foreign currency risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. For all significant foreign operations, the functional currency is the local currency. Accordingly, the Group's exposure to the risk of changes in foreign exchange rates relates primarily to foreign currency denominated debt.

Foreign currency sensitivity
The following table demonstrates the sensitivity to a reasonably possible change in Euro and GBP exchange rates on that portion of debt affected (with all other variables held constant). The pre-tax effect reflects changes in the value of both third-party and intercompany debt (where the debt is denominated in a currency that differs to the functional currency of an entity).

($ in millions, except for rate change)

	Change in exchange rate	Impact on income (loss) before income taxes
Euro	+ 5%	$ (55)
GBP	+ 5%	$ 16
Euro	- 5%	$ 55
GBP	- 5%	$ (16)

The Group's exposure to foreign currency changes for all other currencies is not material for disclosure purposes.

Commodity price risk
The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase of aluminum, steel, fabric, synthetics and other oil-based products. Generally, changes in material prices are passed on to the customer.

Commodity price sensitivity
With all other variables held constant, the Group's loss before income taxes would be increased by $106.6 million from a 5% increase in the cost of raw materials and consumables.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily accounts receivable) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

Accounts receivable
Customer credit risk is managed by each business. Where deemed appropriate, based on the business' assessment of customer credit quality, customer credit limits may be implemented or letters of credit or other forms of credit insurance from reputable banks and other financial institutions may be obtained.

The Group applies a simplified approach in calculating expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Generally, trade receivables are written-off if the Group deems all or a portion of the receivable to be uncollectible.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 21.

The Group evaluates the concentration of risk with respect to accounts receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

The Group's credit risk exposure on accounts receivable at December 31, 2023 and December 31, 2022 is as follows:

($ in millions)

	December 31, 2023	
	Accounts receivable	Allowance for credit losses
Current	$ 296	$ (6)
Days past due:		
< 30 days	47	(2)
30 - 60 days	14	(3)
61 - 90 days	9	(5)
> 91 days	23	(12)
Total	**$ 389**	**$ (28)**

($ in millions)

	December 31, 2022	
	Accounts receivable	Allowance for credit losses
Current	$ 329	$ (13)
Days past due:		
< 30 days	44	(1)
30 - 60 days	16	(2)
61 - 90 days	12	(2)
> 91 days	24	(12)
Total	**$ 425**	**$ (30)**

Changes in the allowance for credit losses were as follows:

($ in millions)

	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Balance at beginning of period	$ (30)	$ -
Acquisitions	-	(37)
Provision for credit losses	(3)	(5)
Recoveries	-	-
Write-offs	4	11
Foreign currency translation	1	1
Balance at end of period	**$ (28)**	**$ (30)**

Financial instruments and cash deposits
Credit risk from balances with banks and financial institutions is managed by the Group's treasury department. Cash and cash equivalents are held with reputable banks and other financial institutions. To mitigate any potential concentration risk, consideration is given to balancing amounts held across counterparties and geographies, taking into account interest rate sensitivity, currency and other factors that affect returns and liquidity.

Liquidity risk
The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash flows from operations, bank facilities and bank loans. The maturity profile of the Group's long-term debt is presented in Note 23. The maturity profile of the Group's other financial liabilities based on contractual undiscounted payments is presented in Note 16, Note 21.3, Note 21.4 and Note 21.5.

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Note 22. Derivative financial instruments and hedging activity

At December 31, 2023, the Group had outstanding foreign exchange, interest rate and cross-currency swap derivative instruments, with notional amounts of approximately $358.0 million, $3.5 billion and $1.0 billion, respectively. These derivatives do not meet the criteria for hedge accounting.

The Group uses forward contracts and to a lesser extent, option contracts, to mitigate its foreign currency exchange rate exposure due to purchases of raw materials and future settlement of foreign currency denominated assets and liabilities.

The Group uses interest rate swaps to manage debt and interest rate exposures, most significantly the interest rate volatility with regard to the Senior Credit Facilities drawn to finance the 2022 Acquisition. The Group uses cross-currency swaps to mitigate its foreign currency exchange rate exposure due to foreign currency denominated debt.

The fair value and corresponding balance sheet presentation of the Group's derivative instruments were as follows:

($ in millions)

	December 31, 2023		
	Foreign exchange	Interest rate	Cross-currency
Other current assets	$ 2	$ -	$ -
Other assets	-	238	-
Other current liabilities	-	-	-
Other liabilities	-	-	(33)

($ in millions)

	December 31, 2022		
	Foreign exchange	Interest rate	Cross-currency
Other current assets	$ -	$ -	$ -
Other assets	-	335	20
Other current liabilities	-	-	-
Other liabilities	-	-	-

The fair value of derivative instruments is estimated using market transactions and other market evidence whenever possible, including market-based inputs to models, model calibration to market clearing transactions, broker or dealer quotations or alternative pricing sources with reasonable levels of price transparency. The Group's calculation of the fair value of derivatives takes into consideration the risk of nonperformance, including counterparty credit risk. These assets are classified as Level 2 fair value measurements.

The pre-tax effect of derivative instruments in the Consolidated Statements of Income were as follows:

($ in millions)

	December 31, 2023		
	Foreign exchange	Interest rate	Cross-currency
Other expense (income)	$ -	$ (5)	$ 42
Cost of products sold	(10)	-	-

($ in millions)

	December 31, 2022		
	Foreign exchange	Interest rate	Cross-currency
Other expense (income)	$ -	$ (331)	$ (25)
Cost of products sold	-	-	-

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Note 23. Debt

($ in millions, except interest rates)

	Interest rates[a]	December 31, 2023	December 31, 2022
B-1 Loans[b]			
Outstanding principal	8.88%	$ 3,447	$ 3,483
Unamortized issuance costs		(51)	(60)
Unamortized discount		(13)	(16)
		3,383	**3,407**
B-2 Loans[c]			
Outstanding principal	7.96%	1,104	1,071
Unamortized issuance costs		(17)	(19)
Unamortized discount		(4)	(5)
		1,083	**1,047**
Other			
Outstanding principal	3.50%	14	48
Total long-term debt		**$ 4,480**	**$ 4,502**

(a) Floating interest rates are stated as at December 31, 2023
(b) USD denominated
(c) EUR denominated

The contractual repayments of the Group's long-term debt are as follows:

($ in millions)	
2024	$ 48
2025	35
2026	35
2027	35
2028	35
Thereafter	4,377
	$ 4,565

The fair value of long-term debt was as follows:

($ in millions)

	December 31, 2023		December 31, 2022	
	Fair value[a]	Carrying value	Fair value[a]	Carrying value
B-1 Loans	$ 3,371	$ 3,383	$ 2,877	$ 3,407
B-2 Loans	$ 1,069	$ 1,083	$ 899	$ 1,047
Other	$ 14	$ 14	$ 48	$ 48

(a) Fair value of long-term debt determined using observable inputs, including market transactions, broker or dealer quotations or other market evidence. These liabilities are classified as Level 2 fair value measurements.

Amortization of issuance costs and discount related to the B-1 Loans and B-2 Loans was $14.7 million for the year ended December 31, 2023 and $11.9 million for the period ended December 31, 2022. The issuance costs and debt discount are amortized using the effective interest method.

At December 31, 2023, accrued interest relating to the Term Loan Facilities was $37.1 million. At December 31, 2022, accrued interest relating to the Term Loan Facilities was $34.6 million.

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Changes in long-term debt were as follows:

($ in millions)

	January 1, 2023 to December 31, 2023	December 27, 2021 to December 31, 2022
Balance at beginning of period	$ 4,502	$ -
Acquisitions	-	27
Proceeds from long-term debt	-	4,593
Payments of debt issue costs	-	(111)
Amortization of deferred issuance costs and debt discount	15	11
Repayments of long-term debt	(36)	(18)
Redemption of contingently redeemable preferred stock	(26)	-
Foreign currency translation	25	-
Balance at end of period	**$ 4,480**	**$ 4,502**

Term Loan Facilities

The B-1 Loans and B-2 Loans (collectively, the "Term Loan Facilities") mature seven years from the date of closing, on February 25, 2029. The Term Loan Facilities have fluctuating interest rates based on, at the Group's election, a benchmark rate (including, but not limited to, EURIBOR or SOFR), plus a spread on each of the tranches ranging from 225-400 basis points. The Term Loan Facilities provide the right to prepay the outstanding principal, in whole or in part, without premium or penalty.

The obligations of the Group under the Term Loan Facilities are guaranteed by its subsidiaries and each direct and indirect, existing and future, domestic, material, wholly-owned restricted subsidiary of the Group.

The Term Loan Facilities contain a number of customary affirmative and negative covenants that, among other things, limits or restricts the ability of the Group and its restricted subsidiaries to incur additional indebtedness (including guarantee obligations); incur liens; engage in mergers, consolidations, liquidations and dissolutions (other than as part of an initial public offering); sell assets; pay dividends and make other payments in respect of capital stock; make acquisitions, investments, loans and advances; pay and modify the terms of certain indebtedness; engage in certain transactions with affiliates; enter into negative pledge clauses and clauses restricting subsidiary distributions; and change its line of business.

Revolving Credit Facility

($ in millions)

	December 31, 2023		
	Commitment	Issued and outstanding	Loans outstanding
Revolving Credit Facility	$ 800	$ 11	$ -

($ in millions)

	December 31, 2022		
	Commitment	Issued and outstanding	Loans outstanding
Revolving Credit Facility	$ 750	$ 6	$ -

Loans under the Revolving Credit Facility have five-year maturities and a fluctuating interest rate based on, at the Group's election, a benchmark rate (including, but not limited to, EURIBOR or SOFR), plus a spread on each of the tranches ranging from 175-375 basis points.

The Group is required to comply with a specified first lien net leverage ratio to the extent any loans are outstanding under the Revolving Credit Facility or Letters of Credit issued and outstanding thereunder exceed $260 million as of the end of any fiscal quarter.

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Unamortized issuance costs related to the Revolving Credit Facility were $10.8 million and $12.9 million at December 31, 2023 and December 31, 2022, respectively. Amortization of issuance costs and discount related to the Revolving Credit Facility was $2.1 million for the year ended December 31, 2023 and $1.7 million for the period ended December 31, 2022.

The Group incurred commitment fees related to the Revolving Credit Facility of $3.1 million for the year ended December 31, 2023 and $2.8 million for the period ended December 31, 2022.

Note 24. Capital management

($ in millions)

	December 31, 2023	December 31, 2022
Long-term debt	$ 4,480	$ 4,502
Less: cash and cash equivalents	(878)	(815)
Net debt	**$ 3,602**	**$ 3,687**

Note 25. Employee benefit plan obligations

The changes in benefit obligation, plan assets and funded status of the Group's plans were as follows:

($ in millions)

	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Change in Benefit Obligation:		
Benefit obligation at the beginning of the period	$ 227	$ -
Acquisitions	-	302
Service cost	-	-
Interest cost	11	8
Actuarial (gain) loss	6	(63)
Benefits paid	(14)	(12)
Translation adjustments	3	(8)
Benefit obligation at the end of the period	233	227
Change in Plan Assets:		
Fair value of plan assets at the beginning of the period	212	-
Acquisitions	-	243
Actual return on plan assets	14	(14)
Employer contribution	3	3
Participants' contributions	-	-
Benefits paid	(14)	(12)
Translation adjustments	4	(8)
Fair value of plan assets at the end of the period	219	212
Funded status[a]	**$ (14)**	**$ (15)**

(a) Certain of the Group's benefit plans are in a surplus position, with $10.0 million at December 31, 2023 and $9.0 million at December 31, 2022. As the asset cannot be realized by the Group in the form of cash rebates from the plan or reductions in future contributions to the plan, the Group has not recognized the asset in the Consolidated Balance Sheets.

The weighted average assumptions used in determining the projected benefit obligations were as follows:

	December 31, 2023	December 31, 2022
Discount rate	4.5% - 4.9%	4.8% - 5.3%

The weighted average assumptions related to net periodic pension cost were as follows:

	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Discount rate	4.5% - 5.1%	3.1% - 4.8%
Expected long-term rate of return	4.6% - 5.8%	4.9% - 6.4%

Discount rates were developed using a model portfolio of high-quality, fixed-income debt instruments with durations that match the expected future cash flows of the plans.

Retirement-related benefit plan assets are recognized and measured at fair value. Because of the inherent uncertainty of valuations, these fair value measurements may not necessarily reflect the amounts the Group could realize in current market transactions.

A change in the discount rate assumption of +/- 0.5% would affect the projected value of the US and UK benefit obligations at December 31, 2023 by approximately $10.0 million and $4.0 million, respectively. For other plans, a change in the discount rate assumption would not materially affect the projection value of the obligations.

The weighted average duration of both the US and UK benefit obligations is 15 years.

The investment objectives of the retirement-related benefit plan asset portfolio are designed to generate returns that will enable the plans to meet future obligations. The precise amount for which these obligations will be settled depends on future events, including the retirement dates and life expectancy of the plans' participants. The investment strategy balances the requirement to generate returns, using potentially higher yielding assets such as equity securities, with the need to control risk in the portfolio with less volatile assets, such as fixed-income securities. Risks include, among others, inflation, volatility in equity values and changes in interest rates that could cause the plan to become underfunded, thereby increasing its dependence on contributions from the Group. To mitigate any potential concentration risk, consideration is given to balancing the portfolio among industry sectors, companies and geographies, taking into account interest rate sensitivity, dependence on economic growth, currency and other factors that affect investment returns.

The assets are managed by a professional investment firm. The investment firm is bound by investment mandates determined by the Group's management, and is measured against specific benchmarks. The strategies employed by the investment firm contemplate balancing security concentration, issuer concentration, investment style and reliance on specific active and passive investment strategies.

The Group is aware of the High Court ruling on June 16, 2023, Virgin Media v NTL Pension Trustees II Limited (and others), which confirmed the implications of not having a confirmation from the actuary in accordance with Section 37 of the Pension Schemes Act 1993, when rule changes were made to pension schemes which were contracted out on a salary-related basis, between the period April 6, 1997 and April 6, 2016. The Group has policies and procedures in place to comply with the necessary laws and regulations and the Directors are not aware of any non-compliance. The Board of Trustees, which are responsible for compliance with Section 37, is considering the procedures necessary to confirm their compliance. If following completion of that exercise, the Board of Trustees identified any omissions in compliance, there would then need to be an assessment of the impact on the actuarial valuation of the scheme. At this point, it is not possible to reliably estimate whether this would result in a material change to the pension accounting reflected in these financial statements.

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The Group's plan assets by class and their associated fair value at December 31, 2023 and December 31, 2022 were as follows:

($ in millions)	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Equity securities				
Mutual funds	$ 102	$ -	$ -	$ 102
Cash				55
Investments measured at net asset value				62
Total fair value of plan assets				**$ 219**

($ in millions)	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Equity securities				
Mutual funds	$ 50	$ -	$ -	$ 50
Cash				23
Investments measured at net asset value				139
Total fair value of plan assets				**$ 212**

Equity securities are valued at the closing price reported on the stock exchange on which the individual securities are traded. These assets are generally classified as Level 1 fair value measurements.

The fair value of investments in hedge funds and private equity funds is measured using net asset value ("NAV"), which is calculated based on the Group's proportionate interest in the underlying net assets of the fund. Investments measured at NAV are excluded from categorization within the fair value hierarchy. Redemptions of investments in certain funds is subject to restrictions including lock-up periods where no redemptions or withdrawals are allowed, restrictions on redemption frequency, and advance notice periods for redemptions. Generally, redemptions occur quarterly and the notice periods range from 30 to 90 days. Amounts requested for redemption remain subject to market fluctuations until the redemption effective date.

Contributions are made by the Group to the plans as required. These contributions are determined based upon various factors, including funded status, legal and tax considerations, as well as local customs.

The Group estimates that the expected benefit payments to defined benefit pension plan participants will not be material to the Group's consolidated results of operations, financial condition or cash flows in each of the next five years.

Note 26. Commitments and contingencies

Legal matters

As a group with a substantial number of employees and with customers in more than 100 countries, the Group is involved, either as plaintiff or defendant, in a variety of ongoing claims, demands, suits, investigations, tax matters and proceedings that arise from time to time in the ordinary course of its business. As is typical for companies of the Group's scope and scale, the Group is party to actions and proceedings in various jurisdictions involving a wide range of labor and employment issues, as well as actions with respect to contracts, product liability, securities, foreign operations, competition law and environmental matters. These actions may be commenced by a number of different parties, including competitors, clients, current or former employees, government and regulatory agencies, stockholders and representatives of the locations in which the Group does business. Some of the actions to which the Group is party may involve particularly complex technical issues, and some actions may raise novel questions under the laws of the various jurisdictions in which these matters arise.

The Group records a provision with respect to a claim, suit, investigation or proceeding, when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Group provides disclosures of matters for which the likelihood of material loss is at least reasonably possible.

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The Group incurred legal settlement costs of $5.6 million and $0.1 million for the year ended December 31, 2023 and the period ended December 31, 2022, respectively.

At December 31, 2023, the liabilities (if any) that may ultimately result from ongoing claims, demands, suits, investigations, tax matters and proceedings are not expected to have a material impact on the Group's consolidated results of operations, financial condition or cash flows.

Note 27. Share capital and reserves

($ in millions, except share and per share data)

	December 31, 2023	December 31, 2022
309,788,288 common shares of £0.000001 each	$ -	$ -
Allotted, authorized, called up and fully paid	**$ -**	**$ -**

Share premium
Consideration received for shares issued above their nominal value.

Merger reserve
The difference between the nominal value of shares issued in exchange for the nominal value of shares and reserves of subsidiaries acquired under common control.

Translation reserve
Foreign exchange gains and losses on the translation of the results and net assets of the foreign operations of the Group.

Other capital reserves
The cumulative stock-based compensation expense less (where applicable) amounts realized on exercise or lapse of options.

Retained earnings (deficit)
Cumulative profits or losses net of dividends paid and other adjustments.

Note 28. Investments in associates

Investees accounted for under the equity method and the percentage of ownership of common stock by the Group were as follows:

	Country of incorporation	December 31, 2023	December 31, 2022
SelectBlinds LLC[a]	US	-	49.9%
247 Home Furnishings Ltd.	UK	49.0%	49.0%

(a) On October 2, 2023, the Group acquired the remaining 50.1% ownership interest in SelectBlinds LLC.

Note 29. Related parties

In the normal course of business, the Group sells window covering products to certain associates. The profits from such transactions were not material to the Group during any of the periods presented. The accounts receivable from associates at December 31, 2023 and December 31, 2022 were not material to the Group.

The Group has financing arrangements and financial instruments with certain associates, amounts outstanding and corresponding balance sheet presentation is presented in Note 21.2.

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Total compensation paid to key management personnel of the Group was as follows:

($ in millions)

	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Salaries	$ 11	$ 24
Employers' taxes	-	-
Stock-based compensation	-	11
Pension and other benefits	-	-
Total remuneration	**$ 11**	**$ 35**

Note 30. Assets held for sale

At December 31, 2023, certain buildings in North America and Europe were classified as held for sale. The sales are anticipated to occur during 2024. The Group remeasured the fair value less costs to sell at the end of the reporting period and recognized the difference between fair value less costs to sell and carrying value in the results of operations. The loss on remeasurement was $0.9 million, presented within impairment losses in the Consolidated Statements of Income.

Fair value of assets held for sale estimated using unobservable inputs, including non-binding broker quotations. These assets are classified as Level 3 fair value measurements.

Note 31. Alternative performance measures

Adjusted EBITDA is defined as net income (loss) from continuing operations before finance costs, income tax expense, depreciation and amortization, share of (income) loss of associates, and further excluding other ancillary (income) loss. The excluded items generally fall into one or more of the following broad categories: non-operating expenses not directly related to core operations, costs incurred to effect organization-wide transformation initiatives, legacy matters having no relevance to the Group's current businesses or operating performance; adjustments to enhance transparency to the underlying economics of transactions; and measures that management believes to be common to the industry.

($ in millions)

	January 1, 2023 to December 31, 2023	December 13, 2021 to December 31, 2022
Net loss	$ (513)	$ (506)
Amortization of purchase price allocation to inventory	-	223
Stock-based compensation	9	5
Depreciation of property, plant and equipment and amortization of intangible assets	245	195
Impairment losses	519	549
Restructuring expense	21	35
Deal and integration expenses	81	85
Other non-cash expense	10	9
Legal settlement costs	6	-
Finance costs	399	219
Other expense (income)	17	(231)
Income tax expense	1	120
Share of (income) loss of associates	(2)	23
Adjusted EBITDA	**$ 793**	**$ 726**

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Note 32. Subsequent events

The Group has evaluated subsequent events that have occurred from January 1, 2024 to June 28, 2024, which is the date that the consolidated financial statements were available to be issued, and determined that there were no subsequent events or transactions that required recognition or disclosure in the consolidated financial statements, other than the matters described below.

2024 Acquisitions
Subsequent to December 31, 2023, the Company acquired controlling interests in several businesses that manufacture and sell window covering products. Each acquisition is expected to enhance the Company's portfolio of products and further advance the Company's growth strategy. Total cash consideration transferred was approximately $91.0 million. The identifiable assets acquired were approximately $47.0 million and included approximately $46.0 million of intangible assets. The fair value of noncontrolling interests was approximately $10.0 million. Goodwill related to the acquisitions amounted to approximately $54.0 million. Provisional estimates of fair value are established at the time of each acquisition and are subsequently reviewed and finalized within the first year of operations subsequent to the acquisition date.

Sale of architectural products business
On April 26, 2024, the Group sold an architectural product business based in North America for cash consideration of approximately $95.0 million.

Restricted stock and restricted stock units
The Company issued approximately 0.7 million common shares to certain employees, for consideration of approximately $7.8 million. The Company granted approximately 1.2 million restricted stock units to certain employees, the fair value of the restricted stock units was approximately $13.0 million.

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Hunter Douglas Holdings Limited
Company Balance Sheet
(in millions)

	December 31, 2023
Assets	
Non-current assets	
Investments in subsidiaries	$ 1,951
Total assets	**$ 1,951**
Equity	
Share capital	$ -
Share premium	13
Merger reserve	2,500
Translation reserve	(1)
Retained earnings (deficit)	(561)
Total equity	**$ 1,951**
Total liabilities and equity	**$ 1,951**

As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's loss and total comprehensive loss for the period was $561 million and $561 million, respectively, reflecting the Company's share of the results of its subsidiaries.

All amounts relate to continuing activities.

These financial statements were approved by the board of directors on June 28, 2024 and were signed on its behalf by:

D Schwartz
Company registered number: 14453520

A Behring Costa

D Sonnenberg

See accompanying notes to the Company financial statements.

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Hunter Douglas Holdings Limited
Company Statement of Changes in Equity
(in millions)

	October 31, 2022 to December 31, 2023
Share capital	
Balance at beginning of period	$ -
Common stock issued	-
Balance at end of period	$ -
Share premium	
Balance at beginning of period	$ -
Sale of common stock in consolidated subsidiary	13
Balance at end of period	$ 13
Merger reserve	
Balance at beginning of period	$ -
Issue of Company common stock in exchange for common stock in consolidated subsidiary	2,500
Balance at end of period	$ 2,500
Translation reserve	
Balance at beginning of period	$ -
Foreign currency translation adjustments, net of tax	(1)
Balance at end of period	$ (1)
Retained earnings (deficit)	
Balance at beginning of period	$ -
Net loss attributable to common shareholders	(561)
Balance at end of period	$ (561)
Total shareholders' equity	**$ 1,951**

See accompanying notes to the Company financial statements.

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Hunter Douglas Holdings Limited
Notes to the Company Financial Statements

Note 1. General

Hunter Douglas Holdings Limited (the "Company") is a private company limited by shares and incorporated and domiciled in the UK. The registered number is 14453520 and the registered address is The Darwin Building, 2 Colwick Quays Business Park, Private Road No.2, Nottingham, United Kingdom, NG4 2JY.

The principal activities of the Company are described in the strategic report.

Note 2. Material accounting policies

Basis of presentation
These financial statements have been prepared on a going concern basis and in accordance with FRS 101: Reduced Disclosure Framework ("FRS 101").

The financial statements have been prepared on the historical cost basis except for certain financial instruments which have been measured at fair value.

The functional currency of the Company is Sterling and the functional currency of each subsidiary is generally the currency used in the environment in which the subsidiary operates. As a significant majority of the Group's earnings are denominated in US Dollars ($), the presentation currency of these consolidated financial statements is US Dollars. All amounts in the financial statements have been rounded to the nearest million except when otherwise indicated.

The accounting policies set out below, and in Note 2 of the consolidated financial statements, have, unless otherwise stated, been applied consistently throughout the period presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have material effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 3 of the consolidated financial statements.

Reduced disclosures
The Company is a qualifying entity for the purposes of FRS 101 and has therefore taken exemption of the following exemptions from the requirements of IAS for parent company information presented within the consolidated financial statements:

- IFRS 3 Business Combinations;
- The requirements of IFRS 7 Financial Instruments: Disclosures;
- IFRS 13 Fair Value Measurement;
- IAS 1 requirement to make disclosure about the entity's objectives, policies or processes for managing capital;
- IAS 7 requirement to produce a cash flow statement;
- IAS 8 requirement to include a list of new IFRSs that have been issued but that have yet to be applied;
- IAS 24 requirement to make disclosures about key management personnel compensation; and
- IAS 24 requirement to disclose related party transactions with the parent or wholly owned members of the Group.

Where required, equivalent disclosures are given in these consolidated financial statements, which are publicly available.

Going concern
In preparing these financial statements the directors have made an assessment of the Company's ability to continue as a going concern for the period to June 30, 2025, based on recent historical performance and its most recent budgets and forecasts.

The Company generated a net loss of $561 million, with net assets of $1,951 million at December 31, 2023.

The activities of the Company are predominantly related to intercompany transactions and therefore the Company is dependent on the continued financial support of other entities within the Group. The Group is cash-generating and has a sound liquidity position as outlined in the Strategic Report.

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Based on the above, the directors believe it remains appropriate to prepare the financial information on a going concern basis, as they are satisfied that they have a reasonable basis upon which to conclude that the Company is able to meet its liabilities as they fall due in the foreseeable future.

Reporting period
These are the first financial statements of the Company. The Company financial statements cover the period from incorporation of the Company on October 31, 2022 to December 31, 2023. There are no comparative figures.

Investments in subsidiaries
A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in subsidiaries are accounted for using the equity method of accounting. The carrying amount of investments in subsidiaries includes the carrying amount of goodwill identified on acquisition.

Note 3. Staff numbers and director remuneration

The Company does not have any employees apart from the directors who are not directly employed by the Company and do not receive remuneration in respect of their services to the Company.

The directors are remunerated through other Group companies and their remuneration is disclosed in Note 7 of the consolidated financial statements.

Note 4. Investments in subsidiaries

($ in millions)

	October 31, 2022 to December 31, 2023
Balance at beginning of period	$ -
Acquisitions	2,500
Share of net loss of subsidiaries	(561)
Sale of common stock in consolidated subsidiary	13
Foreign currency translation adjustments, net of tax	(1)
Balance at end of period	**$ 1,951**

Subsidiaries and other related entities are listed in Note 9 of these financial statements.

On February 23, 2023, the Company entered into a share-for-share exchange transaction whereby the Company issued 309,788,288 common shares to its shareholders in exchange for the same shareholding in Hunter Douglas Group Limited. The transaction was accounted for as a group restructuring and not as a business combination. The acquisition date cost represents the carrying value of the investments in subsidiaries held by Hunter Douglas Group Limited as at the transaction date.

The Company has considered the requirements of the Companies Act 2006 and has determined that merger relief is available. As such, a merger reserve has been created reflecting the difference between the nominal value of shares issued in exchange for the nominal value of shares and reserves of subsidiaries acquired under common control.

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Note 5. Share capital

($ in millions, except share and per share data)

	December 31, 2023
309,788,288 common shares of £0.000001 each	$ -
Allotted, authorized, called up and fully paid	$ -

Details of changes in reserves are disclosed in the Statement of Changes in Equity in the consolidated financial statements.

Note 6. Related parties

Key management personnel remuneration is disclosed in Note 29 of the consolidated financial statements.

Note 7. Ultimate controlling party

The only group preparing consolidated financial statements which include the Company for December 31, 2023 is Hunter Douglas Holdings Limited.

The ultimate parent undertaking is 3G Capital Partners Ltd, a company incorporated in the Cayman Islands.

The directors do not consider there to be an ultimate controlling party.

Note 8. Subsequent events

The Company has evaluated subsequent events that have occurred from January 1, 2024 to June 28, 2024, which is the date that the Company's financial statements were available to be issued and determined that there were no subsequent events or transactions that required recognition or disclosure in the Company's financial statements.

Subsequent events are detailed in Note 32 of the consolidated financial statements.

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Note 9. Subsidiary undertakings

Subsidiaries based in the UK:

Registered address	Company	Nature of business	Equity interest (%)
The Darwin Building, 2 Colwick Quays Business Park, Private Road No.2, Nottingham, NG4 2JY	Hunter Douglas Group Limited	1	100
Battersea Road, Heaton Mersey Industrial Estate, Stockport, Cheshire, SK4 3EQ	Hunter Douglas Finance UK Limited	1	100
	Hunter Douglas (UK) Limited	2	100
	Hunter Douglas Limited	3	100
	Antiference (Holdings) Limited	3	100
	Integra Products Holdings Limited	3	100
	Integra Products Limited	3	100
	Faber Blinds UK Limited	3	100
Unit 2 Churchill Park, Private Road 2, Colwick, Nottingham, NG4 2JR	Zonwering Holdings Limited	1	98.6
	Hunter Douglas UK Retail Limited	2	100
	Thomas Sanderson Limited	3	100
	Hillarys Blinds Limited	3	100
	Hunter Douglas UK Trade Ltd (formerly Hillarys Blinds (Holdings) Limited)	3	100
	Arena Blinds Limited	2	100
	Customwest Trading Limited	2	100
	Hillary's Blinds Trustee Company Limited	3	100
	Bellotto Holdings Limited	3	100
1 Woodborough Road, Nottingham, Nottinghamshire, NG1 3FG	Friar 148 Limited	1	100
	Blinds2Go Limited	2	100
1 William Clowes Street, Burslem, Stoke-on-Trent, Staffordshire, ST6 3AR	AMP Creative Ltd	2	100
Unit A, Trident Business Park, Huddersfield, HD2 1UA	247 Home Furnishings Limited	2	49
38&39 Titan Business Centre, Roydsdale Way, Euroway Industrial Estate, Bradford, BD4 6SE	Apollo Windows Blinds Limited	2	100
Fountain Crescent, Inchinnan, Renfrew, Scotland, PA4 9RE	Turnils (UK) Limited	2	100
Denburn Way, Brechin, Angus, Scotland, DD9 7DW	Stevens (Scotland) Limited	2	100

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Subsidiaries based overseas:

Registered address	Company	Nature of business	Equity interest (%)
Blaak 55, 3011 GB Rotterdam, The Netherlands	3G HD Holdings (NL) B.V.	1	100
	Hunter Douglas B.V.	1	100
	Hunter Douglas Intermediate B.V.	1	100
	Hunter Douglas Finance B.V.	1	100
	Hunter Douglas Holding B.V.	1	100
The Netherlands	ABZ Zonwering B.V.	2	100
	ADO Interieurtextiel B.V.	2	100
	Artex BV	2	100
	Asco BV	2	100
	Bergson Beheer B.V.	1	100
	Bergson Holdings B.V.	1	100
	Blister Blinds B.V.	2	70
	Buismetaal B.V.	1	100
	Buismetaal III B.V.	1	100
	Buismetaal IV B.V.	1	100
	Christoffel B.V.	2	100
	Derako Façade Systems B.V.	2	100
	Derako International B.V.	2	100
	Derako Projects B.V.	2	100
	H.D. Aluminium Bouwprodukten B.V.	2	100
	Hollis B.V.	2	100
	Hunter Douglas Aluminium Bouwprodukten B.V.	2	100
	Hunter Douglas Asia Holdings B.V.	1	100
	Hunter Douglas Europe B.V.	1	100
	Hunter Douglas Industrial Holdings B.V.	1	100
	Hunter Douglas Industries B.V.	1	100
	Hunter Douglas Insurances B.V.	1	100
	Indanso BV	1	100
	Industrie-en Handelsonderneming “Buismetaal” B.V.	1	100
	Luxaflex Nederland B.V.	2	100
	Mado Nederland B.V.	2	100
	Multisol Raambekleding B.V.	2	100
	NBK Iberia Terracota Arquitectonica B.V.	2	100
	Real Estate Aarle-Rixtel B.V.	2	100
	Real Estate Hoogeveen B.V.	2	100
	Real Estate Leek B.V.	2	100
	Real Estate Oudenbosch B.V.	2	100
	Real Estate Rotterdam B.V.	2	100
	Schellekens en Schellekens B.V.	2	100
	Sunway (Benelux) B.V.	2	100
	Tentenfabriek Orion B.V.	1	100
	Tuiss B.V.	2	100
	Unilux B.V.	2	100
	Unilux IP B.V.	2	100
	Unilux Nederland B.V.	2	100
	Unilux Screening Pioneers B.V.	2	80
	Zonnelux Raamdecoratie B.V.	2	100

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Registered address	Company	Nature of business	Equity interest (%)
Ireland	Hunter Douglas Finance Ireland ULC	1	100
	T.M. Blinds Ltd	2	100
Belgium	Cidec NV	2	100
	Copaco Screenweavers N.V.	2	100
	Groep V B.V.B.A.	2	100
	Hunter Douglas Belgium NV	2	100
	Luxaflex Belgium NV	2	100
Bulgaria	Hunter Douglas Bulgaria EO OD	2	100
Czech Republic	Hunter Douglas Czechia Sro	2	100
	Hunter Douglas Kadan Sro	2	100
Denmark	Deco Group A/S	2	100
	Deco Group Nordic ApS	2	80
	Hunter Douglas Architectural Projects ApS1	2	100
	Luxaflex Scandinavia A/S	2	100
	Hunter Douglas Architectural Projects Scandinavia Aps	2	100
Finland	Deco Group Finland Oy	2	100
France	Benthin Systemes E.U.R.L.	2	100
	Filtersun SAS	2	100
	Hunter Douglas Holding France Sarl	1	100
	Hunter Douglas Sarl	2	100
	Luxaflex France SAS	2	100
	Luxaflex Plafonds France SAS	2	100
	Mermet SAS	2	94
	Oliver's Store SAS	2	100
Germany	Benthin GmbH	2	100
	Benthin Technology GmbH	2	100
	Hunter Douglas GmbH	1	100
	Hunter Douglas Holding GmbH & Co. KG	1	100
	Hunter Douglas Holding Verwaltungs-GmbH	1	100
	NBK Immobilien GmbH	2	100
	NBK Keramik GmbH	2	100
Hungary	Hunter Douglas Magyarorszag Kft	2	100
Norway	Deco Group Norway AS	2	100
	Hunter Douglas Holding Norge AS	1	100
	Hunter Douglas Norge AS	2	100
	HD Solskjerming AS	2	95
	Wallners Persienn och Markise AB	2	80
Poland	Akant sp. z.o.o.	2	85
	Droma-Sunshade Experts sp. z.o.o.	2	74
	Fabrication HDPGP sp. z.o.o. sp. k.	2	100
	HDPGP sp. z.o.o.	1	100
	Hunter Douglas Polska sp. z.o.o.	2	100
	Hunter Douglas GBS Poland sp. z.o.o.	1	100
	Magnum Metal HDPGP sp. z.o.o. sp. k.	2	100
	Spol Produkcja sp. z.o.o.	2	100
	Tuiss Poland HDPGP sp. z.o.o. sp. k.	2	100
	Turnils sp. z.o.o.	2	100

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Registered address	Company	Nature of business	Equity interest (%)
Portugal	Hunter Douglas Portugal S.A.	2	97.7
Italy	Tuiss Italy SRL	2	100
Romania	Hunter Douglas Romania Srl	2	100
	TLC Shutters SRL	2	100
Slovakia	Newray S.r.o.	2	100
Spain	Hunter Douglas Espana SA	2	100
	Screenprotectors SL	2	100
Sweden	Deco Group Sweden AB	2	100
	Hunter Douglas Assembly Automation AB	2	100
	Hunter Douglas Scandinavia AB	2	100
	HD Sweden Holding AB	1	100
	Luxaflex Scandinavia AB	2	100
	Tuiss Scandinavia AB	2	100
	Walners Persienn och Marki AB	2	80
Switzerland	Hunter Douglas (Schweiz) GmbH	2	100
	Hunter Douglas Administration GmbH	1	100
	Hunter Douglas Finance GmbH	1	100
	Hunter Douglas Industries Switzerland GmbH	1	100
Turkey	TKIS Blinds Perde Uretim Ve TicaretA.S.	2	100
United Arab Emirates	Hunter Douglas Middle East FZE	2	100
Saudi Arabia	Hunter Douglas Arabia Ltd	2	100
Israel	Blinds-US Ltd.	2	100
	Holis Industries Ltd.	2	100
	Orgon Window Fashions Ltd.	2	100
China	Hunter Douglas (China) Holdings Co. Ltd.	1	100
	Hunter Douglas Architectural Products (Chengdu) Co. Ltd.	2	100
	Hunter Douglas Architectural Products (China) Co. Ltd.	2	100
	Hunter Douglas Architectural Products (Shenyang) Co. Ltd.	2	100
	Hunter Douglas Architectural Products (Shenzen) Co. Ltd.	2	100
	Hunter Douglas Architectural Products (Xi'an) Co. Ltd.	2	100
	Hunter Douglas Building Products (Beijing) Co. Ltd.	2	100
	Hunter Douglas Window Covering Products (China) Co. Ltd.	2	100
	NBK (China) Co. Ltd.	2	100
	Turnils-Mehmet (Shanghai) Co. Ltd.	2	100
Hong Kong	Hunter Douglas China/Hong Kong Ltd.	2	100
India	Hunter Douglas India Pvt. Ltd	2	100
Indonesia	PT Hunter Douglas Indonesia	2	100
Japan	Hunter Douglas Japan Ltd	2	100
	Tuiss Décor Inc.	2	100
Malaysia	Hunter Douglas (Malaysia) Sdn. Bhd	2	100
	Hunter Douglas Manufacturing Sdn. Bhd.	2	100
	Turnils Mermet Asia Sdn. Bhd	2	100
Philippines	Hunter Douglas Architectural Inc	2	100
Singapore	Hunter Douglas Singapore Pte. Ltd	2	100
	Interior Blinds Trading Pte. Ltd.	2	49
South Korea	Hunter Douglas Korea Ltd	2	100

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Registered address	Company	Nature of business	Equity interest (%)
Taiwan	Hunter Douglas Taiwan Ltd	2	100
Vietnam	Blaze Manufacturing Company Ltd Cong Ty. TNHH SX Ving	2	100
	Hunter Douglas Indochina Co. Ltd	2	100
	Hunter Douglas Vietnam Ltd	2	100
Australia	Blindsonline.com.au Pty Ltd	2	100
	Blindware Pty. Ltd.	2	100
	Curtain Hardware Australia (NSW) Pty Ltd	2	100
	Curtain Hardware Australia (SA) Pty Ltd	2	100
	Curtain Hardware Australia (WA) Pty Ltd	2	100
	Curtain Hardware Holdings Pty Ltd	1	77.5
	Hunter Douglas Holdings Ltd.	1	100
	Hunter Douglas Pry Ltd (AU)	2	100
	Vertilux Corporation Pty. Ltd.	2	100
	Victory Curtain & Blinds No. 2 Pty Ltd	2	100
	Victory Franchise Group Pty Ltd	2	100
New Zealand	Hunter Douglas Ltd. (NZ)	2	100
	New Zealand Window Shades Ltd	2	100
United States of America	3 Day Blinds LLC	2	100
	Next Day Blinds LLC	2	100
	NDB Direct LLC	2	100
	Great Windows Wholesale LLC	2	100
	Great Windows Services LLC	2	100
	3 Day Holdings LLC	2	100
	3DB MBO LLC	2	100
	3DB MBO Partners Holding LLC	2	100
	3form LLC	2	100
	3DZ LLC	2	100
	3DZP LLC	2	100
	Installation Pros LLC	2	100
	3G Mermet Corporation	2	100
	Carole Fabrics Corp	2	100
	Comfortex Corp.	2	100
	Defender Screens International LLC	2	100
	Drapery Rods Direct, LLC	2	100
	DRD 1, LLC	2	100
	HD Luxembourg LLC	1	100
	Hunter Douglas Fabrication Company	2	100
	Hunter Douglas Facades Inc.	2	100
	Hunter Douglas Foundation Inc.	2	100
	Hunter Douglas Inc.	2	100
	Hunter Douglas Real Property Inc.	2	100
	Hunter Douglas Shutters Inc.	2	100
	Hunter Douglas Window Coverings Inc.	2	100
	Hunter Douglas Window Designs LLC	2	100
	Hunter Douglas Window Fashions Inc.	2	100
	Intermountain Plastic Distribution Inc.	2	100
	Kirsch LLC	2	100

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Registered address	Company	Nature of business	Equity interest (%)
United States of America	Turnils North America LLC	2	100
	Levolor Inc.	2	100
	SelectBlinds LLC	2	100
	Universal Screens LLC	2	100
	Smith & Noble Inc.	2	100
	Timberblinds LLC	2	100
	Vista Products Inc.	2	100
	Warptek LLC	2	100
	Custom Decorators Inc	2	0
	Custom Decorators of Delaware Inc	2	0
	Full Circle Foundation	2	0
Canada	Hunter Douglas Canada Holdings Inc.	1	100
	Hunter Douglas Canada LP	2	100
	Hunter Douglas Window Fashions Canada Inc.	2	100
	Nysan Shading Systems LP	2	100
	Nysan Shading Systems Ltd.	2	100
	Royal Vinylbilt Ltd	2	50
	SelectBlinds Canada LP	2	65
	Turnils Canada GP	2	100
	Turnils Canada LP	2	100
Mexico	Fab Operations S. de RL de CV	2	100
	Fab Properties S. de RL de CV	2	100
	Hunter Douglas de Mexico SA de CV	2	100
	Hunter Douglas Global Business Services Mexico, S. de R.L de C.V.	1	100
	Industrias la Mesa de Tijuana S.A. de C.V.	2	100
	Levmex S. de R.L. de C.V.	2	100
	Plenimex S.A. de C.V.	2	100
Argentina	Hunter Douglas Argentina SA	2	100
	Phonex Isocor SA	2	100
Brazil	Hunter Douglas Toldos do Brasil Ltda.	2	100
	Hunter Douglas do Brasil Ltda.	2	99.8
	DIY Pesianas e Cortinas Ltda.	2	100
	Pesianas em Casa Ltda.	2	100
Chile	Hunter Douglas Chile SA	2	95
	Hunter Douglas Comercial Ltda	2	100
	Inersiones Hunter Douglas Chile Ltda.	1	100
	Persianas Andina Ltda	2	100
	Persianas Y Cortinas Santiago Ltda	2	100
Colombia	Hunter Douglas de Colombia SAS	2	100
Panama	Hunter Douglas Panama SA	2	100
Peru	Hunter Douglas Peru SAC	2	100
Venezuela	Hunter Douglas Venezuela SA	2	100
	Importadora Reggia de Venezuela SA	2	100
Curacao	Ancap Insurance Company NV	1	100
	Blaze Holding B.V.	1	100
	Hunter Douglas N.V.	1	98
Mauritius	Century Asset Management Ltd	1	100
Russia	JSC Hunter Douglas	3	100

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Hunter Douglas Holdings Limited
Notes to the Company Financial Statements

Registered address	Company	Nature of business	Equity interest (%)
South Africa	Alucobond Pty. Ltd.	2	100
	Aluvert Pty. Ltd.	2	88
	Blinds Online Pty. Ltd.	2	100
	Hunter Douglas SA. Pty. Ltd.	2	100
	Kool Aluminium Holdings (Pty) Ltd	1	100

Hunter Douglas Group Limited is owned directly by the company. All other equity interests are held indirectly.

Nature of business

1 Holding company
2 Trading company engaged in the principal activities
3 Dormant company / inactive