

Ideal Standard Scandinavia ApS
Fynsvej 9, 5500 Middelfart

Company reg. no. 20 89 44 82

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 10 June 2022.

Bente Poulsen
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that EUR 146.940 corresponds to the English amount of EUR 146,940, and that 23,5 % corresponds to 23.5 %.

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Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Ideal Standard Scandinavia ApS for the financial year 1 January - 31 December 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

5500 Middelfart, 10 June 2022

Managing Director

Jakob Møller Jensen

Board of directors

Athanasios Tsoumalakos
chairman

Jakob Møller Jensen

Bente Poulsen

Independent auditor's report

To the Shareholder of Ideal Standard Scandinavia ApS

Opinion

We have audited the financial statements of Ideal Standard Scandinavia ApS for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has 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 and the additional requirements applicable in Denmark 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Trekantområdet, 10 June 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
Company reg. no. 33 77 12 31

Lars Almskou Ohmeyer
State Authorised Public Accountant
mne24817

Company information

The company	Ideal Standard Scandinavia ApS Fynsvej 9 5500 Middelfart
	Phone +45 75841010 Web site www.idealstandard.dk
	Company reg. no. 20 89 44 82 Domicile: Middelfart Financial year: 1 January - 31 December
Board of directors	Athanasios Tsoumalakos, chairman Jakob Møller Jensen Bente Poulsen
Managing Director	Jakob Møller Jensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Herredsvej 32 7100 Vejle
Bankers	Danske Bank

Financial highlights

EUR in thousands.	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Income statement:					
Gross profit	960	936	1.064	1.030	1.128
Profit from operating activities	116	127	164	195	193
Net financials	43	45	-13	-19	-30
Net profit or loss for the year	121	131	108	128	125
Statement of financial position:					
Balance sheet total	4.460	3.940	4.261	3.937	4.139
Equity	2.903	2.781	2.650	2.542	2.415
Employees:					
Average number of full-time employees	9	9	10	11	12
Key figures in %:					
Return on assets	2,6	3,2	3,8	5,0	4,7
Solvency ratio	65,1	70,6	62,2	64,6	58,3
Return on equity	4,3	4,8	4,2	5,2	5,3

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

Management's review

The financial statements of Ideal Standard Scandinavia ApS for 2021 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

Key activities

The main activity of the Company is sales of sanitary fittings under the Børma brand name to plumbing wholesalers in Denmark.

The Company's products are produced by the parent company Ideal Standard International NV and its subsidiaries in Germany and Bulgaria.

Development in activities and financial matters

The income statement of the Company for 2021 shows a profit of EUR 121.221 and at 31 December 2021 the balance sheet of the Company shows an equity of EUR 2.902.702.

The past year and follow-up on development expectations from last year

Net profit for the year 2021 is considered satisfactory and it is our assessment that the Company has retained its market position in the Company's core market in Denmark in 2021.

Events occurring after the end of the financial year

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Accounting policies

The annual report for Ideal Standard Scandinavia ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises.

The accounting policies are unchanged from the previous year, and the annual report is presented in euro (EUR).

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the Company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit comprises revenue, costs of raw materials and consumables, other operating income and external costs.

Accounting policies

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external expenses comprise indirect production costs and expenses incurred for distribution, sales, administration and premises as well as office expenses, etc.

Staff expenses

Staff expenses include salaries and wages, including holiday allowances, pensions, and other social security expenses, etc., for staff members. Staff expenses are less government reimbursements.

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Tax on profit/loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Accounting policies

Statement of financial position

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities other than provisions

Liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in EUR.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross profit	959.671	935.826
1 Staff expenses	-843.674	-809.028
Profit before net financials	115.997	126.798
Financial income from group enterprises	48.117	41.594
Financial income	1.823	12.659
Other financial expenses	-6.728	-8.756
Pre-tax net profit or loss	159.209	172.295
2 Tax on profit for the year	-37.988	-40.918
Net profit or loss for the year	121.221	131.377
Proposed appropriation of net profit:		
Transferred to retained earnings	121.221	131.377
Total allocations and transfers	121.221	131.377

Balance sheet at 31 December

All amounts in EUR.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Trade receivables	1.477.837	1.465.471
Receivables from group enterprises	2.779.278	2.325.921
Deferred tax assets	4.005	5.341
Prepayments	18.356	8.268
Total receivables	<u>4.279.476</u>	<u>3.805.001</u>
Cash at bank and in hand	<u>180.780</u>	<u>135.297</u>
Total current assets	<u>4.460.256</u>	<u>3.940.298</u>
Total assets	<u>4.460.256</u>	<u>3.940.298</u>

Balance sheet at 31 December

All amounts in EUR.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity and liabilities		
Equity		
Share capital	66.997	66.997
Retained earnings	2.835.705	2.714.484
Total equity	<u>2.902.702</u>	<u>2.781.481</u>
 Long term liabilities other than provisions		
Other payables	<u>0</u>	<u>85.572</u>
Total long term liabilities other than provisions	<u>0</u>	<u>85.572</u>
Trade payables	41.491	24.115
Payables to group enterprises	796.025	500.663
Income tax payable	17.005	22.306
Other payables	<u>703.033</u>	<u>526.161</u>
Total short term liabilities other than provisions	<u>1.557.554</u>	<u>1.073.245</u>
Total liabilities other than provisions	<u>1.557.554</u>	<u>1.158.817</u>
Total equity and liabilities	<u>4.460.256</u>	<u>3.940.298</u>

3 Charges and security

4 Contingencies

Statement of changes in equity

All amounts in EUR.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2020	66.997	2.583.107	2.650.104
Profit or loss for the year brought forward	<u>0</u>	<u>131.377</u>	<u>131.377</u>
Equity 1 January 2021	66.997	2.714.484	2.781.481
Profit or loss for the year brought forward	<u>0</u>	<u>121.221</u>	<u>121.221</u>
	<u>66.997</u>	<u>2.835.705</u>	<u>2.902.702</u>

Notes

All amounts in EUR.

	<u>2021</u>	<u>2020</u>
1. Staff expenses		
Salaries and wages	731.565	705.936
Pension costs	89.844	89.449
Other costs for social security	6.303	6.116
Other staff costs	15.962	7.527
	<u>843.674</u>	<u>809.028</u>
Average number of employees	<u>9</u>	<u>9</u>
2. Tax on profit for the year		
Tax of the results for the year, parent company	36.652	39.138
Adjustment for the year of deferred tax	1.336	1.780
	<u>37.988</u>	<u>40.918</u>

3. Charges and security

The Company has towards its bank issued a mortgage of TEUR 39 as security in bank deposits.

4. Contingencies

Contingent liabilities

Lease liabilities

The Company has a total of TEUR 128 of future lease payments under operating leases. The Company has a lease payment of TEUR 52 within 1 year and TEUR 76 within 1 and 5 years.