

Ideal Standard Scandinavia ApS
Fynsvej 9, 5500 Middelfart

Company reg. no. 20 89 44 82

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 30 May 2024.



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 %.

Contents

	<u>Page</u>
Reports	
Management's statement	1
The independent auditor's report	2
Management's review	
Company information	4
Financial highlights	5
Management's review	6
Financial statements 1 January - 31 December 2023	
Accounting policies	7
Income statement	11
Balance sheet	12
Statement of changes in equity	14
Notes	15

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 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

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.

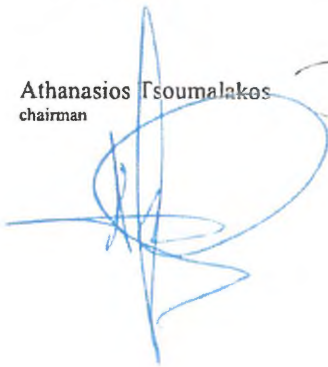
Middelfart, 30 May 2024


Managing Director



Jakob Møller Jensen

Board of directors

Athanasios Tsoumalakos
chairman




Jakob Møller Jensen


Benté Poulsen

The independent auditor's report

To the Shareholder of Ideal Standard Scandinavia ApS

Opinion

We have performed an extended review of the financial statements of Ideal Standard Scandinavia ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review 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 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 extended review of the Financial Statements

Our responsibility is to express an opinion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our opinion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our opinion.

The independent auditor's report

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's Review

Management is responsible for the Management's Review.

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

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


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

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

Trekantområdet, 30 May 2024

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.	2023	2022	2021	2020	2019
Income statement:					
Gross profit	1.052	1.025	960	936	1.064
Profit from operating activities	97	102	116	127	164
Net financials	116	108	43	45	-13
Net profit or loss for the year	164	184	121	131	108
Statement of financial position:					
Balance sheet total	4.266	4.377	4.460	3.940	4.261
Equity	3.250	3.087	2.903	2.781	2.650
Employees:					
Average number of full-time employees	9	10	9	9	10
Key figures in %:					
Return on assets	2,3	2,3	2,6	3,2	3,8
Solvency ratio	76,2	70,5	65,1	70,6	62,2
Return on equity	5,2	6,1	4,3	4,8	4,2

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Return on assets	$\frac{\text{Profit before net financials} \times 100}{\text{Total assets, closing balance}}$
Solvency ratio	$\frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$
Return on equity	$\frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$

Management's review

The financial statements of Ideal Standard Scandinavia ApS for 2023 have been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Key activities

The main activity of the Company is sales of sanitary fittings under the Ideal Standard and Børma brand name to plumbing wholesalers in Denmark. The Company's products are primarily 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 2023 shows a profit of EUR 163.644 against EUR 184.029 last year. The balance sheet of the Company shows an equity of EUR 3.250.375.

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

Net profit for the year 2023 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 2023.

Events occurring after the end of the financial year

In 2024 Villeroy & Boch AG completed its acquisition of all operating companies of the Ideal Standard Group.

No other 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. Furthermore, the company has decided to comply with certain rules applying to reporting class C 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 Statement Act, gross profit comprises revenue, expenses and raw materials and consumables, other operating income and other external expenses.

Accounting policies

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

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly 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, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

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

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

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

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

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.

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.

Accounting policies

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.

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>2023</u>	<u>2022</u>
Gross profit	1.051.505	1.024.843
1 Staff costs	-954.127	-922.628
Profit before net financials	97.378	102.215
Financial income from group enterprises	128.093	112.752
Financial income	2.121	2.054
2 Other financial expenses	-14.225	-6.409
Pre-tax net profit or loss	213.367	210.612
3 Tax on profit for the year	-49.723	-26.583
Net profit or loss for the year	163.644	184.029
Proposed distribution of net profit:		
Transferred to retained earnings	163.644	184.029
Total allocations and transfers	163.644	184.029

Balance sheet at 31 December

All amounts in EUR.

Assets		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Current assets		
Trade receivables	1.064.324	1.174.685
Receivables from group enterprises	3.109.542	3.037.028
Deferred tax assets	2.253	3.004
Prepayments	8.793	10.741
Total receivables	<u>4.184.912</u>	<u>4.225.458</u>
Cash at bank and in hand	<u>80.659</u>	<u>151.410</u>
Total current assets	<u>4.265.571</u>	<u>4.376.868</u>
Total assets	<u>4.265.571</u>	<u>4.376.868</u>

Balance sheet at 31 December

All amounts in EUR.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity and liabilities		
Equity		
Share capital	66.997	66.997
Retained earnings	3.183.378	3.019.734
Total equity	3.250.375	3.086.731
Liabilities other than provisions		
Trade payables	9.602	35.368
Payables to group enterprises	423.065	1.005.969
Income tax payable	31.264	30.249
Other payables	551.265	218.551
Total short term liabilities other than provisions	1.015.196	1.290.137
Total liabilities other than provisions	1.015.196	1.290.137
Total equity and liabilities	4.265.571	4.376.868

4 Charges and security

5 Contingencies

6 Related parties

Statement of changes in equity

All amounts in EUR.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2022	66.997	2.835.705	2.902.702
Profit or loss for the year brought forward	0	184.029	184.029
Equity 1 January 2023	66.997	3.019.734	3.086.731
Profit or loss for the year brought forward	0	163.644	163.644
	66.997	3.183.378	3.250.375

Notes

All amounts in EUR.

	<u>2023</u>	<u>2022</u>
1. Staff costs		
Salaries and wages	827.696	804.102
Pension costs	113.455	102.400
Other costs for social security	12.640	6.888
Other staff costs	336	9.238
	<u>954.127</u>	<u>922.628</u>
Average number of employees	<u>9</u>	<u>10</u>
2. Other financial expenses		
Other financial costs	14.225	6.409
	<u>14.225</u>	<u>6.409</u>
3. Tax on profit for the year		
Tax of the results for the year, parent company	48.972	49.610
Adjustment for the year of deferred tax	751	1.001
Adjustment of tax for previous years	0	-24.028
	<u>49.723</u>	<u>26.583</u>

4. Charges and security

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

5. Contingencies

Contingent liabilities

Lease liabilities

The Company has a total of TEUR 160 of future lease payments under operating leases. The Company has lease payments of TEUR 49 within 1 year and TEUR 111 within 1 and 5 years.

6. Related parties

Consolidated financial statements

Ideal Standard International S.A., 15 Boulevard F.W. Raiffeisen, L-2411 Luxembourg