

Knoll Denmark ApS

Langelinie Allé 35
2100 Copenhagen Ø
CVR No. 39147246

Annual report 2019

The Annual General Meeting adopted the
annual report on 04.09.2020

Michael Adam Pollner

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2019	8
Balance sheet at 31.12.2019	9
Statement of changes in equity for 2019	11
Notes	12
Accounting policies	14

Entity details

Entity

Knoll Denmark ApS
Langelinie Allé 35
2100 Copenhagen Ø

CVR No.: 39147246
Registered office: Copenhagen
Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Charles Wesley Rayfield
Michael Adam Pollner

Executive Board

Charles Wesley Rayfield

Auditors

EY Godkendt Revisionspartnerselskab
Dirch Passer Allé 36
2000 Frederiksberg
CVR No.: 30700228

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Knoll Denmark ApS for the financial year 01.01.2019 - 31.12.2019.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 04.09.2020

Executive Board

Charles Wesley Rayfield

Board of Directors

Charles Wesley Rayfield

Michael Adam Pollner

Independent auditor's report

To the shareholder of Knoll Denmark ApS

Opinion

We have audited the financial statements of Knoll Denmark ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report.

Independence

We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

København, 04.09.2020

EY Godkendt Revisionspartnerselskab

CVR No. 30700228

Christian Schwenn Johansen

State Authorised Public Accountant

Identification No (MNE) mne33234

Management commentary

Primary activities

The company's activities comprise to act as intermediate parent of investments in group enterprises, as well as any other activity, which according to the assessment of the board of directors is connected thereto.

Description of material changes in activities and finances

The income statement for period shows a profit of DKK 54,326 thousand. The balance sheet shows equity of DKK 50,231 thousand.

The result of the year mainly consist of received dividend from Muuto A/S and financial expenses from the group.

Events after the balance sheet date

The Global outbreak for COVID-19 has had a negative impact on the macro-economic outlook. The scale and duration of COVID-19 remains uncertain, thus, Management are not able to assess the impact on investments in group enterprises. Management concluded that COVID-19 is a non-adjusting event.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2019

	Notes	2019 DKK'000	2018 DKK'000
Gross profit/loss		0	(3,430)
Income from investments in group enterprises		79,462	33,499
Other financial income from group enterprises		1,257	0
Financial expenses from group enterprises		(28,854)	(24,156)
Other financial expenses		267	(14,744)
Profit/loss before tax		52,132	(8,831)
Tax on profit/loss for the year	2	2,194	4,686
Profit/loss for the year		54,326	(4,145)
Proposed distribution of profit and loss			
Retained earnings		54,326	(4,145)
Proposed distribution of profit and loss		54,326	(4,145)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK'000	2018 DKK'000
Investments in group enterprises		1,762,156	1,762,156
Other financial assets	3	1,762,156	1,762,156
Fixed assets		1,762,156	1,762,156
Receivables from group enterprises		16,372	7,512
Deferred tax		0	4,686
Receivables		16,372	12,198
Current assets		16,372	12,198
Assets		1,778,528	1,774,354

Equity and liabilities

	Notes	2019 DKK'000	2018 DKK'000
Contributed capital		50	50
Retained earnings		50,181	(4,145)
Equity		50,231	(4,095)
Bank loans		354,884	435,021
Payables to group enterprises		1,313,307	1,283,902
Non-current liabilities other than provisions		1,668,191	1,718,923
Payables to group enterprises	4	60,106	59,526
Current liabilities other than provisions		60,106	59,526
Liabilities other than provisions		1,728,297	1,778,449
Equity and liabilities		1,778,528	1,774,354
Events after the balance sheet date	1		
Working conditions	5		
Group relations	6		

Statement of changes in equity for 2019

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	50	(4,145)	(4,095)
Profit/loss for the year	0	54,326	54,326
Equity end of year	50	50,181	50,231

Notes

1 Events after the balance sheet date

The Global outbreak for COVID-19 has had a negative impact on the macro-economic outlook. The scale and duration of COVID-19 remains uncertain, thus, Management are not able to assess the impact on investments in group enterprises. Management concluded that COVID-19 is a non-adjusting event.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Tax on profit/loss for the year

	2019 DKK'000	2018 DKK'000
Change in deferred tax	0	(4,686)
Adjustment concerning previous years	914	0
Refund in joint taxation arrangement	(3,108)	0
	(2,194)	(4,686)

3 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	1,888,657
Cost end of year	1,888,657
Impairment losses beginning of year	(126,501)
Impairment losses end of year	(126,501)
Carrying amount end of year	1,762,156

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Muuto	Copenhagen	A/S	100

4 Payables to group enterprises

The Company finances its ongoing operations and investments on a long-term loan from group entities. Management expects that the intercompany loans will be renegotiated annually on unchanged terms.

Knoll Inc. has declared to the Company in writing that it will provide continuing financial support to the Company to enable it to meet its financial obligations as and when they are due so that the Company will continue as a going concern.

5 Working conditions

0 employees in 2019 and 2018.

6 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Knoll Inc., Pennsylvania, USA

Consolidated financial statements have not been prepared because the group fulfils the exemption provisions of section 112 of the Danish Financial Statements Act on sub-groups. The company is included in the consolidated financial statements of Knoll Inc., Pennsylvania, USA which can be found at the following link: <https://knoll.gcs-web.com/sec-filings>

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividend etc received from the individual group enterprises in the financial year.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with Muuto A/S. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Investments in group enterprises**

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.