

Knoll Denmark ApS

Langelinie Allé 35
DK-2100 København Ø

CVR no. 39 14 72 46

Annual report for the period 1 January 2021 – 31 May 2022

The annual report was presented and approved at
the Company's annual general meeting on

21 December 2022

Mette Damgaard
Chairman of the annual general meeting

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Knoll Denmark ApS
Annual report 2021/22
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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Knoll Denmark ApS for the financial period 1 January 2021 – 31 May 2022.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 May 2022 and of the results of the Company's operations for the financial period 1 January 2021 – 31 May 2022.

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

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 21 December 2022
Executive Board:

Jeffrey Martin Stutz

Board of Directors:

Jacqueline Hourigan Rice
Chairman

Jeffrey Martin Stutz

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 period 1 January 2021 – 31 May 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 May 2022 and of the results of the Company's operations for the financial period 1 January 2021 – 31 May 2022 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 responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.

Independent auditor's report

- 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 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 conclusion thereon.

In connection with our audit 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 audit, 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 of the Management's review.

Fredericia, 21 December 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Nikolaj Møller Hansen
State Authorised
Public Accountant
mne33220

Niklas R. Filipsen
State Authorised
Public Accountant
mne47781

Knoll Denmark ApS
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Management's review

Company details

Knoll Denmark ApS
Langelinie Allé 35
DK-2100 København Ø

CVR no.: 39 14 72 46
Established: 7 December 2017
Financial period: 1 January 2021 – 31 May 2022

Board of Directors

Jacqueline Hourigan Rice, Chairman
Jeffrey Martin Stutz

Executive Board

Jeffrey Martin Stutz

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Vesterballevej 27, 2.
DK-7000 Fredericia
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The Company is to act as intermediate parent of investments in group entities as well as to engage in other activity as assessed by the Board of Directors.

Development in activities and financial position

The Company's income statement for 2021/22 shows a loss of DKK 172,937 thousand as against a profit of DKK 110,054 thousand in 2020. Equity in the Company's balance sheet at 31 May 2022 stood at DKK 358,079 thousand as against DKK 201,759 thousand at 31 December 2020.

The financial year has been changed during the year to 1 June - 31 May to follow the financial year of the Group. The current financial year is a transitional year, with the financial year being extended to 17 months (1 January 2021 - 31 May 2022).

During the financial year, a group contribution of DKK 329,257 thousand was received from the Parent Company and recognised in equity.

Loss for the year was negatively impacted by the development in the USD exchange rate on loans to group entities. On this basis, results for the year are considered unsatisfactory.

Events after the balance sheet date

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

Financial statements 1 January – 31 May

Income statement

DKK'000	Note	1/1 2021- 31/5 2022	1/1 2020- 31/12 2020
Gross loss		-116	-32
Loss before financial income and expenses		-116	-32
Income from equity investments in group entities		40,000	132,717
Financial income		0	605
Financial expenses	2	-218,845	-26,099
Profit/loss before tax		-178,961	107,191
Tax on profit/loss for the year		6,024	2,863
Profit/loss for the period		-172,937	110,054
Proposed profit appropriation/distribution of loss			
Retained earnings		-172,937	110,054

Financial statements 1 January – 31 May

Balance sheet

DKK'000	Note	<u>31/5 2022</u>	<u>31/12 2020</u>
ASSETS			
Fixed assets			
Investments			
Equity investments in group entities		<u>1,951,502</u>	<u>1,762,156</u>
Total fixed assets		<u>1,951,502</u>	<u>1,762,156</u>
Current assets			
Receivables			
Receivables from group entities		3,668	18,734
Other receivables		0	303
Corporation tax recievable, joint taxation		<u>6,024</u>	<u>0</u>
		<u>9,692</u>	<u>19,037</u>
Cash at bank and in hand		<u>3,497</u>	<u>233</u>
Total current assets		<u>13,189</u>	<u>19,270</u>
TOTAL ASSETS		<u><u>1,964,691</u></u>	<u><u>1,781,426</u></u>

Financial statements 1 January – 31 May

Balance sheet

DKK'000	Note	31/5 2022	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		50	50
Retained earnings		<u>358,029</u>	<u>201,709</u>
Total equity		<u>358,079</u>	<u>201,759</u>
Liabilities			
Non-current liabilities			
Debt to credit institutions		0	180,095
Payables to group entities		<u>1,458,638</u>	<u>1,343,617</u>
		<u>1,458,638</u>	<u>1,523,712</u>
Current liabilities			
Trade payables		73	6
Payables to group entities		<u>147,901</u>	<u>55,949</u>
		<u>147,974</u>	<u>55,955</u>
Total liabilities		<u>1,606,612</u>	<u>1,579,667</u>
TOTAL EQUITY AND LIABILITIES		<u>1,964,691</u>	<u>1,781,426</u>
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Financial statements 1 January – 31 May

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2021	50	201,709	201,759
Transferred over the distribution of loss	0	-172,937	-172,937
Group contribution	0	329,257	329,257
Equity at 31 May 2022	50	358,029	358,079

Financial statements 1 January – 31 May

Notes

1 Accounting policies

The annual report of Knoll Denmark ApS for 2021/22 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The financial year has been changed during the year to 1 June - 31 May to follow the financial year of the Group. The current financial year is a transitional year, with the financial year being extended to 17 months (1 January 2021 - 31 May 2022). The comparative figures have not been restated as a result of the change in financial year..

Beside the change of financial year, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

Minor reclassifications to the comparative financial statements for 2020 have been incorporated to enhance presentation. The reclassifications have no effect on results for the year.

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of Knoll Denmark ApS and group entities are included in the consolidated financial statements of MillerKnoll Inc., 855 E Main Ave, Zeeland, MI 49464, USA.

Income statement

Gross loss

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross loss.

Other external costs

Other external costs comprise costs relating to the entity's ordinary activities incl. costs related to administration.

Income from equity investments in group entities

Income from investments in group entities comprises dividends received from the subsidiaries during the financial year.

Financial income and expenses

Financial income and expenses comprise interest income and expenses from/to group entities.

Tax on profit/loss for the year

Knoll Denmark ApS is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries.

The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

Financial statements 1 January – 31 May

Notes

1 Accounting policies (continued)

Knoll Denmark ApS is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Investments

Equity investments in group entities are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value. The cost is reduced by dividends received exceeding accumulated earnings after the acquisition date.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Cash at bank and in hand

Cash at bank and in hand comprises cash in hand and bank deposits.

Liabilities

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

Financial statements 1 January – 31 May

Notes

2 Financial expenses

DKK'000	1/1 2021- 31/5 2022	1/1 2020- 31/12 2020
Interest expense to group entities	40,585	26,099
Other financial costs	178,260	0
	<u>218,845</u>	<u>26,099</u>

3 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly taxed with other Danish companies in the MillerKnoll Group, in which Knoll Denmark ApS is the administrative company. Knoll Denmark ApS is a wholly-owned subsidiary, together with the other companies included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends. Any subsequent correction of the taxable jointly taxed income or withholding taxes could result in an adjustment of the Company's liability.

4 Related party disclosures

Control

Knoll Denmark ApS' related parties comprise the following:

Knoll Europe B.V. holds 100% of the contributed capital in Knoll Denmark ApS.

Knoll Denmark ApS is part of the consolidated financial statements of MillerKnoll Inc., 855 E Main Ave, Zeeland, MI 49464, USA, which is the smallest and largest group, in which the Company is included as a subsidiary.

The consolidated financial statements of MillerKnoll Inc. can be obtained by contacting the company at the address above.