



Table of Contents

Message from our CEO	3	Our performance in 2022	28
Company overview	6	Financial capital	29
Vitalising workspaces	7	Manufactured capital	34
125 years of heritage and counting	8	Intellectual capital	38
Four leading brands	9	Human capital	42
Key figures 2022	11	Social capital	46
Highlights	12	Natural capital	49
Strategy & sustainability	20	Leadership and governance	53
Strategic priorities	21	Our perspective on leadership	54
How we create value: six capitals model	22	Business ethics	56
Customer value	23	Our governance system	57
Shareholder Value	23	A word from the chairman of the supervisory board	58
Society Value	24	Risks and uncertainties	60
Employee value	24	Appendices	62
Our long-term impact towards sustainable development	25	Our reporting approach	64
How we aim to achieve each SDG	26	Financial results 2022	66
		Colophon	85

Message from our CEO

Eugène Sterken

As I am reflecting on 2022, I realise that the year was quite double sided. For many people, and also for me personally it was the year of reconnecting. After 3 years of travel limitations and different government restrictions, we were finally able to reconnect with each other in person around the world. And for the first time since 2019, I was able to visit all parts of the company again.

On the other hand 2022 was a very dynamic year in which the (geo-political) developments swiftly succeeded each other. In the first months of the year, after the last effects of the pandemic were fading away, everyone was confronted by high inflation caused by soaring energy prices. This was combined with a supply chain that was still out of balance, causing lead-times to remain high. Finally the Russian war against Ukraine has had a huge impact on the entire world.

But at the same time 2022 was also the first full year after the Corona crisis, people and organisations are getting more used to hybrid working. It is becoming increasingly clear that the office will remain a corner stone of the working week, albeit not necessarily for 5 days a week. People continue to come in to the office for collaborating, meeting but also to work in concentration to get work done.



2022 A solid growth of turnover

Over the past few years, we have successfully navigated through some extraordinary challenges. Not only the global supply chain disruption and the more recent inflationary pressure but foremost we were able to stay ahead of the post-pandemic shift in demand as work patterns and customer requirements changed. Together, we have taken bold actions to overcome these challenges. We were forced to make significant price adjustments and simultaneously implement cost reductions. We have also prioritised our investments committing to our strategy and the changing market. Given these very dynamic and demanding circumstances we are pleased that we were able to restore our service and lead times to pre-pandemic levels towards the end of 2022, resulting in an increased customer satisfaction score.

*The office will remain
a corner stone of the
working week*

We have finished the year with a total sales volume of 320mln, which is significantly higher than in previous year (+13,7%). The gross margin reduced due to the inflationary pressure and high inbound freight costs. The operational result (Ebitda) was negatively impacted due to these extraordinary circumstances and finished slightly lower than previous year at 5,2%.

After the start of 2022 the economic climate started to cool down which was reflected in the intake trend. Order intake started to decline because of the war in Ukraine and economic uncertainty due to soaring inflation. Our sales volume remained high because of shortening lead times as a result of normalising global supply chains. The order bank was -17% lower than last year which is a more healthy level.

During 2022, key trends that shape our working environment accelerated further. This was amongst others reflected in higher sales of the Ahrend Qabin Collection as more and more organisations recognise the need to facilitate hybrid working. Sales of Qabins have tripled in 2022 compared to 2021. The design was internationally recognised with the prestigious Red Dot award.

In 2022 further steps were taken to modernise our global production sites and logistics to make them more flexible and efficient. In this context a couple of major steps were taken. During 2022 the integration of production site Culemborg into Sint Oedenrode was concluded. Next to that the investment in a new fully automated wood production site in Praque is progressing according to plan.

Next to that the Circular Hub in Veghel is rapidly scaling up, during 2022 we have refurbished more than 55.000 items of furniture. Also we continue to focus our innovation in developing new meaningful products that are produced in a circular way. This positions Royal Ahrend at the forefront of the circular movement for new and refurbished furniture and is helping our customers to reach their sustainability targets. As we are moving ahead we already achieved our sustainability goals for 2025 and are setting new aspirational targets for 2030.



In 2023 we have made a solid start of the year, and we are benefitting from stabilising supply chains resulting in a better delivery performance to our customers. Moreover we see that the market for our space in space solutions is still growing rapidly because these products play a key role in transforming offices to accommodate video-calling, meeting, collaborations but can also provide spaces to work in concentration.

Looking ahead, we see that our market is still in a rapid transformation. People not only come to the office to meet or brainstorm, but also to get work done, together and alone. It is time to move forward and go beyond the discussion who's doing hybrid work, when and how often. Today, organisations struggle with a future of disproportionate hybrid working and which workplace improvements will bring in people more. We are structurally exploring how work patterns are changing which enables us to help organisations seeking guidance to navigate the intricacies to vitalise their workplaces, with meaningful products and services. We are confident that we will remain relevant with our added value products and services in a rapidly changing working environment.

Summarising the result of the last years can make us confident that we are on the right track with a solid strategy. Our investments in innovation, products, and state-of-the art production locations have positioned us very well. Operationally we are confident that we have successfully stabilised our supply chain and are improving delivery reliability for our customers.

I would like to conclude by thanking each and every one of you for your contribution to the success of Royal Ahrend. A special thanks to our customers for entrusting us to create inspiring "vitalising workspaces" for their employees. Finally, I would also like to express my gratitude to our people for their excellent contribution in 2022 by time and time again showing great flexibility, resilience and entrepreneurship.

Eugene





01

Company overview

Founded in 1896, Royal Ahrend has been an international leader in commercial furniture for over a 125 years. Ahrend is committed to creating vitalising workspaces for end users around the world. Designed to encourage people's well-being and productivity, our furniture and space solutions excel in terms of durability and flexibility. Our innovative solutions for office, learning and healthcare environments are inspired by our highly qualified and dedicated experts, who interact and co-create with our national and international clients each and every day.

We build on a strong legacy that inspires us to truly shape the future of work. What really defines our products, ambitions, and culture today, is the philosophy and way of working of one of the most modest, yet influential industrial designers: Friso Kramer. His philosophy of "form follows function" and "less is more" aims to remove all unnecessary detail until an object is in absolute harmony with the user and the environment and unobtrusively supports them in what they do best. Similarly, we strive to make our designs sustainable, intuitive in use and timeless.



Vitalising workspaces

Royal Ahrend has been creating work environments that are good for people, organisations and the planet for 125 years. We believe that a sustainable and vitalising work environment attracts talent, increases employee engagement and is therefore crucial to the success of organisations.

In today's world, the need to create workspaces that promote wellbeing, sustainability and diversity is becoming increasingly important. Organisations need talent. Employees want to feel inspired, valued, connected, supported, included and proud. A vitalising working environment gives energy, is comfortably, ergonomically and functionally furnished, promotes encounters and provides connection.

Key benefits of a vitalising workspace are:

- › Improved wellbeing & health
- › Increased productivity
- › Higher involvement

We create vitalising workspaces that are empowering, sustainable and diverse.

125 years of heritage and counting

Ahrend is proud to have received the 'Royal' designation from Her Majesty the Queen of the Netherlands in 1996. This is literally the crowning achievement of our 100-year history, signified by the inclusion of the crown in the Royal Ahrend logo from that time on. This honour also served to strengthen Royal Ahrend's commitment to proper business practices, as a Royal company is expected to be both financially sound and of irreproachable conduct.

We are now well into our second century and will continue to win and sustain business with integrity, honesty, loyalty and respect for legislation. This commitment is of course extensively reflected in our Code of Business Conduct, which we view as the basis of Royal Ahrend's sound reputation and commercial success. This Code ensures Royal Ahrend's continued ability to act as a reliable and constructive partner for our customers, employees, shareholders, suppliers and other stakeholders at all times.



Four leading brands

Royal Ahrend delivers furniture and bespoke services for the office, education and healthcare via a portfolio of four leading furniture brands: Ahrend, Gispen, Presikhaaf Schoolmeubelen and Techo. Each of these well-known brands is a leader in their own market of which some can look back at a heritage spanning over a century.



ahrend

Founded in Amsterdam in 1896, Royal Ahrend is an international leader in the office furniture industry. The privately held company creates vitalising workspaces and high performing furniture which are directly supplied to customers around the world.

The company's furniture and space solutions are designed to optimise employee's experiences with the focus on stimulating health, wellbeing and productivity in workspaces. The products are globally appreciated for their outstanding sustainability and timeless design signature.



Gispen

Gispen has drawn on sustainable design for over 100 years. Sturdiness you can build upon, and which can be expanded and adapted time and time again as trends and requirements change. We simply do not think in terms of new. We think about the future, and we have been doing so for over 100 years.

For organisations, companies, educational institutions and hospitals that, like us, care about future generations. We invite you to walk along the circular and modular path with us. We learn. We inspire. We aim for sustainable design. Together we will shape the future.



techo

As part of the Royal Ahrend Company, Techo is one of the top five furniture manufacturers in Europe and is an international leader in office furniture committed to delivering contemporary and highly sustainable office lifestyles to corporate end-users around the world.

Clients for interior solutions include international companies from all sectors of the economy including: the service, retail, banking, hotel, education, healthcare and government sectors.



PRESIKHAAF[›] SCHOOLMEUBELEN

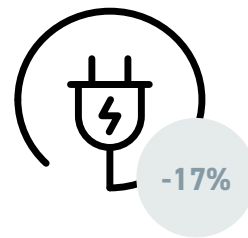
Presikhaaf develops, designs and manufactures high-quality and future-oriented classroom furniture. An ideal partner for the interior design of your school. Always focused on cooperating with the client and their educational vision.

Presikhaaf designs optimal learning environments in which students discover and develop their talents. Sustainably produced in the Netherlands and PS030+ certified. Social entrepreneurship, education and development are its guiding principles.

Key figures 2022

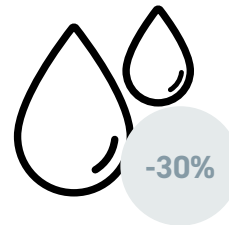
Royal Ahrend

- › Founded in 1896
- › Headquarters in Amsterdam, the Netherlands
- › Five production locations in Europe and Asia
- › Four major brands

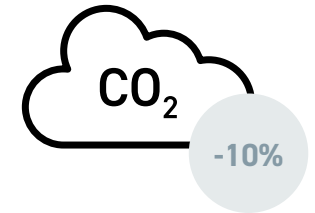


Energy consumption
10.242
mwh

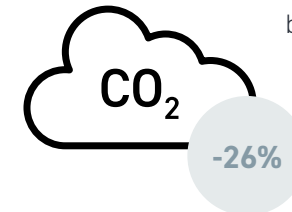
Water consumption
8.618
m³



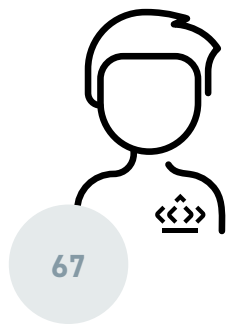
Carbon emissions
7.561
tonnes



Carbon emissions avoided
by good recycling practices



2.176
tonnes

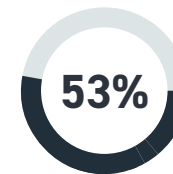


Employee
Engagement score

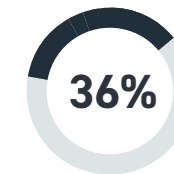
Customer
Experience score
5,3



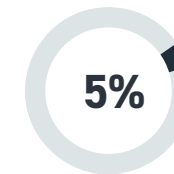
Waste by destination



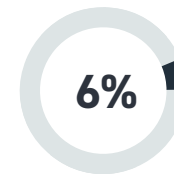
Material recycling



Green energy production



Grey energy production



Waste

Total revenue (x € 1.000)

€ 320.523

Recurring EBITDA (x € 1.000)

€ 13.594

Average FTE

1,016

% differently abled
people in workforce

11,1%

Nr. of countries present

18

Highlights

News



Gabin wins Red Dot Award



Circular Hub Veghel refurbished 55,000 pieces of furniture in 2022



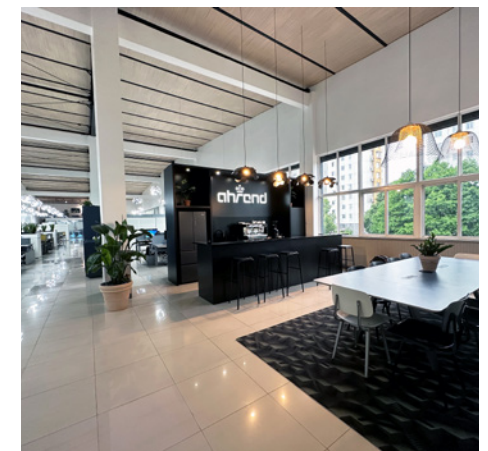
Ahrend 125 years: worldwide employees get a day off on 25 March 2022



Construction starts on Woodhub Prague, Czech Republic



Participation Workspace Expo Paris



Singapore office opens

Highlights

News



Research on future work environment is published



Ahrend Charge wins G100 award



Ahrend and Gispen donate residual materials to Van Hulley



New vision for Gispen: Sustainable design. Shaping the future.



Presikhaaf school furniture nominated for award inclusive entrepreneur 2022



Partnership between Ahrend and Jabra

Highlights

Product launches



Ahrend Ease visitors chair



Ahrend Assist Pouffe Collection



Ahrend Gabin Meet



Ahrend No Waste lak

Highlights

Product updates



Ahrend Ease office chair



Ahrend Portal Table Collection



Ahrend Grow Education Collection



Ahrend Cross Table Collection

Highlights

Product updates



Ahrend Well Chair Collection



Ahrend Qabin Space-in-Space Collection



Gispen ZINN office chair



Ahrend Balance Desk & Table Collection

Highlights

Projects



Ahrend: Vanderlande, gebouw 60, the Netherlands



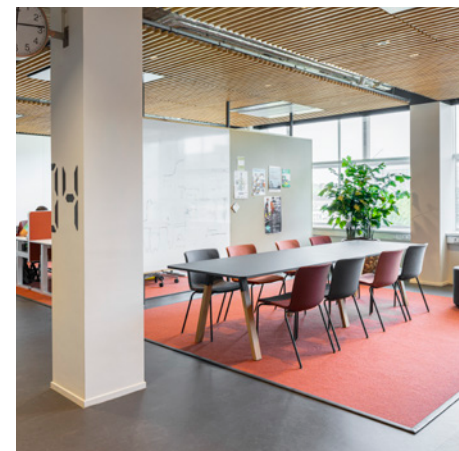
Gispen: Rutges, the Netherlands



Presikhaaf: SMDB Notter Zuna, the Netherlands



Ahrend: Nova college, the Netherlands



Ahrend: TU Delft, the Netherlands



Gispen: Leonardo college, the Netherlands

Highlights

Projects



Gispen: CAK, the Netherlands



Ahrend: Bol.com, the Netherlands



Ahrend: NVM, the Netherlands



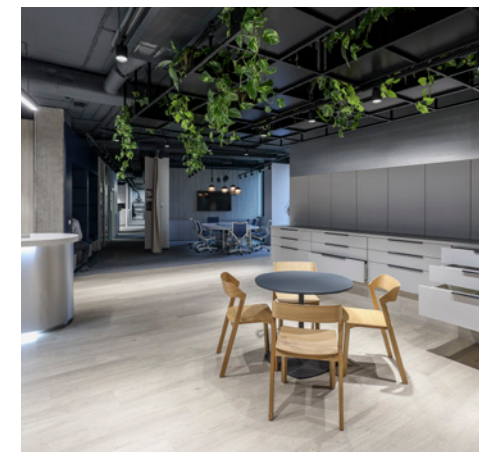
Presikhaaf: KC Muiderkring, the Netherlands



Gispen: Radboudumc, the Netherlands



Ahrend: Booking.com, Manchester



Ahrend CEE: Otis, Czech Republic

Highlights

Projects



Ahrend: MGEN, Paris



Ahrend CEE: Festool, Czech Republic



Ahrend: TotalEnergies, Brussels



Ahrend: Brussels Airport, Brussels



Ahrend: Aspen Insurance, United Kingdom



Gispén: Assink Lyceum, the Netherlands



02 Strategy & sustainability

Royal Ahrend's mission is to create vitalising workspaces for employees worldwide. Our corporate strategy is built to deliver projects and products contributing to this goal. Sustainability is one of the corner stones of our corporate strategy. Our sustainability strategy is therefore closely connected

to our company's mission to create vitalising workspaces. We measure our created value with the Six Capitals model. In the following chapter we will explain this model, our strategic priorities and impact towards sustainable development.

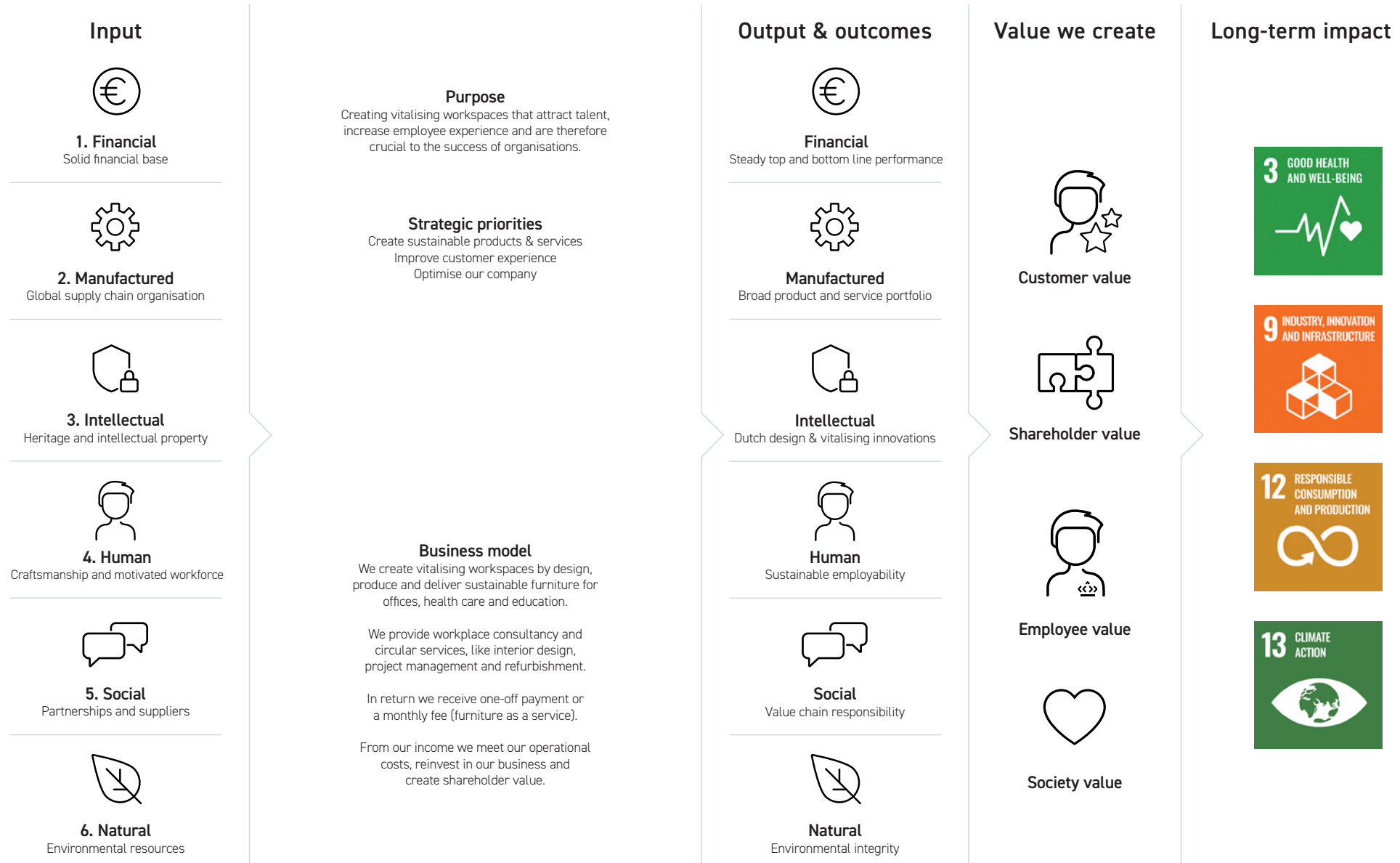
Strategic priorities

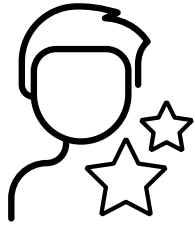
In 2018 Royal Ahrend determined its strategic priorities for 2024. With three pillars this has been our company strategy for the past years. All main topics in the table are linked to the material topics in our materiality matrix and translated into short term goals. In 2023 we evaluate our strategic priorities and our materiality assessment to set goals for the long- and short-term.

Strategic priorities 2019 – 2024	Main topics	Material topics ¹	Main goals 2024
Create sustainable products and services	<ul style="list-style-type: none"> › Value adding products › (Circular) business creation 	<p>3, 9, 11, 12</p> <p>5, 8</p>	<p>Enhanced product and service portfolio</p> <p>Market leader Furniture as a Service</p> <p>80% of our value chain engaged</p> <p>Reduce product environmental footprint by 25%</p> <p>Reduce carbon emissions by 50%</p>
Improve customer experience	<ul style="list-style-type: none"> › Customer focus › Operational excellence › Digital transition 	<p>4</p> <p>16</p> <p>6</p>	<p>Delivery reliability > 97%</p> <p>Net promotor score > +20</p>
Optimise our company	<ul style="list-style-type: none"> › Solid financial base › One integrated global supply chain › Sustainable employability › Cultural excellence 	<p>1</p> <p>2, 17</p> <p>10, 14</p> <p>7, 13, 15</p>	<p>Steady growth of sales volume and EBITDA</p> <p>One integrated global supply chain</p> <p>Employee experience > 8</p> <p>Leading social entrepreneurship in the industry</p>

¹ See materiality-matrix at page 65 for more information.

How we create value: six capitals model

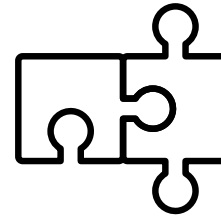




Customer value

The working environments that we create today invigorate its users in every sense of the word. They promote well-being, facilitate diversity, create a sense of belonging and increase productivity. The role of the work environment is changing, however: the office of today is more about collaboration and combining quiet and buzzing areas for encounters between colleagues. Offices should stimulate interaction and facilitate a wide variety of individual needs. Through our product and service portfolio we provide our clients with flexibility and a full service so they can make optimal use of their available space.

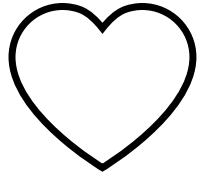
Customer Experience is very important for Royal Ahrend because we are used to building long-term relationships within our value chain. Insight into our customers and their experiences with our brands is very important to improving our product and service offerings. In the past decades, we have developed a wide variety of services around our product portfolio, including workplace consultancy and circular services to extend product lifetime. In the past years we witnessed a rapid international change in demand for sustainable and circular furniture. Through our products and services, we support our customers in their journey to net zero greenhouse gas emissions.



Shareholder Value

Royal Ahrend is committed to securing value creation for the long term. Our strategy is focused primarily on international growth, a global supply chain organisation, integration, operational excellence, product innovations and sustainability. Our shareholders expect Royal Ahrend to improve on all material aspects of Environment, Social and Governance (ESG) to create long-term value. To make sure we live up to this expectation we have set up an organisational structure, including roles and responsibilities for ESG topics.

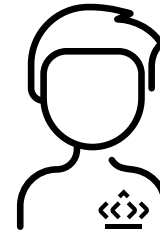
Double materiality analysis will define our long term ESG strategy. Double materiality enables us to scrutinise the impact we have on the environment and society and the impact it has on the value of Royal Ahrend. The outcome will define our long term strategy, goals, risk management and opportunities. All aspects of the double materiality will be integrated into our products and services as well as our company's development. From 2024 onwards, we will report our financial and non-financial results to the Corporate Sustainability Reporting Directive (CSRD).



Society Value

The financial and economic benefits of having a global network value chain are impossible to ignore, but can also introduce certain risks. Issues such as modern slavery, working conditions, child labour, corruption, violation of human rights of indigenous peoples and the absence of environmental controls are increasingly considered the responsibility of those in the value chain. And although prominent in developing countries, the challenges of value chain responsibilities are by no means limited to those places and activities.

At Royal Ahrend, we want to learn from and collaborate with those in our value chain. This includes considering with whom we would or would not prefer to collaborate with, for example. We perform a risk assessment of social and environmental impacts in order to mitigate these risks while seizing opportunities to create a positive impact on society.



Employee value

Our goal is to create vitalising workspaces worldwide: workspaces that promote employee well-being, celebrate diversity, increase employee value and make employees feel appreciated. Royal Ahrend is very proud to be a social employer. We invest in diverse and inclusive teams, attract skilled workers and young talent who are able to develop themselves within our company.

Our craftsmanship, skills and entrepreneurial mindset have made Royal Ahrend the company it is today. Diversity, inclusion and employee health and safety are crucial in running our day-to-day business. Therefore, we invest in sustainable employability to promote healthy lifestyles and a safe working environment.



Rutges, the Netherlands

Our long-term impact towards sustainable development

As a manufacturing company, we are very much aware of our impact on society and the environment. We strive to have a positive long-term impact by contributing to sustainable development. The United Nations have set 17 long-term goals for sustainable development. Although we expect to work towards most of these goals, we have decided to focus mainly on the SDGs, which we expect to have the greatest impact on.

In 2018, we launched our Corporate Social Responsibility Programme 2025, which enables us to further improve our environmental and social performance. This is also the year in which we started reporting our progress and formalising ESG policies throughout our business. In addition to sustainable product design

and manufacturing, we aim to extend product life and support our clients in reducing the carbon footprint of their furniture. With the opening of our first Circular Hub in 2021, we have further shifted from being a product manufacturer to a circular service provider. An important step in our circular journey and a large contribution towards global sustainable development.

Our CSR programme focusses on four themes and twelve projects, which we matched to the SDGs in order to map our contribution to the 2030 Agenda for Sustainable Development. Our focus is on sustainable and circular product design, circular services, product life extension and further reducing the footprint of our products and operational activities.

How we aim to achieve each SDG

Sustainable Development Goals



By creating vitalising workspaces we contribute to healthy work environments. Our products are made with safe materials and without hazardous chemicals. We believe that all work environments, including production facilities, should support people in working in a productive, healthy and safe way.



Through sustainable production processes we minimise our negative environmental impact or even contribute to the environment. Our circular business model reduces the use of natural resources. Production process innovation enables us to reduce energy consumption and production waste while implementing sustainable technologies. Product and material innovation are key to reducing the use of natural resources and making optimal use of our products.

Responsibilities

- › Occupational health & safety management systems in all our facilities
- › No exposure to hazardous chemicals in work environments
- › Solutions for maintaining a healthy work-life balance
- › Product portfolio to enable good health & well-being for our customers
- › Safe products for our customers
- › Sustainable material and chemical management

- › Environmental management systems in all our facilities
- › Water management to reduce water consumption and treat waste water to improve water quality and facilitate safe reuse
- › Promote inclusive production by employing diverse and inclusive teams
- › Energy management to reduce energy consumption, produce renewable energy and purchase local, renewable energy sources
- › Material management to reduce use of natural resources
- › Product lifecycle management to design products with circular design properties and facilitate product takeback solutions to facilitate optimal use of our designs
- › Ensure decent work with equal pay in our value chain
- › End modern slavery, trafficking and child labour in our value chain
- › Safeguard labour rights and safe working environments in our value chain

Sustainable Development Goals



Our goal is to stimulate conscious consumption by taking the next step in our circular business model and, by doing so, avoiding overconsumption through our circular services and orchestrating function to extend furniture lifecycles. This will lead to reducing material consumption and safely cycling materials by sourcing materials from sustainable sources with trusted ingredients.



Those in our value chain take climate action to reduce our joint footprint on the planet. This is realised by providing our clients with sustainable and circular products and services to lower the environmental footprint of their real estate. In addition, we challenge our suppliers and other partners to take climate action by implementing sustainable business practices and ensure climate adaptability.

Responsibilities

- › Promote circular systems to customers in order to stimulate conscious consumption
 - › Offer circular services to reduce demand for natural resources
 - › Takeback systems and refurbishment of furniture to match technical lifetime
 - › Sustainable sourcing to ensure responsible materials management
 - › Chemicals management to ensure responsible materials
 - › Waste management to reduce waste generated in production
 - › Integrate sustainability information in reporting cycle
 - › Provide customers with transparent and relevant sustainability information
-
- › Net zero emissions defined in a Science Based Targets Initiative (SBTi) commitment by 2050
 - › Transition towards a circular business model to detach our financial results from raw material consumption
 - › Integrate climate action into our corporate strategy
 - › Knowledge sharing within our value chain about our circular strategy and how this can positively impact the climate





Radboud UMC, Gispem

03 Our performance in 2022

Royal Ahrend measures how value is created over time. We use quantitative and qualitative information about the output on the six capitals, based on the Six Capitals model explained in the previous chapter. Every capital highlights our performance on that topic - financial, manufactured, intellectual, human, social and natural.

The combination of these outcomes reflects our overall performance. As a responsible business we believe it is important to provide all our stakeholders with transparent information about our company and the value we create.



Our performance in 2022

Financial capital

“The year 2022 turned out to be tumultuous and unpredictable, in which global events once again had a major effect on our markets. Despite these challenges, Royal Ahrend achieved positive results and further strengthened its stable financial basis.”

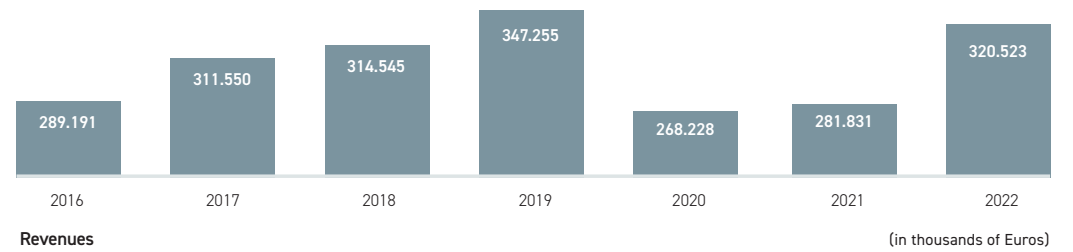
Rolf Verspuij | CFO0 Royal Ahrend

KPI (in thousands of euros)	2021	2022
Revenues	281.831	320.523
Recurring EBITDA	17.377	13.594
Cash (+/+) / net bank debt (-/-)	2.644	-352*
Solvency ratio	41,9%	43,2%

* Bank debt consists of financing Circular Interiors' lease assets portfolio of €9 million by the end of 2022. In 2022, the debt related to the financing of Circular Interiors was offset by a positive bank balance from other operations.

Revenues

The consolidated revenues of Royal Ahrend ended at €320,5mln (2021: €281,8mln), which is 13,7% higher compared to the previous year. This increase is the result of a growth in sales across all regions: the Netherlands (+9%), Central Eastern Europe (+31%) and APAC (+31%).



Ahrend Silence Collection





Operational expenses

In 2021, Royal Ahrend started an integration project in The Netherlands, in which the supply chain activities of Culemborg were gradually shifted to and incorporated in the factory in Sint-Oedenrode. The project was finalised in the first half of 2022. A provision was recorded for this restructuring, €10,5mln in 2021 plus an addition of €1mln in 2022. By the end of 2022, the remaining reorganisation provision of €0,1mln relates to the planned closing of the Outlet store in Delft in Q1 2023. In December 2022, the Culemborg factory building was sold to the Municipality of Culemborg. The showroom in Culemborg remains in possession of Royal Ahrend and is occupied by its daughter company Gispem.

The operational expenses of €316,6mln were €33,6mln higher than the previous year (2021: €283,0mln). Next to a volume effect, the direct margin on cost of raw materials and consumables decreased from 42,8% in 2021 to 40,3% in 2022 as a consequence of several challenging internal and external factors. Internally and especially in the first half of the year, the Dutch part of Royal Ahrend incurred high additional costs due to high illness rates and integration-related inefficiencies. At the same time, Royal Ahrend's supply chain was confronted with high inflation on materials, freight and installation costs and unavailability of materials due to worldwide uncertainties related to the aftermath of the Covid-pandemic and the recent geopolitical events in Eastern-Europe.

These events lowered the margin in the first half year, which gradually improved again during the second half of the year due to forwarded inflationary effects towards customers and the regaining of supply chain stability. Lastly, part of Royal Ahrend's sales growth in 2022 was realised by our Central Eastern Europe branches, where margins are lower compared to Western Europe, deteriorating Royal Ahrend's overall relative margin. In 2023, Royal Ahrend will further reduce low margin furnishing related activities in Central Eastern Europe and introduce new product lines to increase our own product share, which will have a positive impact on the overall group margin. From 2024 onwards, the new wood hub facility in Prague, which is expected to be completed by the end of 2023, will contribute to further margin improvement through efficiency savings in production and purchasing.

Correcting for the exceptional wage expenses in 2021 and 2022, the total wage expenses were increased by €2,9mln in 2022, despite a reduction in workforce. The wages increased in accordance with collective labour agreements. Additional temporary staff was hired to handle production volumes at peak times and to cope with inefficiencies following the supply chain disruptions and the relatively high illness rates.

Other operating expenses were also strongly affected by the inflationary effects in the worldwide markets, and were further strengthened by the inefficiencies in Royal Ahrend's supply

chain, in turn increasing Royal Ahrend's energy costs, including transportation, and external costs of outsourcing. Taking out the exceptional book profits on the sale of properties and the exceptional costs in 2021 and 2022, the increase in other operational expenses in 2022 was €6,7mln.

Royal Ahrend took on measures to minimise the consequences of the worldwide disturbances for its customers, employees and Royal Ahrend itself for as far as possible. Despite efforts to contain the inflationary effects, sales prices needed to be changed twice in 2022 in order to sustain a viable margin. Lead times were back on track by the end of 2022.

Upon the outbreak of the conflict between Russia and Ukraine in early 2022, Royal Ahrend immediately stopped intake of new orders in Russia. We have ceased all operations since mid-2022. The group's direct exposure to the conflict in terms of revenues to customers in these countries was relatively low (€1,6mln in 2022 and €4,3mln in 2021).

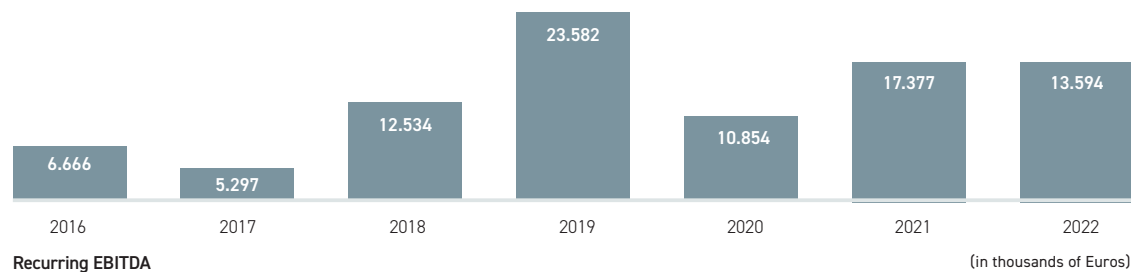
EBITDA

The recurring EBITDA excludes the exceptional costs related to the reorganisation and the exceptional income resulting from the sale of property. Recurring EBITDA ended at €13,6mln which is €3,8mln lower than in the previous year. This decrease is mainly related to the impact of the worldwide supply chain disturbances and internal integration-related issues. The net result of 2022 ended at €0,6mln (2021: €4,6mln). One of the contributors to the higher net result in 2021 was a positive amount of income taxes of €4,1mln as the result of a tax restructuring in the Netherlands. In 2022, income taxes were negatively impacted by a €1,6mln release of deferred taxation regarding a Dutch pension indexation depot and a €0,9mln release of deferred taxation regarding the sale of the Culemborg plant.

Solid financial base

The solvency ratio increased from 41,9% to 43,2% ultimo 2022. The cash position at year end improved from €3,5mln to €8,6mln by the end of 2022 as a result of a lower working capital (stock and debtors), the transition from internally financing the lease assets portfolio of Circular Interiors in 2021 to externally financing the portfolio by making use of the available credit facility line in 2022 and the sale of the Culemborg plant.

The financing agreement with KBC Bank had a maturity date of 31 March 2023. Per 1 April 2023, the credit facility with KBC-bank has been renewed for 5 years for a total of €43,5mln. The final maturity date for the facilities is now set to 31 March 2028. For the financing of the wood hub facility, additional financing was agreed upon via financial lease (€8,7mln) and an additional bank loan (€5,0mln), both with CSOB in Czech Republic.



Outlook 2023 and beyond

2023 will be focused on improving customer experience, expanding overall margins as well as the optimisation of the Dutch supply chain and realising the new wood hub production facility in Prague. The wood hub facility is expected to be completed by the end of Q3 2023, followed by a testing period in Q4 before actual production is fully transferred to the new facility.

The new wood hub facility in Prague is part of the full integration of the Ahrend Central Eastern Europe organisation (CEE). In 2022, the integration was given more substance by aligning sales activities, changing the organisational structure in CEE and by developing an international up to standard assortment for CEE. The completion of the wood hub facility enables the creation of a single global supply chain within the worldwide Royal Ahrend Group, resulting in efficiency savings in production, purchasing, wages and salaries and other operating expenses.

It is expected that, due to the abovementioned structural changes, Royal Ahrend is prepared for the future and that the performance and profitability of Royal Ahrend will increase in the coming years. In 2023, Royal Ahrend will keep enhancing the efficiency of its organisation and optimisation of its products and services to its customers. This will lead to a permanent saving in wages and operational expenses and a growth in revenue and margin.

The new banking facilities are expected to be sufficient in funding daily operations and planned projects.

The geopolitical events in Russia and Ukraine may continue to have an indirect impact on Royal Ahrend's business. The conflict between the Russian federation and Ukraine may result in a decline in demand for Royal Ahrend's products and services as well as disruptions of global supply chains leading to inflationary effects on costs and difficulties in servicing demand, as already experienced in 2022. At this stage these possible consequences are uncertain and difficult to assess.



Gispen Asido

Our performance in 2022

Manufactured capital

“After a turbulent period, we succeeded in getting our operations back to their previous level through several strategic projects - in 2023 we will further improve our performance.”

Rolf Verspuij | CFO0 Royal Ahrend

KPI	2021	2022
Square meter production floor	91.400	90.000
Circular services revenues	€ 10,3 mln	€ 7,54 mln
Nr of cycled products through Circular Hub	-	55.400*
Nr. of countries present	19	18

* First measured in 2022



Gispén Kleurodesk, Gispén 113, Gispén Dombo

Global supply chain

The demand for world-leading workplace solutions will continue to grow as globalisation continues. For leading international companies, this creates a need for a reliable, trusted partner who can realise a consistent work environment in any location around the world. Royal Ahrend has made significant investments in expanding and improving both its global supply chain and its international sales and services network. These investments enable us to offer our customers tailor-made work environments and services around the world

Our global capabilities are:

- › Single point of contact and dedicated project managers and teams;
- › Single source with an extensive third-party range;
- › Proven operational excellence in global distribution and on-time deliveries;
- › Policies that exceed European and global standards in terms of sustainability, health, safety and ergonomics;
- › Expertise in activity-based working, office lifestyles, acoustics and ergonomics;
- › Unparalleled 4-week lead time in the Asia-Pacific region.



The Netherlands

Arnhem | 16.000 m²
Metal, wood and assembly

The Netherlands

Sint-Oedenrode | 32.400 m²
Metal, upholstery and assembly

The Netherlands

Veghel | 14.400 m²
Upholstery and refurbishment

Czech Republic

Prague | 20.000 m²
Wood and assembly

China

Taicang / Shanghai | 7.200 m²
Metal and assembly

With production facilities in Western, Central and Eastern Europe as well as South-East Asia, we can manufacture close to our customers, giving us unique flexibility in meeting the specific requirements of our clients. Our dedicated facilities for wood, metal, upholstery, refurbishment and furniture assembly all use state-of-the-art production equipment and techniques.

Global delivery reliability

Royal Ahrend's goal is to improve its delivery reliability and reduce its lead times by improving the quality and efficiency of its processes while enhancing supplier management. This will improve the delivery quality and reduce complaints which will lead to a better net promoter score in the long run. In 2022, we gained insight into the frequency of deliveries needed to complete an order. Ideally we complete the order in a single successful delivery.

In 2022, the supply chain was confronted with many disturbances which led to increased delivery times and delivery reliability. The availability of resources and price increases, outsourcing of sheet metal production and further integration of our production facilities in the Netherlands were the main causes of these disturbances. Together with our suppliers and sales organisation, we standardised critical components in our products and built additional buffer stocks. This enabled us to improve our delivery performance. From Q3 onwards, the performance improved rapidly after completing the integration of the

Dutch production facilities. In Q4, our delivery performance was back at the desired level.

Supply chain integration

In 2022, we moved the upholstery department from Culemborg (Netherlands) to Sint-Oedenrode (Netherlands). The sheet metal production partially moved to our production facility in China and is partially outsourced to local suppliers in Europe. Colleagues from the upholstery department moved to their new location in Sint-Oedenrode, which guarantees the continuity of our operations. At our new upholstery department we produce soft seating and space-in-space products.

Wood hub

In 2022, we made great progress towards the realisation of our new production location in Prague. Our wood production is centralised at this location. This fully-automated production location plays an important role in the further optimisation of our supply chain organisation. The first deliveries of the machinery took place in 2022 and have since been installed. The transition to this new wood hub location is set to complete by the end of 2023.

Efficient fulfilment practices

Delivery routing was high on the agenda in 2022. To improve efficiency of transportation and optimal use of truck loads, we divided our deliveries by geographical area to decrease traffic from and to our facilities and customers. This approach also led to



* Revived is Royal Ahrend's brand for refurbished furniture from the Circular Hub including warranty.

more efficient (un)loading. Our transportation modes vary per project, depending on the location and timing of the delivery. We have tested double-stack truck loading in various projects, which results in full truck deliveries. After conducting positive pilots, we expect to carry out deliveries with double-stack loading in 2023. Furthermore, we applied twin trailers on all international deliveries, resulting in less road transportation and an average reduction of 40% in carbon emissions. The electrification of our van fleet has been delayed by one year due to long lead times of EV vehicles.

Circular business

The global demand for sustainable furniture is growing rapidly. The number of contracts with circular operating models are increasing too, including maintenance, repair and refurbishment clauses. Revenues from direct Circular Services to customers have decreased in 2022. Circular activities from Ahrend Reuse and the Ahrend and Gispén store have been integrated with the Circular Hub, resulting in more in-company sales. This has automatically resulted in lower direct sales to customers. With all circular activities grouped in one business unit, Royal Ahrend is in the unique position to deliver both new, Revived* and refurbished furniture to customers via regular sales channels.

In 2022, we further professionally enhanced our circular operating model with the opening of our Circular Hub in Veghel. This location manages the flow of existing furniture in the market by taking back furniture from customers and redistributing

them to new locations. At this hub we have the required knowledge, warehouse space and refurbishment capabilities centralised in one location. Our environmental calculations show that we can contribute to 40-90% less embodied carbon when extending product lifetime through our Circular Hub. In 2022, we exceeded our own expectations of refurbishing 50.000 pieces of furniture by 6.000 additional pieces. We expect an increase of 10% in 2023.

Outlook 2023 and beyond

With the implementation of a single integral planning department and the development of demand planning we will be able to further improve our delivery reliability. This will also enable us to decrease our working capital. The production locations will further adopt LEAN principles to increase efficiency. All warehouses will be connected to our warehouse management system (WMS), which enables us to eliminate manual tasks and provide us with reliable warehouse information.

In Q3 2023, our wood hub in Prague will be fully operational. From this moment onwards we will further concentrate our wood production in Prague. This will boost our overall profitability and delivery reliability for our customers. In 2023, we expect our Circular Hub to grow by 10% in product volume compared to 2022. This demands efficient sourcing practices from the market to maintain sufficient stock.

In the first half of 2023, our electric vans will be delivered, replacing 30% of our fossil fuel vans. These fully electric vans support our greenhouse gas emission reduction goal for 2025. Furthermore, we are assessing the opportunities of insourcing transportation for SIS channels and to integrate the Belgium market with the Dutch logistic flow. This reduces the number of transfers and increased efficiency. Lastly, we are further optimising our delivery planning to reduce lead times and transportation, resulting in increased customer satisfaction and optimal use of our mechanics.

The global demand for sustainable furniture is growing rapidly.



Nova College, the Netherlands

Our performance in 2022

Intellectual capital

“Despite a turbulent year in terms of operations, we managed to launch several new products and we engaged with our customers on the new role of the work environment with focus on flexibility, sustainability and hybrid working.”

Eugène Sterken | CEO Royal Ahrend

KPI	2021	2022
Customer Experience	NPS* - CSI* -	NPS: -31,4 CSI: 5,3
New product launches	12	12
Furniture as a Service assets in the market	€ 9,2 Mln +124%	€ 13,7 mln + 49%
Incidents of non-compliance concerning product and service information, labelling and marketing communications	0	0

* Due to COVID-19 pandemic no measurements in 2021

Customer experience

Due to the fact that the Covid-19 pandemic persisted in 2021, we did not measure customer experience for two years in a row. As expected, we reinstated the measurements in 2022. We started to structurally measure customer experience at two stages of the customer journey: post-order and post-delivery. This will give us more insight into the sentiment throughout the customer experience and the topics that are relevant to a certain part of the customer journey.

Since 2022 was a turbulent year in terms of operations, we expected the customer experience to be less positive. This was reflected in the outcomes of the surveys we performed. During 2022, our supply chain and delivery performance improved and we expect to see positive outcomes for the customer experience surveys in 2023.

Luckily, we are aware of the underlying issues causing the lower customer experience score and are therefore confident that the experience will improve in 2023 and onwards.

We will continue to invest in material innovations.

Innovation

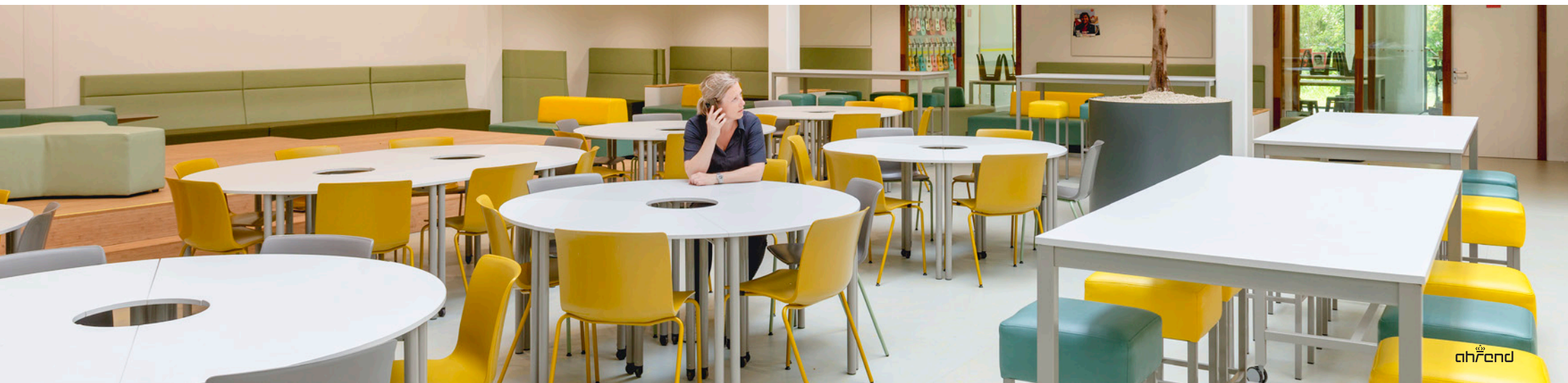
Innovation is the application of better solutions that meet new requirements, unarticulated needs or existing market needs. Innovation from a CSR perspective focuses on concept, product and material innovation, contributing to the CSR design philosophy considering the Total Cost of Ownership approach for the entire value chain and for customers and end users. Developments to further increasing the

recycled content in our products started in 2017 and we will continue to invest in material innovations to increase this in the near future. The European circular ambitions for products entail 50% recycled content in 2030 and 100% recycled content in 2050.

In 2022 we successfully launched the Revived compact tabletop. A tabletop made from reused tabletops. Compact is a very robust material that can have multiple lifecycles due to its durability. Our circular business model enables us to cycle components from our Circular Hub, creating a circular supply chain. The Revived tabletop has been added to our standard product range and can be ordered on both new and Revived products.

Through lifecycle analysis (LCA) studies we identified several improvement areas for products. With our LCA calculations we determined the 'hotspots' of materials and processes causing a negative

Leonardo College, Gispén



environmental impact. The improvements have been added to our 2023 product development roadmap. Furthermore, our product development team has initiated several projects to create new parts for old products that often cycle back into our Circular Hub. With this retrofit approach we ensure that older products can be upgraded to current norms and trends. We expect to launch the first retrofit parts in 2023.

Vitalising workspaces and hybrid working

Hybrid working is here to stay. While meeting the needs of today's employees, it is also certainly proving popular with most employers. This clearly shows in our 2022 study into developments in the working environment, carried out with the help of our own customers, along with decision-makers and employees from various sectors. The results show the importance of attractively designed office locations where social encounters, (digital) collaboration and concentration are facilitated. We are confident that we can add value to this hybrid working method through three product categories: space-in-space, workspaces & (soft) seating. The combination of these three enables people to work anywhere; at home, at the office or on the road. The digital connection plays an important role in the hybrid working method. Our product category space-in-space stands out particularly, as it facilitates new activities in the office such as videoconferencing and hybrid meetings. These acoustic boxes also add to the wellbeing of employees as they bring peace and quiet to the open work environment while supporting focused work and spaces for quick (private) calls. Our study showed that more than 80% of the respondents still found the office of great value. Especially when it comes to connecting with colleagues and the organisation as well as developing one's professional skills. Equipped with flexible, adjustable and mobile furniture, such as sit-stand desks, these vitalising workspaces are ready for the office of the future.

Furniture as a Service

For over thirty years we have designed and produced our furniture in a circular way by using Ecodesign principles and by being Cradle to Cradle Certified®. Every two years our company performance is externally assessed by an independent party to monitor our progress towards a circular economy.



Ahrend Qabin Chat, Jabra



After 20 years of circular design, we have continued our journey towards a circular business model by launching Furniture-as-a-Service (FAAS), where customers pay a monthly fee and return the furniture when they no longer need it. The changing workforce and preferences in work environments demand flexibility and the ability to adapt an interior without harming the environment.

Our internal lifecycle assessment (LCA) studies show that, besides flexibility, this model has a potential to reduce material consumption and carbon emissions up to 95%. Royal Ahrend's business model is changing rapidly from a workplace service provider to a furniture manufacturer. Our unique position with direct sales channels, instead of working with resellers, provides us with the opportunity to make this shift and orchestrate furniture flows. As a result, we have closer relationships with our customers, we secure material flows, realise lower setup costs and faster deliveries to our customers. By the end of 2022, we had €13,7mln of leased assets in the market, a 49% increase compared to the previous year. This strengthens our belief that our strategy towards a circular business model is successful.

Outlook 2023 and beyond

In 2023, we will have integrated the former Techo company with Royal Ahrend. Techo will remain one of the brands within Royal Ahrend with a separate product portfolio. The product portfolio will be managed by the Royal Ahrend category management team. Incorporation is planned for 2023 and 2024. For the upcoming years we anticipate a substantial growth of our FAAS business due to an increased awareness of making real estate and interiors more sustainable and the increased demand for flexibility from our customers.

After turbulent COVID-19 years, stability has returned to our company, allowing us to continue to build our company in the coming years. This will result in an improved operational performance and we therefore expect an improvement in customer experience.

Our performance in 2022

Human capital

“We are proud to say that we have a diverse mix of young and more senior talent, who continuously learn from each other and drive the organisation forward.”

Martijn Hurkmans | Human Resource Director Royal Ahrend

KPI	2021	2022
Employee Experience Index*	-	66,8
Global number of average FTE	1.387	1.016
Worker training on occupational health and safety	297	302
Work-related injuries and corrective actions taken	25 injuries 25 investigations 3 corrective actions	14 injuries 14 investigations 14 corrective actions
Absenteeism rate**	6,2% +24%	6,0% -3%
% differently abled people in workforce	11,1%	11,1%

* Data of all employees located in Europe, due to COVID-19 pandemic no measurement in 2021

** Data of all employees located in BENELUX



Ahrend Silence Meet



Radboud UMC, the Netherlands

Inspiring, flexible and sustainable

At Royal Ahrend, we believe that there is a place for everyone and that diversity should be facilitated. Over the past decades, we have seen work environments change and we have inspired many to look at them differently through new products, research and interior design. The standardised workplace simply does not exist. An ideal work environment is inspiring, flexible and sustainable.

Employee experience

Several years ago, we started an engagement survey by conducting annual questionnaires amongst our employees in order to facilitate diversity, create a sense of togetherness and encourage the well-being of our employees. In 2022, we conducted another EXI survey, which provided valuable insights into job satisfaction, experiences and recommendations from our colleagues.

The result of the Employee Engagement Survey 2022 shows that our employees find leadership, communication and working conditions very important. We have therefore put these at the top of our agenda. Several initiatives have been introduced since late 2022 in order to improve the employee experience and support our goals. Our Employee Experience Index received a score of 67.

Performance management

In 2022, we started further expanding and enhancing our performance management system and we have now implemented this across all countries in Western Europe where we operate. The performance management process has been fully translated, standardised and made digitally accessible 24/7 to almost all colleagues in Europe.



Onboarding programme

The labour market has greatly shifted since 2022. There has been a hunt for talent and employers need to offer newcomers more than just a good salary. It is important to offer perspective, be distinctive, create purpose and, of course, provide a great workplace.

In 2022, we therefore focused on how we could find the right people and how to offer them a great employee journey. It starts with paying real, genuine attention to people. In order to ensure a good onboarding, we started preparing a digital pre- and onboarding system which will familiarise new employees with the organisation even before they have started. The roll-out of this system is expected to take place in 2023. We also reinstated face-to-face onboarding sessions in 2022. We fully facilitate employees in their journey with us and invest in their development as an employee and as a person.

Young Ahrend Professionals

In 2022, we hired around 98 new employees, including 54 employees under the age of 34. For all employees who feel “young at heart”, we introduced YAP: Young Ahrend Professionals. Created by young professionals for young professionals. This is a platform that allows them to meet up, exchange experiences and share knowledge. Such initiatives also make the younger generations of the organisation feel heard and more involved.

Sustainable employability

We are proud to say that we have a beautiful and diverse mix of young and old talent, who continuously learn from each other and drive the organisation forward. We believe it is important to remain sustainably employable for those who have made a significant contribution to the success of the organisation in their own unique way. We therefore invest in various means of sustainable employability through internal and external career guidance, flexible working hours, well-being programs and workplace adjustments.

We find that being committed to the environment appeals enormously to both clients and potential new employees. Our employees love helping customers with products that are created in a sustainable, circular way. Being intrinsically motivated like this outweighs a person's salary or job title.

People board

In early 2022, we established a people board in addition to several other boards such as our product board and customer board. The people board is responsible for, as the name suggests, our employees: the most valuable assets of the organisation. The purpose of the people board is to increase employee engagement and enthusiasm by creating an vitalising working environment for all employees. The people board mainly focuses on strategy, topical such as leadership, employee wellbeing, absenteeism and employee engagement. The board is also responsible for the follow-up of the Employee Experience Index (EXI | employee engagement survey). Moreover, health checks and vitality are current topics that the people board is working on.

Outlook 2023 and beyond

We will continue focusing on strategic human resource planning in the years to come. Our top priorities are to improve the employee experience, diversity and inclusion. The 2022 employee experience survey will provide us with the necessary information to set up a roadmap for the coming years. Additionally, we will focus on durable employability of our aging workforce. Royal Ahrend traditionally has a very low turnover rate and our workforce is aging. The combination of durable employability and diversifying teams by hiring younger employees is crucial for the future of our company.

Improving employee engagement is high on the 2023 agenda in order to once again strengthen the connection with our colleagues after a challenging period.





Our performance in 2022

Social capital

“Global integration is key to rationalising the number of suppliers and in 2022 we took further steps towards global collaboration and thus making our supplier management more effective.”

Rolf Verspuij | CFO Royal Ahrend

KPI	2021	2022
New suppliers that were screened using environmental criteria and social criteria*	161	166
Portion of contracts with human rights clauses**	145	150
Communication and training about anti-corruption policies and procedures	0	0
Number of notifications received through whistle-blower policy and confidentiality counsellor	0	0
Confirmed incidents of corruption and actions taken	0	0

* Based on Supplier Code of Conduct signed by suppliers and total spend

** Based on Framework Supply Agreement signatory by suppliers



AB Software Consultancy, the Netherlands

Value chain responsibility

At Royal Ahrend we believe that all those involved in the lifecycle of a product take responsibility to reduce the risk of adverse environmental, health and safety impact to get the most value out of a product. The value chain in full scope: downstream, upstream and Royal Ahrend internally. Our goal is to engage with 80% of our value chain. The primary stakeholders are our customers, employees and suppliers. We collaborate with partners that enrich and support our CSR strategy. We prefer to work with suppliers that have similar CSR strategies and we stimulate innovation through active engagement with our value chain. This results in long-term relationships with local suppliers we have collaborated with for a long time. No environmental and social impacts were detected in our supply chain in 2022.

Informing our customers

We take responsibility for the entire value chain of our products. All products we sell are harmless to people and the environment. We inform our customers about every aspect of products or services that may cause harm. We reduce end-of-life product waste and identify other important lifecycle environmental impacts of our products. In 2022 we further standardised our customer communication around corporate social responsibility, products and services. We give our colleagues the

We've established long-term relationships with local suppliers.

tools to provide customers accurate information about our products and services through standardised templates and internal trainings. Furthermore, we experienced an increased demand for environmental and social transparency. Communication on supply chain due diligence is on the agenda for 2023 to provide our customers with the transparency they request.

Engaging with our suppliers

Our ambition is to be one of the best companies in the world. Not only in an operational sense but also in our day-to-day conduct. We expect our Royal Ahrend employees to conduct business honestly and with integrity. We have the same expectations of our suppliers. We wish to accomplish our ambitions through partnerships with suppliers who share our commitments with regard to integrity and compliance.

In 2022, we re-evaluated our supplier due diligence process. The process of onboarding suppliers and monitoring their performance will be automated in 2023 and onwards. This also gives us the opportunity to benchmark environmental and social performances throughout our supplier base and to manage these risks in more detail. This also enables us to focus on the positive impact strategy we created in 2021 to further improve our performance in the upcoming years.

Outlook 2023 and beyond

In 2023, we will launch an updated Partner Code of Conduct for our entire value chain. We have extracted a human rights policy and an environmental policy

and will actively manage our value chain in terms of compliance to these policies. In order to manage our suppliers more effectively, we will implement a standardised supplier management system as well as a risk auditing tool. With the centralisation of our procurement department, we will further standardise our global supply chain approach and we will rationalise supplier demands. This is an ongoing process for the coming years.

Customer transparency will remain an important topic for the coming years. The focus lies on transparent sustainability communication through certificates, objective information and Environmental

Product Declarations (EPD). We firmly believe that the combination of this information enables our customers to make objective decisions when it comes to product sustainability.

BDO, the Netherlands



Our performance in 2022

Natural capital

“In 2022, we invested in our production and warehousing facilities to reduce our energy consumption. The results are positive and will further improve when our new wood hub in Prague is operational in 2023.”

Rolf Verspuij | CFOO Royal Ahrend

	2021	2022
Energy consumption within the organisation	10.961 mwh +7%	9.057 mwh -17%
Energy intensity (€ revenue)	0,0636 kwh / €	0,0283 kwh / €
Water consumption (surface water and tapwater)	24.341 m³ +18%	14.654 m³ -40%
Direct (Scope 1) GHG emissions	4.996 tonnes CO ₂ e -4%	4.257 tonnes CO ₂ e -15%
Energy indirect (Scope 2) GHG emissions	3.437 tonnes CO ₂ e +3%	3.304 tonnes CO ₂ e -4%
GHG emissions intensity (€ revenue)	0,030 kg CO ₂ e / €	0,024 kg CO ₂ e / €
Waste by type and disposal method	3.736 tonnes	2.565 tonnes
Transport of hazardous waste	44,56 tonnes	59,62 tonnes
Greenhouse gas emissions avoided by good recycling practices	2.321 tonnes	2.176 tonnes



Ahrend Balance, Ahrend PuK, Ahrend Sliding Door Cabinet



CAK, the Netherlands

At Royal Ahrend we have been committed to delivering our products with the lowest environmental impact. We are facing new challenges due to corporate globalisation and the integration of our international supply chain. With five factories and warehouses in various countries, a global supplier base and global presence we want to provide transparency on our environmental performance.

Carbon footprint

We started reporting our greenhouse gas emissions (GHG) in 2018, following the Greenhouse Gas Protocol. All scope 1 and 2 emissions are reported semi-annually. Since 2020, we have added scope 3 emissions to our monitoring tool. Compared to 2018, our scope 1 and 2 greenhouse gas emissions decreased by 42% in 2022. Our target of emitting 50% less GHG by 2025, compared to 2018, is expected to be achieved as early as 2023.

In 2022, we saw an energy consumption decrease due to energy efficiency investments. The GHG intensity decreased because our emissions dropped and revenues increased. Since 2018, the GHG intensity has decreased by 43%. This is in line with our overall GHG reduction of 42%. In 2022, we increased the number of electric vehicles, invested in the insulation of our facilities and optimised energy consumption outside working hours. Hybrid working has still resulted in less commuting, with an increase in international travels post COVID-19.

Energy management

All European production facilities have been confronted with increased energy prices. Our energy reduction objectives and the price developments pushed our investments in 2022. A large number of machines from the Sint-Oedenrode site were sold due to supply chain integration. These machines represented the largest part of our energy consumption in

Sint-Oedenrode. We have equipped the entire production facility with LED lighting, insulated the roofs and installed several high-speed doors to avoid drafts in the facility.

In 2022, our production location in Culemborg was put out of use and made investments in our Arnhem location to reduce energy consumption. At our new wood hub in Prague, all modern techniques were deployed to ensure a lower energy consumption in comparison to the current production location. All these combined efforts resulted in 17% less energy consumption and 28% less natural gas consumption.

Material management

Our designers, product developers and purchasers make sure that we choose the best and most high-quality materials for our products. Our products are designed according to the Cradle to Cradle design philosophy, which includes a material management



strategy and material health assessment. We make sure that no toxic chemicals or harmful substances are included in our products and we use the most sustainable materials possible. Most of our materials are wood, aluminium, steel and plastics.

In 2022, we invested in researching and testing more sustainable and circular materials. Our primary goal is to use materials that can have multiple lifecycles and are therefore suitable for use in a circular economy. To reduce the environmental footprint of our products, we focus on using recycled materials. We primarily use recycled insulation materials as an alternative for foams. Most of the wood we use already comes from recycled sources.

All products are packaged with minimum packing materials, including recyclable blankets, wooden pallets, recycled cardboard and recycled LDPE foil. We aim to minimise the use of LDPE foil and stimulate transportation with recycled blankets, because we have a take-back system in place for our packaging. Preferable all packaging is used without staples, glue and tape for reuse purposes. For several products and international transportation we are seeking reusable packaging alternatives.

Waste management

In 2022, our production facilities generated approximately 2.565 tonnes of waste. Our major waste types were wood (34%) and steel (31%). In previous years most wood waste was produced by our wood hub in Czech Republic. In 2022 we implemented a closed loop take back system for wood residues with our supplier, resulting in 97% less wood waste. This material is now directly recycled into new chipboard by our suppliers. All steel scrap is transported for recycling and originates mainly from our metal hubs in the Netherlands (Sint-Oedenrode) and China.

Waste management led to 16 separate waste types in 2022. 53% of all production waste was offered for recycling, 41% was used for energy production and 6% ended up as waste. We have invested a great deal in our waste management activities to make sure that we avoid hazardous waste in our production process, resulting in 2,3% hazardous waste in 2022, including materials contaminated with oils, varnish, paints and sludge from water treatment. We expect a decrease in waste incineration due to good waste management.

Water management

All production facilities consume water, but most of our water consumption is related to our metal and wood hubs in the Netherlands, China and Czech Republic and is related to the powder coating process of our metal parts. All water is withdrawn from surface water or sourced from local suppliers of tap water. Waste water is always neutralised before discharge and the quality is tested frequently by independent parties under regional regulation to

prevent water pollution due to high concentrations of heavy metals and chemicals.

Water management and decreasing water consumption has been a top priority for Royal Ahrend since 1990. Our water consumption has decreased substantially since then and new investments have led to the optimisation of processes in several production facilities, resulting in 44,5% less water consumption compared to 2018.

Protected areas and biodiversity

Our Dutch production facility in Sint-Oedenrode is located right next to a national park. Therefore, three decades ago we invested in our production location to prevent spills and protect the biodiversity of this protected area. We have improved its biodiversity by planting trees on our terrain and we collaborate with the local municipality and several environmental organisations in order to protect this area and its species. No issues have occurred in 2022.

Although our own production facilities are not conflicting with biodiversity loss, we do assume responsibility for biodiversity loss that might occur by material production in our supply chain. Biodiversity loss and deforestation are risks within our supply chain that we need to mitigate. The biodiversity risks are included in our hotspot analysis and are part of our international supply chain management. Furthermore, we have invested in a reforestation project in China to restore biodiversity in collaboration with the local community. The project is Climate, Community and Biodiversity (CCB) certified.

Outlook 2023 and beyond

In 2023, we will continue researching and analysing our scope 3 emissions to improve our overall environmental performance. The focus remains on our product portfolio and end-of-life treatment of our products. Earlier assessments show that product lifetime extension results in a 90% reduction of carbon emissions. Furthermore, we will proceed to map the materials we use in our products and invest in several material innovations to increase the percentage of recycled materials in our product portfolio. In 2023, we will launch several new products consisting of recycled materials, partially from our own production waste. These materials substitute the use of virgin materials in our products.

In 2023, we will also adhere to the Corporate Sustainability Reporting Directive (CSRD) to make next year's Integrated Report in line with this new legislation. Furthermore, we will revise our supplier management process to reduce environmental risks within our supply chain. Moreover, we will continue to collaborate with our customers to close the furniture product loop, since this generates the most significant environmental impact. All our efforts combined will lead to our long term goal to become Net Zero by 2050, a Science Based Targets initiative (SBTi) goal that Royal Ahrend commits to in 2023.



Ahrend Charge, Ahrend Silence

04 Leadership and governance

Royal Ahrend's successes are based on the valuable knowledge and skills of its employees. At Royal Ahrend we foster talent and innovation by empowering the individual, stimulating collaboration and social interaction and propagating an open organisational culture in which everyone feels comfortable and motivated to bring out the best in themselves.

We recognise that our decisions of today impact society tomorrow and long thereafter. We have been committed to sustainable business practices for decades and are looking for improvement along the value chain every day.

Our perspective on leadership

“Royal Ahrend stands for timeless design and top quality: timeless in time. That is how we remain relevant.”

Eugène Sterken | CEO

Innovation is at the heart of our company and of our customers. We foster talent and knowledge, two principal ingredients for innovation, by encouraging our employees to come together to learn, collaborate and socially connect. A common theme which is at the core of our product offerings.

“There is so much passion and knowledge in our company and it is really our people who make the difference.”

Eugène Sterken | CEO

We proactively encourage the deployment of valuable knowledge and skills of employees in all parts of the organisation as well as at the highest level of decision-making. Via flat organisation structures, employee participation boards, a culture of informal communication and information sharing, collaboration across departments and empowerment of the individual.

Royal Ahrend management

Every member of the Royal Ahrend supervisory board and board of directors fosters and adheres to the prevailing values, culture, incentives, rules and resources. Royal Ahrend also implements structures and processes for good governance, transparency and stakeholder engagement. We adopt the principles of cradle to cradle production, internalising externalities and extend these principles towards the supply chain.

Eugène Sterken and Rolf Verspuij catalyse change for sustainability through envisioning, inspiring, empowering and supporting ideas. They provide a compelling vision, encouraging long-term thinking, making strategic investments and promoting intergenerational equity. All members of the Royal Ahrend Management Team deepen their knowledge and skills and provide opportunities and resources for appropriate action. They also focus on creating a culture and structure that provides peer support and encouragement and which recognises achievements.

“Royal Ahrend has been working sustainably and circularly for decades, because we do not see this as a side note, but as the core of our existence.”

Dionne Ewen | Sustainability manager

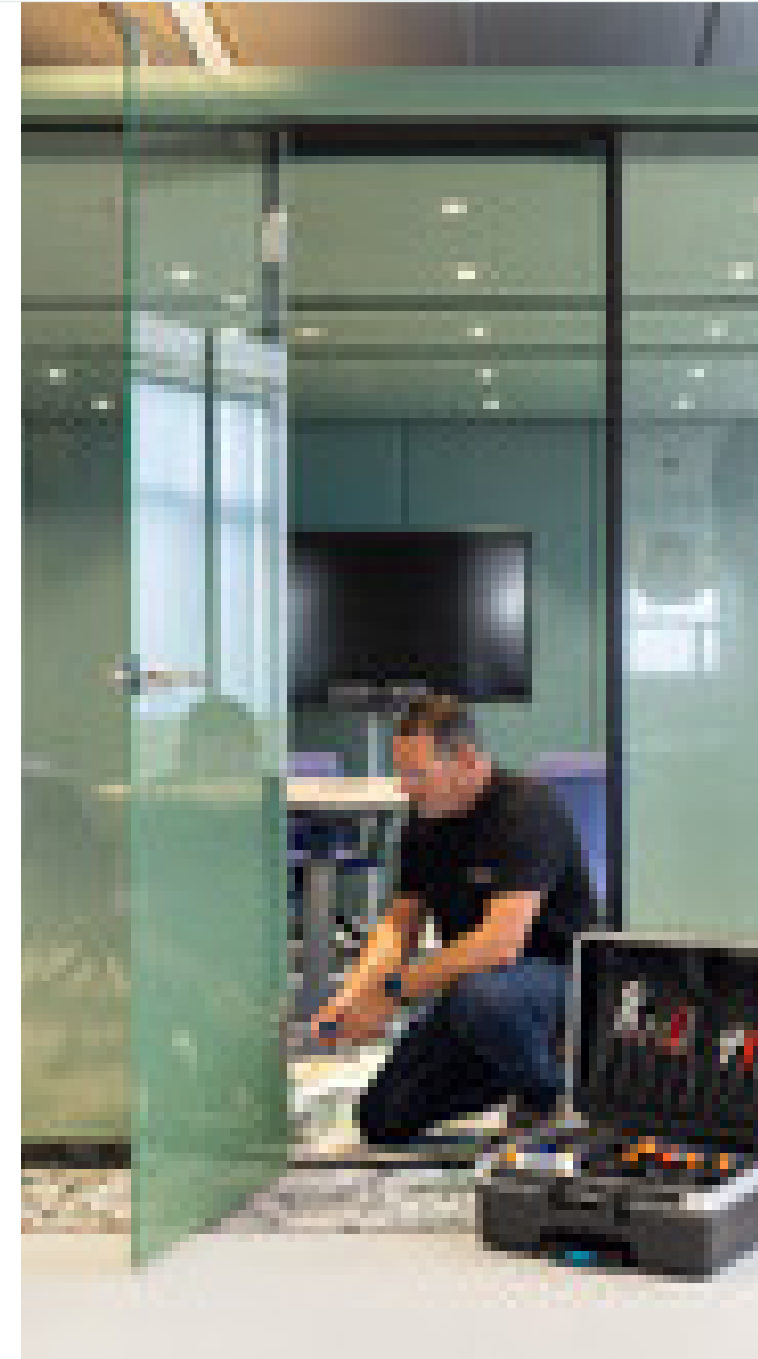
We create sustainable products which are inspired by Friso Kramer and designed based on his philosophy of “less is more” and “the art of omission”. We offer services to ensure that our products are used for as long as possible. Our production processes are based on sustainable practices.

Sustainability is embedded into our organisation and our people, but we realise that we cannot do this alone. We work together with partners, suppliers and our customers in our value chain. Only then we can really make a difference!

“At Royal Ahrend there is a place for everyone.”

Eugène Sterken | CEO

It is important that all our employees feel comfortable and energetic at work and we want to encourage them to learn and to feel valuable at our company. We aim to employ individuals who contribute positively to our organisation in their own unique way and from their own principles, to create teams that provide new insights, new opportunities and a stable business at the same time. As a social entrepreneur, we are committed to equal opportunities and we put words into action when it comes to invigorating work environments.





Business ethics

Royal Ahrend strives towards a business culture in which integrity and compliance are the norm. Our Code of Conduct educates our employees about human rights, moral behaviour, labour circumstances, the environment and anti-corruption. The Code of Conduct describes Royal Ahrend's position and policy towards ethics, legislation and business behaviour for all our employees. All Royal Ahrend employees are expected to comply with these ethical codes and receive regular training on these topics. Management is expected to display exemplary behaviour.

In addition to our Code of Business Conduct, we pursue a speak-up and whistle-blower policy to encourage our employees to report any violations of ethical behaviour. This is put into practice by the installation of an integrity committee and confidants. During the financial year 2022, no major incidents were reported. In 2023 we evaluate the effectiveness of our policies and whether we need to adjust these to further stimulate employees to use the speak-up policy.

Our company has a global supply chain. We operate four main factories, one warehouse and one circular hub, spread across Asia and Europe. We source components and materials from suppliers who operate worldwide. Therefore, we have a Supplier Code of Conduct that must be approved by all our suppliers. This document describes the way in which we expect our suppliers to behave with regard to human rights, labour conditions, the environment and anti-corruption.



AB Software Consultancy, the Netherlands

Our governance system

Royal Ahrend is a private limited liability company governed by Dutch law. Royal Ahrend has a two-tier management structure with a Board of Directors and a Supervisory Board. Royal Ahrend qualifies as a 'large company' (structuurvennootschap) within the meaning of the Dutch Civil Code and is subject to the relevant rules of Dutch corporate law.

Shareholders

HAL Trust, Curaçao, is the ultimate parent company and controlling party of Royal Ahrend. Hal Trust holds a 96% interest in Royal Ahrend.

Board of Directors

The Board of Directors of Royal Ahrend manages the strategic, commercial, CSR and organisational matters on a daily basis. An important goal is to create value, not only for our shareholders, but also for our customers, employees and the society. The Board of Directors consists of the following members:

- › W.H.L.M.G. Sterken (CEO and Statutory Director)
- › R.M. Verspuij (CFOO and Statutory Director)

Supervisory Board

The Supervisory Board supervises and advises the Board of Directors, guided by the interests of the company and considering the interests of the stakeholders. Major investments, acquisitions and corporate matters are subject to Supervisory Board approval. The Supervisory Board observes the functioning of the Board of Directors and has regular interaction with all Board members.

The Supervisory Board per 31-12-2022 consists of the following members:

- › J.L.M. Van Meerbeek (chairman)
- › M. Schabos
- › A.S. Vink
- › P.A. Doodeman

A word from the chairman of the supervisory board

On June 7, 2022, our Supervisory Board was saddened by the news that Kees van der Waaij had passed away unexpectedly. Kees has been a valuable board and audit committee member and a fine colleague since 2011. His pleasant and constructive presence at our meetings continues to be missed.

On June 5, 2023, our Supervisory Board was again saddened by the news that Marcel Schabos had also passed away suddenly. Marcel has been a respected board member from 2015 until recently. His extensive experience has been of great value to the redesign of the Company's global supply chain.

The Supervisory Board of Royal Ahrend reviewed the annual reporting 2022 prepared by the Board of Directors. PricewaterhouseCoopers Accountants N.V. audited the statutory reporting and provided an independent auditor's report. The Supervisory Board advised the General Meeting of Shareholders to approve the annual reporting 2022 and discharge the Board of Directors.

Development of financial results

The financial year 2022 was another challenging year. The finalisation of the factory integration project in the Netherlands, which was initiated in 2021, significantly impacted the supply chain of the Dutch part of the

Group. External challenges to the Group's supply chain arose from worldwide uncertainties and availability of resources related to the aftermath of the Covid-pandemic and more profoundly, the recent geopolitical events in Ukraine. From a financial perspective, despite the relatively low direct exposure in terms of revenues, the conflict between the Russian Federation and Ukraine had a significant indirect effect on the Group's business, effectively resulting in highly inflated price levels for materials, energy and wages. Similar to 2021, measures were taken to minimise the consequences for customers, employees and for the Group for as far as possible, including the increase of stock levels and hiring more temporary staff. Despite efforts to contain the inflationary effects, sales prices needed to be increased twice in 2022 in order to sustain a viable margin.

Despite these challenges the consolidated net turnover of Royal Ahrend for 2022 ended at €320,5mln (2021: €281,8mln), which is 13,7% higher than the previous year. The increased sales are partly explained by price increases to cover inflated material costs. Notwithstanding the high exceptional costs related to the restructuring program in the Netherlands in 2021; the operational costs further increased by €33,6mln to €316,7mln. Besides a volume effect, this increase is for a large part caused by



high inflation on materials, freight, transportation and installation costs. The Dutch part of the Group incurred additional costs due to high illness rates and integration-related inefficiencies. The higher costs were partially offset by the book profit on the sale of the Culemborg plant amounting to €3,7mln. The net result of 2022 ended at €0,6mln (2021: €4,6mln).

One of the contributors to the higher net result in 2021 was a positive amount of income taxes of €4,1mln. The income taxes were positively impacted by a tax restructuring in the Netherlands. In 2022 income taxes were negatively impacted by a €1,6mln release of deferred taxation regarding a Dutch pension indexation depot and a €0,9mln release of deferred taxation regarding the sale of the Culemborg plant.

During 2022, the impact of the restructuring in the Netherlands, the aftermath of the pandemic and the conflict in Ukraine on the Royal Ahrend group have been monitored closely. The Supervisory Board members received a monthly report from management. In addition, group management shared insights regarding the progress of the restructuring and measures taken to deal with the worldwide disruptions, inflation and market uncertainties. The financial performance, operational challenges and expectations for the future were discussed at the Supervisory Board meetings. Overall, the Supervisory Board concludes that the Board of Directors acted decisively by initiating measures to reduce the negative effects of the restructuring and global supply chain issues.

Activities

The Supervisory Board held 5 meetings during the financial year. The independent auditor attended the Supervisory Board meeting of April 2022 to discuss the financial results of 2021. In addition, the independent auditor attended all three meetings of the Audit Committee to discuss the annual reporting 2021, audit plan 2022 and the management letter 2022.

The following decisions were made by the Supervisory Board in 2022 (not limitative):

- › Approval annual reporting 2021
- › Approval profit appropriation 2021
- › Approval budget 2023

Changes in composition of the Board

By late 2022, the Supervisory Board consisted of the following members:

- › J.L.M. Van Meerbeeck (chairman)
- › M. Schabos
- › A.S. Vink
- › P.A. Doodeman

No changes were made to the composition of the board in 2022. A rotation scheme has been prepared in the past and is followed. In the second quarter of 2023 M. Schabos retired from the Board.

The board proposed Ms. M. Oosterveld and Ms. I. Janssen as new members in 2023. After their nomination, the Board again consists of five members, of which three male and two female.

Reflection of the Board

In absence of the Board of Directors, the Supervisory Board discussed the performance of the Directors and assessed its own.

The Supervisory Board is grateful to both management and employees of Royal Ahrend for their dedication and effort during this peculiar year.

J.L.M. Van Meerbeeck (Chairman)



Government Office Buildings, the Netherlands

Risks and uncertainties

Royal Ahrend is being confronted with a wide range of risks and uncertainties which (could) have a significant impact on the organisation. Risk management is being executed throughout the company to identify risks and determine mitigating measures if deemed necessary.

Local management is requested to periodically identify and evaluate local risks. The outcome is being discussed with Group management. In general, the risk appetite of the Group is low. Measures are being undertaken to mitigate the risks to the desired level.

Risk analysis

Every day we empower our employees to take responsibility and act to prevent risks from happening and detect and resolve issues when they occur. In 2021, we took the first steps to roll out a formal risk management programme across all layers of the organisation, by having interviews with people throughout the organisation to identify and plot any likelihood and impact of strategic and operational risks.

The next phase will include the preparation and implementation of a key-control framework

for business processes. It is expected that this framework will be implemented in FY2023, so all relevant group companies will become able to periodically update the local compliance to the framework and take corrective action if necessary.

The following key-risks are considered to be present for Royal Ahrend

Strategic objective	Key risk	Risk category and risk appetite	Main countermeasures (summary)	Impact
Create and market sustainable products & services	High inflation of materials and energy, due to worldwide turmoil such as a pandemic, geopolitical tensions or resource shortages, disrupts the Group's supply chain and deteriorates Royal Ahrend's business.	Strategic risk and financial risk	<ul style="list-style-type: none"> ➤ Create a robust and resilient supply chain based on scenario planning ➤ Improve supplier management ➤ Increase safety stock levels ➤ Focus on operational cost savings and value engineering ➤ Passing on price inflation in SPP and sales prices ➤ Continuous focus on market changes (e.g. home office furniture) 	Significant: the risk could lead to significantly lower profitability and could impact Royal Ahrend's continuity
Create and market sustainable products & services	Not meeting ESG-related targets, which results in legal proceedings and/or reputational damage, deteriorating Royal Ahrend's business and right of existence.	Strategic risk and financial risk and operational risk	<ul style="list-style-type: none"> ➤ Propagate a culture in which ESG has a prominent place ➤ Implementation of Plan Do Check Act cycle. Clear, ambitious, realistic targets. Transparent reporting. ➤ Incorporating ESG in day-to-day operational processes. ➤ Deployment of experienced internal and external consultants, who monitor external requirements and society's expectations. ➤ Regular internal and external audits 	Significant: the risk could lead to significantly lower profitability and could impact Royal Ahrend's continuity.
Create and market sustainable products & services	Missing market opportunities due to the absence of a well-founded market insight and focused approach	Operational risk	<ul style="list-style-type: none"> ➤ Improve market insights and use it for focusing product development ➤ New business initiatives 	Medium: the risk could result in lower profitability
Optimise the company	IT legacy systems do not support the strategic vision and do not facilitate proper business processes	Strategic risk and operational	<ul style="list-style-type: none"> ➤ IT Roadmap; integration of ERP-systems and future migration ➤ Implement tools around the core (legacy) system ➤ Improve change management IT process 	High: the risk could cause lower profitability due to less efficient processes and inability to grab opportunities
Optimise the company	Strategic alignment between markets needs and supply chain capabilities not fully in sync	Strategic risk	<ul style="list-style-type: none"> ➤ Installation of Royal Ahrend leadership team to enhance collaboration ➤ Focused product portfolio 	High: the risk could result in lower profitability
Optimise the company	Not the right workforce for realising Royal Ahrend's strategy	Strategic risk and operational risk	<ul style="list-style-type: none"> ➤ Performance management program ➤ Fleet view / succession planning ➤ Training programs 	Medium: the risk could reduce the effectiveness of the workforce and lower the employee attractiveness
Improve customer experience	Operational excellence not at the desired level (e.g. longer lead times, unreliable project planning)	Operational risk	<ul style="list-style-type: none"> ➤ Restructuring Logistics and Fulfilment activities ➤ Improve performance management (e.g. KPIs) to support customer focused business processes ➤ Reduce complexity of business processes 	High: the risk could harm the customer satisfaction, reputation and profitability.



Ahrend Flexbox, Ahrend Ease, Jabra

05 Appendices

The operating environment of Royal Ahrend

Royal Ahrend's operating environment is determined by several factors;

1. **The war on talent** will intensify and spark the need to create proper workspaces, where users can get the most out of their talents and feel inspired, healthy and content;
2. **Sustainability & scarcity of resources** are sparking customer requirements for approaches and business models based on circular economy thinking, e.g. paying for use of assets, such as office furniture, instead of owning them.
3. **Health, well-being and performance** will continue to gain importance and work hand in hand, sparking the need for vital offices: a residential feel, personal services (i.e. fitness, laundry), privacy & acoustics and individual optimisation of the workplace.
4. Companies and institutions are **changing more rapidly** which will spark the need for agile and flexible workplaces that suit an agile and flexible workforce;
5. **Globalisation** will continue which will spark an increasing demand for international availability of comprehensive workplace solutions;
6. **Revitalisation replaces new construction** sparking the need for existing, currently unsuitable office spaces to be reimagined and revitalised;
7. The **Internet of Things** gains in importance, sparking the need for making assets more durable and resilient, while data and analytics transform the way in which they are used; The assessment allows Royal Ahrend to identify value-creating topics within this broader operating environment



Gispen NOMI, Gispen TEAM, Gispen Dombo



Our reporting approach

Methodology

Royal Ahrend conducts a regular assessment of its operating environment. This allows us to identify value-creating topics that potentially create value for our stakeholders. We then use these topics to select our 'strategic differentiators', which form the backbone of our strategy. Alongside these strategic differentiators, our assessment also identifies risks and opportunities, which allow us to remain relevant and responsible both now and in the future.

Royal Ahrend has an annual reporting cycle. All reported information in this report covers the calendar year 2022. The preceding report dates July 2022 and covers calendar year 2021. In 2020, we conducted a full assessment and asked our stakeholders which topics they thought were the most important against the current market developments. In 2023 the material topics are reassessed following double materiality approach.

Process overview

The assessments are based on input from both stakeholders and senior management. Information is also taken from other external sources. This provides Royal Ahrend with a complete, 360° view of its operating environment.

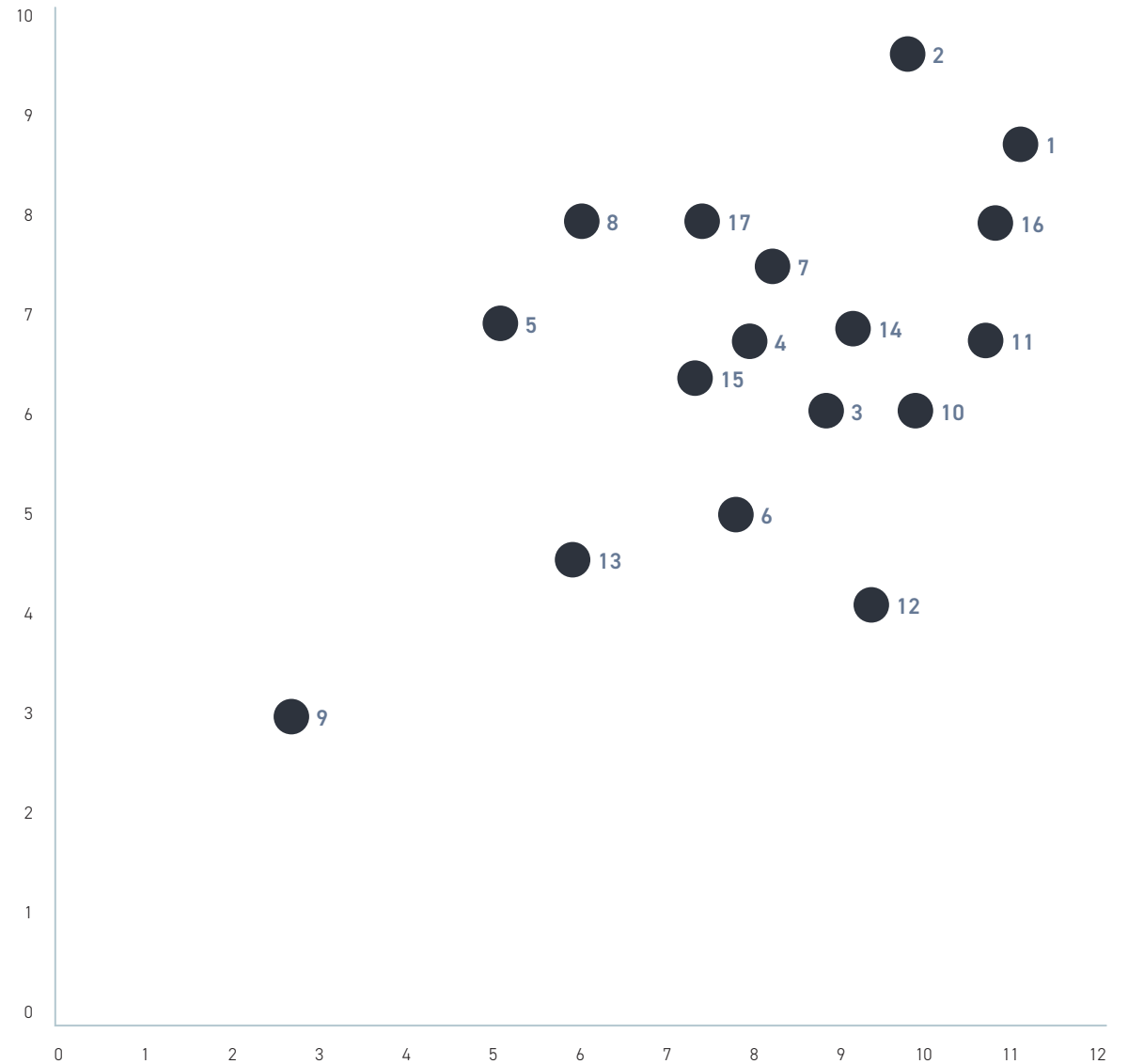
The 2020 process involved five steps:

- I. Creating a long list of value-creating topics.
- II. Data analysis.
- III. Drafting a shortlist.
- IV. Full assessment with stakeholders.
- IV. Prioritising topics.
- V. Executive Committee approval.

Materiality matrix

- 1 Financial performance
- 2 Global supply chain
- 3 Sustainable materials / material management
- 4 Customer loyalty & experience
- 5 Circular economy / services
- 6 Digital transformation
- 7 Business Ethics
- 8 Sustainable sourcing / supplier management
- 9 Packaging materials
- 10 Employee health & safety
- 11 Product safety & quality
- 12 Product innovations
- 13 Diversity and equal opportunities
- 14 Sustainable employment
- 15 Management, governance & leadership
- 16 Reliable fulfilment activities
- 17 Environmental performance

Results of assessment



Financial results 2022

Consolidated balance sheet as at 31 December 2022

Assets

(before allocation of results)

<i>(in thousands of euros)</i>	31 December 2022	31 December 2021
Fixed assets		
Intangible fixed assets (1)	3.493	4.341
Tangible fixed assets (2)	28.126	28.468
Right of use assets (3)	13.070	15.654
Financial fixed assets (4)	17.037	18.981
	61.726	67.444
Current assets		
Inventories (5)	38.554	40.508
Current receivables (6)	72.275	74.869
Cash at bank (7)	8.648	3.486
	119.477	118.863
Total assets	181.203	186.307

Group equity and liabilities

(before allocation of results)

<i>(in thousands of euros)</i>	31 December 2022	31 December 2021
Group equity (8)		
Equity	78.305	77.973
Minority interests	0	0
Group equity	78.305	77.973
Provisions (9)	3.944	6.922
Long-term liabilities (10)	7.549	10.049
Current liabilities (11)	91.405	91.363
Total equity and liabilities	181.203	186.307

Consolidated profit and loss account for the year ended 31 December 2022

(in thousands of euros)

	2022	2021
Net turnover (12)	320.523	281.831
Change in inventories of finished goods and work in progress	(586)	2.781
Total operating income	319.937	284.612
Cost of raw materials and consumables (13)	(191.097)	(162.806)
Wages and salaries (14)	(63.465)	(66.036)
Social security charges (15)	(12.830)	(12.939)
Amortisation and depreciation respectively of intangible and tangible fixed assets (16)	(11.713)	(12.048)
Other operating expenses (17)	(37.507)	(29.136)
Total operating expenses	(316.612)	(282.965)
	3.325	1.647
Financial income and expense (19)	463	(1.130)
Profit/(loss) before taxation	3.788	517
Income taxes (20)	(3.590)	4.147
	198	4.664
Share in profit/(loss) of participating interests	442	(94)
Group net profit/(loss)	640	4.570
Minority interests in profit/(loss)	0	0
Profit/(loss) after taxation	640	4.570

Consolidated cash flow statement for the year ended 31 December 2022

(in thousands of euros)

	2022	2021
Cash flow from operating activities		
Operating profit/(loss)	3.325	1.647
Adjustments for:		
depreciation and amortisation	11.713	12.048
movements in provisions	(2.978)	736
other movements	(3.943)	(6.942)
Changes in working capital:		
(increase)/decrease in trade receivables	(2.036)	(19.986)
(increase)/decrease in prepayments	2.658	(5.728)
(increase)/decrease in inventories	1.954	(11.677)
increase/(decrease) in trade payables	(6.357)	10.589
increase/(decrease) in taxes	1.083	(427)
increase/(decrease) in accruals	(247)	1.682
	(2.945)	(25.547)
Cash flow (used in) / generated from business operations	5.172	(18.058)
Interest and similar income received	1.457	2
Interest and similar expenses paid	(785)	(870)
Income tax paid	(1.238)	(612)
	(566)	(1.480)
Cash flow (used in) / generated from operating activities	4.606	(19.538)

Consolidated cash flow statement for the year ended 31 December 2022

(in thousands of euros)

	2022	2021
Cash flow from investing activities		
Additions to intangible fixed assets	(218)	(29)
Disposals of intangible fixed assets	10	0
Additions to tangible fixed assets	(11.875)	(8.783)
Disposals of tangible fixed assets	11.290	10.224
Cash flow (used in) / generated from investing activities	(793)	1.412
Cash flow from financing activities		
Lease payments	(6.503)	(6.713)
Repayment of long-term liabilities and bank loans	(306)	(75)
Change debt to credit institutions	8.158	(4.158)
Cash flow (used in) / generated from financing activities	1.349	(10.946)
(Decrease) / increase in cash and cash equivalents	5.162	(29.072)

Notes to the consolidated balance sheet

Intangible fixed assets (1)

Movements in intangible fixed assets were as follows:

<i>(in thousands of euros)</i>	Product development	Trademark	Software	Goodwill	Total
Balance at 1 January 2022					
Cost	170	3.120	7.650	22.270	33.210
Accumulated amortisation and impairments	(135)	(1.526)	(4.938)	(22.270)	(28.869)
Carrying amount at 1 January 2022	35	1.594	2.712	0	4.341
Exchange differences	(0)	0	6	0	6
Additions	29	0	4	0	33
Disposals cost	(0)	0	(68)	0	(68)
Disposals amortisation	0	0	58	0	58
Reclassification cost	13	0	172	0	185
Reclassification amortisation	(13)	0	13	0	0
Amortisation	(13)	(218)	(831)	0	(1.062)
Carrying amount at 31 December 2022	51	1.376	2.066	0	3.493
Balance at 31 December 2022					
Cost	209	3.120	7.813	22.270	33.412
Accumulated amortisation and impairments	(158)	(1.744)	(5.747)	(22.270)	(29.919)
Carrying amount at 31 December 2022	51	1.376	2.066	0	3.493

At balance sheet date the presence of any indicators of assets being subject to impairments was analysed. No indicators for impairment were identified.

Tangible fixed assets (2)

Movements in tangible fixed assets were as follows:

<i>(in thousands of euros)</i>	Land and buildings	Machinery and equipment	Other fixed operating assets	Under construction and prepayments	Not used in business operations	Total
Balance at 1 January 2022						
Cost	45.431	52.588	22.590	2.889	0	123.498
Accumulated depreciation and impairments	(32.354)	(48.037)	(14.639)	0	0	(95.030)
Carrying amount at 1 January 2022	13.077	4.551	7.951	2.889	0	28.468
Exchange differences	(29)	8	0	22	0	1
Additions	524	835	3.895	6.621	0	11.875
Disposals cost	(13.869)	(1.776)	(659)	0	0	(16.304)
Disposals depreciation	7.598	996	259	0	0	8.853
Depreciation	(926)	(1.146)	(2.518)	0	0	(4.590)
Reclassification	1.986	870	607	(3.648)	0	(185)
Other movements	0	14	(6)	0	0	8
Carrying amount at 31 December 2022	8.361	4.352	9.529	5.884	0	28.126
Balance at 31 December 2022						
Cost	34.033	52.607	26.396	5.884	0	118.920
Accumulated depreciation and impairments	(25.672)	(48.255)	(16.867)	0	0	(90.794)
Carrying amount at 31 December 2022	8.361	4.352	9.529	5.884	0	28.126

Following the integration of the Culemborg (Netherlands) production facility in the Sint-Oedenrode (Netherlands) production facility in 2021 and completed in 2022, the vacant production facility in Culemborg was sold to the Municipality of Culemborg by the end of 2022, resulting in a book profit of €3,7mIn (see note 17). The disposal of land and buildings is primarily related to this sale of Culemborg property. Culemborg's production facility assets that have not been moved to Sint-Oedenrode were disposed of in 2021 and 2022. The remaining property in Culemborg consists of a showroom/office. The assets under construction ultimo 2022 are primarily related to the building of the new wood hub facility in Prague (€3,3mIn of prepayments based on the contract terms) and the implementation and replacement of several IT hardware and software within the Group (€1,5mIn).

Leasing arrangements Circular Interiors BV

The other fixed operating assets includes €6,2mIn (2021: €4,5mIn) of furniture assets leased to tenants with monthly rental payables. The lessor Circular Interiors BV remains the juridical owner of these leases (2:366 lid 2 BW). Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the group may obtain bank guarantees for the term of the lease.

Leases (3)

This note provides information for leases where the group is a lessee in accordance with IFRS16.

Amounts recognised in the balance sheet

Right of use assets

Movements in right of use assets were as follows:

<i>(in thousands of euros)</i>	Land and buildings	Machinery and equipment	Other	Total
Balance at 1 January 2022				
Cost	21.861	1.143	6.709	29.713
Accumulated depreciation and impairments	(9.847)	(662)	(3.550)	(14.059)
Carrying amount at 1 January 2022	12.014	481	3.159	15.654
New lease contracts	280	0	1.503	1.783
Ended lease contracts cost	(832)	(465)	(2.000)	(3.297)
Ended lease contracts depreciation	832	465	2.000	3.297
Remeasurements	1.267	88	339	1.694
Depreciation	(4.071)	(189)	(1.801)	(6.061)
Carrying amount at 31 December 2022	9.490	380	3.200	13.070
Balance at 31 December 2022				
Cost	22.576	766	6.551	29.893
Accumulated depreciation and impairments	(13.086)	(386)	(3.351)	(16.823)
Carrying amount at 31 December 2022	9.490	380	3.200	13.070

Lease liabilities

Movements in lease liabilities were as follows:

<i>(in thousands of euros)</i>	2022
Balance at 1 January	15.880
New lease contracts	1.782
Lease payments	(6.503)
Accrued interest	209
Remeasurements	1.694
Balance at 31 December	13.062
Current	5.513
Non-current	7.549
	13.062

Amounts recognised in the statement of profit and loss

<i>(in thousands of euros)</i>	2022	2021
Depreciation charge of right-of-use assets		
Land & Buildings	(4.071)	(4.150)
Machinery & Equipment	(189)	(275)
Other	(1.801)	(1.819)
Interest expense	(209)	(262)
	(6.270)	(6.506)

Next to the amounts shown in the table above the statement of profit and loss also includes the costs related to short-term leases and low-value leases. These leases are not capitalised on the balance sheet as the expedient is applied. The cash outflow for leases in 2022 was €6,5mln.

Financial fixed assets (4)

Movements in financial fixed assets were as follows:

<i>(in thousands of euros)</i>	Participating interest	Deferred tax asset	Total
Carrying amount at 1 January 2022	370	18.611	18.981
Exchange differences	0	12	12
Additions	0	130	130
Reduction	0	(2.528)	(2.528)
Impact change future tax rates	0	0	0
Share in result of participating interests	442	0	442
Carrying amount at 31 December 2022	812	16.225	17.037



TU Delft, the Netherlands

Participating interests

Among the participating interest the 33,3%-share in Ahrend Gulf FZCO is recognised. The share in result 2022 of this participating interest is €442K.

Deferred tax assets

The deferred tax assets consists of temporary differences, available forward loss relief and future tax losses. Deferred tax liabilities amounting to €3,4mln (2021: €4,0mln) are netted against deferred tax assets. These liabilities primarily relate to temporary differences caused by IFRS16.

The deferred tax assets related to the Dutch tax jurisdiction have been valued against a general future tax rate of 25,8% (2021: 25,8%).

The deferred tax asset consists of recognised operating losses and temporary differences. The amount of losses recorded as ultimo 2022 is 35,7% (2021: 40,0%) of the available tax losses. The amount of unrecognised losses is €60,9mln. As per effective date 1 January 2022, a new system for compensating losses has been introduced in the Netherlands. Under this new regime losses can be compensated

against future profits for an unlimited period of time. However, the amount of available profits is capped. This new legislation increases the ability to compensate the available net operating losses. The temporary differences included in the deferred tax assets are calculated based on the (future) tax rates at the time these differences will be realised.

Group management recognises a deferred tax asset to the level that convincing evidence is available to sustain the valuation. This evidence is based on the budgeted and/or actual results of the current year and other events which are highly probable and relevant in this respect. The actions undertaken in 2022, including the completion of the integration activities in the Netherlands, improved the Group's estimated future profits.

The deferred tax asset is considered to be long-term.

Inventories (5)

<i>(in thousands of euros)</i>	31-12-2022	31-12-2021
Raw materials and consumables	15,362	13,984
Work in progress	4,988	6,213
Finished products and goods for resale	17,468	19,648
Prepayments on stock	736	663
Total	38.554	40.508

Inventories are carried at the net realisable value. The value of the inventories is deducted by a provision amounting to €5,8mIn (2021: €5,7mIn). The carrying amount of inventories stated at net realisable value is €11,1mIn (2021: €10,1mIn).

Current receivables (6)

<i>(in thousands of euros)</i>	31-12-2022	31-12-2021
Trade receivables	58,188	58,181
Receivables to related parties	57	0
Other current assets	235	434
Other receivables and prepayments	13,795	16,254
Total	72.275	74.869

All receivables fall due within one year after balance sheet date. The fair value of the receivables approximates the carrying amount due to their short-term character and the fact that provisions for bad debt are recognized, where necessary. Trade receivables include a provision for doubtful debts of €995K (2021: €1,3mIn)



Rutges, the Netherlands

Cash at bank (7)

All cash is at the group's free disposal.

Group equity (8)

Movements in equity were as follows:

<i>(in thousands of euros)</i>	Issued share capital	Share premium account	Other legal reserves	Other reserves	Undistributed result	Total
Balance at 1 January 2021	8.500	90.788	(1.400)	(21.208)	(2.296)	74.384
Exchange differences foreign subsidiaries	0	0	1.549	0	0	1.549
Movements through OCI	0	0	0	(329)	0	(329)
Shareholder contribution	0	0	0	0	0	0
Reclassification	0	0	(130)	130	0	0
Appropriation of results	0	0	0	(2.296)	2.296	0
PY Profit/(loss) - KABV	0	0	0	0	5.353	5.353
Balance at 31 December 2021	8.500	90.788	19	(23.703)	5.353	80.957
Exchange differences foreign subsidiaries	0	0	(308)	0	0	(308)
Movements through OCI	0	0	0	0	0	0
Reclassification	0	0	439	(439)	0	0
Appropriation of results	0	0	0	5.353	(5.353)	0
Profit/(loss) for the year	0	0	0	0	1.474	1.474
Company balance at 31 December 2022	8.500	90.788	150	(18.789)	1.474	82.123
PY Equity CI	0	0	0	(2.984)	0	(2.984)
Net result CI	0	0	0	0	65	65
Side stream elimination CI	0	0	0	0	(899)	(899)
Consolidated balance at 31 December 2022	8.500	90.788	150	(21.773)	640	78.305

On 3 July 2017 Circular Interiors BV (hereafter CI BV) was established. CI BV is - like Koninklijke Ahrend BV - a fully-owned group subsidiary of Stonehaven 2006 BV. The main activity of CI BV is acting as a lessor of operation leases of office furniture. The concerning furniture is sold by Koninklijke Ahrend to CI BV. The Board of Directors of both companies is equal. As policy-making influence by Royal Ahrend management is deemed to be present (RJ 217.202/205/206), CI BV is added to the scope of consolidation of Koninklijke Ahrend.

Issued share capital

The total number of paid up shares is 17.001.113 (2021: 17.001.113).

The authorised capital amounts to €35.000.000 divided in 70 million shares of nominal €0,50. All issued shares are held by Stonehaven 2006 BV.

Share premium account

The share premium account has not changed during 2022.

Other legal reserves

The other legal reserves are recognised in connection with the following:

- › Currency translation reserve
- › Capitalised development costs of €16K in 2022 (2021: €-15K).
- › Undistributable reserve for positive results from associate and direct increases in value of Ahrend Gulf amounting to € 423K in 2022 (2021: €-115K).

<i>(in thousands of euros)</i>	Currency translation reserve	Capitalised development costs	Reserve for participations	Total
Carrying amount at 1 January 2022	(98)	35	82	19
Utilisation	(308)	16	423	131
Carrying amount at 31 December 2022	(406)	51	505	150

Other reserves

The prior year profit is added to the other reserves.

Proposed appropriation of result

The result is appropriated in accordance with article 4.1.1 of the Articles of Association, which states that the board of directors shall determine, with the approval of the supervisory board, the portion of the result to be deducted from the reserves.

Minority interests

(in thousands of euros)

	2022	2021
Balance at 1 January	0	362
Minority interest in group result	0	0
(Decrease) of share capital	0	(362)
Dividend paid	0	0
Balance at 31 December	0	0

Provisions (9)

<i>(in thousands of euros)</i>	31-12-2022	31-12-2021
Pension provision	0	0
Provision for deferred taxation	176	210
Restructuring provision	100	2.505
Other provisions	3.668	4.207
Total	3.944	6.922

The total pension provision ultimo 2022 is €0. An amount of €1,7mln was classified as current liability ultimo 2021. This amount related to the VPL-arrangement concluded with a number of employees at 31 December 2006. This amount was settled in January 2022, after which the arrangement was handed over to Nationale Nederlanden. The provision for deferred taxation concerns temporary differences regarding (in) tangible fixed assets. Early 2021, a restructuring provision was recorded for the reorganisation of the Dutch Supply Chain organisation. The restructuring was largely executed during the year 2021 and completed in 2022. For the completion in 2022 an additional charge to the provision was needed. The provision at year-end 2022 is mainly related to the closing of the Outlet store in Delft in 2023.

The other provisions include jubilee provision, warranty and environmental provisions.

Long-term liabilities (10)

<i>(in thousands of euros)</i>	31-12-2022	31-12-2021
Lease liabilities	7.549	10.049
Total	7.549	10.049

Lease liabilities

The non-current lease liabilities are disclosed in note 3 'Leases'.

Current liabilities (11)

<i>(in thousands of euros)</i>	31-12-2022	31-12-2021
Short term part of lease liabilities	5.513	5.831
Short term repayments on long-term loan	0	306
Liabilities to credit institutions	9.000	842
Prepayments received on orders	4.927	6.899
Trade creditors/suppliers	43.118	49.169
Corporate income tax payable	150	91
Other taxes and social security charges	10.151	8.378
Pension-related liabilities	1.053	1.802
Other liabilities	17.493	18.045
Total	91.405	91.363

All current liabilities fall due within one year after balance sheet date.

Lease liabilities

The current lease liabilities are disclosed in note 3 'Leases'.

Short term repayments on long-term loan

The 2021 short term repayments are related to a long-term loan which had an initial value of €750K. The loan was repaid in 72 equal monthly instalments and a final payment. The applicable interest was 3,5%. A pledge existed on machinery. The final payment was expected in 2021 but had been postponed to 1 January 2022.

As such the loan is fully classified as short term liability in 2021 and fully repaid in 2022.

Liabilities to credit institutions

Royal Ahrend, a number of group companies and CI BV are jointly and severally liable for the facility. Ultimo 2022 the facility is €47,5mln consisting of: 1) overdraft credit facility of €32mln, 2) contingent liability facility of €3mln and 3) overdraft credit facility of €12,5mln for CI BV specifically. At the end of 2022, the credit facility was only used for the funding of Circular Interiors' lease assets portfolio, for an amount of €9,0mln. The interest rate is variable and depending on the quarterly EBITDA. The bandwidth of the actual interest rate was 0,8% - 1,0%. The final maturity date for the first two facilities is 31 March 2023. The final maturity date

for the third facility is 29 March 2024. Per 1 April 2023 Royal Ahrend renewed its facilities with KBC-bank for a total of €43,5mln.

The company provided the following security for the credit facility granted by the bank:

- › Pledge on all receivables of the Dutch group companies
- › Pledge on all stock of the Dutch group companies
- › Pledge on all business equipment of the group companies and a 2nd pledge on all business equipment of Presikhaaf Schoolmeubelen BV
- › Pledge on all intercompany receivables of the Dutch group companies against all members of the Group
- › Pledge on all bank balances/accounts of any member of the group
- › Pledge on all intellectual property rights of the group companies. Intellectual property rights of Ahrend APAC BV, Gispén Nederland BV, Ahrend Onroerend Goed BV, Koninklijke Ahrend BV, Presikhaaf Schoolmeubelen BV.
- › The mandate to the first ranking floating charge ("*pand handelszaak*") on all Belgian members of the group will be converted in a first ranking pledge on business equipment ("*pand op ondernemingsgoederen*").
- › First ranking mortgage on the properties located in Sint-Oedenrode (Ahrend) and Culemborg (Gispén).

The covenant with the bank contains the following requirement:

- › If the solvency ratio will drop below 25%, the credit facilities are due on demand. At 43,1% the current solvency ratio meets this minimum limit. During the year no breach was reported.

Besides the above-mentioned securities provided to KBC bank a mandate to the first ranking floating charge ("*pand handelszaak*") of €660K on Ahrend NV (Belgium) is present to cover bank guarantees issued by BNP Paribas in the past. The actual amount of outstanding guarantees at BNP Paribas is €156K ultimo 2022.



Ahrend Portal, Ahrend S50, Ahrend Well, Ahrend Assist, Ahrend Link

Renewal of credit facility

Per 1 April 2023 Royal Ahrend renewed its facilities with KBC-bank for a total of €43,5mln. Consisting of a €29,0mln overdraft facility for the financing of short-term liquidity needs, a €2,0mln contingent liability facility for the financing of bank guarantees and a €12,5mln working capital credit facility specifically for the funding of Circular Interiors' lease assets portfolio. The interest rate is variable and depending on the quarterly EBITDA. The final maturity date for the facilities is 31 March 2028. Similar securities are provided to the bank as in the former facilities agreement. The covenants with the bank contain a solvency ratio requirement (minimum of 25%) and a leverage ratio requirement (<4,0 per 30 June 2023 and <3,5 per 31 December 2023 and annually thereafter). The new facility is expected to be sufficient to fund daily operations and planned projects. For the financing of the wood hub facility the Group engages in additional financing in the form of a financial lease (€8,7mln) and a bank loan (€5,0mln). Both with CSOB in the Czech Republic.

Other liabilities

Other liabilities can be broken down as follows:

<i>(in thousands of euros)</i>	31-12-2022	31-12-2021
Invoices to be paid	4.627	2.184
Employee bonuses	2.951	2.991
Holiday allowance	3.401	3.194
Customer bonuses	675	619
Deferred revenues	1.748	2.208
Other costs payable	4.091	6.849
Total	17.493	18.045

Related parties

Transactions between related parties are effected at arm's length conditions. There are no specific related parties' transactions to report.

Notes to the consolidated profit and loss account

Net turnover (12)

Business sectors

The breakdown of net turnover by category is as follows:

<i>(in thousands of euros)</i>	2022	2021
Goods	282.483	255.309
Services	35.803	25.027
Other	2.237	1.495
Total	320.523	281.831

Geographical areas

<i>(in thousands of euros)</i>	2022				
	The Netherlands	Czech Republic	Romania	Other	Total
Net turnover	163.118	32.765	26.526	98.114	320.523

<i>(in thousands of euros)</i>	2021				
	The Netherlands	Czech Republic	France	Other	Total
Net turnover	146.677	25.209	16.327	93.618	281.831

The reported net turnover divided to geographical area is based on the country of residence of the customer (RJ 350.208). All countries with a net turnover of at least 10% of the consolidated net turnover are included in the overview (RJ 350.203). The amount other region of €98,1mIn is mainly related to other European countries (€80,4mIn).

Cost of raw materials and consumables (13)

<i>(in thousands of euros)</i>	2022	2021
Costs of raw materials and consumables	(127.276)	(100.854)
Costs of merchandise sold	(51.773)	(49.482)
Installation costs	(11.598)	(10.777)
Exceptional costs (refer to note 18)	(450)	(1.693)
Total	(191.097)	(162.806)

Wages and salaries (14)

<i>(in thousands of euros)</i>	2022	2021
Wages and salaries own personnel	(50.736)	(49.919)
Wages and salaries temporary personnel	(11.247)	(9.152)
Wages and salaries exceptional costs (refer to note 18)	(1.482)	(6.965)
Total	(63.465)	(66.036)

Social security charges (15)

<i>(in thousands of euros)</i>	2022	2021
Pension charges	(4.123)	(4.163)
Other social security charges	(8.707)	(8.776)
Total	(12.830)	(12.939)

Workforce

The average number of staff (in FTEs) employed by the group in 2022 was 1.354 (2021: 1.387), specified by segments as follows.

<i>(in thousands of euros)</i>	2022	2021
Sales	356	352
Operations	805	850
Back-office	193	185
Total	1.354	1.387

The total FTE decreased by -33 of which due to a decline of fixed FTEs by -41 and an increase of temporary personnel by +8 FTE. This decline in workforce is mainly related to the Netherlands. In 2021 the factory in Culemborg was closed and the supply chain was integrated in the factory in Sint-Oedenrode. This integration process was completed in 2022. The average number of staff (in FTEs) employed by Ahrend Gulf in 2022 was 11,6 (2021: 10). These employees are stationed in the United Arab Emirates.

Amortisation and depreciation of intangible and tangible fixed assets (16)

<i>(in thousands of euros)</i>	2022	2021
Other intangible fixed assets	(1.062)	(795)
Tangible fixed assets	(4.590)	(5.009)
Right of use assets	(6.061)	(6.244)
Total	(11.713)	(12.048)

Other operating expenses (17)

<i>(in thousands of euros)</i>	2022	2021
Other personnel costs	(2.474)	(1.895)
Car and travel expenses	(2.793)	(1.877)
Transportation and installation costs	(18.296)	(14.537)
Housing costs	(4.722)	(3.678)
Production costs	(2.972)	(2.331)
Office costs	(1.124)	(1.086)
EDP costs	(3.852)	(3.848)
Marketing and advertising costs	(1.530)	(1.549)
Other operating expenses	(3.122)	(3.444)
Book profit tangible fixed assets	3.662	7.203
Exceptional costs (refer to note 18)	(284)	(2.094)
Total	(37.507)	(29.136)

Research and development costs amount to €1,6mIn (2021: €1,5mIn), of which € 13K (2021: € 36K) in amortisation of capitalised development costs is recognised under Depreciation and amortisation. Research and development costs not capitalised are recognised under Other operating expenses.

Exceptional costs (18)

<i>(in thousands of euros)</i>	2022	2021
Stock remediation cost of raw materials and consumables	(450)	(1.693)
Severance payments wages and salaries	(1.482)	(6.965)
Various exceptionals other operational costs	(284)	(2.094)
Total	(2.216)	(10.752)

In 2022 exceptional costs amounting to €2,2mIn were recorded. These are costs mainly related to severance payments in relation to the completion of the integration project in the Netherlands, to closing of the Outlet store in Delft in 2023 and to activities related to the closing of the Russian entity following the war in Ukraine. All three developments will lead to permanent savings on wages and operational expenses.

Financial income and expense (19)

<i>(in thousands of euros)</i>	2022	2021
Interest income and similar income	672	2
Interest expense and similar charges	0	(870)
Interest on leases	(209)	(262)
Total financial income and expense	463	(1.130)

In 2022 currency translation differences of €+1.457K were included in the profit and loss.

Income taxes (20)

The tax charge on the profit or loss in the consolidated profit and loss account can be broken down as follows.

<i>(in thousands of euros)</i>	2022	2021
Result before tax	3.788	517
Corporate income tax	(1.222)	(614)
Deferred corporate income tax	(2.368)	4.761
Total tax credit/charge	(3.590)	4.147
Applicable tax rate home-market NL	25,8%	25%
Applicable tax rate foreign countries	22%	24%
Effective tax rate	94,8%	802%

The applicable tax rate in the home-market the Netherlands is 25,8% (2021: 25%). The applicable tax rate in the foreign countries is 22% (2021: 24%) and is based on the proportion of the contribution to the result by the group entities and the tax rate applicable in the respective countries. The change of applicable tax rate foreign countries is mainly caused by reported losses in several countries which impacts the proportional tax contribution. For the Dutch fiscal unity the total amount of available deductible losses per end of 2022 is equal to €114,1 mln (2021: €103,3mln). The tax rate has not changed in most countries.

The effective tax rate deviates from the applicable tax rate as a result of differences between commercial (accounting) profit and taxable profit and can arise as a result of, amongst others, timing of provisions, differences in depreciation periods of company buildings and recognition of deferred tax assets related to net operating losses.



Gispen 7864 Kleurodesk, Gispen 113, Gispen 9807, Gispen Dombo

Events after the balance sheet date for the consolidated financial statements

No significant events after balance sheet date occurred.

Arrangements and commitments not shown in the balance sheet

Legal claim

At balance sheet date no material claims exist.

Other commitments not shown in the balance sheet

Ahrend signed a contract with the supplier of the new wood hub machinery in Prague amounting to €8,7mln in 2021. By the end of 2022 prepayments of €3,3mln were made based on the contract terms. This part of the investment in the wood hub facility will be transferred to financial lease in 2023.

Relatedly, Ahrend signed a contract for the rental of a new property in Prague, next to the existing rented premises. On this adjacent property, a new

building is constructed for the wood hub machinery by the landlord. The contract is for a period of 15 years, for a total undiscounted payment value of €11,4mln. The value of other lease contracts already committed to but not yet on balance in 2022, due to commencement dates in 2023 or beyond, is equal to €1,0mln.

The group has the obligation to hire employees with a disability from Scalabor for its plant in Arnhem until 1 June, 2025. This commitment has a value of €619K ultimo 2022.

The group issued bank guarantees related to normal trading activities amounting to €1,5mln at 31 December 2022 (2021: €2,1mln). Securities provided to BNP Paribas Fortis, relating to the first ranking floating charge ("*pand handelszaak*"), amount to €660K at 31 December 2022 (2021: €660K).

Ahrend Balance, Ahrend Zest, Ahrend Revolt



Colophon

Laarderhoogtweg 25
1101 EB Amsterdam
The Netherlands
info@ahrend.com
+31 (0)88 006 0000

Note to the financial results

The financial results are derived from the Dutch GAAP statutory Financial Statements 2022 of Koninklijke Ahrend BV. These financial statements are filed at the Dutch Chamber of Commerce.

© Royal Ahrend All rights reserved

No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of the publisher. Interested parties are being requested to contact Ahrend via communications@ahrend.com

Ahrend Headoffice

Laarderhoogtweg 25
1101 EB Amsterdam
The Netherlands
+31 (0)88 - 00 60 000

Gispen Headoffice

Parallelweg West 23
4104 AZ Culemborg
The Netherlands
+31 (0)345 - 474 211

Presikhaaf Schoolmeubelen Headoffice

Bruningweg 10
6827 BM Arnhem
The Netherlands
+31 (0)26 - 3 685 685

The logo for ahrend features the word "ahrend" in a bold, lowercase, sans-serif font. Above the letter "r" is a stylized crown icon consisting of three horizontal bars and a central diamond shape.

Vitalising Workspaces