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01 Message from our CEO

Rolf Verspuij



Looking back on my first full year as CEO of Royal Ahrend, I am proud to say that we have delivered strong results despite a challenging market environment. The traditional dynamics of the office furniture industry have been changing in the recent years, driven by macroeconomic developments, digitalisation and evolving sustainability requirements. Yet, our performance over the past year reaffirms Royal Ahrend's ability to remain resilient by staying innovative, relevant and relentlessly focused on achieving the best service for our customers.

To achieve this, we have taken significant steps towards becoming a more efficient and effective organisation. We are actively executing our updated Mid-Term Plan (MTP),

transitioning to a new organisational structure that stimulates collaboration while implementing our next-generation ERP system. These strategic initiatives ensure that Royal Ahrend continues to stand out, even in challenging market conditions, by providing customers with a relevant and compelling range of products and services.



UNIQA, Ahrend Czech Republic

Circularity at the heart of our strategy

The office furniture market has undergone a significant transformation in recent years, driven by the continued adoption of hybrid working post-pandemic, stronger focus on circularity and increasing digitalisation. There is growing interest in new workplace concepts, a rising demand for the reuse of products and materials and an increasing need for flexible space solutions. Royal Ahrend has responded effectively to these shifts, continuously developing innovative products and services to meet evolving customer needs. One of the highlights of the past year was the launch of Ahrend Remode, our most sustainable office chair to date, designed by renowned architect Ben van Berkel—a product I am particularly proud of.

Sustainability is at the heart of Royal Ahrend's strategy, helping shape the future of our industry. Our commitment to sustainability runs deep in our organisation, and over the past year, we officially opened our new gas-free and energy-efficient factory in Prague. This state-of-the-art facility plays a crucial role in our ambition to achieve near-zero emissions by 2030.

In addition, our Circular Hub has expanded significantly, now refurbishing not only Ahrend and Gispen products but also furniture from other brands, showing our leading position in circularity. Our sustainability efforts extend beyond our supply chain and are embedded throughout the organisation, including last year's initiatives such as the development of our new CO₂ dashboard for customers. Furthermore, we have also made important progress from a governance perspective. A key example is this newly enhanced integrated report which, despite no legal obligation, is a first step towards CSRD compliance.

Building a strong organisation

In 2024, we further refined our strategy and made significant progress on our strategic projects. We expanded our product range with new, relevant products and services, strengthened our position in key market segments and regions, expanded our physical presence by opening new showrooms, such as in Riyadh, while redesigning a large part of our existing showrooms to better reflect our vision.

Internally, we further embedded our strategy by introducing a new organisational structure, including the establishment of a new management team. This restructuring is an important step in our ongoing integration efforts—enabling

us to operate as one company, increasing efficiency and effectiveness while ultimately delivering even greater value to our customers.

In addition to business growth, we have also invested in our people. Royal Ahrend Learning was launched, providing employees with training opportunities to develop both soft and hard skills, and we placed a strong emphasis on employee well-being and vitality. I am pleased to see that these efforts are reflected in our rising Employee Experience Index (EXI) for another consecutive year. We have set ambitious goals and achieving them together—while fostering a culture of engagement and enjoyment—remains a key priority.

A successful year for our brands

Over the past year, we have won great contracts and have finalised fantastic projects for many organisations around the world. These have all contributed to another year of improved results. Together, we achieved a sales volume of €273,7 million, supported by a gross margin of 50,5%. Through excellent management of operational costs, we reached a recurring EBITDA of €26,4 million. Given the complexities of today's market, this is a fantastic result—one we can all be truly proud of.



Ahrend Remode

Outlook on 2025

As we look ahead to 2025, we remain focused on adapting to a challenging and evolving market, ensuring we stay relevant and competitive in meeting changing customer demands. Over the past year, we have launched and worked on several strategic initiatives, requiring significant effort and commitment. While we will continue to build on these initiatives, we also expect to see the first tangible results. Profitable growth remains a priority for us. We will expand our product and service portfolio with new, relevant solutions while strengthening our position in key market segments and regions, driven in part by the accelerated expansion of our dealer business across multiple markets. In parallel, we will prioritise the implementation of our new

ERP system, a critical step in further integrating our operations and reinforcing our 'one-company' strategy. A key milestone of this strategy is the integration of Presikhaaf into Gispen; a process that kicked off at the start of the year and will continue to take shape throughout 2025.

Sustainability remains a core pillar of our strategy. In the coming year we will continue to scale our circular initiatives. We will further expand our Circular Hub, refurbishing products from an increasing number of brands, and continue to expand our Furniture as a Service (FaaS) proposition. Finally, our people remain central to our success. We will continue to invest in talent development, strengthen cross-border collaboration and promote well-being and personal growth—ensuring we remain a strong, unified and future-ready organisation.

I want to express my sincere gratitude to all of you. Your dedication, adaptability and commitment have played a crucial role in delivering another year of strong performance. Together, we are building a stronger and more resilient company—expanding our impact, growing as one company and taking meaningful steps toward an even more sustainable and customer-focused organisation. I look forward to what we will accomplish in the year ahead.

Rolf



Gispem WIZZ, Gispem EDUU

02 Company overview

The way we work is constantly evolving. For nearly 130 years, Ahrend has supported these changes by creating work environments where timeless design meets sustainability. At Royal Ahrend, we are committed to creating vitalising workspaces for end users around the world.

We have grown alongside small businesses that have become multinationals. We have helped transform sterile hospitals into welcoming, healing environments. We have turned impersonal schools into smart learning spaces where students can develop their talents.

Staying ahead in a constantly changing world of work is in our DNA. That is why we no longer only produce new furniture – we now refurbish used office furniture on a large scale. With the quality you have come to expect from us.

We create vitalising workspaces – whether this is at the office, at home or in any other working environment. We rise to the challenge and design sustainable workplaces that support the way you want to work. So that your job doesn't drain your energy, but gives you energy instead. Whatever your background or goals, we help you to optimally build on your talent.



Ahrend Qabin, Ahrend Balance, Ahrend Well, Ahrend Embrace

Vitalising workspaces

Royal Ahrend has been creating work environments that are good for people, organisations and the planet since 1896. 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 and is comfortably, ergonomically and functionally furnished, while promoting encounters and a sense of connection.

A vitalising workspace contributes to:



The well-being of employees



Sustainability goals



Diversity and flexibility



Our heritage

Our journey began with the Dutch entrepreneurial spirit of Jacobus Ahrend in 1896. For over 125 years, we have been building on this legacy to shape the future of the workplace. We look back on a rich heritage, to which we can add the historical lineages of Gispen and Techo. Below are some of the highlights of our journey. Admirable projects and legendary designs of which we are immensely proud.





Techo Hyll, Techo Fount, Techo Felt, Ahrend Well

Business model

Royal Ahrend supplies furniture and offers services for office, retail, education and healthcare environments via a portfolio of four leading furniture brands: Ahrend, Gispen, Techo and Gispen - Presikhaaf Schoolmeubelen. 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. The service portfolio consists of a wide range of services, from interior design, circular consultancy and customer specific furniture refurbishment to store furnishing, Furniture-as-a-Service and asset management.

Royal Ahrend's key customer markets are found in Europe and Asia. Our customers include both profit and non-profit (e.g. healthcare, education and (semi)government) organisations. Royal Ahrend has sales offices in its most important markets. Other markets are served by an

international team specifically set up to deliver projects to customers in non-home markets. In addition, Royal Ahrend is setting up a dealer network and an online channel to serve a broader customer group in Europe, Middle-East and Asia. In the Middle-East and the Asia-Pacific region, Royal Ahrend's growth plans are being further developed via the sales office in Dubai and the branch office in Singapore, as well as the joint venture called "Despace", which was established in January 2024. Despace aims to generate sales from providing pay per use space-in-space solutions in public places, such as airports, hotels and coffee bars.

Royal Ahrend's main raw material suppliers (wood, metal, textiles) are located in Europe.

Four leading brands:



Ahrend creates vitalising workspaces. We have been doing so for over 125 years, together with our customers all over the world. A vitalising workspace is a working environment where you feel at home. With smartly designed spaces that inspire, enhance wellbeing and encourage collaboration. Additionally, our circularly designed furniture and services contribute to achieving the sustainability objectives of organisations. As such, we support both organisations and employees to truly make a difference.



Gispen has been producing sustainable designs for over 100 years. Sturdiness you can build on and which can be extended and adapted again and again as trends and requirements change. We don't think in terms of new. We think about the future, and we have been doing so for over a century. For organisations, companies, educational institutions and hospitals that, like us, care about the future generations.



Techo represents clever and modular furniture that provides comfort and optimally supports employees in carrying out their jobs. There is a design to suit the needs of the client in any situation. The universal design language of the furniture means it can be matched to any environment: from an office to a home workspace, or from a lobby to a retail shop.



Gispen - Presikhaaf Schoolmeubelen creates optimal learning environments in which students discover and develop their talents. We produce sustainably, circularly and in a socially responsible way in the Netherlands. We do so in an environment where professional and personal development are guiding principles. Everybody is given the opportunity to apply their skills here. Distinctive by corporate social responsibility and pso-30+ certified.

As of January 2025 Presikhaaf Schoolmeubelen continues as Gispen.



Showroom Prague, Czech Republic

Our global playing field

Royal Ahrend is a global leader in the office furniture industry, with sales offices and production facilities across the world. This international presence allows us to serve our customers efficiently, wherever they are. By producing closer to our markets, we also reduce transport—minimising our environmental impact and lowering emissions.

Countries present

17

Showrooms

14

Factories

5



Key figures 2024

Financials

Total revenue

273,7 mln

Recurring EBITDA

26,4 mln

Direct margin

50,5%

Environment

Water withdrawal

13.090 m³

(-2% compared to 2023)



Scope 1 and 2 emissions

5.079 tonnes

(-56% compared to 2018)



Energy consumption

6.933 mwh

(-38% compared to 2018)



Waste water discharge

10.509 m³



Carbon emissions avoided by good recycling practices

1.728 tonnes



products Revived

66.740



Employees

Employee Engagement score

72,6

(+1,7 compared to 2023)



Headcount

1.038



Average FTE

998



Male / Female

67/33

67% male / 33% female

Board gender diversity

50/50

50% male / 50% female

Supervisory board gender diversity

60/40

60% male / 40% female

Sustainable products

Share of own product portfolio with verified LCA (EPD)

66%

of total sales volume

Share of own product sales compliant with highest standard
Ansi/Bifma M7.1.

72%

of total sales volume

Highlights

News



Launch most sustainable task chair: Ahrend Remode in collaboration with UNStudio



Opening Wood Hub in Prague



Royal Ahrend chooses new ERP system to enhance customer experience and power global growth



Ahrend participates in ORGATEC



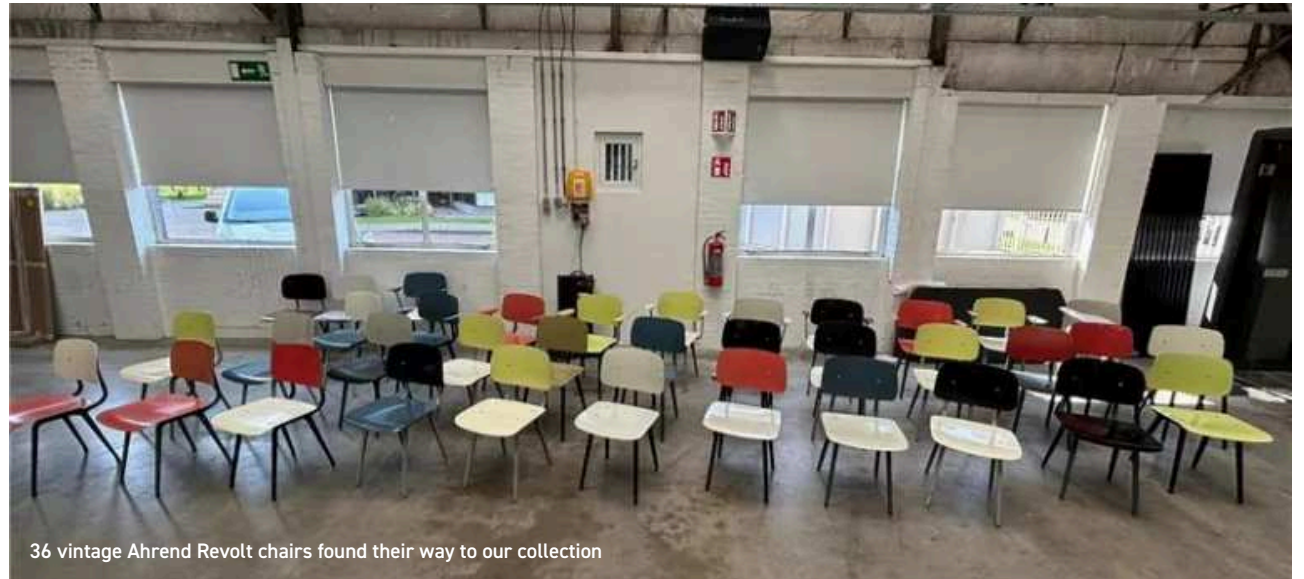
New CFO Claudia Mennen joins board of directors



Gispen organises inspiring event Expeditie Circulair



First electric trucks in use to further reduce our transport footprint



36 vintage Ahrend Revolt chairs found their way to our collection

Duurzaam ondernemerschap		Score
1	Koninklijke Ahrend	★★★★
2	G-Star Raw	★★★★
3	Nike Nederland	★★★★

Royal Ahrend ranks first in list with sustainable businesses in MT/Sprout

GISPEN TMNL
PRODUCT SUSTAINABILITY SHEET



48,6 KG Weight | 54,02% Recycled content | 99,13% Recycled content

First product LCA calculations were published in EPD's for Ahrend Remode, Gispens TMNL and Ahrend 2020



Product launches



Ahrend Remode



Ahrend Sway



Ahrend Link solo and duo



Gispén WIZZ



Gispén GRIP solo and duo



Techo Hyll pedestals

Product updates



Ahrend Ease - fully upholstered backrest



Ahrend Qabin new add-ons and Meet XL Present version



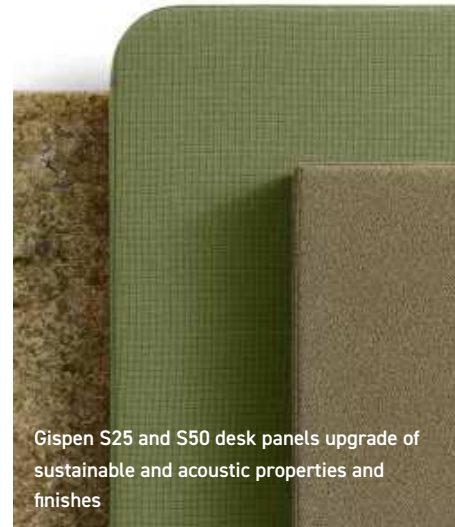
Ahrend S25 and S50 panels upgrade of sustainable and acoustic properties and finishes



Gispen ZINN expansion of gas lifts



Ahrend Cross expanded assortment



Gispen S25 and S50 desk panels upgrade of sustainable and acoustic properties and finishes



Gispen KOLM expanded product range

Projects



Ahrend: Tower Ten, The Netherlands



Ahrend: Avans Open X, The Netherlands



Ahrend: Gemeente Rijswijk, The Netherlands



Ahrend: Kyndryl, The Netherlands



Ahrend: MGEN, France



Ahrend: Miele, The Netherlands



Ahrend: FWO, Belgium



Gispen: Alfa College, The Netherlands



Gispen: FM Haaglanden Centrecourt, the Netherlands



Gispen: Hogeschool Rotterdam, The Netherlands



Gispen: Radboud hospital, The Netherlands



Gispen: Rijkshub Leiden, The Netherlands



Gispen: Fontys Hogeschool, the Netherlands



Gispen Presikhaaf Schoolmeubelen: primary school De Lichtkring, the Netherlands



Gispen Presikhaaf Schoolmeubelen: Primary School Paus Johannes, The Netherlands



Gispen Presikhaaf Schoolmeubelen: primary school De Driebond, the Netherlands



Municipality of Roosendaal, Gispem

Our people

Our people make the difference. They are the heart of our organisation, and their shared knowledge and expertise are the driving force behind our furniture collections and the services we offer. Below, you'll find interviews with three of our colleagues, sharing their thoughts on their work, what inspires them, and their ambitions for the future.



Meet our sustainability manager - Dionne Ewen

“The biggest impact we can make on CO₂ emissions? Extending the life of what already exists. That’s why circular services are an important focus point for us.”

Driven by a passion for sustainability and a background in economics, Dionne Ewen has made it her mission to turn circular ambitions into concrete results. As Manager Sustainability & ESG at Ahrend, she leads initiatives that extend product lifespans, minimise waste and reduce carbon emissions. In this interview, Dionne shares how circular services – from refurbishment to leasing models – are helping organisations achieve their climate targets and contribute to a more sustainable future.

[Read the full interview on our website](#)

Meet our interior designer - Bastienne de Haan

“People are at the heart of all our designs.”

With over 12 years of experience and a background in environmental psychology, Bastienne de Haan designs workspaces that truly focus on people’s well-being. At Ahrend, she combines behavioural insights with creativity to craft environments that enhance health, comfort and performance. In this interview, Bastienne explains how colour, form and a connection with nature play a vital role in her human-centric approach as well as why a well-designed workspace is key to organisational success.



[Read the full interview on our website](#)



Meet our Circular Hub manager - Bob Stamhuis

“Helping clients achieve their sustainability goals through circular furniture.”

With a strong commitment to sustainability, Bob Stamhuis leads Ahrend's Circular Hub, where over 100,000 pieces of furniture have been given a second life. Combining craftsmanship with circular innovation, Bob demonstrates that refurbished furniture can match the quality of new. In this interview, he shares how the Circular Hub combats waste, extends product lifespans and significantly reduces CO₂ emissions — all while reshaping the future of office environments. Discover how Bob's interest for circularity influences both his professional and personal life.

[Read the full interview on our website](#)

Gispen Triennial, Gispen Outline

03 Our business and sustainability strategy

At Royal Ahrend, our mission to create vitalising workspaces establishes both our corporate and sustainability strategies. In 2024, we strengthened our sustainability strategy, aligning with the SDGs and ESG topics, and initiated a Mid Term Plan with projects running until 2027.

In this chapter, we further elaborate on our corporate and sustainability strategies.

Message from our CFO

Claudia Mennen



When I stepped into the role of CFO in 2024, I immediately set to work on shaping our strategic plans for the years ahead. In 2024, we have further cemented our strategy by connecting our vision, mission and ambition with the Mid Term Plan, which is segmented into sub-projects.

At Royal Ahrend, we want to grow and realise our ambition of being the international leader in vitalising and sustainable workspaces by selling the right products in the right channels and markets through an effective and efficient organisation, along with the right team and spirit. This strategy is supported by embedding sustainability at the core of everything we do.

All colleagues around the globe have been informed in detail on the Mid Term Plan and receive updates on the progress of the sub-projects every quarter. It was very exciting for me to see the energy that all the project owners, leaders and members of the teams have put into the strategic projects immediately from the start and we are already seeing the first fruits of our labour.

Examples of results from the strategic projects include the launch of the highly sustainable Ahrend Remode chair designed together with UN studio, the expansion through indirect channels like dealers and online platforms, the development and implementation of a renewed product lifecycle management process, the merger of Presikhaaf and Gispen as the specialist in education and reporting our Scope 3 emissions for the first time in preparation to be CSRD ready. In addition, we have made a big step towards the pillar of being one company by choosing a new ERP system (IFS) and starting the implementation process for all entities of Royal Ahrend in Europe.



Techo Hyll, Ahrend Charge

In 2024, we also further shaped our four sustainability pillars (Sustainable Products, Circular Services, Climate Action and Social Fairness), connected them with our stakeholder input and have broken them down in tangible KPIs with clear targets attached to them, which need to be further integrated into the performance management system of Royal Ahrend. In terms of sustainability we have made significant steps by, for example, industrialising our refurbishment activities by setting up a refurbished chair assembly line at our factory and we initiated a Lifecycle Analysis for all product categories.

There are many global developments that are affecting our business sector at the moment, and through the European Omnibus Simplification all companies of our size have received some leeway when it comes to implementing the CSRD. Let me be clear: while the reporting may be lighter, our drive to achieve our sustainable ambitions remains just as strong.

I am proud to see what we have accomplished in terms of implementing our strategy and sustainability goals and I'm very excited to see them further rolled out in the coming years.

I would like to thank all colleagues for their unwavering energy and commitment to the implementation of our strategy and sustainability goals, while at the same time making sure the operational business keeps running smoothly. Onwards and upwards,

Claudia

A handwritten signature in blue ink, appearing to be 'C', with a horizontal line extending to the right.

Vision, mission and ambition

Vision

We believe that Vitalising Workspaces attract talent and enhance employee experience and are therefore key to the success of organisations.

Mission

We are Ahrend. We create Vitalising Workspaces that are empowering, sustainable and diverse. It is our mission to enhance the wellbeing and performance of employees and lead the way towards a circular economy.

Ambition

We are One Ahrend. International leader in creating vitalising workspaces. Market leader in the Benelux and globally recognised for our Dutch design and pioneering circular business models. A trusted, reliable and sustainable partner in enhancing wellbeing and performance in the workspace.

**Vitalising
Workspaces**

Sustainability

One Company

People

Digitalisation



National Government BZ73 the Hague, Gispem

Royal Ahrend corporate and sustainability strategy

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.



Selling the right products and services...

We focus our product strategy on defined customer segments and offer value-added services as companies sustainably transform and revitalise their workspaces.



...to the right channels and markets...

We drive profitable growth through strong product-market combinations, further enhanced by targeted strategic partnerships.



...through an effective and efficient organisation, with the right team and spirit.

We improve profitability by reducing complexity, increasing efficiency, aligning sales and supply chain, and fostering an entrepreneurial mindset.

Embedding sustainability at the core of *everything* we do.

Our sustainability strategy focusses on four themes and eighteen projects, which we matched to the Sustainable Development Goals (SDG) 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 reducing our greenhouse gas emissions to net zero before 2050. Furthermore, we focus on social fairness to achieve healthy and ethical operations across our entire value chain. We contribute to various SDGs through this renewed sustainability strategy. In the graphic below we connected our strategy to SDG's and the ESG reporting topics.

In 2023, we developed our sustainability strategy 2030, based on a double materiality assessment, to enhance environmental and social performance in collaboration with stakeholders. Our approach and outcomes are presented in the next chapter.

Ahrend's Business Code of Conduct and supporting policies—covering quality, environment, diversity, equity, inclusion, and human rights—guide our sustainability efforts. The Business Partner Code of Conduct ensures alignment with our sustainability standards across the value chain, reinforcing our commitment to responsible business practices.



ENVIRONMENT 

SOCIAL 

GOVERNANCE 

Sustainable products

Create healthy & sustainable workspaces for our customers

- Design our furniture with circular design principles
- Reduce the environmental footprint of our furniture
- Ensure healthy and safe indoor use with material and product compliance

Read more in the following chapters

- 07.1 Climate action
- 07.2 Resource use and circular economy
- 08.2 Consumers and end-users



Circular services

Close the loop for furniture by extending product useful life

- Closed loop service models for our own products
- Product service models as significant share of our revenue
- Circular product and business model growth

Read more in the following chapters

- 07.2 Resource use and circular economy



Climate action

Navigate towards Net Zero Greenhouse Gas Emissions by 2050

- Reach net zero greenhouse gas emissions
- Use certified wood and invest in reforestation
- Aim to create zero waste of our own products through circular systems for product end-of-life

Read more in the following chapters

- 07.1 Climate action



Social fairness

Organise healthy & ethical business operations that protect the value chain and contribute to all stakeholder interests

- Focus on gender balance and social employment opportunities
- Improve employee satisfaction
- Healthy and safe working environment in our business operations
- Evaluate and collaborate with suppliers for healthy and safe working environments in our value chain

Read more in the following chapters

- 08.1 Own workforce
- 09.1 Business conduct



Business ethics

Continuously improve our environmental and social business practices

- Zero severe violations of our Business Code of Conduct
- Global sustainable supplier management
- Embed sustainability in our business processes
- Advocate and engage with value chain for a sustainable industry

Read more in the following chapters

- 09.1 Business conduct





Gispem WIZZ

04 Performance in 2024



Financial performance

Operating income

The consolidated revenues of Royal Ahrend ended at €273,7mln (2023: €294,8mln), which is 7% lower than the previous year. Sales decreases are observed across all regions as a result of both changes in the economic climate as well as our strategic direction, focusing on integral result improvement through core activities, increasing our own product share and choice of market approach.

Direct margin on cost of raw materials and consumables improved from 48,3% in 2023 to 50,5% in 2024 through the aforementioned strategic focus and optimisation of the worldwide integrated Supply Chain, including the new wood hub facility in Prague.

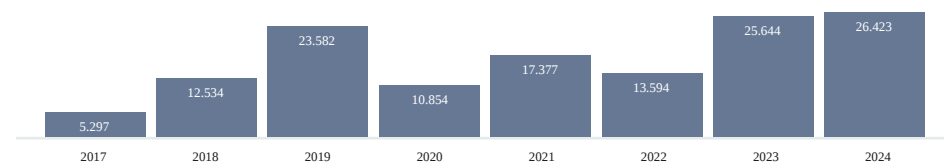
Wage expenses including social security charges remained stable around €76,5mln. Other operating expenses were lower than in 2023 by €3,7mln. Primarily attributable to decreased transportation, installation and housing costs, following lower gas and electricity prices. IT-

expenses increased in order to further strengthen the digital part of the organisation, including preparations for the new ERP-system.

Total expenses include non-recurring expenses for an amount of €3,3mln, compared to €2,4mln in 2023. Non-recurring expenses in 2024 are, amongst others, related to the new ERP-system.

Recurring EBITDA

Despite the lower volume, recurring EBITDA was exceptionally strong at €26,4mln (2023: €25,6mln), due to strong margin performance and cost control.



Recurring EBITDA (in thousands of euros)

Financial expenses and taxes

Financial expenses increased compared to 2023 by €0,6mln, primarily as a result of fluctuations in foreign exchange rates. In addition, the interest expenses on leases increased substantially following renewals and extensions for a number of significant real estate contracts at higher interest rates than in the past.

The 2024 effective tax rate was lower than in 2023, primarily explained by usage of deductible tax losses in Royal Ahrend.

Net result

The net result of 2024 ended at €4,8mln (2023: €6,0mln).

Solid financial base

The solvency ratio remained stable at 44,1% ultimo 2024 (2023: 44,2%). The net cash position improved from €12,3mln to €20,2mln by the end of 2024, explained by a positive result and a further improvement of working capital positions, resulting in a positive cashflow from operations. At the same time, significant investments were made in (in)tangible fixed assets, such as new software, the building of the new wood hub facility in Prague, investments in the lease asset portfolio of Circular Interiors B.V. and a new production line in Arnhem.

The balance sheet total increased from €189,4mln ultimo 2023 to €201,8mln ultimo 2024, primarily due to the improved cash balance and growth of tangible and right-of-use fixed assets.

Outlook 2025 and beyond

The Royal Ahrend mid-term plan for the period 2024-2027 contains a strategic path to increase performance year-over-year by focusing on selling the right product to the right markets via the right channels through an effective and efficient organisation. In 2025, the focus will be growing in volume through our mid-term plan initiatives, although the market is challenging, while at the same time keeping costs under control and further integrating the supply chain as well as further optimising the portfolio. Equally important in 2025 will be the next steps in the transition towards a new ERP-system for the coming years. Significant software and hardware investments have been planned.

In 2025, Royal Ahrend will keep investing in enhancing the efficiency of its organisation and the optimisation of its product range and services offerings towards its customers. It is expected that, as a result of the abovementioned structural changes and investments, Royal Ahrend is well-positioned for the future and the performance and profitability of Royal Ahrend will increase in the coming years.

The existing credit facility is expected to be sufficient to fund daily operations and planned projects.

Management closely monitors developments in the global market and proactively responds to changes therein.



Environmental performance

In 2024, Royal Ahrend made solid progress in advancing its environmental performance, building on its commitment to circularity, sustainable product development, waste reduction and climate action. We also took important steps to strengthen our data and target frameworks for a long-term impact.

Setting the framework

This year, we introduced an internal KPI framework to monitor progress on key sustainability areas, with a focus on high-impact projects. While not all KPIs have defined targets yet, the framework provides transparency and highlights priorities. In parallel, we have defined specific measures to track our progress and are preparing for the Science Based Targets initiative (SBTi) review of our reduction targets in 2025. As part of this preparation, we are improving the granularity of our Scope 3 data.

Sustainable products

Through our internal Lifecycle Management (LCM) process, sustainability requirements are now fully integrated into new product development. Lifecycle Assessment (LCA) modelling supports informed decisions about material use. In 2024, we increased the use of recycled plastics in new products, with environmental impacts assessed during development. Recycled plastics remain a high priority, and we will continue to increase the proportion of recycled plastics in our product portfolio.

Looking ahead to 2025, we will focus on integrating more recycled steel and pursuing partnerships with energy-efficient steel manufacturers. We are also exploring sustainable glass alternatives for our space-in-space solutions.



Ahrend Remode

- › 30% lighter than the average task chair.
- › Black version consists of 54% recycled materials.
- › 78% of the plastic used is recycled, of which 62% comes from the ocean.

Circular services

Our circular service offerings continue to grow. In 2024, we held €19,15 million in leased assets in the market - a 12,5% increase compared to 2023. Revenues from circular services such as consultancy, refurbishment, and Revived product sales also increased. While specific growth targets will be determined in 2025, this upward trend reflects a growing customer interest in circularity.

Climate action

Scope 1 and 2 emissions

We aim to reduce Scope 1 and 2 emissions by 85% by 2030 compared to 2018. By the end of 2024, we achieved a 56% reduction, keeping us on track to meet this target.

Our roadmap includes electrifying leased vehicles and encouraging alternative commuting. All major Dutch sites now run on renewable energy from wind and rooftop solar panels. By 2030, remaining Dutch and international sites will also switch to renewable energy through expanded solar installations in Taicang and Prague as well as Guarantees of Origin purchases.

Scope 3 Emissions

Scope 3 emissions make up 95% of our total carbon footprint. Our target is a 42% reduction by 2030, compared to the 2023 baseline. One of the key levers here is improving the footprint of our furniture portfolio.

We aim to calculate externally verified LCAs (Environmental Product Declarations) for 95% of our sales volume. By the end of 2024, we achieved 66% coverage. Older EPDs are being updated to meet the EN 15804+A2 standard.

We also made significant strides in sustainable logistics. In 2024, we transitioned to using fully electric lorries for deliveries in the Benelux. We also introduced inland waterway transport between the Port of Rotterdam and our Veghel warehouse, lowering emissions by 92% per tonne-kilometre compared to transport by lorry.

Waste and resources

In 2024, we expanded our waste management practices to track 18 different waste streams. Of all production waste, 67% was recycled, 26% was used for energy recovery and 4% was incinerated. Hazardous waste remained low at 2%, and we continued to avoid the use of hazardous substances in production wherever possible. Our water withdrawal remained stable at 13.090 m³.

Outlook 2025 and beyond

In 2025, we will submit our climate targets for validation by the Science Based Targets initiative (SBTi) and improve the accuracy of our Scope 3 emissions data. We will expand the use of recycled materials—particularly metals, glass and plastics.

We also plan to define clear growth targets for our circular services, including consultancy, refurbishment and Revived product sales. These services will continue to play a key role in supporting our customers' sustainability goals and expanding our circular business model.

Operationally, we will continue increasing the share of renewable energy used across all sites, building on the foundation we already established in the Netherlands. This includes expanding rooftop solar installations at our international factories and sourcing renewable electricity through Guarantees of Origin.

Finally, we will scale up our efforts to decarbonise our logistics, expanding the use of emission-free delivery options in the Benelux and exploring additional low-carbon transport solutions. Through these actions, we are confident that we will remain on track to meet our environmental targets for 2027 and 2030.



Social performance

In 2024, Royal Ahrend continued to strengthen its social performance, focusing on integration, employee experience, health and safety and diversity. Following a decade of growth through acquisitions and international expansion, we have taken key steps towards becoming one unified organisation. A milestone this year was the launch of the Royal Ahrend Company Guidebook, which outlines our company’s strategy, structure and cultural values while promoting collaboration across departments.

Employee experience

Our Employee Experience Index (EXI) reached 72,6 in 2024, a clear improvement over 70,9 in 2023. We also achieved our highest-ever response rate to the Employee Engagement Survey at 83,4%. Results highlighted the importance of leadership, communication and working conditions, which are all priorities that will be addressed in our 2025 follow-up plan.

In 2025, we will focus on engaging with our international teams to enhance collaboration and knowledge sharing. We also plan to launch a global leadership development programme in the second half of the year. This initiative will offer online and offline training, integrated into the Ahrend learning platform, to support the development of current and future leaders.

Health and safety

Our commitment to health and safety remained strong in 2024. All operations are covered by a certified occupational health and safety management system (ISO 45001) or relevant legal frameworks, ensuring 100% coverage of employees and non-employees.

We recorded eight work-related incidents in 2024, one fewer than in 2023. Of these, one was classified as a Medical Treatment Case (MTC). We continue to target zero severe workplace accidents by 2030. Additionally, we offered voluntary health checks at various locations, focusing on vitality, work-life balance and lifestyle. These checks, carried out by independent providers, support long-term employability and are part of our strategy to reduce absenteeism to below 4,5% in 2025.

Diversity and Inclusion

Gender diversity remains a key focus area. In 2024, we met our 2027 goal for the Board of Directors, which now has an equal gender balance. Company-wide, the workforce remains stable with at least 33% male and female representation. Sub-top management is currently 14% female, and we aim to increase this to 28% by 2027.

Our diversity efforts also extend to social inclusion. By the end of 2024, 11% of our workforce consisted of differently-abled individuals, consistent with 2023 levels. We will continue to encourage inclusive hiring practices and evaluate opportunities to increase diversity, especially in leadership roles, in the years to come.

Customer health and wellbeing

At Royal Ahrend, we design furniture that supports the health and well-being of users through ergonomic, adaptable and environmentally-responsible solutions. All new products follow a standardised development process, with a strong focus on indoor air quality and safe materials. By the end of 2024, 72% of our own product sales complied with the ANSI/BIFMA e3 M7.1 furniture sustainability standard, and we are on track to reach 95% by 2027.

Innovation plays a key role in promoting user well-being. In 2024, we launched a modular, glue-free hanging sofa for better hygiene and easy maintenance. These product enhancements reflect our commitment to creating healthy, comfortable and future-proof workspaces.

Outlook 2025 and beyond

In 2025, we will build on our progress by strengthening international collaboration and continuing to align our HR processes across all locations. A central focus will be on employee engagement, with tailored actions based on the results of our Employee Engagement Survey.

We will expand our learning and development initiatives, launching the global leadership development programme and integrating it into the Ahrend learning platform. Health and safety efforts will also be reinforced, particularly in reducing absenteeism and maintaining our goal of zero severe workplace accidents. We will continue working toward our diversity targets, especially by improving the representation of women in leadership positions and supporting inclusive practices across all levels of the organisation.

For consumers and end users, we will continue to prioritise health and well-being in our product design by expanding the use of safe, certified materials and enhancing ergonomic features across our portfolio. We aim to reach 95% compliance with the ANSI/BIFMA e3 M7.1 standard and increase supplier compliancy to Cradle to Cradle Certified® basic level requirements to 60% by 2027. Additionally, we will invest in research and innovation that supports both physical comfort and mental well-being in the workplace, ensuring our solutions remain aligned with evolving customer needs and sustainability standards.



Hogeschool Leiden, Gispén

Leadership and governance

Our perspective on leadership

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.

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.

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.

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. This means we are accounting for the broader environmental or social costs of our activities in our decision-making and pricing. This ensures that impacts such as emissions or resource use are no longer borne by society, but are integrated into our business responsibilities.

The board of directors catalyses change for sustainability through envisioning, inspiring, empowering and supporting ideas. They provide a compelling vision, encourage long-term thinking, make strategic investments and promote

intergenerational equity. All members of the Royal Ahrend Management Team broaden 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.

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 can we really make a difference.



Kees de Boer, sketching the Gispen WIZZ

Company culture

The work environments we create not only contribute to the success of other organisations, but also to our own. We want our employees to carry out their jobs with positive energy and enjoyment. This is reflected in having the opportunity to achieve challenging goals, feeling appreciated and being able to exert influence, for example.

It goes without saying that, as an Ahrend employee, you will experience what a vitalising work environment is like better than anyone else. This is why we launched an ongoing survey into employee satisfaction and vitality within our organisation in 2020. We asked our employees which words they associate with vitality in their work and work environment.

We derived four main cultural values from their responses:

- › Connection
- › Responsibility
- › Craftsmanship
- › Vitality

These cultural values are reflected in our day to day work, the interaction with colleagues, managers and clients as well as in the performance cycle. Together, these cultural values form the foundation of our vitalising work environment.

Code of business conduct

Royal Ahrend strives towards a business culture in which integrity and compliance are the norm. Our Code of Business Conduct, educates our employees about human rights, moral behaviour, labour circumstances, the environment and anti-corruption. The Code of Business 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.



Corporate governance

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, a Bermudian Trust, is the ultimate parent company and controlling party of Royal Ahrend (Koninklijke Ahrend BV). The financial and sustainability data of Royal Ahrend are included in the consolidated statements of both HAL Trust and HAL Holding NV. HAL Holding NV's registered address is in Willemstad, Curacao and its office is located in Rotterdam, Netherlands. The consolidated financial and sustainability statements of HAL Trust and HAL Holding NV are available at cost price at the office of HAL Holding NV and the statements of HAL Trust are also available via the website www.halholding.com.

Board of Directors

The Board of Directors of Royal Ahrend manages the strategic, commercial, sustainability, financial 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 society.

In late 2023, the Supervisory Board promoted Rolf Verspuij to CEO of Royal Ahrend. After a careful external search and selection process, Claudia Mennen was appointed as the new CFO of Ahrend on April 1, 2024.

On 31 December 2024, the Board of Directors consists of the following members:

- › R.M. Verspuij (CEO and Statutory Director)
- › C.M.P. Mennen-Vermeule (CFO and Statutory Director)



Rolf Verspuij

***1977, the Netherlands**

2012 Joined as CFO

2023 Appointed CEO



Rolf Verspuij has been CEO of Royal Ahrend since 2023, where he works alongside a global team to design, manufacture and refurbish sustainable office furniture.

Prior to this, he was CFO at Royal Ahrend since 2012 and held various positions at Royal Gazelle, Lampenier and V&D. Rolf has also been a member of the Supervisory Board at BrabantZorg since 2018.

Claudia Mennen

***1973, the Netherlands**

2024 Joined as CFO



Claudia Mennen has been CFO of Royal Ahrend since 2024, where she plays a key role in shaping the financial strategy and driving the company's mid-term plan, MTP 2027.

She began her career over 25 years ago as an auditor at PwC and went on to hold various executive positions at Dockwise, Green Gas and BrandLoyalty. Claudia also serves as a supervisory board member at Efteling and Enstall.

Supervisory Board

The Supervisory Board consists of the following members on 31 December 2024:

Joost Van Meerbeeck

***1964, Belgium**

2013 Joined as chair
2018, 2022 Re-elected
2026 Current election period expires



Extensive and long-term experience in international finance and business, knowledge of corporate governance and investor relations. Including McKinsey, HAL Investments, Royal Ahrend. Created SUSTINVEST and nowadays working in an advisory role at HAL and as a non-executive board member at a number of HAL subsidiaries, other companies and investment funds.

Ard Vink

***1977, the Netherlands**

2016 Joined
2020, 2024 Re-elected
2028 Current election period expires



Strong international background shown in 20+ years of experience in long-term investing in listed and non-listed organizations. Extensive knowledge of businesses in his role as executive and non-executive board member in various industries.

Peter Doodeman

***1956, the Netherlands**

2018 Joined
2023 Re-elected
2027 Current election period expires



Strong international background in innovation, marketing, sales and production of fast moving consumer goods, whereby significant growth was achieved in marketshares and profitability. Managed several reorganisations and realised organic growth through acquisitions. Leadership growth and development has been key throughout his career.

Mayte Oosterveld

***1974, the Netherlands**



2023 Joined

N/A Re-elected

2027 Current election period expires

All-round finance professional, with international experience and strong strategic, M&A and legal skills. Prior to becoming CFO at Just Eat Takeaway.com she started her career in investment banking at Goldman Sachs and spent 15 years in food retail, with M&A and finance roles at Ahold Delhaize and as CFO at PLUS Supermarkets.

Ivanka Janssen

***1956, the Netherlands**



2023 Joined

N/A Re-elected

2027 Current election period expires

Seasoned Chief Supply Chain Officer (CSCO) with over 25 years of international leadership experience across industries. Her expertise includes operations, manufacturing, supply chain, digital transformation and innovation management.

Ivanka Janssen was appointed CSCO at Swarovski in July 2023. Prior to joining Swarovski, she held positions at Philips, PepsiCo, Diageo and Philip Morris.



Word from the Supervisory Board

The Supervisory Board of Royal Ahrend reviewed the annual reporting 2024 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 2024 and discharge the Board of Directors.

The Supervisory Board supervises the Board of Directors and the general affairs of the company and its affiliated companies. It closely monitors the execution of the strategy. The Supervisory Board is actively involved and provides management with advice when deemed necessary.

Developments and financial results

In late 2023, the Supervisory Board promoted Rolf Verspuij to CEO of Royal Ahrend. After a careful external search and selection process, Claudia Mennen was appointed as the new CFO of Ahrend on April 1, 2024.

The financial year 2024 was the first year of the new mid-term plan. Focus was on strategic sales and revived and circular activity, increasing own product share, operational stability, including operation of the new wood hub in Prague, and cost control. This focus and targeted action led to a strong overall result, despite lower volumes.

During 2024, the Supervisory Board members received management reporting of Royal Ahrend on a monthly basis. The financial performance, progress towards realisation of the mid-term plan, operational challenges and expectations for the future were discussed at SVB-meetings.

Activities

The Supervisory Board held five meetings during the financial year in addition to other moments of contact regarding significant topics, such as the selection and implementation of the new ERP-system. The independent auditor attended the SVB-meeting of April 2024 to discuss the financial results of 2023. In addition, the independent auditor attended all three meetings of the Audit Committee to discuss the annual reporting 2023, audit plan 2024 and the management letter 2024.

The following decisions have been made by the Supervisory Board (not limitative):

- Approval annual reporting 2023
- Approval profit appropriation 2023
- Approval budget 2025
- Approval choice of new ERP-supplier

Reflection of the Board

In absence of the Board of Directors, the Supervisory Board both 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 the past year.

J.L.M. Van Meerbeeck
(Chairman)



Municipality of Roosendaal, Gispem

Risks and uncertainties

Royal Ahrend is being confronted with all types 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 necessary. Periodically local management is requested to identify and evaluate local risks. The outcome is then discussed with Royal Ahrend's management. In general, the risk appetite of Royal Ahrend is low. Measures are taken to mitigate the risks to the desired level.

Risk analysis

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

Key strategic objectives	Key Risk	Description	Main mitigating actions
Vitalising workspaces	Assortment	Assortment of product offerings could not match market demand	Continuous investment in a strong product development process including feedback loop. Development based on research, strategic marketing and design. Targeted approach to different market segments.
People	People	Workforce composition and behaviour could not fit with our corporate strategy	Providing for a vitalising work environment, strengthened by a performance management cycle which emphasises development, continuous learning and feedback. In shaping culture and working environment management is supported by a works council. Annual personnel review.
Sustainability	ESG	ESG accomplishments could stay behind on goals defined and communicated	Sustainability is in our DNA and heritage. Our strategy, culture, policies and trainings reflect this. Our dedicated sustainability team focuses on our sustainability offerings, working together with suppliers and reporting on our sustainability achievements. The organisation is moving towards an integrated production process for new and revived products, further instilling the sustainable offering into our organisation and markets.
One Company	Safety	Hazardous situations at the work floor could occur	Culture of safety awareness. Safety protocols, recurring trainings and mandatory protective gear on the workfloors. Regular safety meetings and inspections.
One Company	External	External events could negatively impact our production, warehousing and way of working	Ability to respond to changing circumstances. Working from multiple locations is but one of our tools. Local and group management monitor worldwide developments, engage in due diligence procedures and take actions to mitigate impacts. Emergency response plans are in place.
One Company	Fraud	Fraudulent actions, bribes and misappropriation of assets could occur	Ahrend has a wide set of policies governing behaviour, fitting within Ahrend's culture as pronounced by management. The policies are linked to one another via the overarching Code of Conduct. Employees are being trained on the policies. A system of internal reviews and approvals is in place.
One Company	Legal	Potential non-compliance with laws and regulations	Ahrend's legal department actively monitors changes in and compliance with laws and regulations. Employees engage in relevant education and training. Reporting lines and systems of reviews and approvals in place. External reviews are performed via our certification programs, e.g. ISO. Annual legal review with the Audit Committee.
One Company	Financing	High costs for financing the organisation, including foreign exchange risk, could occur	The Treasury function is actively managed by a dedicated group of controllers. Our long-term credit facility in place provides for sufficient short-term funding of day-to-day operations and liquidity needs.
One Company	Reporting	Incomplete financial and CSRD reporting could occur	Professional financial reporting and dedicated sustainability teams, who are regularly trained. Segregation of duties and system of internal control in place.
Digitisation	IT	IT systems might not support the strategic vision and business processes	Implementation of modern tooling, including planned implementation of new ERP. System of controls, testing, change management and back-up procedures in place.



06 Sustainability Statements 2024

Royal Ahrend

This is Royal Ahrend's first integrated report prepared in accordance with the European Sustainability Reporting Standards (ESRS). While the report is not yet fully aligned with all ESRS requirements, it marks an important first step towards compliance. It has been developed to offer a transparent view of our environmental, social and governance (ESG) performance. Please note that this report has not been independently verified by a third party.

Our approach to sustainability

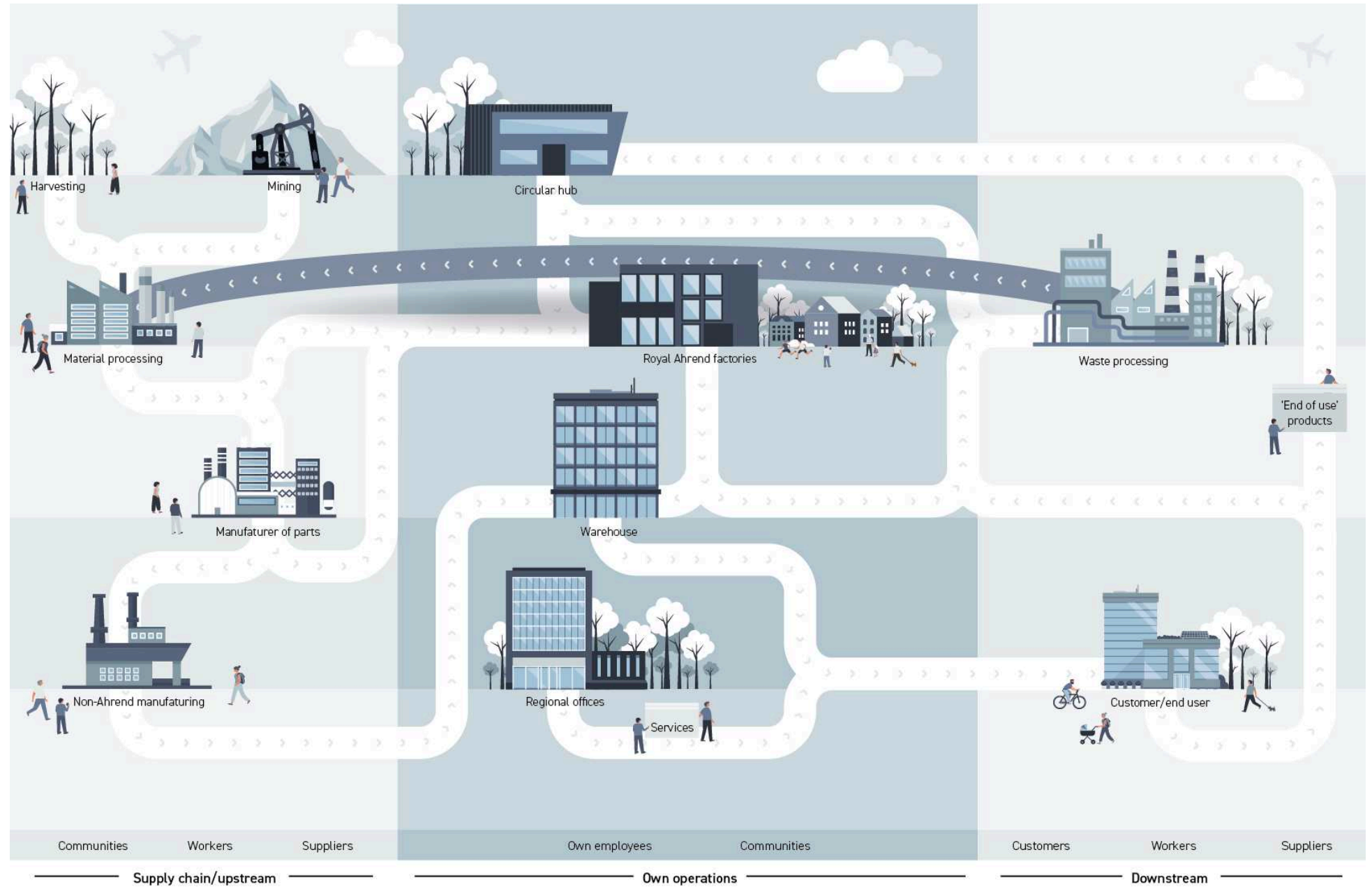
It is Royal Ahrend's mission to create vitalising workspaces worldwide, with sustainability being a cornerstone of our corporate strategy. We integrate sustainability principles into our own business operations and in relation to our value chain, focusing on the strategic pillars of our sustainability strategy.

Through vast experience in sustainable furniture design, circular business development and resource efficiency, we aim to increase our circle of influence towards our value chain to improve our mutual sustainability performance. Royal Ahrend focuses on quantitative decision-making for sustainability topics by collecting and analysing data from our value chain, including supplier-provided Environmental Product Declarations (EPDs).

This approach delivers clear benefits: customers receive transparent sustainability insights and we build a solid sustainability roadmap with supporting metrics to report to our financial stakeholders, guiding us when interacting with policymakers, NGO's and associations.

Royal Ahrend engages with upstream suppliers of materials, logistics and energy, while downstream, we provide sustainable workspace solutions to corporate clients, governments and institutions, emphasising circularity, refurbishment and end-of-life solutions. As a leader in circular office furniture, we collaborate across the industry for environmental and social impact and creating long-term value.





In 2023, we developed our Sustainability Strategy 2030, based on a double materiality assessment, to enhance environmental and social performance in collaboration with stakeholders. Our approach and outcomes are presented in the next chapter.

Ahrend's Business Code of Conduct and supporting policies—covering quality, environment, diversity, equity, inclusion and human rights—guide our sustainability efforts. The Business Partner Code of Conduct ensures alignment with our sustainability standards across the value chain, reinforcing our commitment to responsible business practices.

Revenues and business activities

Royal Ahrend's revenue is classified under NACE section C.31.01 Manufacture of office and shop furniture. C-Manufacturing is classified as high impact sector. No business activities or revenues are attributable to fossil fuel sector, chemicals production, controversial weapons or cultivation and production of tobacco. Revenues do not originate from ESRS sector classification. Royal Ahrend's business model [is described here](#).



Double materiality process and outcomes

In 2023 and 2024, Royal Ahrend performed a materiality assessment based on double materiality, emphasizing both financial and impact materiality. In 2023, we engaged with stakeholders through workshops, interviews and a dialogue session facilitated by the Social Economic Council (SER). Internal stakeholders represented employees from various regions and departments. External stakeholders included suppliers, financial stakeholders, NGOs and unions representing affected stakeholders from a social and environmental perspective.

Customer views were added by assessing requests for proposals received during the year. In addition, insights from research about indoor air quality, work environments and requirements for building certificates were added to the assessment. Structural stakeholder engagement is described in the next chapter. Sustainability-related risks, impacts and opportunities are evaluated alongside other business risks, ensuring a balanced prioritisation approach. Scores

are summed up to determine the importance of a material topic. We identified and prioritised financial and impact material topics related to Royal Ahrend's business and corresponding impacts, risks and opportunities.

Material impacts, risks and opportunities

During a first materiality workshop, conducted in 2023 with colleagues from headquarters (both director and management level), we determined the relevant matters for our company. At a later stage 15 of these matters have been discussed with three internal stakeholder groups and a representative group of external affected stakeholders

Following our internal risk management approach, we have scored all impacts, risks and opportunities (IRO) resulting in eight matters that were considered material for Royal Ahrend (see table). In 2026, we will add additional information to our materiality assessment and update it to ensure that this reflects the external conditions and our organisational priorities. Any modifications will be reported in next year's Integrated Report.

For the purposes of this sustainability statement, the medium-term horizon is defined as 3 years (2027), and the long-term horizon is defined as 6 years (2030), in alignment with our strategic planning and risk assessment frameworks. Climate targets have an additional long-term horizon set at 2040 and 2050.

Material matter	Definition	IRO description	IRO classification	Value chain
Responsible materials	Responsible material selection and use in products produced by Royal Ahrend	Demand for virgin materials poses risk on the environment and exhausts natural resources	Negative impact	Upstream, own operations
		Substitute virgin materials by high quality recycled and other innovative materials, while assessing circular pathways for materials without pollutant exposure after recycling	Opportunity	Upstream, own operations
		Recycled and other innovative materials are more expensive than virgin alternatives and cause price increase for final products	Risk	Upstream, own operations, downstream
<i>ESRS topic: Resource use and circular economy</i>				
Circular products and systems	Create circular products and close the loop for furniture by extending product useful life	Reduce environmental impact by circular product design and scaling circular services model	Positive impact	Upstream, own operations, downstream
		Growing demand for circular services to extend product lifetime	Opportunity	Upstream, own operations, downstream
		Scalability of Revived proposition is dependent on availability of take-back stock on the market	Risk	Upstream, own operations, downstream
<i>ESRS topic: Resource use and circular economy</i>				
Climate action	Navigate towards Net Zero Greenhouse Gas Emissions by 2050	Scope 3 emissions are majority of all GHG emissions	Negative impact	Upstream, own operations, downstream
		Ability to influence upstream and downstream value chain in achieving climate targets	Opportunity	Upstream, downstream
<i>ESRS topic: Climate action</i>				
Environmental integrity in supply chain	Organise environmental friendly business operations through supplier management to protect nature	Set minimum requirements for suppliers and commodities to ensure acceptable environmental standards and reduction of environmental burden	Positive impact	Upstream
<i>ESRS topic: Governance</i>				

Responsible production	Organise responsible production practices in own operations and upstream supply chain	Greenhouse gas emissions will occur during production processes	Negative impact	Upstream, own operations
		Sustainability as driver to reduce production costs through process efficiency and automation	Opportunity	Own operations
		Global supply chain is complex and difficult to manage excessive supplier base	Risk	Upstream
<i>ESRS topic: Climate action & Governance</i>				
Employee health and wellbeing	Organise healthy & ethical business operations for own employees	Safe and healthy work environment leads to reduction of accidents and illness rates	Impact	Own operations
		Organise alternative worker representation in operating countries lacking union rights	Opportunity	Own operations
<i>ESRS topic: Own workforce</i>				
Customer health and wellbeing	Create office designs securing a healthy and sustainable workspace for customers and end-users	Ergonomic and adaptable furniture supports healthy working posture for office workers at their (hybrid) working environment	Positive impact	Downstream
		Materials may be a pollutant source affecting indoor air quality and thereby the health of office workers	Negative impact	Downstream
		Enhance user health by incorporating proper ventilation, sound absorption and lighting in office pods	Positive impact	Downstream
		Research and adopt innovations to improve user health and wellbeing at work environments	Opportunity	Downstream
<i>ESRS topic: Customers & end-users</i>				
Social fairness in supply chain	Organise healthy & ethical business operations through supplier management to protect workers in the upstream value chain	Furniture manufacturing tasks are well-suited to employ and train persons with disabilities, since the sector offers a variety of roles that can be adapted to different skill levels, providing valuable opportunities for skill development and career growth.	Opportunity	Own operations
		Gender distribution in own workforce, management, board and supervisory board	Opportunity	Own operations
<i>ESRS topic: Own workforce</i>				



Engaging with our stakeholders

Royal Ahrend engages with stakeholders on a regular basis and reaches affected stakeholders indirectly by consulting NGOs. With this approach we exchange knowledge with our stakeholders to ensure inclusion of their views in our sustainability approach.

Worker representation is organised per country in adherence to all applicable local labour laws and regulations. We have established works councils in the Netherlands and France. Each year, we conduct an employee engagement survey to gather feedback on our people's work experience and collect suggestions for improvement. In addition, we have implemented a global 'Speak Up' procedure to provide a safe, anonymous and accessible way for employees to raise concerns.

Stakeholders	Purpose of engagement	Type of engagement	Outcomes
Employees	Enabling decision making by taking into account employee experiences and views	Workshops	Leadership, culture and communication actions
		Annual employee experience survey	HR vitality program
		Quarterly board Insight Out	
		Employee representation bodies	
		Personal development dialogue	
Customers	Building trust and enable customers to reach their goals	Customer support	Improved services and products
		Project and periodic meetings	Workplace developments
		Customer satisfaction surveys	
		Review meetings	Reporting tools
		Calls and e-mails	
Suppliers	Building trust and align suppliers to Royal Ahrend goals	Supplier due diligence	Supplier onboarding process
		Project and periodic meetings	Preferred supplier pyramid
		Review meetings	Improved services and products
Financial stakeholders	Insight in implications of sustainability on insurance and financial matters	Periodic meetings	Risk evaluations
		ESG workshop days	Furniture as a Service
		Reporting	
		Calls and e-mails	Reporting standards
NGOs	Indirect insights from affected stakeholders that cannot be consulted directly	Periodic meetings	Supplier onboarding process
		Workshops	Development of stakeholder dialogue sessions
Associations	Industry collaboration and standardisation	Periodic meetings	Standards, knowledge sharing
		Workshops	
Local community	Building trust and gathering community feedback and concerns	Occasional visits	Policy for factories and transport
		Calls and e-mails	
Government and policymakers	Contributing to policy development and compliance with ESG legislation	Periodic meetings	Factory policies, energy efficiency programs, best practices sharing
		Workshops	

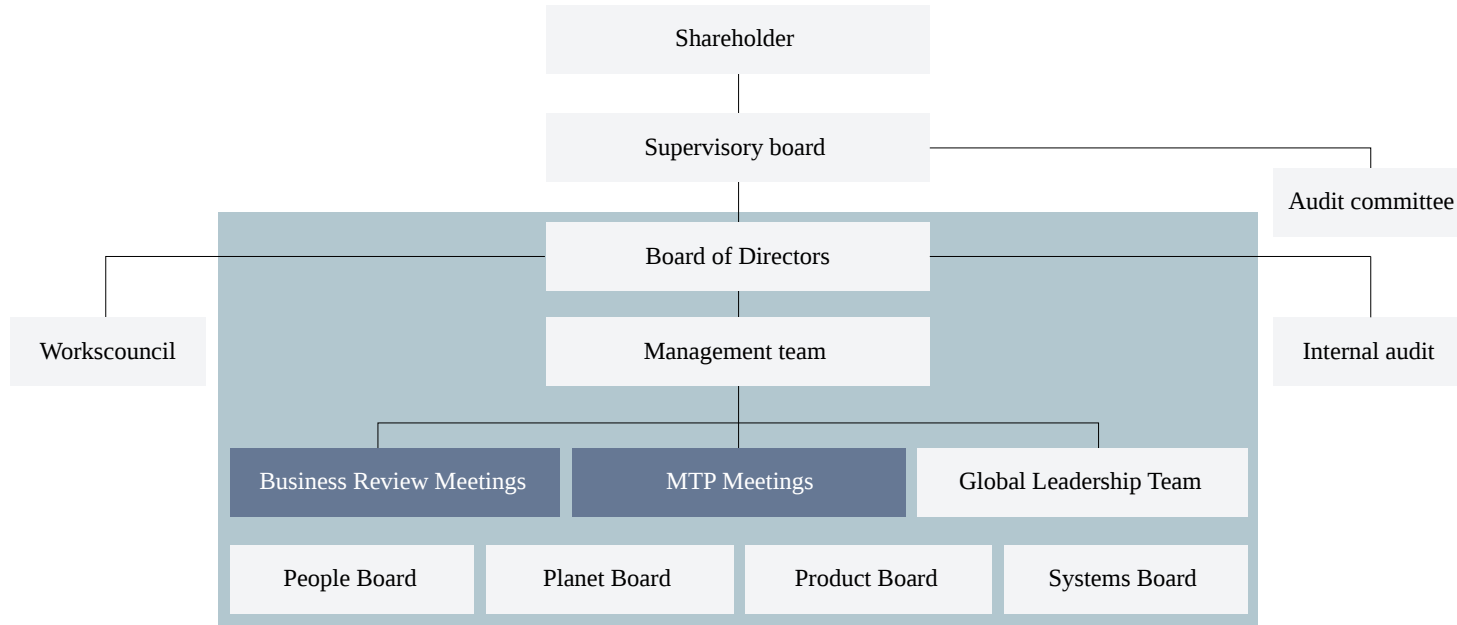


BDO Maastricht, Ahrend

Sustainability governance

Royal Ahrend's Board of Directors oversees sustainability IROs and delegates specific topics to the management team in relation to their specific expertise. Sustainability governance is embedded within internal controls and functions, fostering integration across departments. Sustainability targets are defined and approved by the Board of Directors during bi-monthly Planet Board meetings. Progress and developments towards reaching these targets are discussed during these meetings.

Royal Ahrend's sustainability team, which reports to the CEO, ensures that oversight is exercised effectively. Reporting lines and KPIs are clearly defined, ensuring alignment with management, the various departments and the Supervisory Board. The Board of Directors, management, sustainability team and the various departments have KPIs connected to variable remuneration linked to sustainability matters. These KPIs are reviewed annually.





Basis for preparation

This year's report is Royal Ahrend's first step towards CSRD reporting. Although we are first eligible for reporting over the year 2028, we have decided to move forward and gradually bring our Integrated Report in line with the ESRS standard for sustainability reporting. The sustainability statements have not been verified by an external third party.

Royal Ahrend reports on all its global activities, which is consistent with the financial consolidation scope. Where relevant, we included sustainability information with significant upstream and downstream impacts, risks and opportunities. For example scope 3 greenhouse gas emissions in the chapter 'climate action'.

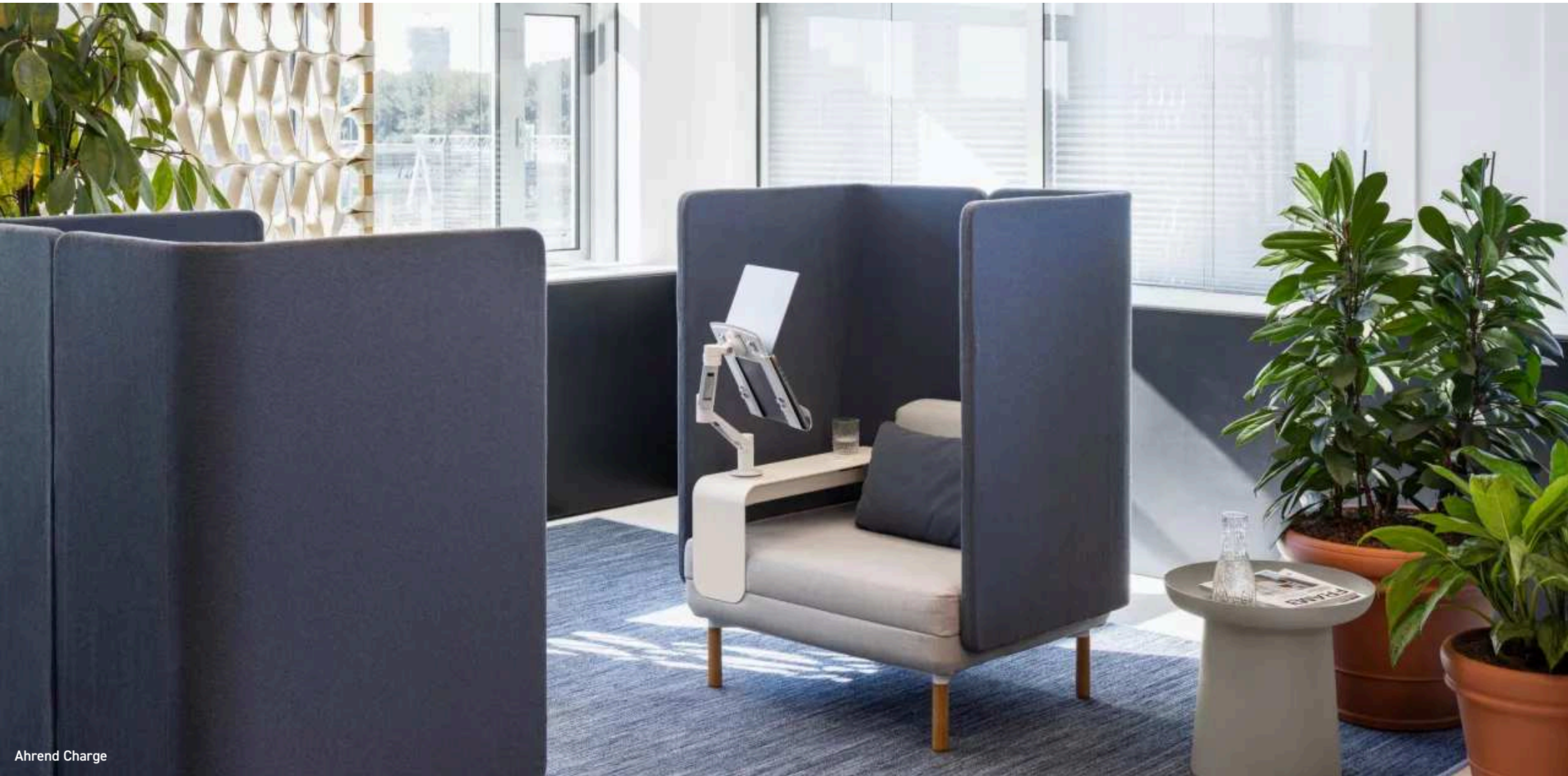
The reporting period corresponds to the financial year, ending on December 31, 2024. Data from prior years are included whenever possible to support understanding of developments towards reaching specific targets. This report applies cross-cutting standards (ESRS 1 and ESRS 2) and topical standards:

- › ESRS E1: Climate action
- › ESRS E5: Resource use and circular economy
- › ESRS S1: Own workforce
- › ESRS S4: Customers and end-users
- › ESRS G1: Business conduct

We have considered the double materiality principle to consider both impact materiality and financial materiality. The materiality process is explained in chapter 'Double materiality process and outcomes'. In line with the double materiality assessment, we have only included disclosures that were deemed material. Omissions will be explained per chapter.

Estimates and assumptions will be explained in specific chapters. Due to data limitations we used assumptions to determine scope 3 emissions. Methodologies used are disclosed, including significant limitations or uncertainties. Data used for the preparation of the sustainability disclosures comes from internal systems, third-party providers (e.g. databases), and primary data collected from operations and suppliers. Royal Ahrend has implemented methodology documents to ensure the reliability, completeness, and consistency of the reported data.

In the upcoming reports, changes to prior years will be reported in relevant chapters. This includes changes in definitions, methodologies or scope.



Ahrend Charge

07 Environmental information

As a furniture company, Royal Ahrend is very aware of the environmental impact on its operations and value chain. Every day we work to improve our impact by focusing on three different projects: sustainable products, circular services and climate action. Our goal is to ultimately reduce our greenhouse gas emissions to Net Zero by 2050.. Together with our suppliers and customers, we aim to reach this goal and make a real difference.

The past few years we worked on prioritising the projects that have the highest potential and impact. This resulted in a robust sustainability strategy focused on three environmental topics:

› **Sustainable products**

Our products represent approximately 30% of our scope 3 emissions and contain a wide variety of materials. The way we design and construct our products is crucial to reducing our environmental impact. We are therefore committed to making our products responsibly, with low VOC emissions and free from pollutants.

› **Circular services**

In close collaboration with our customers, we have developed services to extend our furniture's lifespan. By scaling our circular services model, we can reduce greenhouse gas emissions together with our suppliers and customers.

› **Climate action**

We have implemented ambitious climate mitigation measures to reach net zero greenhouse gas emissions by 2050. Various company wide projects contribute to reaching our goals and in collaboration with our value chain we contribute to a positive movement within the furniture industry.

Our environmental topics will be explained in the following chapters. All three contribute to ESRS standards climate action and resource use and circular economy. For example, we explain how sustainable product design contributes to taking climate action and what the effects are on resource use and circular economy. We believe that making integral decisions based on both climate action, resource use and the circular economy supports the best decision-making.



Climate action

In 2023 we committed ourselves to setting targets for reaching Net Zero emissions by 2050. In 2024 we mapped all our scope 3 emissions and we will have our targets validated by the Science Based Targets initiative (SBTi) in 2025. The IRO's found in our double materiality process are described in the following table.

IRO description	IRO classification	Value chain
Scope 3 emissions make up the majority of all GHG emissions	Negative impact	Upstream, own operations, downstream
Ability to influence upstream and downstream value chain in achieving climate targets	Opportunity	Upstream, downstream
Greenhouse gas emissions will occur during production processes	Negative impact	Upstream, own operations
Sustainability as driver to reduce production costs through process efficiency and automation	Opportunity	Own operations

As for most companies, our scope 3 emissions are the majority of our greenhouse gas emissions. In 2023 95% of all our emissions are accounted for in scope 3. The majority of these emissions relate to material production for our own furniture, third party furniture and other products sourced for customers, non-product related spend (NPR) and transportation. And although greenhouse gas emissions will occur during production processes, there are also developments to reduce these through innovation, process efficiency and automation. Which ultimately also may result in reduced costs of operations.

Royal Ahrend has an opportunity to influence both the upstream and downstream value chain, because of our direct business model. In collaboration with our customers we can set climate targets for specific projects. Our international focus helps us to service global companies worldwide with the same expertise and products, scaling the environmental benefits. As a large furniture company in Europe we can create enough scale for most suppliers to influence their climate actions. Our focus on the value chain is crucial in climate change mitigation, because of our dependence on these stakeholders.

The responsibility for reaching our climate objectives lies with the Board of Directors, with delegated tasks to the sustainability team and key internal stakeholders like purchasing, sales and marketing. Departments and employees involved have set specific KPIs to contribute to these objectives. Corporate governance is explained in chapter 05 Leadership and governance.

Climate transition plan

In 2025 Royal Ahrend will finalise the climate transition plan in which our actions and milestones will be determined towards reaching net zero emissions in 2050.



Circular Hub, Veghel

Our actions

Our actions to reduce greenhouse gas emissions in scope 1, 2 and 3 focus on several projects. Primarily: the development of sustainable products and circular services to extend the product lifespan.

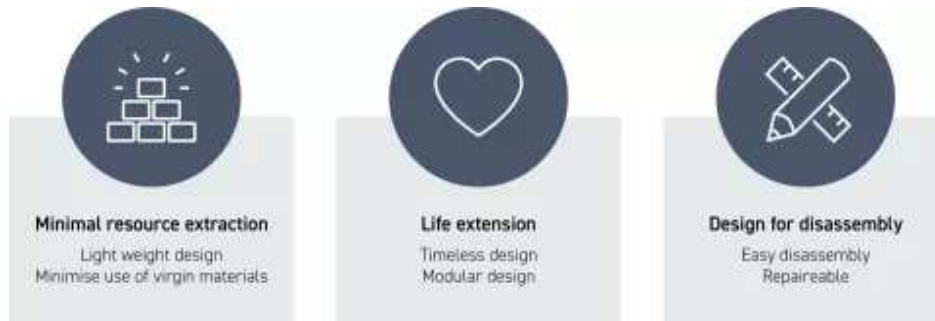
Sustainable products

Embodied carbon emissions

Since several years we are calculating the environmental impact of our furniture with lifecycle assessments (LCAs). In 2024 we calculated LCAs for various additional products, representing the majority of our product portfolio. We will improve our furniture designs compared to previous products following the Ecodesign principles. For desk chairs, desks and office pods we are setting specific reduction targets as part of our broader scope 3 emissions reduction commitment.

	Office pods	Desking	Screens	Storage steel	Storage wood	Seating hospitality	Soft seating	Meeting tables	Task seating
EPD available: 2023		●		●		●			
EPD available: 2024	●	●	●	●	●	●			●

We have adopted the following design principles for new furniture: minimal resource extraction, life extension in design for disassembly. These design principles support our strategy to further grow our circular services. During the design and construction phase we calculate embodied carbon to ensure improvements in new furniture designs.



Circular services

As Royal Ahrend, we have further developed our circular business model and expanded our revenue yielding from these circular models. In the coming years, we are committed to increasing our share of circular services revenues and supporting more customers in achieving their workplace climate targets.

Circular consultancy

In the past year we have worked on further professionalising our circular consultancy activities. Together with several customers we evaluated our furniture reuse quick scan and developed a scenario builder tool to support workplace decision making in line with climate targets. During the workspace design process we support our customers with options for refurbishment and reuse of existing furniture and available Revived furniture. With circular consultancy we are able to further grow circular workplace design together with our customers.

Revived furniture

Revived is Royal Ahrend's brand for previously used furniture that is ready for reuse by a new owner. These products pass through the same quality checks as newly produced furniture and receive a full warranty, ensuring the products are as good as new. In 2024, we insourced refurbishment activities into our regular production process at the Sint-Oedenrode factory. By doing so, we took an important step towards industrialisation of furniture refurbishment, enabling us to refurbish higher quantities and supply high-quality Revived products to our customers.

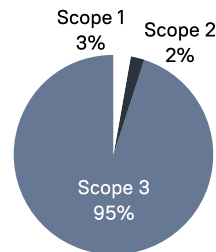
Revived product development

Often furniture is discarded because the design, colour or function does not match current demands. Most furniture is discarded before reaching the end of its technical life. Therefore we are redesigning Royal Ahrend furniture that was designed several decades ago. For these products we are creating modular solutions that build on existing design components, while upgrading them to the latest standards. In 2025, we will launch the first redesigned furniture solutions.



Other actions in scope 1, 2 and 3

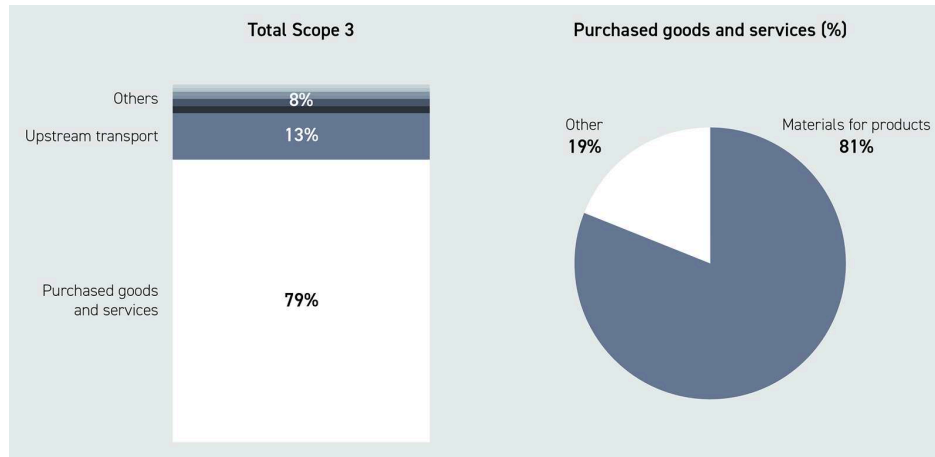
Our actions towards Net Zero in 2050 will be described in our climate transition plan. Over the past few years, we have set up an energy management plan according to ISO 50001 with yearly actions to reduce energy consumption and increase the share of renewable energy in our global operations. Our scope 3 action plan is to be finalised in 2025.



Scope 1 and 2

Royal Ahrend's scope 1 and scope 2 emissions are 5% of our total emissions. In recent years, we have reduced scope 1 and 2 emissions by 56%, exceeding our 2025 goal of 50% reduction compared to base year 2018. In 2024, we took additional measures to further reduce these emissions.

2024 was the first full year of operations for our wood hub in Prague. This resulted in lower energy consumption compared to prior years, because this location uses energy efficient machines to produce wood-based products. Furthermore, in 2024 we initiated preparations for the integration of the metal departments of Sint-Oedenrode and Arnhem (Netherlands). In the upcoming years we will further invest in renewable energy for our locations ensuring 100% renewable energy by 2030.



Scope 3

In 2024, we calculated the scope 3 emissions from 2023. In close collaboration with various departments, we gained insight into the primary drivers of our global emissions. At the same time we implemented reporting software that will enable us to track our support tracking progress in the upcoming years. Through detailed supplier information, lifecycle assessments of our own product portfolio and spend analysis we were able to calculate our greenhouse gas emissions quite accurately. In 2025 our targets will be reviewed by Science Based Targets initiative (SBTi).

Transportation and logistics

Transportation accounts for 12% of Royal Ahrend's global emissions. Therefore we are expanding the share of electric trucks to deliver furniture to our customers. By the end of 2024 we had three fully electric trucks and in the coming years we will gradually grow this share.

Another action of importance is the improvement of First Time Right (FTR) deliveries. When we deliver complete, on time and without complaints we reduce unnecessary transportation. In 2024 we have reduced the costs related to deliveries in the Netherlands and Belgium and in 2025 we will aim to make further improvements.

At this moment, approximately 30% of our mechanic vans are fully electric. The majority of our vans belong to the service department in the Netherlands. When vans are to be replaced, they will be substituted by electric vehicles. Results of 2024 transport distances are expected

before summer 2025. From next year onwards, we will report scope 3 emissions in our Integrated Report.

Our targets and progress

In 2024, we introduced measures to monitor to what extent we are reaching our goals. Our targets will be reviewed by SBTi in 2025. The reduction targets in the table below are subject to change as indicated. In the upcoming years, we will further improve data granularity of our scope 3 emissions.

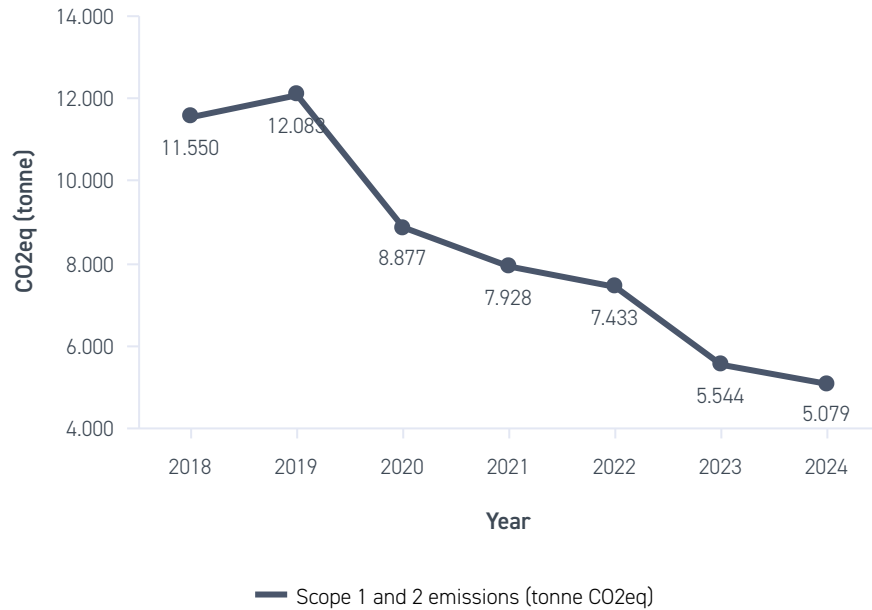
Scope 1 and 2

By the end of 2024 our scope 1 and 2 emissions were 56% lower compared to our base year 2018, already exceeding our 2025 target. Therefore in 2024, we set a new ambitious target to further reduce scope 1 and 2 emissions by 85% in 2030. We are confident that we will reach our target in time, because of our solid reduction action plan.

In the coming years, we will further reduce our Scope 1 and 2 emissions by electrifying our leased vehicles and promoting alternative commuting options. All major locations in the Netherlands already run on renewable energy from Dutch wind and rooftop solar installations. Other locations around the globe will switch to renewable energy by 2030. We will achieve this by expanding rooftop solar installations at our factories in Taicang and Prague, as well as by purchasing renewable energy through Guarantees of Origin.

Reduction development since 2018

This table shows the development of scope 1 and 2 emissions since base year 2018. Due to change in emission factor matching the emissions may defer from data reported in prior Integrated Reports.



Scope 3

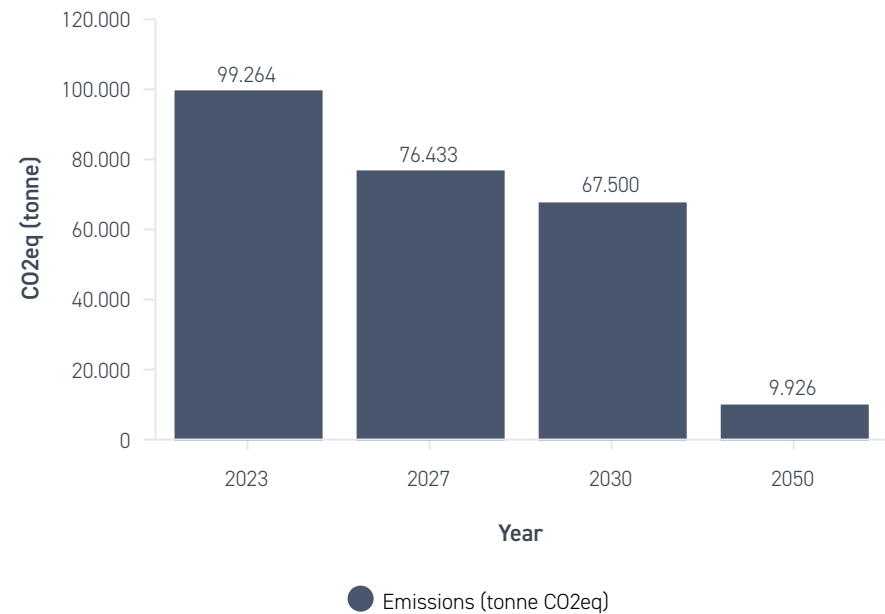
Scope 3 emissions account for 95% of Royal Ahrend's global greenhouse gas emissions. By 2030, we aim to reduce these emissions by 42% compared to 2023.

One of the key drivers behind reducing our scope 3 emissions is reducing the footprint of our furniture portfolio. Therefore we intend to calculate LCAs for 95% of our sales volume. These LCAs are externally verified for objectification. In 2024, 66% of our sales volume is covered by an Environmental Product Declaration (EPD) and this will gradually increase in the coming years. Older EPDs will be recalculated following EN 15804+A2.

In 2024, we started supplying products to our customers in the Benelux with fully electric lorries. In the coming years, we will implement more emission-free solutions in order to reach our goal towards zero emission deliveries in the Benelux by 2030. Furthermore, we shifted from lorry transport to the use of inland waterway barges between the harbour of Rotterdam and our international warehouse in Veghel. On average, inland waterway transport reduces emissions by 92% per tonne-kilometre.

Path towards net zero by 2050

Royal Ahrend's reduction targets are currently under review by SBTi and are awaiting final approval. The graph below shows the proposed pathway towards net zero emissions by 2050.



KPI	2023	2024	Target 2027	Target 2030
Total scope 1 emissions (tonne CO2eq)	2.944	3.001		
1.1. Stationary combustion	2.057	2.121		
1.2. Mobile combustion	886	880		
Total scope 2 emissions (location based, tonne CO2eq)	3.184	2.531		
2.1. Use of electricity	3.083	2.424		
2.2. Use of heating	100	107		
Total scope 2 emissions (market based, tonne CO2eq)	2.600	2.078		
2.1. Use of electricity	2.500	1.971		
2.2. Use of heating	100	107		
Total scope 1 and 2 emissions (market based, tonne CO2eq)	5.544	5.079	3.812	1.733
GHG intensity scope 1 and 2 (tonne/€) market based*	0,021	0,019	-	-
Reduction in % compared to base year 2018	-52%	-56%	-67%**	-85%**
Total scope 3 emissions base year (tonne CO2eq)	99.264	***	76.433	67.500
3.1. Purchased goods and services	78.048	***		
3.2. Capital goods	1.150	***		
3.3. Fuel- and energy-related activities not included in scope 1 or scope 2	922	***		
3.4. Upstream transport and distribution	12.426	***		
3.5. Waste	221	***		
3.6. Business travel	618	***		
3.7. Commuting	1.473	***		
3.11. Use of sold products	761	***		
3.12. End-of-life of sold products	3.639	***		
GHG intensity scope 1, 2 and 3 (market based, tonne/€)*	0,36	***		
Reduction in % compared to base year 2023	-	-	-23%**	-42%**
Total energy consumption (mwh)	7.989	6.933	-	-
Increase share of renewable energy in own operations	44%	46%	85%	100%
Share of own furniture portfolio with verified LCA (EPD), based on total sales volume	-	66%	95%	95%

*Royal Ahrend has not set GHG emission intensity targets

**Subject to change following SBTi approval process in 2025

*** To be reported in Integrated Report 2025

Internal carbon pricing

Royal Ahrend has not implemented internal carbon pricing. From experiences in the past years we see no additional value in implementing internal carbon pricing, because other mechanisms support sustainable investments in products, locations and services. This might change in the upcoming years and will be reported in future Integrated Reports.

Carbon removals and carbon credits

In recent years, Royal Ahrend purchased carbon removals for emissions generated by process heating. Since we are working towards new targets in 2030 and 2050, we decided to reevaluate this approach. The role of carbon removals and carbon credits in our road towards net zero will be included in our Climate Transition Plan. This plan is currently under development.

EU taxonomy

Royal Ahrend is not eligible for EU taxonomy. There are no objectives or plans to report taxonomy alignment at this moment.

Changes to prior years

Scope 1 and 2 emissions over the period 2018-2023 have been recalculated due to a change in emission factors. This change resulted from a software change which includes additional databases with more accurate data per region. Our base year 2018 has been recalculated and percentages in the table above correspond to the latest calculations.

Year	Scope 1 and 2 emissions (market based, CO2eq) reported in prior reports	Revised scope 1 and 2 emissions (market based, CO2eq)
2018 (base year)	13.250	11.550
2019	12.666	12.083
2020	8.725	8.877
2021	8.689	7.928
2022	7.949	7.433
2023	5.715	5.544



Gispen Expedition, Circular event

Resource use and the circular economy

At Royal Ahrend we have been committed to the circular economy for a long time. What started with making products for easy disassembly in the 1990s, has grown into a circular business model that includes a service portfolio that supports the lifecycle extension of products. When it comes to furniture production, we are committed to using as little material as needed and using as much recycled content as possible. Furthermore, we are rapidly scaling our circular services model to support our customers in their journey to becoming more sustainable. The IROs found during our double materiality process are described in the table below.

IRO description

	IRO classification	Value chain
Demand for virgin materials poses risk on the environment and exhausts natural resources	Negative impact	Upstream, own operations
Substitute virgin materials with high quality recycled and other innovative materials, while assessing circular pathways for materials without pollutant exposure after recycling	Opportunity	Upstream, own operations
Recycled and other innovative materials are more expensive than virgin alternatives and cause price increase for final products	Risk	Upstream, own operations, downstream
Reduce environmental impact through circular product design and scaling circular services model	Positive impact	Upstream, own operations, downstream
Growing demand for circular services to extend product lifespans	Opportunity	Upstream, own operations, downstream
Scalability of Revived proposition is dependent on availability of take-back stock on the market	Risk	Upstream, own operations, downstream

Our actions

Our actions in relation to resource use and supporting the circular economy are covered in three projects: the development of sustainable products, expansion of our circular services portfolio and climate action within our own operations. Actions to reduce the use of virgin resources have also lead to a reduction in scope 3 emissions. It is for this reason that some topics are already covered in the previous chapter.

Sustainable products

As a manufacturing company, we are committed to reducing the environmental impact of our furniture designs while delivering valuable workplace solutions to our customers and users. From Life Cycle Assessments (LCAs) of our product portfolio we know that approximately 75% of the footprint originates from material production. Therefore, we are actively involved in selecting materials with a low embodied carbon footprint.

Circular design framework

Royal Ahrend's circular design framework focuses on both a product and material level. In our design framework we incorporate four circular economy strategies:

- › **Regenerate:** clean materials, suitable for high quality and safe recycling. We approach this with Cradle to Cradle Certified® requirements.
- › **Narrow:** use fewer natural resources in our operations and furniture designs. By calculating the environmental footprint through an LCA, we know what material choices to make during the design process.
- › **Slow:** keep reusing materials and extend the lifespan of our furniture. Furniture is always designed with the end of its first use in mind, because we want to extend the lifespan after this first cycle, ensuring fast and easy refurbishment opportunities.
- › **Close:** recycle materials at highest possible level to keep materials in use. During design we ensure that our materials can be recycled and we research end of life strategies to incorporate these materials into our new products.



Material innovation

According to the Circularity Gap report 2024, only 7,2% of all materials used globally come from recycled streams. Therefore, we focus on turning waste materials into furniture by incorporating more post-consumer recycled materials. In 2024 we successfully launched our two latest chairs, Ahrend Remode and Gispen Wizz, both made out of recycled plastics. We worked closely with material suppliers during the design and construction phases to ensure the end products meet our standards in both design and quality. Pricing of recycled materials is higher compared to virgin alternatives, but this did not affect our decision to use these materials.

Since we take back a lot of furniture, we also generate some plastic waste from used products during the refurbishment process. In 2024 we initiated a research project to develop closed loop solutions for these materials by either 3D printing these materials or reusing them through an on-site recycling process. This research is still ongoing in 2025.

Material safety

At Royal Ahrend we work according to the Cradle to Cradle Certified® principle that materials have to be safe in order to be circular. This contributes to our customer focus and promise to deliver furniture with healthy and safe materials. In 2024 we re-certified several product lines under the Cradle to Cradle Certified® programme and we started the product circularity certification for our newly launched Ahrend Remode chair. In the upcoming years we are expanding the Cradle to Cradle Certified® requirements to suppliers of other raw materials and parts.

Sustainable material flows

In 2025, we will focus on mapping our material flows, so we can report them both internally and externally. Our primary focus is on improving the environmental footprint of steel parts, wood parts and plastics. We are seeking collaboration with material suppliers to gain insight into the post-consumer recycled content in our materials and to identify improvement areas.

By the end of 2025, Royal Ahrend has to comply to European Deforestation Regulation (EUDR). The goal of this regulation is to ban products from the European internal market that cause deforestation. In addition to purchasing wood from certified sustainable sources, we will have to process additional data. We are currently assessing the actions necessary to comply to this regulation and to process the right information for wooden parts and products. This project will be finalised before H2 2025 to ensure implementation of actions in the second half of 2025.



Launch Ahrend Remode chair with 78% recycled plastic

The black version of the Ahrend Remode consists of 54% recycled materials. 78% of the plastic used is recycled, of which 62% comes from the ocean. Envalior, a renowned player in the plastics industry, makes the recycled plastic - Akulon® RePurposed - from fishing nets collected along India's coastline.



100% recycled plastic in the Gispén WIZZ chair

Gispén WIZZ is the first educational chair where the plastic seat shell is entirely made of PCR, post-consumer recycled content, such as recycled fruit crates. This is used for all seat shell colors. The material makes the chair lightweight without compromising strength. These properties contribute to reducing CO₂ emissions.



Recycled textile in the acoustic material of S50 screens

The acoustic filling for the S50 panels consists of 77% recycled textile waste from the clothing and interior design sector. This saves up to 50% in CO₂ emissions compared to acoustic material made from virgin raw materials*. The material is not glued and is therefore easy to remove and can be re-used or recycled.

Circular services

With the expansion of our circular services we can extend the product lifespan while reducing the carbon footprint of workspaces. We see a growing interest from our customers in our circular services due to maturing sustainability practices which demands transparency and accurate data to report reduction targets. With our focus on minimising the use of resources and our services portfolio, we support our customers in reaching their sustainability goals.

Circular hub

Since the opening of our first Circular Hub in 2021, we have experienced rapid growth in all our markets. After initially focussing primarily on the Dutch market, we have adopted an international growth strategy. In the upcoming years we will first focus on further expanding our business to other Western European countries.

As a result of both growth and further refurbishment activities we have expanded our production floor from 6.000 m² to 8.000 m². In 2024, we automated the chair refurbishment process at our factory in Sint-Oedenrode. The quality of Revived furniture has improved

significantly due to the integration of the refurbishment process in our regular supply chain. In 2025 we will further integrate our circular production activities in our regular production processes.

In 2024, we cycled almost 70.000 pieces of furniture through our Circular Hub, comparable to prior years.

In the upcoming years we are focusing on getting more feedstock furniture back from the market. We are currently establishing new partnerships with other furniture manufacturers to grow towards an industry-wide collaborative approach for refurbishment. This results in high-quality refurbished products with a warranty, original parts and global coverage to refurbish locally.

Services portfolio

Royal Ahrend's business model is changing rapidly from a furniture manufacturer to a workplace service provider. Our unique approach that uses direct sales channels, provides us with the opportunity to make this shift and orchestrate furniture flows. As a result, we form closer relationships with our customers, are able to secure material flows, realise lower setup costs and make faster deliveries to our customers.

Climate action

We are taking climate action through responsible production practices, including waste management and water management at our production locations.

Waste management

Waste management has been a priority for us since the early 1990s. In total we separate 18 types of waste in our factories with the majority being wood (44%), steel (26%), paper and cardboard (11%). As for previous years, most wood waste was produced by our factory in Czech Republic. In 2022, we implemented a closed loop take back system for wood residues with a supplier, resulting in 97% less wood waste. We established a circular system for several wood packaging materials, increasing the share of reused materials. All steel scrap is transported for recycling and originates mainly from our metal hubs in the Netherlands (Sint-Oedenrode) and China. In 2025 and 2026 we focus on reducing waste from packaging materials.

Water management

All production facilities consume water, but most of our water consumption is related to our metal departments in the Netherlands and China and wood hub in Czech Republic. Process water is powder coating metal parts. All water used is sourced from local suppliers of tap water. Waste water is always neutralised before being discharged and the quality is tested frequently by independent parties under regional regulation to prevent water pollution.



Our targets and progress

In 2024, we have made great progress in establishing our internal KPI framework to monitor targets supporting the circular economy. We have not set targets for all KPIs, because we want to monitor developments, but at the same time focus on projects with high impact. This is indicated in the table below.

Sustainable products

Our internal Lifecycle Management (LCM) process for new product developments includes a standardised set of sustainability requirements to improve the sustainability performance of our products. During the product development process we model LCA studies to assess the effects of our material choices. We have made great progress in incorporating this in our standard way of working.

For newly launched products we have incorporated more recycled plastics. By modelling the environmental effects with LCA during the product development process we were able to determine the most sustainable solution. Recycled plastics will be high on our priority list in

upcoming years as well as the results of our plastics research will be available by the end of 2025.

In 2025, we will focus on adding more recycled steel and forming strategic partnerships with energy efficient steel manufacturers. Furthermore, we are exploring sustainable glass alternatives for our space-in-space solutions.

Circular services

The share of circular services as part of Royal Ahrend's total revenues is growing gradually. By late 2024, we had €19,15 mln of leased assets in the market, a 12,5% increase compared to the previous year. Furthermore, we increased the share of revenues from our circular services. This includes circular consultancy services to customers, refurbishment and Revived product sales.

In the coming years, we will further expand our circular services. Precise targets are to be determined in 2025 and will be reported in next year's Integrated Report.

Climate action

Waste management led to 18 separate waste types in 2024. 67% of all production waste was offered for recycling, 26% was used for energy production and 4% ended up as waste. 2023 percentages have changed due to a shift in methodologies. We have incorporated more accurate domestic waste treatment data, leading to more accurate numbers.

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% hazardous waste in 2024, including materials contaminated with oils, varnish, paints and sludge from water treatment. No targets have been identified for water consumption or water treatment.

KPI	2023	2024	Target 2027	Target 2030
Product launches according to our circular design framework			100%	100%
Number of products cycled through Circular Hub	68.000	66.740	-	-
Share of Revived products of own product revenues				20%
Circular services revenues	€10,1 mln	€12,46 mln	€20 mln	*
Furniture as a Service assets in the market	€17,02 mln	€19,15 mln	€27,2 mln	€34 mln
Total waste (tonne)	2.601	3.249	-	-
Total hazardous waste (tonne)	48	40	Uphold <50	Uphold <50
Reused waste	1%	4%	-	75% reused or recycled
Recycled waste	71%	67%	-	75% reused or recycled
Energy production from waste	25%	26%	-	-
Non recycled waste	4%	4%	Uphold <5%	Uphold <5%
Water withdrawal (surface and tap, m3)	13.350	13.090	-	-

*Targets to be determined



08 Social information

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 customers 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. We therefore focus on creating a healthy, safe and inspiring workplace for our own workforce and we offer workplace solutions to our customers that have a positive impact on people.

During the process of integrating several companies into one Royal Ahrend, we have been committed to focusing on employee experience. Three topics are found to be of importance to our colleagues: leadership, communication and collaboration. Within our sustainability

strategy we have defined one social topic related to our own workforce and customers.

- ▶ Social fairness in our own operations to ensure healthy and safe working practices, happy employees and a healthy work-life balance. As a social entrepreneur, we create a diverse workforce with a focus on gender balance and creating opportunities for differently abled colleagues.
- ▶ Create office designs that provide a healthy and sustainable workspace for customers and end-users by designing ergonomic and adaptable workstations that support a healthy working posture in hybrid working environments. By ensuring materials are tested on indoor air quality and space-in-space solutions with high levels of ventilation, sound absorption and lighting. With our innovations we aim to improve user health and well-being.

Our social topics will be explained in the following chapters, separated in one section about our workforce and one section describing efforts for our customers.



Our workforce

With a vast share of our employees working in various factories all over the world, we are committed to creating safe and healthy work environments. Our workforce spreads across two continents and, as an employer, we strive for gender diversity and social inclusion. The IROs found during our double materiality process are described in the following table.

IRO description	IRO classification	Value chain
A safe and healthy work environment leads to reduction of accidents and illness rates	Impact	Own operations
Organise alternative worker representation in operating countries lacking union rights	Opportunity	Own operations
Furniture manufacturing tasks are well-suited to employ and train people with disabilities, since the sector offers a variety of roles that can be adapted to different skill levels, providing valuable opportunities for skill development and career growth.	Opportunity	Own operations
Gender distribution in own workforce, management, board and supervisory board	Opportunity	Own operations

Our actions

Since 2018, we have professionalised our employee development program through the implementation of performance management. We started with our largest share of employees in the Netherlands, gradually expanding to Western European countries and, in 2025, we will implement these HR systems in Central and Eastern European countries and Asia.

In the coming years, we will have a more international focus to standardise our HR approach and collaboration between HR departments globally. Our policies will be reviewed and standardised across all entities.

Employee experience

In 2024, we measured the employee experience for the 7th time among all Royal Ahrend colleagues globally, providing valuable insights into satisfaction, experiences and recommendations. We truly believe that a company is the sum of its employees who are working, innovating and creating together. The results of the survey are followed up with our managers and individual teams to determine areas of improvement.

Employee health and wellbeing

In recent years, we have invested in health and safety for our employees. All our production locations are ISO 45001 certified and we have further improved our health and safety management system. Internal and external audits on occupational health and safety provide us with valuable insights into how we can further improve employee health and well-being.

All factory colleagues are trained on occupational health and safety at work on an annual basis. During our toolbox sessions we include all relevant topics. These sessions are organised several times per year. Toolbox sessions are organised by team managers and facilitate a dialogue around one or two topics per session. In addition, local Health Safety Quality and Environment (HSQE) managers ensure that we inspect workstations in our factories to determine improvements and prevent accidents.

We also report so called 'almost accidents' to prevent actual accidents from happening. When accidents occur, they are always evaluated and corrective actions are implemented and reported back to the local HSQE manager.

Vitality program

The vitality program is one of our initiatives to improve employee health and well-being. This program does not only focus on occupational health and safety. In 2024, we experienced our first full year of the Ahrend Vitality program. This program aims to create awareness around four themes throughout the organisation. 'Move it' facilitates active sports initiatives such as padel, running and cycling, 'Love your food' gives employees insight into healthy foods, 'Happy & Healthy' focuses on mental health and lifestyle and 'Future proof' supports employees' development for future employability, retirement and a healthy work-life balance.

In addition to raising awareness on vitality and health, the program is expected to have a positive impact on absenteeism, employee satisfaction and involvement. It also aims to keep employees healthy and fit. Furthermore, we believe that investing in our employees' vitality enables us to attract and retain talent within our company.

Engagement and collaboration

With our growing international organisation, we have intensified collaboration initiatives to create a better connection between departments globally and establish a collaborative DNA. Locally, we have organised various initiatives to enhance employee engagement through works councils and employee committees.

Training and development

Each year, our colleagues go through an individual performance cycle with their manager to determine development areas and career growth. Employees can attend in-company training courses or apply for external ones. With the introduction of our online training platform, Ahrend Learning, we support our employees through a wide variety of training courses.

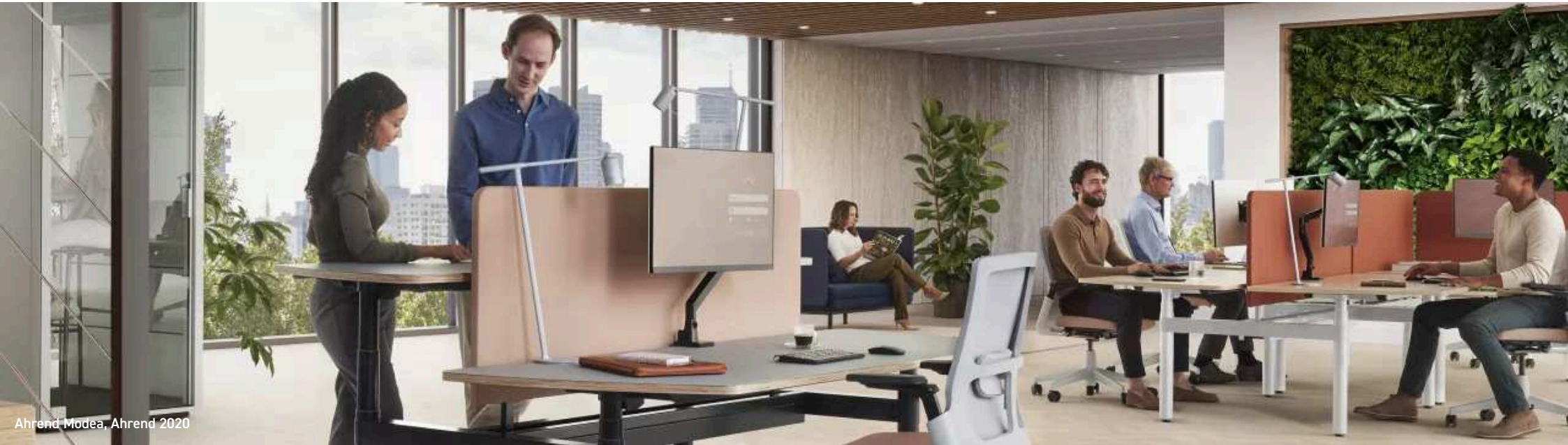
We set up an onboarding program for all new employees in order to get them acquainted with our company, our way of working and market propositions. This is a major improvement, because all Royal Ahrend employees are now being onboarded on all important topics.

Diversity, equality and inclusion

Royal Ahrend offers long-term employment, with an average contract duration of 18 years. Over time, we've learned that a greater diversity improves collaboration and compatibility among colleagues. We actively focus on gender diversity and social inclusion. Our recruitment process is designed to attract diverse candidates and, for each vacancy, we assess which profile best complements the existing team.

Besides gender diversity, we also invest in equal employment opportunities for workers whom are differently abled, but do not fit into regular working processes. As a social entrepreneur we create employment in various departments through job carving, making workplaces easily accessible for colleagues with physical disabilities and career development through work-learning trajectories.

Since 2023, we have conducted annual Diversity, Equity, and Inclusion (DEI) surveys to better understand our employees' experiences. The insights help us strengthen their sense of belonging and evaluate whether employees feel empowered to speak up against discrimination and inappropriate behaviour at work.



Ahrend Modea, Ahrend 2020

Employees in own workforce per country

Region	Country	Headcount
European Union	Netherlands	604
	Czech republic	198
	Other EU	77
Subtotal EU		879
Europe	United Kingdom	32
	Other non-EU	1
Total Europe		912
Asia	China (people's republic of)	124
	Other Asia	2
Total Asia		126
Total headcount		1.038

All countries with over 30 employees are separately disclosed

Our targets and progress

Over the past 10 years, Royal Ahrend has undergone significant change through acquisitions and expansion. Integrating all entities has been a strategic project for the past years and we are working towards becoming one Royal Ahrend. In 2024, we strengthened international collaboration between departments and began integrating our HR processes and procedures. We also introduced the Royal Ahrend Company Guidebook, which outlines our company strategy, structure and cultural values. This guidebook defines our way of working across the organisation.

Employee experience

In 2024, our overall employee experience score was 72,6, a positive change compared to 2023. In 2024 we also had the highest response rate thus far of 83,4%, exceeding last year's response rate of 81,1%. The result of the Employee Engagement Survey 2024 shows that our employees find leadership, communication and working conditions very important. These topics are included in our 2025 follow up plan to further improve our employees' experiences at work.

In 2025, we will focus on employee engagement with our international employees to facilitate knowledge sharing amongst teams and to anticipate topics that are important for our employees. Furthermore, we will initiate a global leadership development program in the second half of 2025. This includes online and offline development training courses, which will also be included in our Ahrend learning platform.

Development of employee experience



Health and safety

In 2024, we offered voluntary health checks at various locations. This anonymous check is based on vitality, work-life balance and lifestyle. Employees receive tailored advice from an independent and external party. Through these checks we aim to reach sustainable employability past the retirement age and decrease illness rates. Absenteeism prevention is high on the agenda in order to reduce absenteeism and even prevent employees from quitting their job. In 2025, our goal will be to reduce absenteeism rates below 4,5%.

In 2024, all our operations were covered by our occupational health and safety management system (ISO 45001) or through legal requirements. All employees and non-employees are covered by this system. Eight work related incidents were reported, of which 6 involved own employees and 2 non-employees. Our goal for 2030 is to have zero severe accidents on the workforce. This is defined as medical treatment cases (MTC) and fatalities as a result of work-related injuries and work-related ill health. In 2024 we reported one MTC.

Diversity

Gender diversity is an important subject for Royal Ahrend, as the company has traditionally had a predominantly male workforce. To build a more diverse team, we have adopted two key approaches:

- Setting gender balance targets for our Supervisory Board, Board of Directors, and sub-top management.
- Actively encouraging the recruitment of women in specific teams and roles to strengthen overall diversity.

In 2024, we achieved our 2027 target for the Board of Directors, which now includes one male and one female member. Workforce-wide, gender diversity remained stable, with at least 33% male and female representation. Currently, 14% of our sub-top management positions are held by women. Our goal is to increase this to 28% by 2027. However, due to limited turnover in recent years, this percentage has remained unchanged. By the end of 2024, 11% of our overall workforce was differently abled. This percentage is similar to year end 2023.

KPI	2023	2024	Target 2027	Target 2030
Employee Experience Index	70,9	72,6	75	-
Global headcount	1.036	1.038	-	-
Gender diversity Supervisory Board	60% male 40% female	60% male 40% female	Uphold at least 33,33% male/female	Uphold at least 33,33% male/female
Gender diversity Board of Directors	100% male 0% female	50% male 50% female	Uphold at least 50% male/female	Uphold at least 50% male/female
Gender diversity sub-top management	86% male 14% female	86% male 14% female	72% male 28% female	72% male 28% female
Gender diversity total workforce	67% male 33% female	67% male 33% female		
Differently abled people in workforce	11%	11%		
Percentage of people who are covered by the company's health and safety management system based on legal requirements and/or recognised standards or guidelines	100%	100%	100%	100%
Percentage of non-employees who are covered by the company's health and safety management system based on legal requirements and/or recognised standards or guidelines	100%	100%	100%	100%
Number of work-related accidents	9	8	-	Zero severe accidents**
Of which lost time injuries (excl. fatalities) (LTI)	7	7	-	-
Of which restricted work cases (RWC)	0	0	-	-
Of which medical treatment cases (MTC)	2	1	-	0
Of which fatalities	0	0	0	0
Number of cases of recordable work-related ill health (# employees, subject to legal restrictions on the collection of data)	18	19	*	*
Number of calendar days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	164	437		

*Targets to be determined

**Severe accidents are defined as medical treatment cases (MTC) and fatalities as result of work-related injuries and work-related ill health



Ahrend Modea, Ahrend 2020, Ahrend Charge

Consumers and end-users

All our products and services are developed with the user in mind. And since most of our furniture users do not procure these products themselves, we are committed to creating ergonomic and adaptable furniture that supports a healthy working posture – either at the office or at home. Royal Ahrend offers a sustainable, durable and healthy workplace solution for each furniture product category. The IRO's found during our double materiality process are described in the following table.

IRO description	IRO classification	Value chain
Ergonomic and adaptable furniture supports healthy working posture for office workers at their (hybrid) working environment	Positive impact	Downstream
Materials may be a pollutant source affecting indoor air quality and thereby the health of office workers	Negative impact	Downstream
Enhance user health by incorporating proper ventilation, sound absorption and lighting in office pods	Positive impact	Downstream
Research and adopt innovations to improve user health and wellbeing at work environments	Opportunity	Downstream

Our actions

As we are committed to create vitalising workspaces for our customers. We prioritise ergonomics and good indoor air quality for healthy working environments. Our products comply with requirements from building certifications such as LEED and WELL. Research shows that certain materials may affect the indoor air quality and thereby the health of office workers. Through our circular design principles we have standardised user health in our furniture designs.

With a growing demand for space in space solutions, we promote good indoor air quality with the right levels of ventilation, but also high performance in terms of sound absorption and lighting.

Ergonomics and accessibility

All our furniture is designed to be used by a wide variety of people. That's why it's important that our furniture is intuitively adjustable by each user. As our furniture is used throughout the entire workday, it must meet international standards for ergonomics and durability. Our in-house test laboratory allows us to thoroughly test each product before it goes to market. Before launch, we always work with external testing institutes to validate our in-house results.

Our customers aim to create diverse workspaces that are also accessible for people with physical limitations. We ensure our product designs consider physical accessibility. The Qabin collection features a wide door, for example, making it accessible for wheelchair users.

Acoustics

We pay close attention to material choices in our products. For individual items, this means selecting sound-absorbing materials where needed. In addition, the overall workspace design plays a key role in achieving the right acoustic balance—by combining materials that differ in sound absorption levels. Our interior studio advises customers on furniture layout, interior design, and material selection to create the desired acoustic environment.

Indoor air emissions

The quality of our furniture is an important aspect of our market proposition. Since our furniture is designed to be used indoors, we want to make sure that materials are low on volatile organic compounds (VOCs). To ensure that products are healthy and safe for indoor use, we test our products on indoor air emissions in test chambers.

Our furniture has to comply with the highest standards for furniture, meaning that the applied materials are low on VOCs. Healthy indoor air is an important factor for creating healthy workspaces and is increasingly important to our customers who focus on employee health, well-being and productivity. This is in accordance with the LEED and WELL building certifications.

Space in space solutions

For our space-in-space solutions, it is especially important to design with the right lighting in mind. Our space-in-space solutions feature a variety of integrated lighting systems, for example biodynamic lighting that adjusts with natural daylight to create the feeling of being outdoors, even when inside the pod. Users can also dim the lights to their personal preference throughout the day.

Acoustics are another key element. Our Qabins are designed to meet the highest international standards for sound insulation. These acoustic qualities are independently tested to ensure that users can have quiet, private meetings without disturbing others in the workspace.

Indoor air quality is also increasingly important, as customers increasingly notice differences between products on the market. We have invested heavily in a silent ventilation system for Qabin. It provides continuous airflow, creating a cool breeze while silently refreshing the air

inside. This balances both perceived temperature and actual CO₂ levels, making the space comfortable throughout a meeting. Users can control the ventilation level to suit their preferences, giving them a sense of comfort and control inside the pod.

Emotional durability

We design product components to meet new standards, extend the lifespan of older products and support emotional durability. Furniture is often discarded long before it is worn out. In many cases, the main structure remains in good condition for many more years, but the component no longer fits current needs or preferences. This is why we develop our furniture to be as modular as possible, allowing individual components to be easily replaced.

We are currently designing new components for outdated furniture lines. This enables us to reuse the main components while giving the furniture a fresh look and feel that matches today's standards. This is how we extend the lifespan of older furniture and reduce unnecessary waste. In 2024, we began redesigning furniture and we will present the first circular relaunch in 2025.

Our targets and progress

New furniture designs follow a design and development process with standardised requirements, including ergonomics, environmental performance and adaptability to specific needs. Innovation and research is an important aspect in creating tomorrow's workspace designs. In these workspaces we also want to reuse products already in use.

In 2023, we standardised our supplier requirements based on the Cradle to Cradle Certified® Basic Level criteria. Currently, 29% of our suppliers (measured by spend) meet these requirements, helping us ensure that our products are free from hazardous substances. We aim to increase this to 60% of our supplier spend by 2027.

To ensure healthy indoor air quality, we test our furniture according to the ANSI/BIFMA e3 7.1 furniture sustainability standard. By the end of 2024, 72% of our own product sales complied with this standard. We are on track to reach 95% compliance by 2027.

Product innovations

Developments of our space-in-space collection are moving quickly, with a strong focus on technical and modular innovations over the past year. Research shows that lighting impacts mood and wellbeing. This is why we have tested new lighting features for our space-in-space collection. New features will be launched in the upcoming years.

We are also continuously improving the modularity of our products. In 2024, we introduced a new hanging sofa for the Qabin collection, designed without glue, staples or other permanent bonding. This soft, wall-mounted sofa allows for easy vacuum cleaning without needing to move the furniture.

KPI	2023	2024	Target 2027	Target 2030
Share of material and parts suppliers - compliant with Cradle to Cradle Certified basic requirements (based on total spend)	-	29% of total spend	60% of total spend	95% of total spend
% of own product sales compliant with highest standard Ansi/Bifma M7.1 furniture sustainability (e3)	30%	72%	95%	95%



Gispen TMNL, Gispen ZINN, Gispen Asido, Gispen S50

09 Governance information

At Royal Ahrend, we engage with our stakeholders on a daily basis and are committed to conducting our business in an ethical and responsible manner. Our Code of Business Conduct consolidates our policies to guide colleagues in making ethical decisions. We also expect our business partners to uphold the same high ethical standards that we set for ourselves. Furthermore, we actively seek feedback from our stakeholders to continuously improve the way we do business. The IROs found during our double materiality process are described in the following table.

IRO description	IRO classification	Value chain
Set minimum requirements for suppliers and commodities to ensure acceptable environmental standards and reduction of environmental burden	Positive impact	Upstream
Global supply chain is complex and difficult to manage excessive Risk supplier base	Risk	Upstream

Our actions

Our value chain plays a key role in achieving our sustainability goals and conducting business ethically. Since 2023, we have increased engagement with our upstream value chain to identify gaps in supplier relationship management. A key step has been setting minimum requirements for suppliers and specific commodities to ensure responsible practices and acceptable standards.

While most of our suppliers are located near our factories, we recognise that risks can exist deeper in the value chain. To manage this effectively and select the right partners, we also hold ourselves accountable—working from a shared moral foundation outlined in our Business Code of Conduct.

Business conduct training

Collaboration with stakeholders in many different countries, industries and situations demands a clearly defined ethical compass from our colleagues. Therefore, we have trained our colleagues to become more aware of ethical business behaviour both online and offline. In 2024, 446 colleagues were trained in business ethics and we will continue to train our colleagues annually. Through these training courses we aim to keep our company values and principles, while enabling colleagues to make ethical decisions in their daily activities.

Supplier management

After evaluating our supplier due diligence process in 2023, we decided to update our supplier onboarding and evaluation processes to generate objective information about supplier performance and risk profile. Our risk profile focuses on several topics, including financial, operational, environmental, social and governance.

In 2024, we started onboarding suppliers to our new supplier relationship management (SRM) tool. In late 2024, we marked onboarded suppliers with a risk profile to start up conversations about improvement areas, necessary actions and, if necessary, internal or external audits initiated by Royal Ahrend.

Supply chain risks

In 2024, we finalised a high-level risk map based on supplier location, commodity, spending and several ESG topics. Through this first analysis, we were able to benchmark supply chain risks throughout our supplier base and manage these risks in more detail in the coming years. The main risks in our supply chain are attributable to health and safety in our suppliers' operations. Through our new onboarding process, we are able to manage our supply chain risks more effectively.

Our targets and progress

KPI	2023	2024	Target 2027	Target 2030
Number of violations on Business Code of Conduct	0	0	0	0
Number of notifications on potential violations of the Code of Business Conduct (through speak up)	4	4	-	-
Number of employees trained on Business Code of Conduct	Offline: 159 Online: 401	Offline: 67 Online: 379	-	-
Fines for violation of anti-corruption and anti-bribery laws	0	0	0	0
Business Partner Code of conduct signatory (representing % of total spend)	-	30%	80%	Uphold 80%

***Some spend at incidental or small suppliers will not be included in onboarding or BPCOC signing**



Rotterdam University of applied sciences, Gispem

10 Other sustainability information



Ahrend Remode launch event Amsterdam

CSRD content index

This Integrated Report is drafted in line with ESRS standards, but not fully compliant to meet external assurance. Sustainability statements in this Integrated Report have not been verified by an independent third party. From this year onwards, we will improve our Integrated Report and gradually ensure compliancy with CSRD requirements. The following table shows the CSRD content in this report and chapter navigation. The content table will be refined with specific datapoints in the coming years.

ESRS	Reporting requirement	Description	Chapter
ESRS 2	BP-1	General basis for preparation of the sustainability statement	Basis for preparation
ESRS 2	BP-2	Disclosures in relation to specific circumstances	Basis for preparation
ESRS 2	GOV-1	The role of the administrative, management and supervisory bodies	Sustainability governance
ESRS 2	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Sustainability governance
ESRS 2	GOV-3	Integration of sustainability-related performance in incentive schemes	Sustainability governance
ESRS 2	GOV-4	Statement on due diligence	Phase in 2025
ESRS 2	GOV-5	Risk management and internal controls over sustainability reporting	Phase in 2025
ESRS 2	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	Double materiality process and outcomes
ESRS 2	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	CSRD content index
ESRS 2	SBM-1	Strategy, business model and value chain	Company overview
ESRS 2	SBM-2	Interests and views of stakeholders	Engaging our stakeholders
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Double materiality process and outcomes
ESRS E1	E1.GOV-3	Integration of sustainability-related performance incentive schemes	Sustainability governance
ESRS E1	E1.IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Double materiality process and outcomes
ESRS E1	E1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	Double materiality process and outcomes
ESRS E1	E1-1	Transition plan for climate change mitigation	Climate action
ESRS E1	E1-2	Policies related to climate change mitigation and adaptation	Climate action
ESRS E1	E1-3	Actions and resources in relation to climate change policies	Climate action
ESRS E1	E1-4	Targets related to climate change mitigation and adaptation	Climate action
ESRS E1	E1-5	Energy consumption and mix	Climate action
ESRS E1	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Climate action
ESRS E1	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Climate action
ESRS E1	E1-8	Internal carbon pricing	Climate action
ESRS E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase in 2025
ESRS E5	E5-1	Policies related to resource use and circular economy	Resource use and circular economy
ESRS E5	E5-2	Actions and resources in relation to resource use and circular economy	Resource use and circular economy
ESRS E5	E5-3	Targets related to resource use and circular economy	Resource use and circular economy
ESRS E5	E5-4	Resource inflows	Phase in 2025
ESRS E5	E5-5	Resource outflows	Phase in 2025
ESRS E5	E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Phase in 2025
ESRS E5	E5.IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Double materiality process and outcomes

ESRS S1	S1-1	Policies related to own workforce	Own workforce
ESRS S1	S1-11	Social protection	Own workforce
ESRS S1	S1-12	Persons with disabilities	Own workforce
ESRS S1	S1-14	Health and safety metrics	Own workforce
ESRS S1	S1-2	Processes for engaging with own workers and workers' representatives about impacts	Engaging our stakeholders
ESRS S1	S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Engaging our stakeholders
ESRS S1	S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Own workforce
ESRS S1	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Own workforce
ESRS S1	S1-9	Diversity metrics	Own workforce
ESRS S1	SBM-2	Interests and views of stakeholders	Engaging our stakeholders
ESRS S1	S1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	Double materiality process and outcomes
ESRS S4	S4-1	Policies related to consumers and end-users	Phase in 2025
ESRS S4	S4-2	Processes for engaging with consumers and end-users about impacts	Engaging our stakeholders
ESRS S4	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Engaging our stakeholders
ESRS S4	S4-4	Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Customers and end-users
ESRS S4	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Customers and end-users
ESRS S4	SBM-2	Interests and views of stakeholders	Engaging our stakeholders
ESRS S4	S4.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	Double materiality process and outcomes
ESRS G1	G1-1	Corporate culture and business conduct policies	Company culture
ESRS G1	G1-2	Management of relationships with suppliers	Governance information
ESRS G1	G1-3	Prevention and detection of corruption or bribery	Phase in 2025
ESRS G1	G1-4	Confirmed incidents of corruption or bribery	Governance information
ESRS G1	G1.GOV-1	The role of the administrative, supervisory and management bodies	Governance information
ESRS G1	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Leadership and governance
ESRS G1	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Double materiality process and outcomes

Overview of our contribution to the SDGs



- › 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

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.



- › Gender representation across teams and in company leadership
- › Diverse hiring practices with equal pay for equal work
- › Create a safe and inclusive culture for all
- › Equal opportunities in our company

Promote gender equality by offering equal opportunities, diverse hiring practices and equal pay for equal work. We foster a safe, inclusive culture and encourage diverse gender representation across all teams and leadership levels.



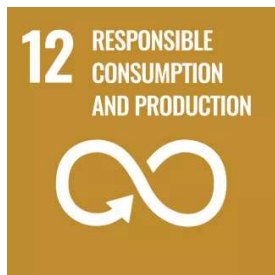
- › Promote inclusive production by employing diverse and inclusive teams
- › Ensure proper working conditions with equal pay in our value chain
- › End modern slavery, trafficking and child labour in our value chain
- › Safeguard labour rights and safe working environments in our value chain
- › Awareness on ethical business conduct by employees
- › Long-term relationships with local and social entrepreneurs
- › Perform continuous supplier due diligence to be ensured of social and environmentally responsible value chain.
- › Promote responsible and durable supplier relationships

By performing continuous supplier due diligence and promoting sustainable, inclusive and sustainable economic growth through policies and business conduct, we strive towards socially responsible, full and productive employment and proper working conditions for all.



- › Environmental management systems in all our facilities
- › Water management to reduce water consumption and treat waste water to improve the water quality and facilitate safe reuse
- › 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

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.



- › 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

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.



- › 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

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.



- › Avoid excessive water use in dry regions, both in our own operations and across our upstream value chain.
- › Source wood exclusively from sustainable sources to prevent deforestation.
- › Raise awareness of biodiversity impacts within our upstream value chain and take action to prevent loss of biodiversity.
- › Invest in reforestation and forest management projects as part of our climate transition plan.

Committed to protecting life on land by sourcing sustainable wood to prevent deforestation and invest in sustainable forestry and biodiversity as part of our climate transition plan.



- › Raise awareness of material sustainability issues across our value chain.
- › Collaborate with suppliers worldwide to improve sustainable business practices.
- › Invest in strategic partnerships with suppliers to create meaningful, lasting positive impact.
- › Support capacity building in our operating countries to drive higher sustainability standards across the globe.

Through collaboration and awareness, we build strategic partnerships for a meaningful and lasting sustainable impact across our value chain.



11 Financial Statements 2024

Royal Ahrend

Notes to the Financial Statements 2024

The financial statements as included in the following pages are derived from the statutory annual report 2024 of Koninklijke Ahrend BV. The financial statements as included in the following pages are explicitly not a complete and audited annual report 2024 of Koninklijke Ahrend BV. The audited annual report 2024 is filed and available at the Dutch Chamber of Commerce.

Company information

Legal form: Besloten Vennootschap (B.V.) (*English: Limited Liability Company under Dutch Law*)

Registered office: Amsterdam

Address: Laarderhoogtweg 25 1101 EB Amsterdam

File number at Trade Registry of the Chamber of Commerce and Industry: 33120814



Ahrend Remode, Ahrend Modea, Ahrend Assist

Key Figures

(in millions of euros unless stated otherwise)

	2024	2023
Net revenues	273,7	294,8
Profit/(loss) after taxation	4,8	6,0
Cash flow from operating activities	30,3	31,0
Balance sheet total	201,8	189,4
Group equity	89,0	83,6
Solvency ratio	44,1%	44,2%
Current ratio	1,4	1,4
Average FTE	1.238	1.264

Consolidated balance sheet as at 31 December 2024

Assets

(before proposed appropriation of result)		
(in thousands of euros)	31 December 2024	31 December 2023
Fixed assets		
Intangible fixed assets (1)	3.654	4.161
Tangible fixed assets (2)	39.696	32.749
Right of use assets (3)	38.757	24.887
Financial fixed assets (4)	16.733	16.718
	98.840	78.515
Current assets		
Inventories (5)	26.779	30.204
Current receivables (6)	52.225	61.785
Cash at bank (7)	23.949	18.857
	102.953	110.846
Total assets	201.793	189.361

Group equity and liabilities

(before proposed appropriation of result)		
(in thousands of euros)	31 December 2024	31 December 2023
Group equity (8)		
Equity	88.971	83.619
Minority interests	0	0
Group equity	88.971	83.619
Provisions (9)	3.974	3.944
Long-term liabilities (10)	34.126	21.502
Current liabilities (11)	74.722	80.296
Total group equity and liabilities	201.793	189.361

Consolidated profit and loss account for the year ended 31 December 2024

(in thousands of euros)	2024	2023
Net turnover (12)	273.725	294.778
Change in inventories of finished goods and work in progress	(378)	(779)
Total operating income	273.346	293.999
Cost of raw materials and consumables (13)	(135.411)	(152.478)
Wages and salaries (14)	(62.621)	(62.660)
Social security charges (15)	(13.949)	(13.872)
Amortisation and depreciation of intangible and tangible fixed assets (16)	(14.581)	(13.229)
Other operating expenses (17)	(38.037)	(41.736)
Total operating expenses	(264.598)	(283.975)
Operating profit	8.748	10.024
Financial income and expense (19)	(2.707)	(2.058)
Profit before taxation	6.041	7.966
Income taxes (20)	(846)	(1.523)
	5.195	6.443
Share in result of participating interests	(371)	(448)
Group net profit	4.824	5.995
Minority interests in result	0	0
Profit after taxation	4.824	5.995

Consolidated cash flow statement for the year ending on 31 December 2024

(in thousands of euros)	2024	2023
Cash flow from operating activities		
Operating profit	8.748	10.024
Adjustments for:		
Depreciation and amortisation (16)	14.581	13.229
Movements in provisions (9)	(17)	0
Other movements	528	(867)
<i>(including FX, add-back items in financing cash flows)</i>		
Changes in working capital:		
(increase)/decrease in trade receivables (6)	9.158	5.156
(increase)/decrease in prepayments (6)	352	4.676
(increase)/decrease in inventories (5)	3.426	8.350
increase/(decrease) in trade payables (11)	2.368	(9.611)
increase/(decrease) in taxes (11)	(1.204)	341
increase/(decrease) in accruals (11)	(5.484)	2.627
	8.617	11.539
Cash flow (used in) / generated from business operations	32.457	33.925
Interest and similar income received (19)	0	0
Interest and similar expenses paid (19)	(1.421)	(1.331)
Income tax paid (4, 9, 20)	(705)	(1.559)
	(2.127)	(2.890)
Cash flow generated from operating activities	30.331	31.035
Cash flow from investing activities		

Additions to intangible fixed assets (1)	(878)	(1.852)
Disposals of intangible fixed assets (1)	0	0
Additions to tangible fixed assets (2)	(13.689)	(9.807)
Disposals of tangible fixed assets (2)	167	141
Acquisition of non-consolidated participating interest (4)	(230)	0
Cash flow generated used in investing activities	(14.629)	(11.518)
Cash flow from financing activities		
Proceeds from long-term liabilities and bank loans (10)	0	5.000
Repayment of long-term liabilities and bank loans (10)	(843)	(407)
Lease payments (3)	(7.762)	(6.897)
Change debt to credit institutions (11)	(2.005)	(7.004)
Cash flow used in financing activities	(10.610)	(9.308)
Increase in cash and cash equivalents (21)	5.091	10.209

Consolidated statement of comprehensive income for the year ending on 31 December 2024

(in thousands of euros)	2024		2023
Consolidated profit/(loss)		4.824	5.995
Translation differences concerning foreign activities	528		(681)
Remeasurement pensions	0		0
Net other comprehensive income (expense) recognised directly in group equity		528	(681)
Total comprehensive income (expense) for the period		5.352	5.314

Accounting policies used in preparing the consolidated financial statements

General

The consolidated financial statements are prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Dutch Accounting Standards, as published by the Dutch Accounting Standards Board ('Raad voor de Jaarverslaggeving').

Assets and liabilities are generally valued at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, income statement and the cash flow statement, references are made to the notes.

Group activities

Royal Ahrend is an international leader in office furniture committed to delivering contemporary and highly sustainable office lifestyles to corporate end-users around the world. Products and interiors are designed to encourage the wellbeing and productivity of the people. Ahrend operates from offices in over 15 countries on five continents, including China and Dubai. Royal Ahrend delivers furniture and services for office, education, healthcare and retail environments through a portfolio of leading furniture brands such as Ahrend, Gispen and Techo. These recognised brands are often leaders in their relevant markets and some look back at a heritage of more than 125 years.

Going concern

In 2024 focus was on increasing share of own product sales and further optimisation and integration of the worldwide supply chain organisation. The brand new wood hub facility in Prague, Czech Republic, has become fully operational since mid-2024. The worldwide integration efforts fit within the midterm plan for the period 2024-2027, as approved by the Supervisory Board and published by Royal Ahrend in 2023. The midterm plan is built on five pillars:

- *Vitalising workspaces*: creating vitalising workspaces that enhance the wellbeing and performance of organisations
- *Sustainability*: leading by example and creating both direct and indirect impact in putting the circular economy principles into practice
- *One-Company*: Royal Ahrend is one company, in which everyone across locations and areas of expertise works together to achieve common goals
- *People*: Royal Ahrend's people want to make a difference, together with the team(s) they work in, as well as in their own area of expertise. Royal Ahrend supports their diversity, collaboration and initiative.
- *Digitalisation*: Royal Ahrend strives to deliver the best customer experience possible as well as facilitate its employees in doing their work as effectively as possible.

It is expected that through focus and worldwide integration, Royal Ahrend is prepared for the future and the performance and profitability of Royal Ahrend will increase in the coming years. Royal Ahrend keeps investing in enhancing the efficiency of its organisation and optimisation of its assortment and services offerings towards its customers. This will lead to permanent savings on wages and operational expenses and growth of revenues and margin.

Management closely monitors developments in the world market and proactively responds to changes therein. Reference is also made to the note on Royal Ahrend's financial instruments, when it comes to managing foreign exchange risk, interest rate and cash flow risk, other price risk, credit risk and liquidity risks.

The financing agreement with KBC Bank for a total of €43.5mIn with a term of five years provides in the day-to-day financing needs of the company. The final maturity date of the agreement is March 2028, as such the remaining term at balance sheet date is more than 3 years. Ultimo 2024 Royal Ahrend has a net cash position of €20.2mIn.

The accounting principles applied to the valuation of assets and liabilities and the determination of results in these financial statements are therefore based on the assumption of continuity of the company.

Change in accounting policies

There are no changes in the accounting policies.

Judgments and estimates

In applying the principles and policies for drawing up the financial statements, the management of Royal Ahrend makes different estimates and judgments that may be essential to the amounts disclosed in the financial statements.

Estimates are used to verify the correct valuation of assets included in the balance sheet. Deferred tax assets are considered to be the assets with the most significant valuation risk. The valuation is verified using long-term forecasts of financial performances. The estimates used are based on the actual results, the operational budget 2025 and the long-term forecast. Based on the performed analysis it is concluded that no indicator for impairment is present by the end of 2024.

Estimates are used in the calculation of the Right of Use assets and corresponding Lease Liabilities. Especially determining whether or not extension or termination options will be exercised or not. This could have a significant impact on the expected duration of a lease contract and thus impact the related balances.

Other provisions, such as the warranty and jubilee provisions, and accruals, including the bonus accrual, also contain estimates to a certain (limited) extent. If it is necessary in order to provide the true and fair view required under Book 2, article 362, paragraph 1, the nature of other estimates and judgments, including related assumptions, is disclosed in the notes to the relevant financial statement item.

Changes in accounting estimates

The accounting estimates did not change compared to prior year's financial statements.



Ahrend Ease, Ahrend Balance, Ahrend S50

Equity interests

Ultimate parent company

HAL Trust, a Bermudian Trust, is the ultimate parent company and controlling party of Royal Ahrend (Koninklijke Ahrend BV). The financial data of Royal Ahrend are included in the consolidated financial statements of both HAL Trust and HAL Holding NV. HAL Holding NV's registered address is in Willemstad, Curacao, and its office is located in Rotterdam, the Netherlands. The consolidated financial statements of HAL Trust and HAL Holding NV are available at cost price at the office of HAL Holding NV and the financial statements of HAL Trust are also available via the website www.halholding.com.

Fully consolidated companies

- Ahrend Produktiebedrijf Zwanenburg BV, Zwanenburg: wholly-owned subsidiary (2023: 100%)
- Ahrend Produktiebedrijf Sint-Oedenrode BV, Sint-Oedenrode: wholly-owned subsidiary (2023: 100%)
- Ahrend Nederland BV, Amsterdam: wholly-owned subsidiary (2023: 100%)
- Ahrend International BV, Amsterdam: wholly-owned subsidiary (2023: 100%)
- Ahrend NV, Brussels, Belgium: wholly-owned subsidiary (2023: 100%)
- Ahrend France SAS, Meudon, France: wholly-owned subsidiary (2023: 100%)
- Ahrend Ltd., Hove/London, UK: wholly-owned subsidiary (2023: 100%) - liquidated in 2024
- Ahrend Beteiligungs.Mbh, Köln, Germany: wholly-owned subsidiary (2023: 100%)
- Ahrend GmbH & Co. KG, Köln, Germany: wholly-owned subsidiary (2023: 100%)
- Ahrend Espana BV, Amsterdam: wholly-owned subsidiary (2023: 100%)
- Ahrend UK Ltd., Hove/London, UK: wholly-owned subsidiary (2023: 100%)
- Ahrend Holdings Ltd., Hove/London, UK: wholly-owned subsidiary (2023: 100%) - liquidated in 2024
- Ahrend Support BV, Amsterdam: wholly-owned subsidiary (2023: 100%)
- Ahrend Group BV, Amsterdam: wholly-owned subsidiary (2023: 100%)
- Ahrend Europe BV, Amsterdam: wholly-owned subsidiary (2023: 100%)
- Gispem BV, Amsterdam: wholly-owned subsidiary (2023: 100%)
- Ahrend APAC BV, Amsterdam: wholly-owned subsidiary (2023: 100%)
- Gispem Nederland BV, Culemborg: wholly-owned subsidiary (2023: 100%)
- Ahrend Onroerend Goed BV, Amsterdam: wholly-owned subsidiary (2023: 100%)
- Ahrend Onroerend Goed II BV, Culemborg: wholly-owned subsidiary (2023: 100%)
- NgispeN BV, Culemborg: wholly-owned subsidiary (2023: 100%)
- Suzhou Antriot Sheet Metal Production Company Ltd., Suzhou, China: wholly-owned subsidiary (2023: 100%)
- Ahrend Furniture (Suzhou) Co., Ltd., Suzhou, China: wholly-owned subsidiary (2023: 100%)
- Roels BV, Sint-Oedenrode: wholly-owned subsidiary (2023: 100%)
- Presikhaaf Schoolmeubelen BV, Arnhem: wholly-owned subsidiary (2023: 100%)
- Ahrend a.s., Prague, Czech Republic: wholly-owned subsidiary (2023: 100%)
- Interier Rícany, Prague, Czech Republic: wholly-owned subsidiary (2023: 100%)
- Ahrend Services s.r.o., Prague, Czech Republic: wholly-owned subsidiary (2023: 100%)
- Techo s.r.o., Prague, Czech Republic: wholly-owned subsidiary (2023: 100%)
- Ahrend s.r.o., Bratislava, Slovakia: wholly-owned subsidiary (2023: 100%)
- Ahrend Rumania S.r.l., Bucharest, Romania: wholly-owned subsidiary (2023: 100%)
- Ahrend Kft, Budapest, Hungary: wholly-owned subsidiary (2023: 100%)
- Ahrend d.o.o., Zagreb, Croatia: wholly-owned subsidiary (2023: 100%)
- TOB Ahrend Ltd, Kiev, Ukraine: wholly-owned subsidiary (2023: 100%)
- Ahrend Austria GmbH, Vienna, Austria: wholly-owned subsidiary (2023: 100%)
- O.o.o. Royal Ahrend Rus LLC, Moscow, Russia: wholly-owned subsidiary (2023: 100%) - liquidated in 2024
- Ahrend Poland sp.z.o.o., Warsaw, Poland: wholly-owned subsidiary (2023: 100%)
- Ortsalip Deutschland GmbH i.L., Frankfurt, Germany: wholly-owned subsidiary (2023: 100%)
- Circulaire Hub BV, Sint-Oedenrode: wholly-owned subsidiary (2023: 100%)
- Circular Interiors BV, Sint-Oedenrode: no interest held by Koninklijke Ahrend BV (refer to paragraph below).

The percentages stated represent the equity interests held.

Koninklijke Ahrend BV has issued downstream guarantees pursuant to Section 403 of Book 2 of the Dutch Civil Code for almost all Dutch group companies.

Circular Interiors BV (hereafter: 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 operational 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 such policy-making influence by Royal Ahrend management is deemed to be present (RJ 217.202/205/206). CI BV is therefore included in the scope of consolidation of Koninklijke Ahrend.

Non-consolidated companies and equity interests

Carried at net asset value:

- ▶ Ahrend Gulf FZCO, Dubai, United Arab Emirates: 33.3% participating interest (2023: 33.3%)
- ▶ Despace Holding Pte. Ltd., Singapore: 33.4% participating interest (founded in 2024)

Basis of consolidation

The consolidated financial statements include the financial data of the company and its group companies at 31 December of the financial year. Group companies are legal entities and companies over which the company exercises control. In connection with this, financial instruments containing potential voting rights are also taken into account.

Group companies are fully consolidated as from the date on which control is obtained and until the date that control no longer exists. The items in the consolidated financial statements are determined in accordance with consistent accounting policies. The accounting policies of group companies and other consolidated entities have been changed where necessary, to align them to the prevailing group accounting policies.

Intragroup transactions included both in balance sheet and profit and loss are eliminated in full.

Minority interests are presented separately in the consolidated financial statements. Minority interests in group companies are part of group equity. Minority interests in profit or loss of group companies are deducted from group profit or loss after taxation.

If the losses attributable to the minority interest exceed the minority interest in equity of the group companies, the balance as well as any further losses are charged in full to Royal Ahrend, unless and to the extent that the minority shareholder is liable for, and able to bear, those. If the group companies subsequently achieve profits, those profits accrue in full to Royal Ahrend until the losses borne by Royal Ahrend are recovered.

The application of Article 402

Since the income statement for 2024 of the Company is included in the consolidated financial statements, an abridged income statement has been disclosed in the company financial statements in accordance with Section 402, Book 2 of the Dutch Civil Code.

Related parties

All legal entities that can be controlled, jointly controlled or significantly influenced are considered to be a related party. Also, entities which can control the company are considered to be a related party. In addition, statutory directors, other key management of Koninklijke Ahrend BV and of the ultimate parent company and close relatives are regarded as related parties. All transactions between related parties are considered to be at arm's length.

Mergers and acquisitions

Acquisitions are recognised in the financial statements according to the purchase accounting method. This means that any assets and liabilities acquired are carried at fair value as at the acquisition date. The difference between cost and the company's share of the fair value of the identifiable assets and liabilities acquired at the time of the transaction of a participating interest is recognised as goodwill.

In the case of a transaction under common control, the carry-over accounting method is applied. This means that the transaction is stated at the carrying amount in the financial statements for the financial year, in line with the amount included in the financial statements of the parent, as of the merger date. The comparative figures are not restated. The difference between cost and the carrying amounts of the acquired assets and liabilities is recognised in equity.

Foreign currency translation

The consolidated financial statements are prepared in euros, the functional and presentation currency of the Group. Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions denominated in foreign currencies are initially carried at the functional exchange rates ruling at the date of transaction. Monetary balance sheet items denominated in foreign currencies are translated at the functional exchange rates ruling at the balance sheet date.

Non-monetary balance sheet items that are measured at historical cost in a foreign currency are translated at the functional exchange rates ruling at the date of transaction. Non-monetary balance sheet items that are measured at current value are translated at the functional exchange rates ruling at the date of valuation.

Exchange rate differences arising on the settlement or translation of monetary items denominated in foreign currencies are taken to the profit and loss account, except for exchange rate differences resulting from net investments in foreign activities, or from loans taken out to finance or effectively hedge net investments in foreign activities. These exchange rate differences are taken directly to the foreign currency translation reserve. The foreign currency translation reserve is included under the legal reserves.

Exchange rate differences arising from the translation of non-monetary balance sheet items denominated in foreign currencies that are carried at current value are taken directly to the revaluation reserve, provided the changes in value of the non-monetary items are likewise taken directly to reserves.

Goodwill and fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign activity are treated as assets and liabilities of the foreign activity and translated at the rate of exchange ruling at the balance sheet date.

The assets and liabilities of foreign activities are translated into the presentation currency (euros) at the rate of exchange ruling at the balance sheet date and the income and expenses of these foreign activities are translated at the annual average exchange rates. Resulting exchange rate differences are taken directly to the legal foreign currency translation reserve. On the disposal of a foreign activity, the cumulative exchange rate differences taken directly to the reserves are taken to the profit and loss account as part of the gain or loss on the sale.

Offsetting

Assets and liabilities are only offset in the financial statements if and to the extent that:

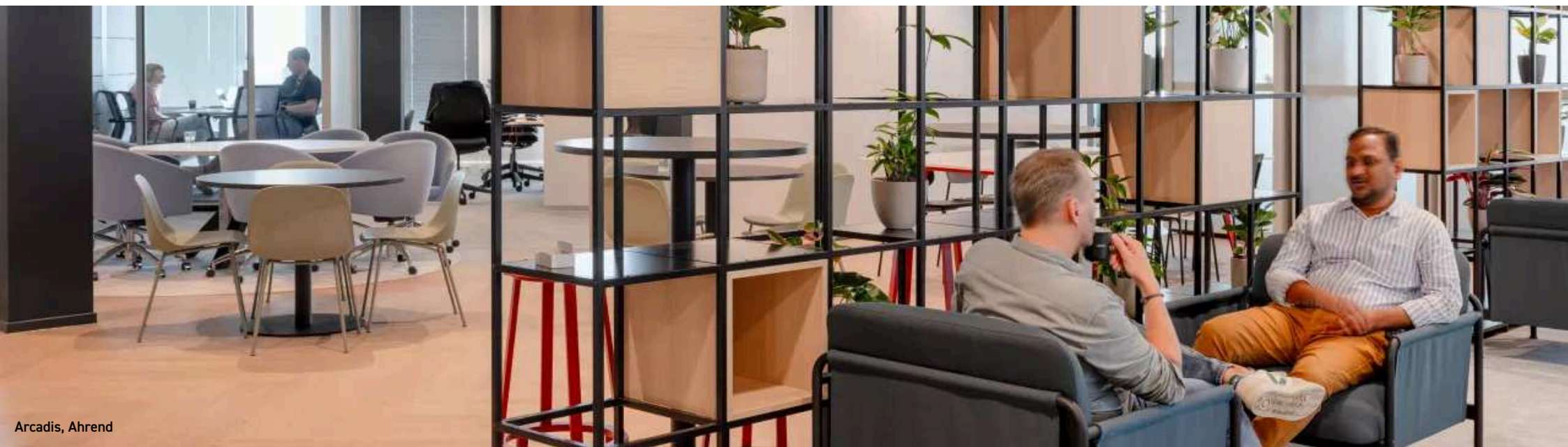
- › An enforceable legal right exists to offset the assets and liabilities and settle them simultaneously;
- and
- › The positive intention is to settle the assets and liabilities on a net basis or simultaneously.

Financial instruments

Financial instruments include both primary financial instruments, such as receivables, securities and payables, and derivative financial instruments.

All purchases and sales of financial assets made according to standard market conventions are recognised as at the transaction date, being the date on which the group enters into a binding agreement.

For the accounting policies applicable to primary financial instruments, please refer to the treatment of individual balance sheet items. For the valuation and recognition of derivatives, please refer to the separate section on Derivatives and hedge accounting.



Arcadis, Ahrend

Intangible fixed assets

General

An intangible fixed asset is recognised in the balance sheet if:

- › The asset is identifiable.
- › Royal Ahrend has control (power to obtain benefits from the asset).
- › It is probable that the future economic benefits that are attributable to the asset will accrue to the group.
- › The cost of the asset can be reliably measured.

Costs relating to intangible fixed assets not meeting the criteria for capitalisation (for example, cost of research, internally developed brands, logos and client databases) are taken directly to the profit and loss account.

Intangible fixed assets obtained on the acquisition of a group company are carried at fair value as at the date on which they are obtained. Intangible fixed assets are carried at cost of acquisition or production net of accumulated amortisation and accumulated impairment losses where applicable.

Intangible fixed assets are amortised on a straight-line basis over their expected useful economic lives, subject to a maximum of 20 years when the economic useful life could be measured reliably. If not the maximum timespan is 10 years. The economic useful life and the amortisation method are reviewed at each financial year-end.

Development costs

Internally generated development costs are capitalised if they satisfy all technical, commercial and financial feasibility criteria set for them (RJ 210). A legal reserve equivalent to the carrying amount is formed. Ultimo 2024 the amount of capitalised internally generated development costs, such as man hours, is limited, as not all criteria are met.

Development costs are amortised on a straight-line basis over the estimated economic useful life of the asset, depending on the nature and type of asset, generally being 5 years, but no longer than 20 years.

Trademark

Trademarks are recognised if future economic benefits are probable. These costs are amortised on a straight-line basis over the estimated economic useful life of the asset. The capitalised trademark is amortised in 15 years.

Software

Software is capitalised in case the standard requirements for capitalisations are met. Purchased software is capitalised using the cost method. These costs are amortised on a straight-line basis over the estimated economic useful life of the asset being 5 years.

Software being an operating system for machinery (hardware) is included in the valuation of the tangible fixed assets (PPE). The economic useful life of this software is considered to be equal to the economic useful life of the hardware of the machinery.

Internally developed software is charged to the profit and loss account unless the following capitalisation requirements are met: technological feasibility, probable future benefits, intent and ability to use or sell the software, resources to complete the software, and ability to measure cost.

Tangible fixed assets

Tangible fixed assets in use by the company are carried at the cost of acquisition or production net of accumulated depreciation and, where applicable, accumulated impairment losses.

Tangible fixed assets carried at cost do not include capitalised interest charges.

Tangible fixed assets are depreciated on a straight-line basis over their estimated useful economic lives, taking into account the residual value, as follows:

- Land is not depreciated.
- Buildings are depreciated in 30 to 40 years.
- Machinery and equipment are depreciated in 5 to 15 years.
- Other tangible fixed assets are depreciated in 5 to 10 years.
- Assets under construction and prepayments are not depreciated.

If important components of a tangible fixed asset can be distinguished from each other and differ in useful life or expected use pattern, these components are depreciated separately. If the expected depreciation method, useful economic life and/or residual value are subject to changes over time, they are treated as a change in accounting estimate.

Costs of major maintenance are capitalised if the recognition criteria are met. Individual major maintenance activities are capitalised as component and are depreciated on a straight-line basis over the estimated useful economic life of the individual components. The carrying amount of the components to be replaced will be regarded as a disposal and taken directly to the profit and loss account. All other repair and maintenance costs are taken directly to the profit and loss account.

Retired tangible fixed assets are carried at the lower of cost and their fair value less costs to sell.

A tangible fixed asset is derecognised upon sale or when no further economic benefits are expected from its continued use or sale. The gain or loss arising on the disposal is taken to the profit and loss account under the other operating expenses.

Leasing

The group as lessee

The Group applies IFRS16 regarding Leases. This is allowed under RJ292 Leasing.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of cars for which the group is a lessee, it has elected

not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- ▶ fixed payments (including in-substance fixed payments), less any lease incentives receivable
- ▶ variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- ▶ amounts expected to be payable by the group under residual value guarantees
- ▶ the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- ▶ payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the group:

- ▶ where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- ▶ uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the group, which does not have recent third-party financing, and

- ▶ makes adjustments specific to the lease, e.g. term, country, currency and security.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- ▶ the amount of the initial measurement of lease liability
- ▶ any lease payments made at or before the commencement date less any lease incentives received
- ▶ any initial direct costs, and
- ▶ restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

The group as lessor

Lease income from operating leases where the group is a lessor (CI BV) is recognised in income on a straight-line basis over the lease term (note 3). Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.



University of Applied Sciences Rotterdam, Ahrend

Financial fixed assets

Participating interests

Non-consolidated participating interests over whose financial and operating policies the group exercises significant influence are valued using the net asset value method. To determine whether there is significant influence, the financial instruments containing potential voting rights are also considered. Under the net asset value method, participating interests are carried at the group's share in their net asset value. The group's share in the results of the participating interests is recognised in the profit and loss account. If and to the extent the distribution of profits is subject to restrictions, these are included in a legal reserve. The company's share in direct equity increases and decreases of participating interests is also included in the legal reserve except for asset revaluations recognised in the revaluation reserve.

If the value of the participating interest under the net asset value method has become nil, this method is no longer applied, with the participating interest being valued at nil if the circumstances are unchanged. In connection with this, any long-term interests that, in substance, form part of the investor's net investment in the participating interest are included. A provision is formed if and to the extent the company stands surety for all or part of the debts of the participating interest or if it has a constructive obligation to enable the participating interest to repay its debts.

A subsequently acquired share of the profit of the participating interest is recognised only if and to the extent that the accumulated share of the previously unrecognised loss has been recovered

Following application of the net asset value method, the group determines whether an impairment loss has to be recognised in respect of the participating interest. At each reporting date, the group assesses whether there are objective indications of impairment of the

participating interest. If any such indication exists, the group determines the impairment loss as the difference between the recoverable amount of the participating interest and its carrying amount, taking it to the profit and loss account.

Participating interests over whose financial and operating policies no significant influence is exercised are carried at cost less any impairment. Dividend is designated as income and recognised under financial income and expense.

Results from transactions with or between non-consolidated participating interests carried at net asset value are recognised proportionally. Results from transactions with or between non-consolidated participating interests carried at cost are recognised in full, unless they are effectively unrealised.

Deferred tax assets

For the valuation and recognition of deferred tax assets, please refer to the separate section on Taxes.

Impairment of fixed assets

On each balance sheet date, the company assesses whether there are any indications that a fixed asset may be subject to impairment. If there are such indications, the realisable value of the asset is determined. If it is not possible to determine the realisable value of the individual asset, the realisable value of the cash-generating unit to which the asset belongs is determined. Impairment occurs when the carrying amount of an asset is higher than the realisable value; the realisable value is the higher of the fair value less cost to sell and the value in use. An impairment loss is directly recognised in the income statement while the carrying amount of the asset concerned is concurrently reduced.

The realisable value is initially based on a binding sale agreement; if there is no such agreement, the realisable value is determined based on the active market, whereby usually the prevailing bid price is taken as market price. The costs deducted in determining net realisable value are based on the estimated costs that are directly attributable to the sale and are necessary to realise the sale. For the determination of the value in use, an estimate is made of the future net cash flows in the event of continued use of the asset / cash-generating unit; these cash flows are discounted.

If it is established that an impairment that was recognised in the past no longer exists or has reduced, the increased carrying amount of the asset concerned is set no higher than the carrying amount that would have been determined if no impairment value adjustment for the asset concerned had been reported. An impairment of goodwill cannot be reversed.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the impairment loss is determined and recognised in the income statement. The amount of an impairment loss incurred on financial assets stated at amortised cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal shall be recognised through profit or loss.

Inventories

Inventories of raw materials and consumables, work in progress being semi-manufactured goods, finished goods and goods for resale are carried at the lower of cost of acquisition or production and net realisable value.

The costs of raw materials, consumables and goods for resale are calculated based on the first in, first out principle. The costs of finished goods and work in progress being semi-manufactured goods represent the cost of raw materials used and direct production costs, plus a mark-up for indirect cost of production based on normal production capacity, excluding interest on loans. Indirect costs included under inventories carried at cost relate to depreciation and maintenance of plant and machinery, as well as salary costs of the factory's management and administrative staff.

The net realisable value is the estimated selling price less directly attributable selling costs. In determining the realisable value, the obsolescence of the stocks is taken into account.

Current receivables

Current receivables not forming part of the trading portfolio are initially measured at fair value and subsequently carried at amortised cost less a provision for doubtful debts where necessary. If there are no discounts and premiums and transaction costs, the amortised cost is equal to the nominal value of the receivables.

Cash at bank and in hand

Cash at bank and in hand includes cash in hand, bank balances, notes and checks. It also includes deposits if these are effectively at the group's free disposal, even if interest income may be lost. Cash at bank and in hand not expected to be at the group's free disposal for over twelve months is classified as financial fixed assets. Cash at banks and in hand is carried at nominal value.

Classification of equity and liabilities

A financial instrument or its separate components are classified in the consolidated financial statements as liability or as equity in accordance with the substance of the contractual agreement underlying the financial instrument. In the company financial statements, a financial instrument is classified in accordance with the legal reality. Interest, dividends, gains and losses relating to a financial instrument, or part of a financial instrument, are included in the financial statements in accordance with the classification of the financial instrument as liability or equity.

Provisions

A provision is formed if the group has a legal or constructive obligation as at the balance sheet date if it is probable that an outflow of resources will be required to settle the obligation and the amount of the liability can be reliably estimated. The amount of the provision is determined based on a best estimate of the amounts required to settle the liabilities and losses concerned at the balance sheet date. Provisions for one-off events (restructuring, environmental clean-up, settlement of a lawsuit, etcetera) are measured at the most likely amount. Provisions for large populations of events (warranties) are measured at a probability-weighted expected value. Provisions are carried at discounted value, unless the value of discounting is immaterial.

If third-party reimbursement of expenses required to settle a provision is probable, the reimbursement is recognised as a separate asset.

Pension provisions

Contributions payable to the pension plan administrator are recognised as an expense in the profit and loss account. Contributions payable or prepaid contributions as at year-end are recognised under accruals and deferred income, and prepayments and accrued income, respectively.

A provision is formed for liabilities other than the contributions payable to the pension plan administrator if, as at the balance sheet date, the group has a legal or constructive obligation towards the pension plan administrator and/or to its own employees, if it is probable that settlement of these liabilities will entail an outflow of resources and if a reliable estimate can be made of the amount of the liabilities.

The provision for additional liabilities to the pension plan administrator and/or the employees is based on a best estimate of the amounts required to settle these liabilities concerned at the balance sheet date. The provision is carried at present value if the effect of the time value of money is material.

The total pension provision has been equal to €0 since ultimo 2022.

Provision for deferred taxation

For the valuation and recognition of the provision for deferred taxation, please refer to the separate section entitled Taxes.

Other provisions

The other provisions include mainly the jubilee provision, restructuring provision, warranty provision and environmental provision.

The jubilee provision is actuarially calculated on an annual basis taking into account the actual employee data (including starting date), mortality table AG2024 and a discount rate of 3.15%. The warranty provision is measured at a probability-weighted expected value. Experience figures are used to estimate the change of warranty complaints. The environmental provision

is related to one specific former production facility. In the past an investigation was executed by an external consultant who estimated the expected costs to remove the polluted soil. The provision was aligned with the consultant's report.

Taxes

Current taxes

Taxes are calculated on the profit as disclosed in the profit and loss account based on current tax rates, allowing for tax-exempt items and cost items which are non-deductible, either in whole or in part.

Tax assets and liabilities are netted if the general conditions for netting are met.

Taxes are settled as if each company is an independent taxable entity. Royal Ahrend and its Dutch group companies constitute a fiscal unity together with Stonehaven 2006 BV. For further details about the valuation of deferred tax assets refer to the next paragraph.

Deferred taxes

A deferred tax liability is recognised for all taxable temporary differences between the valuation for tax and financial reporting purposes. A deferred tax asset is recognised for all deductible temporary differences between the valuation for tax and financial reporting purposes and carry-forward losses, to the extent that it is probable that future taxable profit will be available for set-off. Deferred tax assets and liabilities are recognised under financial fixed assets and provisions, respectively.

Deferred tax liabilities and deferred tax assets are carried on the basis of the tax consequences of the realisation or settlement of assets, provisions, liabilities or accruals and deferred income as planned by the group at the balance sheet date. Valuation is based on the tax rates prevailing at year-end, or at the rates that will apply in future years, as far as they have already been determined by law. Deferred tax liabilities and deferred tax assets are carried at non-discounted value.

Deferred tax assets and liabilities are netted if the group has a legally enforceable right to set off tax assets against tax liabilities within the same tax jurisdiction.

Valuation of deferred tax assets

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 years following balance sheet date and other events which are more likely than not and relevant in this respect.

The calculation of deferred tax assets and liabilities is based on the tax rates prevailing at year end, or at the rates that will apply in future years, as far as these have already been determined by law.

Long-term liabilities

When long-term liabilities are recognised initially, they are measured at fair value, less, in the case of financial liabilities not classified at fair value through profit or loss, directly attributable transaction costs.

After initial measurement, long-term liabilities are carried at amortised cost using the effective interest method. Gains and losses are taken to the profit and loss account when the liabilities are derecognised, as well as through the amortisation process.

Current liabilities

On initial recognition, current liabilities are carried at fair value less directly attributable transaction costs (in the case of financial liabilities not carried at fair value through profit or loss).

After initial measurement, current liabilities are carried at amortised cost using the effective interest method. The effective interest method is not applied when the impact is deemed to be not material. Gains or losses are recognised in the profit and loss account when the liabilities are derecognised, as well as through the amortisation process.

Amortised cost

Amortised cost is the amount at which a financial asset or liability is measured at initial recognition less repayments of the principal, plus or less the cumulative amortisation using the effective interest method for any difference between this initial amount and the maturity

amount, and less any reductions (effected directly or through a provision being formed) for impairment and doubtful debts.

Derivatives and hedge accounting

The group uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations.

The group separates an embedded derivative from the host contract if the following conditions are met:

- › There is no close relationship between the economic characteristics and risks of the embedded derivative and those of the host contract.
- › A separate instrument having the same characteristics as the embedded derivative would be classified as a derivative; and
- › The compound instrument is not measured at fair value with changes in fair value recognised through profit or loss.

The separated derivative is initially recognised at historical cost price (nihil) and subsequently measured against fair value through P&L. No hedge accounting is applied. The fair value is derived from quoted market prices.

Derecognition of financial assets and liabilities

A financial instrument is derecognised if a transaction results in the transfer, to a third party, of all or nearly all rights to economic benefits and of all or nearly all the risks attached to the position.

Income

General

The result is the difference between the realisable value of the goods/services provided and the costs and other charges during the year. The results on transactions are recognised in the year in which they are realised.

Profit or loss is determined taking into account the recognition of unrealised changes in fair value of derivative financial instruments not designated as hedging instruments.

Net revenues

An agreement may include several performance obligations (agreed-upon commitments to deliver distinct goods or services). Revenue is recognised for each separate performance obligation. The following performance obligations are distinguished:

- › Revenues from sale of goods
- › Revenues from provision of services

The total transaction price is allocated in proportion to the value of the performance obligations where an agreement contains several such obligations (commitments).

The obligation to repair or replace defective products under the legal warranty period is recognised as a provision.

The table below details the method of allocation of revenues to the financial year, including the method of determining the degree of completion of services contracts. In accordance with RJ270.

Performance obligation	Method of allocation	Method of determining the degree of completion of services
Sale of goods	Proportional value where an agreement contains multiple performance obligations	Once all major rights to economic benefits and significant risks relating to the goods have been transferred to the buyer
Provision of services		Stage of completion is based on the costs incurred in providing the services up to the balance sheet date in proportion to the estimated costs of the total services to be provided.

Sale of goods

Income from the sale of goods is recognised in the profit and loss account once all the major rights to economic benefits and significant risks relating to the goods have been transferred to the buyer, the income can be reliably measured and the income is probable to be received. Royal Ahrend believes that the economic benefits and significant risks are transferred to the

buyer when the goods are delivered at client site. Although some contracts include a required acceptance procedure, based on experience it is concluded that this is rather a formality. As such, revenue of goods is in general recorded after delivery.

Services

In addition to the sale of goods Royal Ahrend provides several services to its customers, such as fit-out services (light construction work at client site), project management and installation services. If the result of a transaction relating to a service can be reliably estimated and the income is probable to be received, the income relating to that service is recognised in proportion to the service delivered.

Stage of completion is based on the costs incurred in providing the services up to the balance sheet date in proportion to the estimated costs of the total services to be provided.

General

Expenses

Expenses are determined with due observance of the aforementioned accounting policies and allocated to the financial year to which they relate. Foreseeable and other obligations as well as potential losses arising before the financial year-end are recognised if they are known before the financial statements are prepared and provided all other conditions for forming provisions are met.

Costs of raw materials and consumables

Costs of raw materials and consumables are allocated to the period concerned.

Employee cost (employee benefits)

Salaries, wages and social security contributions are charged to the income statement based on the terms of employment, where they are due to employees and the tax authorities respectively.

Koninklijke Ahrend BV applies the liability approach for all pension schemes. The premium payable during the financial year is charged to the result. Please also refer to the valuation principles for assets and liabilities, under Provision for pensions.

Depreciation and amortisation

Intangible assets, including goodwill, are amortised and tangible fixed assets are depreciated over their estimated useful lives as from the moment they are ready for use. Land and investment property are not depreciated. Future depreciation and amortisation is adjusted if there is a change in estimated future useful life.

Interest

Interest is allocated to successive financial reporting periods in proportion to the outstanding principal. Premiums and discounts are treated as annual interest charges so that the effective interest rate, together with the interest payable on the loan, is recognised in the profit and loss account, with the amortised cost of the liabilities being recognised in the balance sheet.

Foreign currencies

Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date. The income and expenses in functional currencies that are not equal to the presentation currency, are translated into the presentation currency at annual average exchange rates.

Income tax

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years (to the extent that they have not already been included in the deferred tax assets) and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

Result from participations

The result is the amount by which the carrying amount of the participation has changed since the previous financial statements as a result of the earnings achieved by the participation to the extent that this can be attributed to Koninklijke Ahrend BV.

Consolidated cash flow statement

The cash flow statement has been prepared in accordance with the indirect method.

Cash and cash equivalents consists of cash at bank and in hand. Cash flows in foreign currencies are translated at estimated average foreign exchange rates. Cash flows in foreign currencies stemming from working capital movements and other balance sheet movements are translated at year-end foreign exchange rates.

Interest received and paid, including foreign exchange differences in the profit and loss statement, and income taxes are included under cash flows from operating activities.

Investments in (in)tangible fixed assets are recognised as cash flows from investing activities. Transactions for which no cash or cash equivalents are exchanged are not included in the cash flow statement.

Lease payments are considered to be cash outflows from financing activities, as they relate to repayment of instalments.

Bank debts are part of the Group's cash management and are included in the cash flow statement. Both repayments of the long-term bank loan and usage of the credit facility are recognised as cash flows from financing activities.

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 2024					
Cost	199	3.120	9.616	22.270	35.205
Accumulated amortisation and impairments	(165)	(1.962)	(6.647)	(22.270)	(31.044)
Carrying amount at 1 January 2024	34	1.158	2.969	0	4.161
Exchange rate differences	1	0	(11)	0	(10)
Additions	15	0	372	0	387
Disposals cost	0	0	(21)	0	(21)
Disposals amortisation	0	0	21	0	21
Reclassification cost	0	0	501	0	501
Reclassification amortisation	0	0	0	0	0
Amortisation	(18)	(218)	(1.149)	0	(1.384)
Carrying amount at 31 December 2024	31	940	2.683	0	3.654
Balance at 31 December 2024					
Cost	243	3.120	10.413	22.270	36.047
Accumulated amortisation and impairments	(213)	(2.180)	(7.730)	(22.270)	(32.393)
Carrying amount at 31 December 2024	31	940	2.683	0	3.654

The reclassification in software relates to the completion and implementation of software solutions that have initially been classified as 'under construction' in tangible fixed assets. An amount of €60K of the new software solutions relate to software-as-a-service contracts, amongst others a new time registration system and further development of our commercial, supplier and product database.

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

A right of pledge has been established on all intellectual property rights of the Dutch members of the Group, being Ahrend APAC BV, Gispén Nederland BV, Ahrend Onroerend Goed BV, Koninklijke Ahrend BV, Ahrend Group B.V. and Presikhaaf Schoolmeubelen BV. The right of pledge applies to the credit facility of Koninklijke Ahrend BV.

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 2024	34.123	54.737	31.431	7.860	0	128.151
Accumulated depreciation and impairments	(26.320)	(48.474)	(20.608)	0	0	(95.402)
Carrying amount at 1 January 2024	7.803	6.263	10.823	7.860	0	32.749
Exchange rate differences	58	10	14	(111)	0	(29)
Additions	393	4.251	5.055	4.543	0	14.243
Disposals cost	(32)	(2.096)	(388)	(20)	0	(2.536)
Disposals depreciation	20	2.061	288	0	0	2.369
Depreciation	(807)	(1.848)	(3.920)	0	0	(6.574)
Reclassification	581	6.766	305	(8.152)	0	(501)
Other movements	5	(20)	(21)	12	(0)	(24)
Carrying amount at 31 December 2024	8.021	15.388	12.155	4.132	(0)	39.697
Balance at 31 December 2024:						
Cost	35.183	63.627	36.466	4.132	0	139.408
Accumulated depreciation and impairments	(27.161)	(48.239)	(24.312)	0	0	(99.712)
Carrying amount at 31 December 2024	8.021	15.388	12.155	4.132	0	39.696

The assets under construction ultimo 2024 are primarily related to software investments and the installation of new machinery at Presikhaaf in Arnhem. The additions to machinery and equipment consist mainly of investments in the wood hub machinery in Prague. Other fixed operating assets primarily contain the investments in the CI lease asset portfolio.

A first ranking mortgage is applicable on the properties located at Sint-Oedenrode (Ahrend) and the remaining property located at Culemborg (Gispén). A right of pledge has been established on all business equipment of the Dutch group companies, Ahrend NV (Belgium) and Ahrend a.s. (Czech Republic). A mandate to the first ranking floating charge (pand handelszaak) is present on all Belgian members of the group and will be converted in a first ranking pledge on business equipment (pand op ondernemingsgoederen).

Minimum lease payment receivable on leases of assets are as follows:

(in thousands of euros)

	31-12-2024	31-12-2023
Within 1 year	3.343	2.822
Between 1 and 5 years	9.046	7.724
Later than 5 years	2.347	3.935
	14.736	14.481

Leasing arrangements Circular Interiors BV

The other fixed operating assets includes €9.4mIn (2023: €7.7mIn) 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.

Although the group is exposed to changes in the residual value at the end of the current leases, the group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

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 & buildings	Machinery & Equipment	Other	Total
Balance at 1 January 2024				
Cost	32.804	1.004	8.111	41.919
Accumulated depreciation and impairments	(13.313)	(399)	(3.320)	(17.032)
Carrying amount at 1 January 2024	19.491	605	4.791	24.887
New lease contracts	3.697	1.061	2.087	6.845
Ended lease contracts cost	(8.488)	(27)	(1.677)	(10.192)
Ended lease contracts depreciation	8.488	27	1.677	10.192
Remeasurements	13.650	(6)	4	13.648
Depreciation	(4.347)	(332)	(1.944)	(6.623)
Carrying amount at at 31 December 2024	32.491	1.328	4.938	38.757
Balance at 31 December 2024:				
Cost	41.663	2.032	8.525	52.220
Accumulated depreciation and impairments	(9.172)	(704)	(3.587)	(13.463)
Carrying amount at at 31 December 2024	32.491	1.328	4.938	38.757

Lease liabilities

Movements in lease liabilities were as follows:

<i>(in thousands of euros)</i>	2024
Balance at 1 January	25.614
New lease contracts	6.845
Lease payments	(7.762)
Accrued interest	1.286
Remeasurements	13.647
Balance at 31 December	39.630
Current	8.415
Non-current	31.215
	39.630

Amounts recognised in the statement of profit and loss

<i>(in thousands of euros)</i>	2024	2023
Depreciation charge of right-of-use assets		
Land & Buildings	(4.347)	(4.921)
Machinery & Equipment	(332)	(138)
Other	(1.944)	(1.846)
Interest expense	(1.286)	(727)
	(7.909)	(7.632)

The new and remeasured lease contracts mainly relate to new real estate contracts and extension of existing contracts and new car leases. The category "other" contains mostly car lease contracts. The cash outflow for leases in 2024 was €7.8mIn (2023: €6.9mIn). 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 group's leasing activities and how these are accounted for

The group leases various offices, warehouses, showrooms, equipment and vehicles. Rental contracts are typically made for fixed periods of 3 years to 10 years, but may have extension options.

Variable lease payments

No lease contracts with variable payments.

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the group. These are used to maximise operational flexibility in terms of managing the assets used in the group's operations. The majority of extension and termination options held are exercisable only by the group and not by the respective lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of warehouses, retail stores and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the group is typically reasonably certain to extend (or not terminate).
- Otherwise, the group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in offices and vehicles leases have not been included in the lease liability, because the group could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, the

financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities and right-of-use assets of € +13.6mln. This remeasurement mainly relates to the extension and indexation of real estate rental contracts, including the lease of the current Amsterdam, Arnhem and Veghel offices and buildings in The Netherlands.



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 2024	364	16.354	16.718
Exchange differences	0	(13)	(13)
Additions	231	4.555	4.786
Reduction	0	(4.387)	(4.387)
Impact change future tax rates	0	0	0
Share in result of participating interests	(371)	0	(371)
Carrying amount at 31 December 2024	223	16.510	16.733

Participating interests

The participating interest contains the existing 33.3%-share in Ahrend Gulf and the in 2024 acquired 33.4%-share in Despace.

Deferred tax assets

The deferred tax asset consists of temporary differences and available forward loss relief. Deferred tax liabilities amounting to €9.8mIn (2023: €2.0mIn) are netted against deferred tax assets. These liabilities primarily relate to temporary differences caused by IFRS16.

The deferred tax asset consists of recognised operating losses and temporary differences. The amount of losses recognised for the fiscal unity in which Royal Ahrend is included in the Netherlands is €33.9mIn ultimo 2024, which represents 30.1% of the available tax losses (2023: 29.0%). The amount of unrecognised losses for the Dutch fiscal unity is €78.5mIn (2023: €83.0mIn). The amount of losses recognised for countries outside the Netherlands is €2.8mIn, whereas the amount of losses unrecognised is €163.9mIn. Approximately €160.0mIn thereof

consists of unrecognised tax losses in Germany. 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.

Expiration unrecognised tax losses

Expiration schedule of unrecognised tax losses is as follows:

<i>(in thousands of euros)</i>	2024
Within one year	2.411
Within two to five years	777
After five years	252
No expiration date	239.007
Carrying amount at 31 December 2024	242.447

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 financial years following balance sheet date and other events which are highly probable and relevant in this respect. The actions undertaken in 2024, including but not limited to the investments in software and the new production facilities and machinery, improved the Group's estimated future profits.

The deferred tax asset is considered long-term.

Inventories (5)

<i>(in thousands of euros)</i>	31-12-2024	31-12-2023
Raw materials and consumables	10.520	13.330
Work in progress	3.523	3.123
Finished products and goods for resale	12.540	13.291
Prepayments on stock	195	460
Total	26.779	30.204

Inventories are carried at the net realisable value. The value of the inventories is deducted by a provision amounting to €4.804K (2023: €4.980K). The carrying amount of inventories stated at net realisable value is €9.9mIn (2023: €9.2mIn).

A right of pledge has been established on inventories of the Dutch group companies, Ahrend NV (Belgium) and Ahrend a.s. (Czech Republic) as security to the bank. The right of pledge applies to the credit facility of Koninklijke Ahrend BV.

Current receivables (6)

<i>(in thousands of euros)</i>	31-12-2024	31-12-2023
Trade receivables	43.200	52.317
Receivables from related parties	23	64
Corporate income tax receivables	0	50
Other current assets	62	54
Other receivables and prepayments	8.940	9.300
Total	52.225	61.785

All receivables fall due within one year after balance sheet date. A right of pledge has been established on trade and intercompany receivables of the Dutch group companies, Ahrend NV (Belgium) and Ahrend a.s. (Czech Republic) as security to the bank. The right of pledge applies to the credit facility of Koninklijke Ahrend BV.

Receivables from related parties concern outstanding invoices for regular sales transactions. Neither a repayment schedule nor interest is applicable.

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 recognised, where necessary. Trade receivables include a provision for doubtful debts of €1.268K (2023: €752K).

Movements in the provision were as follows:

<i>(in thousands of euros)</i>	2024	2023
Balance at 1 January	752	995
Additions	582	239
Utilisation and releases	(67)	(482)
Balance at 31 December	1.268	752



Cupra, Ahrend France

Cash at bank (7)

All cash is at the group's free disposal.

A right of pledge has been established on all bank balances/accounts of the Dutch group companies, Ahrend NV (Belgium) and Ahrend a.s. (Czech Republic) as security to the bank. The right of pledge applies to the credit facility of Koninklijke Ahrend BV.

Group equity (8)

Equity

For details on equity, please refer to the note on equity in the company financial statements.

Provisions (9)

<i>(in thousands of euros)</i>	31-12-2024	31-12-2023
Pension provision	0	0
Provision for deferred taxation	316	270
Restructuring provision	0	0
Other provisions	3,657	3,674
Total	3,974	3,944

Pension provision

Participation is mandatory in the pension fund for the employees and directors of the company and its Dutch group companies. The company and its Dutch group companies are only required to pay the premiums. There is no obligation to make additional payments or right of return / premium. It consists of average pay. The yearly increase of entitlements is 1,875% of the salaries base consisting of the gross salaries minus franchise. The base is maximised at €89K. The funding ratios at 31 December 2024 of the applicable pension funds are as follows:

- › PME – 113.1% (policy funding ratio over last 12 months: 112.7%)
- › APG – 121.4% (policy funding ratio over last 12 months: 123.7%)
- › Meubelpensioenfond (OAK) – 122.9% (policy funding ratio over last 12 months: 124.7%)

The total pension provision ultimo 2023 and 2024 is €0.

Provision for deferred taxation

Movements in the provision for deferred taxation were as follows:

<i>(in thousands of euros)</i>	2024
Balance at 1 January	270
Exchange differences	8
Additions	87
Reductions	(49)
Impact change future tax rates	0
Balance at 31 December	316

The temporary differences included in the deferred tax liability are calculated based on the (future) tax rates at the time these differences will be realised.

The deferred tax liability is considered long-term.

Other provisions

Movements in the other provisions were as follows:

<i>(in thousands of euros)</i>	Jubilee provision	Warranty provision	Environment provision	Other provisions	Total
Balance at 1 January 2024	2.234	1.178	261	1	3.674
Additions	142	152	0	0	294
Charged to provision	(151)	0	(54)	(1)	(206)
Releases	0	(94)	0	0	(94)
Exchange rate differences	0	(11)	0	0	(11)
Balance at 31 December 2024	2.225	1.226	207	0	3.657
term of less than or equal to 1 year	10	525	38	0	572
term of more than 5 years	2.215	701	169	0	3.085

Provisions are recognised based on the best estimate of the expenditure required to settle the present obligation at balance sheet date. Provisions for one-off events (restructuring, environmental clean-up, settlement of a lawsuit, etcetera) are measured at the most likely amount.

Jubilee provision

The jubilee provision is recorded to cover gratifications to be paid on certain jubilee dates. The provision is calculated actuarially taking into account employee records, life expectancy and chance of meeting the employment terms. The discount rate used is 3.15% (2023: 3.15%). In 2024 interest expenses of €69K were recognised and actuarial gains of €60K. The jubilee provision has a long term duration (primarily longer than 5 years).

Warranty provision

The warranty provision is recorded to cover warranty costs that arise during and after a sales event. In general a warranty period of 1 till 5 years is applied based on the type of product or

services. The provision is measured at a probability-weighted expected value. It is expected that the provision will be used between 1 and 5 years after reporting date.

Environmental provision

The environmental provision is recorded to cover the costs keeping the environmental situation regarding a specific production facility at the current situation. The provision is based on a best estimate based and it is expected that the provision will be used in more than 5 years after reporting date.

Long-term liabilities (10)

<i>(in thousands of euros)</i>	31-12-2024	31-12-2023
Lease liabilities	31.215	17.747
Bank loan	2.912	3.755
Total	34.126	21.502



FMHaaglanden, Gispén

Lease liabilities

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

Bank loan

For the financing of the wood hub facility the Group engages in additional financing in the form of a bank loan (original nominal amount of €5.000K) with CSOB in the Czech Republic. The bank loan was drawn in full on 27th of July 2023 and will be repaid in equal quarterly installments over a five-year term. Ultimo 2024 the amount payable within one year is classified as part of current liabilities, refer to note 11. The total amount outstanding ultimo 2024 is equal to € 3.745K (2023: € 4.593k).

The fair value of the bank loan approximates the carrying value of the loan.

Bank loan

(in thousands of euros)

	2024
Balance at 1 January	3.755
Additions	0
Repayments	(843)
Balance at 31 December	2.912

Current liabilities (11)

<i>(in thousands of euros)</i>	31-12-2024	31-12-2023
Short term part of lease liabilities	8.415	7.866
Short term repayments on long-term loans	833	838
Liabilities to credit institutions	0	2.000
Prepayments received on orders	2.753	4.219
Trade creditors/suppliers	35.763	33.474
Payables to related parties	113	34
Corporate income tax payable	201	0
Other taxes and social security charges	9.440	10.690
Pension-related liabilities	1.099	1.055
Other liabilities	16.104	20.120
Total	74.722	80.296

All current liabilities fall due within one year after balance sheet date. The fair value approximates the carrying amount.

Payables to related parties concern outstanding invoices for regular purchase and cost reimbursement transactions. Neither a repayment schedule nor interest is applicable.

Lease liabilities

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

Liabilities to credit institutions

Per 20 March 2023 Royal Ahrend renewed its facilities with KBC-bank. Royal Ahrend, a number of group companies and CI BV are jointly and severally liable for the facility. Ultimo 2024 the facility is €43.5mIn consisting of: 1) overdraft credit facility of €29mIn, 2) contingent liability facility of €2mIn and 3) overdraft credit facility of €12.5mIn for CI BV specifically. The interest rate is a floating rate plus a variable margin depending on the quarterly EBITDA. The interest rate varies per currency account (EUR, CZK, USD, GBP). The bandwidth of the actual interest

rate on negative compensated EUR-balances was 3.7% - 4.6%. The final maturity date for the facilities is 31 March 2028. Ultimo 2024 the credit facility was not used. The contingent liability facility was used for an amount of €1.5mIn, in the form of outstanding bank guarantees to customers.

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

- Pledge on all stocks of the Dutch group companies, Ahrend NV (Belgium) and Ahrend a.s. (Czech Republic)
- Pledge on all business equipment of the Dutch group companies, Ahrend NV (Belgium) and Ahrend a.s. (Czech Republic)
- Pledge on all receivables of the Dutch group companies, Ahrend NV (Belgium) and Ahrend a.s. (Czech Republic)
- Pledge on all bank balances/accounts of the Dutch group companies, Ahrend NV (Belgium) and Ahrend a.s. (Czech Republic)
- Pledge on all intercompany receivables of the Dutch group companies, Ahrend NV (Belgium) and Ahrend a.s. (Czech Republic) against all members of the Group
- Pledge on all intellectual property rights of the Dutch group companies.
- 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 (Gispen).

The covenant with the bank contains the following requirements:

- If the solvency ratio drops below 25%, the credit facilities are due on demand. At 44% the current solvency ratio meets this minimum limit. During the year no breach was reported.
- If the leverage ratio exceeds 3.5 per the 31st of December of any year, the credit facilities are due on demand. At -0.94 the current leverage ratio meets the requirements, 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 2024.

The 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 bank loan (original nominal amount of €5.0mIn) with CSOB in the Czech Republic. The bank loan was drawn in full on 27th of July 2023 and will be repaid in equal quarterly installments over a five-year term. Maturity date is 31st of May 2029. The interest rate is a floating rate plus a fixed margin. The interest rate risk is hedged via an interest rate swap with a cap at 3.48%. The bandwidth of the actual interest rate excluding margin and not considering the hedge was 3.0% - 3.9%. The fair value of the swap was €-115K (negative) ultimo 2024.

The company provided the following security for the loan provided by the bank:

- › Pledge on substantially all receivables of Ahrend a.s. (Czech Republic)
- › Pledge on all stock of Ahrend a.s. (Czech Republic)

The covenant with the bank contains the same requirements as the credit facility.

The securities serving the credit facility with KBC also serve the bank loan with CSOB and the securities serving the bank loan with CSOB also serve the credit facility with KBC.

Initially a sale and lease back transaction for the machinery in the wood hub, worth €8.7mIn, had been agreed upon with CSOB. Given strategic and cashflow developments, Royal Ahrend decided not to proceed with the financial lease. This was formalised with CSOB/KBC in 2024 and did not have negative financial impact.

Other liabilities

Other liabilities can be broken down as follows:

<i>(in thousands of euros)</i>	31-12-2024	31-12-2023
Invoices to be paid	4.630	5.372
Employee bonuses	2.777	4.850
Holiday allowance	3.121	3.083
Customer bonuses	340	594
Deferred revenues	1.822	1.893
Other costs payable	3.414	4.328
Total	16.104	20.120

Financial instruments

General

The information included in the notes for financial instruments is useful in estimating the extent of risks relating to both on-balance and off-balance financial instruments.

The group's primary financial instruments, not being derivatives, serve to finance the group's operating activities or directly arise from these activities. The group also enters into transactions in derivatives, particularly forward currency contracts and interest rate swaps, to hedge foreign exchange and interest rate risks arising from the group's operating and financing activities. The group's policy is not to trade in financial instruments for speculation purposes. The principal risks arising from the group's financial instruments are foreign exchange risk, interest rate and cash flow risks, other price risk, credit risks and liquidity risks.

The group's policy to mitigate these risks is set out below.

Foreign exchange risk

The group is exposed to foreign exchange risks arising from purchase and sales transactions denominated in a currency other than the group's presentation currency. The group's policy is to hedge foreign exchange risks by entering into forward currency contracts by assessment of group management. Ultimo 2024 foreign exchange risk derivatives at a fair value of €+155K are present. Currency risks regarding net asset investments in foreign currencies are not being hedged.

Interest rate and cash flow risks

Interest rate risk is the risk of the fair value of future cash flows from financial instruments fluctuating due to changing market interest rates. The risk of market rate fluctuations run by the group mainly relates to the group's variable-interest long-term commitments. The interest rate risk on the bank loan is hedged via an interest rate swap with a cap at 3.48%. Refer to "Liabilities to credit institutions". Ultimo 2024 the group has no other derivatives to cover risks for interest rate or cash flows.

Royal Ahrend chose to have a significant part of her funding as short-term, which enables the company to adjust to its financing needs in a flexible manner. The interest rate risk involved with short-term debt is not hedged.

Credit risk

The group trades only with creditworthy parties and has implemented procedures to check the creditworthiness of parties. The group has also drawn up guidelines for limiting the credit risk associated with each financial institution and debtor. Furthermore, the group applies strict credit control and dunning procedures. The group's credit risk is minimal due to the above measures. No significant concentrations of credit risk exist within the group.

Liquidity risk

The group manages liquidity risk through short term monitoring and by making adjustments where necessary. A cash pool is applicable throughout the group optimising group cash positions. For details of the liquidity risk relating to interest rate swaps, please refer to the note on interest rate swaps. For details of the unconditional credit facility made available and the related covenants, please refer to the notes on liabilities to credit institutions.

Related parties

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

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

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 €124K ultimo 2024.

At 31 December 2024, the group has bank guarantees outstanding with KBC related to normal trading activities for a total amount of €1.535K (2023: € 972K). Securities provided to BNP Paribas Fortis, relating to the first ranking floating charge (pand handelszaak), amount to €660K at 31 December 2024 (2023: €660K).

In addition to the lease obligations recognised on balance sheet, Ahrend committed to the leasing of space and cars, for which commencement dates are in 2025 or beyond. The total value of these off-balance sheet commitments per 31 December 2024 is €659K.

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>	2024	2023
Goods	243.969	265.784
Services	26.346	26.002
Other	3.410	2.992
Total	273.725	294.778

Net turnover was €-21.053K (-7%) lower than prior year. The decreased sales are a result of strategic direction, focusing on integral margin improvement through focus on core activities, increase of own product share and choice of market approach. Moreover, order intake in general is lower due to a less favourable economic climate.

Geographical areas

<i>(in thousands of euros)</i>	2024				
	The Netherlands	Czech Republic	Romania	Other	Total
Net turnover	152.957	31.707	16.879	72.181	273.725

<i>(in thousands of euros)</i>	2023				
	The Netherlands	Czech Republic	Romania	Other	Total
Net turnover	162.103	31.417	20.388	80.870	294.778

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 € 72.181K is mainly related to other European countries.

Cost of raw materials and consumables (13)

<i>(in thousands of euros)</i>	2024	2023
Costs of raw materials and consumables	(94.398)	(103.376)
Costs of merchandise sold	(30.941)	(39.025)
Installation costs	(10.072)	(10.077)
Total	(135.411)	(152.478)

* Note regarding the comparative figures: the exceptional expense line as was present in the prior year annual report has now been allocated to the constituent line items in this note.

The costs of merchandise sold contains additional margin related to a correction of prior year's margin eliminations on intercompany sales transactions to CI BV. The correction is not a material amount, so the correction is processed in this year's figures.

Wages and salaries (14)

<i>(in thousands of euros)</i>	2024	2023
Wages and salaries own personnel	(55.437)	(54.780)
Wages and salaries temporary personnel	(7.184)	(7.880)
Total	(62.621)	(62.660)

* Note regarding the comparative figures: the exceptional expense line as was present in the prior year annual report has now been allocated to the constituent line items in this note.

Social security charges (15)

<i>(in thousands of euros)</i>	2024	2023
Pension charges	(4.482)	(4.432)
Other social security charges	(9.467)	(9.440)
Total	(13.949)	(13.872)

* Note regarding the comparative figures: the exceptional expense line as was present in the prior year annual report has now been allocated to the constituent line items in this note.



Factory in Prague

Workforce

The average number of staff (in FTEs) employed by the group in 2024 was 1.238 (2023: 1.264), specified by segments as follows:

	2024	2023
Sales	336	339
Operations	657	729
Back-office	245	196
Total	1.238	1.264
Employed in the Netherlands	736	744
Employed outside the Netherlands	502	520
Total	1.238	1.264

The total average number of FTE decreased by 26, fully accounted for by a decline in temporary personnel. Fixed FTEs remained stable. This decline in workforce is mainly related to operations in the Netherlands and the Czech Republic. The average number of staff (in FTEs) employed by Ahrend Gulf in 2024 was 11.6 (2023: 11.7). These employees are stationed in the United Arab Emirates. The average number of staff (in FTEs) employed by Despace in 2024 was 3 (2023:0). These employees are stationed in China.

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

<i>(in thousands of euros)</i>	2024	2023
Other intangible fixed assets	(1.384)	(1.183)
Tangible fixed assets	(6.574)	(5.140)
Right of use assets	(6.623)	(6.905)
Total	(14.581)	(13.228)

Other operating expenses (17)

<i>(in thousands of euros)</i>	2024	2023
Other personnel costs	(3.053)	(2.778)
Car and travel expenses	(3.368)	(3.247)
Transportation and installation costs	(12.377)	(14.528)
Housing costs	(4.655)	(5.916)
Production costs	(2.596)	(3.057)
Office costs	(1.267)	(1.114)
EDP costs	(4.945)	(4.415)
Marketing and advertising costs	(1.650)	(1.609)
Other operating expenses	(4.125)	(5.071)
Total	(38.037)	(41.736)

* Note regarding the comparative figures: the exceptional expense line as was present in the prior year annual report has now been allocated to the constituent line items in this note.

Research and development costs directly recognised as salary and operating expenses in profit and loss amount to € 1.657K (2023: € 1.997K). In 2024 development costs amounting to €16K were capitalised as intangible fixed assets (2023: €1K). Capitalised development costs amortised in the year amounts to €18K (2023: €16K).

Audit fees

The costs of the Group for the external independent auditor PricewaterhouseCoopers Accountants N.V., the audit organisation and the entire network to which the audit organisation belongs charged to the financial year are set out below.

<i>(in thousands of euros)</i>	2024		Total
	PWC Accountants NV	Other PWC Network	
Audit of the financial statements	277	265	542
Other audit engagements	0	0	0
Tax advisory services	0	0	0
Other non-audit services	0	403	403
Total	277	668	945

<i>(in thousands of euros)</i>	2023		Total
	PWC Accountants NV	Other PWC Network	
Audit of the financial statements	285	210	495
Other audit engagements	0	0	0
Tax advisory services	0	0	0
Other non-audit services	0	179	179
Total	285	389	674

The fees listed above relate to the procedures applied to the company and its consolidated group entities by the external and independent auditor as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act ('Wet toezicht accountantsorganisaties - Wta'). These fees relate to the audit of the 2024 financial statements, regardless of whether the work was performed during the financial year.

Non-recurring expenses (18)

In 2024 non-recurring costs amounting to €3.3mIn (2023: €2.4mIn) were recorded as part of costs of raw materials and consumables (note 13), wages and salaries (note 14), social security charges (note 15), amortisation and depreciation (note 16) and other operating

expenses (note 17). The non-recurring costs are, amongst others, related to personnel expenses, the implementation of a new ERP-system and double costs of the wood hub premises.



Municipality of Rijswijk, Ahrend

Financial income and expense (19)

(in thousands of euros)

	2024	2023
Interest income and similar income	0	0
Interest expense and similar charges	(1.421)	(1.331)
Interest on leases	(1.286)	(727)
Total financial income and expense	(2.707)	(2.058)

In 2024 currency translation differences of €-1.147K (2023: €+45K) were included in profit and loss as part of interest expense and similar charges.

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>	2024	2023
Result before tax	6.041	7.966
Corporate income tax	(1.028)	(1.562)
Deferred corporate income tax	181	39
Total tax credit/charge	(846)	(1.523)
	2024	2023
Applicable tax rate home-market NL	25,8%	25,8%
Applicable tax rate foreign countries	21,0%	24,0%
Effective tax rate	14,0%	19,1%

The applicable tax rate in the home-market the Netherlands is 25.8% (2023: 25.8%). The applicable tax rate in the foreign countries is 21% (2023: 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 in 2023 and 2024, which impacts the proportional tax contribution. The tax rate did not change in most countries. For the Dutch fiscal unity the total amount of available deductible losses per end of 2024 is equal to €112.3mln (2023: €114.3mln based on submitted CIT return). For countries outside the Netherlands the total amount of available deductible losses per end of 2024 is equal to €166.7mln. Approximately €160mln thereof consists of unrecognised tax losses in Germany.

The effective tax rate deviates from the applicable tax rate as a result of permanent differences between commercial (accounting) profit and taxable profit, which can arise as a result of, amongst others, non-deductible expenses or non-recognisable profits and usage of unrecognised operating losses. The reconciliation between the applicable tax rate (NL) and effective tax rate for the Group as a whole is:

	Amounts in thousands of Euros
Result before tax	6.041
CIT against applicable tax rate of 25.8%	(1.559)
<i>Non deductible costs / non-recognisable profit NL</i>	48
<i>Recognition / usage of tax losses NL</i>	521
<i>Impact change in future tax rates NL</i>	0
<i>CIT from prior years NL</i>	570
<i>Tax impact of foreign operations</i>	(426)
Total tax credit/charge	(846)
Effective tax rate	14,0%

Remuneration of members of the board of directors and supervisory board

The remuneration, including pension charges and other benefits, of current and former members of the board of directors and supervisory board charged to the company, its subsidiaries in the financial year amounted to €1.973K (2023: €2.067K) and €118K (2023: €115K) respectively.

Notes to the consolidated cash flow statement

Breakdown of cash and cash equivalents (21)

(in thousands of euros)

Cash at bank and in hand at 1 January 2024	18.857	
Cash and cash equivalents of the group at 1 January 2024		18.857
Balance sheet movements in cash and cash equivalents in 2024		5.092
Cash at bank and in hand at 31 December 2024	23.949	
Cash and cash equivalents of the group at 31 December 2024		23.949

All cash and cash equivalents available at 31 December 2024, €23.9mIn (2023: €18.9mIn) is freely available to the group as a whole, taking into account currency exchange restrictions.

Events after the balance sheet date for the consolidated financial statements

No significant events after balance sheet date occurred.

Colophon

Note to the financial result

The financial statements are derived from the statutory annual report 2024 of Koninklijke Ahrend BV. The financial statements are explicitly not a complete and audited annual report 2024 of Koninklijke Ahrend BV. The audited annual report 2024 is filed and available at the Dutch Chamber of Commerce.

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