



The Offer expires at 17:40 hours, Amsterdam time, on 29 November 2023, unless extended

OFFER MEMORANDUM

dated 4 October 2023

RECOMMENDED CASH OFFER

by

959 B.V.

a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*)
incorporated under the laws of the Netherlands

**FOR ALL THE ISSUED AND OUTSTANDING ORDINARY SHARES WITH A NOMINAL VALUE OF
EUR 0.02 EACH**

IN THE SHARE CAPITAL OF

BETER BED HOLDING N.V.

a public company with limited liability (*naamloze vennootschap*)
incorporated under the laws of the Netherlands

This offer memorandum (the "**Offer Memorandum**") contains the details of the recommended cash offer by 959 B.V. (the "**Offeror**") to all holders of the issued and outstanding ordinary shares in the capital of Beter Bed Holding N.V. ("**Beter Bed Holding**") (the "**Shares**", the holders of such Shares being referred to as the "**Shareholders**") to purchase for cash the Shares held by them, on the terms and subject to the conditions and restrictions contained in this Offer Memorandum (the "**Offer**"). Capitalised terms used in this Offer Memorandum have the meaning set out in Section 3 (*Definitions*) or elsewhere in this Offer Memorandum.

This Offer Memorandum contains the information required by Article 5:76 of the Dutch Act on Financial Supervision (*Wet op het financieel toezicht*, the "**Wft**") in conjunction with Article 8, paragraph 1 of the Dutch Decree on public offers Wft (*Besluit openbare biedingen Wft*, the "**Decree**") in connection with the Offer. This Offer Memorandum has been reviewed and approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "**AFM**") as an offer memorandum under Article 5:76 Wft on 4 October 2023.

The information required by Article 18, paragraph 2 of the Decree in connection with the Offer is included in the position statement of Beter Bed Holding (the "**Position Statement**"), which is also published on the date of this Offer Memorandum. The Position Statement, including all appendices thereto, does not form part of this Offer Memorandum and has not been reviewed or approved by the AFM prior to

publication. The Position Statement will be reviewed by the AFM after publication.

Shareholders tendering their Shares under the Offer will be paid, on the terms and subject to the conditions and restrictions contained in this Offer Memorandum, in consideration for each Share validly tendered (or defectively tendered provided that such defect has been waived by the Offeror) and delivered (*geleverd*) on the terms and subject to the conditions and restrictions of the Offer (each a "**Tendered and Delivered Share**") a cash amount of EUR 6.10 (cum dividend) (the "**Offer Price**"). The Offer Price will be decreased by an amount in euro equal to the per Share full amount or value of any dividend or other distribution (before any applicable withholding tax or other taxes due in respect thereof) paid or declared by Beter Bed Holding whether in cash or in kind, each a "**Distribution**" and collectively the "**Distributions**", with a record date between 10 July 2023 and the Settlement Date (inclusive) (or, with respect to Shares tendered during the Post-Acceptance Period, a record date prior to or on the date of settlement of such Tendered Shares).

The management board (*raad van bestuur*) of Beter Bed Holding (the "**Management Board**") and the supervisory board (*raad van commissarissen*) of Beter Bed Holding (the "**Supervisory Board**", and jointly, the "**Boards**") unanimously support the Transaction (as defined below), recommend the Offer to the Shareholders for acceptance and recommend the Shareholders to vote in favour of the Resolutions (as defined below). Reference is made to Section 5.6 (*Decision-making and Recommendation by the Boards*) and the Position Statement.

The acceptance period under the Offer begins at 9:00 hours, Amsterdam time, on 5 October 2023 and ends at 17:40 hours, Amsterdam time, on 29 November 2023, or such other date as extended in accordance with Article 15 paragraph 9 of the Decree (the "**Acceptance Closing Date**"), unless extended in accordance with the terms of the Offer Memorandum and Article 15 of the Decree (the "**Acceptance Period**"). Acceptance under the Offer must be made in the manner specified in this Offer Memorandum. Shares tendered on or prior to the Acceptance Closing Date may not be withdrawn, subject to the right of withdrawal of any tender during an extension of the Acceptance Period in accordance with the provisions of Article 15, paragraph 3 of the Decree. The Offeror reserves the right to extend the Acceptance Period once, for a minimum of two weeks and up to a maximum of ten weeks. If the Acceptance Period is extended, the Offeror will make an announcement to that effect no later than on the third (3rd) Business Day following the Acceptance Closing Date in accordance with the provisions of Article 15, paragraph 1 and paragraph 2 of the Decree. During the Acceptance Period, the Offeror has the right pursuant to Article 15, paragraph 4 of the Decree to increase the Offer Price. The Acceptance Period must be open for at least seven (7) Business Days following an increase of the Offer Price. Should the Acceptance Period be open for a shorter period, it will by virtue of law be extended to seven (7) Business Days. During such extended Acceptance Period, the Offeror is not allowed to further increase the Offer Price. Shares tendered prior to such extension of the Acceptance Period may be withdrawn during the extended Acceptance Period in accordance with Article 15, paragraph 3 and Article 15a, paragraph 3 of the Decree. However, during any such extension of the Acceptance Period, any Shares previously tendered and not withdrawn will remain subject to the Offer. See Section 4 (*Invitation to the Shareholders*).

No later than on the third (3rd) Business Day following the Acceptance Closing Date, the Offeror will announce whether the Offer is declared unconditional (*gestand is gedaan*) (the "**Unconditional Date**"). The Offeror reserves the right to waive certain Offer Conditions in accordance with Section 5.5 (*Offer Conditions and waiver*). See also Section 4.7 (*Declaring the Offer unconditional*).

Announcements declaring whether the Offer is declared unconditional (*gestand is gedaan*) and announcements in relation to an extension of the Acceptance Period will be made by press release. See Section 4.13 (*Announcements*).

In the event that the Offeror announces that the Offer is declared unconditional (*gestand is gedaan*), the Offeror will make the payment of the Offer Price to the Shareholders having tendered their Shares for acceptance pursuant to the Offer no later than on the fourth (4th) Business Day following the Unconditional Date (the "**Settlement**" and the day on which the Settlement occurs, the "**Settlement Date**"). See Section 4 (*Invitation to the Shareholders*).

Following the Settlement Date, the Offeror (i) shall, if certain conditions are met, commence a compulsory acquisition procedure (*uitkoopprocedure*) on the terms and conditions set out in Section 5.11.2 (*Statutory Buy-Out Proceedings*) and may, if certain conditions are met, elect to implement a Post-Closing Demerger prior to commencing such compulsory acquisition procedure (*uitkoopprocedure*) on the terms and conditions set out in Section 5.11.3 (*Post-Closing Demerger*), or (ii) may, if certain conditions are met, decide to pursue a Post-Closing Merger on the terms and conditions set out in Section 5.11.4 (*Post-Closing Merger*).

In accordance with Article 18, paragraph 1 of the Decree, Beter Bed Holding will hold an extraordinary meeting of Shareholders on 15 November 2023 (the "**EGM**"). At the EGM, the Offer will be discussed and unanimously recommended by the Boards to the Shareholders for acceptance and the Shareholders will be requested to vote in favour of the Resolutions. Separate convocation materials will be made available on the Beter Bed Holding's website (www.beterbedholding.com). Reference is made to Section 5.27 (*Extraordinary general meeting*).

Distribution of this Offer Memorandum may, in certain jurisdictions, be subject to specific regulations or restrictions. Persons in possession of this Offer Memorandum are urged to inform themselves of any such restrictions which may apply to them and to observe them. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. The Offeror and Beter Bed Holding disclaim all responsibility for any violation of such restrictions by any person. Reference is made to Section 1.1 (*Restrictions*).

1. RESTRICTIONS AND IMPORTANT INFORMATION

1.1. Restrictions

1.1.1. General

The Offer is made in, and from, the Netherlands with due observance of the statements, conditions and restrictions included in the Offer Memorandum. The Offeror reserves the right to accept any tender under the Offer, which is made by or on behalf of a Shareholder, even if it has not been effected in the manner set out in this Offer Memorandum.

The distribution of this Offer Memorandum and/or the making of the Offer in jurisdictions other than the Netherlands may be restricted and/or prohibited by law. The Offer is not made, and the Shares will not be accepted for purchase from, or on behalf of, any Shareholder, in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by the terms of this Offer Memorandum. If you are in any doubt as to your eligibility to participate in the Offer, you should contact your professional adviser immediately. Persons obtaining this Offer Memorandum are required to take due note and observe all such restrictions and obtain any necessary authorisations, approvals or consents (to the extent applicable).

No actions have been taken or will be taken to make the Offer possible in any jurisdiction outside of the Netherlands where such actions would be required. In addition, this Offer Memorandum has not been filed with or recognized by the authorities of any jurisdiction other than the Netherlands. However, acceptances of the Offer by Shareholders not residing in the Netherlands will be accepted by the Offeror if such acceptances comply with (i) the acceptance procedure set out in this Offer Memorandum and (ii) the laws of the jurisdiction from which such acceptance has been made.

Neither the Offeror, nor Beter Bed Holding, nor any of their advisers, nor the Exchange Agent accepts any responsibility or liability for any violation by any person of any such restriction. Any person (including, without limitation, custodians, nominees and trustees) who forwards or intends to forward this Offer Memorandum or any related document to any jurisdiction outside the Netherlands should carefully read this Section 1 (*Restrictions and important information*) before taking any action.

1.2. Important information

1.2.1. Introduction

This Offer Memorandum contains, incorporates and refers to important information that should be read carefully before any Shareholder makes a decision to tender Shares under the Offer. Shareholders are advised to seek independent professional advice where necessary. In addition, Shareholders are urged to consult their own independent tax adviser as to the Dutch or other tax consequences of the contents of this Offer Memorandum, including but not limited to the acceptance or non-acceptance of the Offer.

1.2.2. Information for U.S. Shareholders

The Offer is being made for the Shares of Beter Bed Holding, a public limited liability company incorporated under the laws of the Netherlands, and is subject to Dutch disclosure and procedural requirements, which differ from those of the United States. The financial information of Beter Bed Holding included or referred to herein has been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by the European Commission for use in the European Union ("**IFRS**"), and Part 9 of Book 2 DCC and, accordingly, may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. The Offer will be made in the United States in compliance with Regulation 14E under the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**") and the rules and regulations promulgated thereunder, including the exemptions therefrom, and otherwise in accordance with the applicable regulatory requirements in the Netherlands. Accordingly, the Offer will be subject to

disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and law.

The receipt of cash pursuant to the Offer by a U.S. holder of Shares may be a taxable transaction for U.S. federal income tax purposes and may be a taxable transaction under applicable state and local laws, as well as foreign and other tax laws. Each U.S. holder of Shares is urged to consult his or her independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.

It may be difficult for U.S. holders of Shares to enforce their rights and any claim arising out of the U.S. federal securities laws, since the Offeror and Beter Bed Holding are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. U.S. holders of Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

Neither the U.S. Securities and Exchange Commission nor any U.S. state securities commission or other regulatory authority has approved or disapproved the Offer, passed upon the fairness or merits of the Offer or provided an opinion as to the accuracy or completeness of this Offer Memorandum or any other documents regarding the Offer. Any declaration to the contrary constitutes a criminal offence in the United States.

To the extent permissible under applicable law or regulation, including Rule 14e-5 of the U.S. Exchange Act, and in accordance with standard Dutch practice, the Offeror or brokers (acting as agents for the Offeror) may, before or during the period in which the Offer remains open for acceptance, directly or indirectly, purchase, or arrange to purchase Shares outside of the United States, from time to time, other than pursuant to the Offer. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. In addition, the financial advisers to the Offeror may engage in ordinary course trading activities in securities of Beter Bed Holding, which may include purchases or arrangements to purchase such securities. To the extent required in the Netherlands, any information about such purchases will be announced by a press release in accordance with Article 13 of the Decree and made available on the website of the Offeror.

1.3. Responsibility for information

The information and declarations included on the cover page and on pages 1, 2 and 3 and in Section 1 (*Restrictions and important information*) through Section 5 (*Explanation and Background to the Offer*) (excluding Section 1.4 (*Presentation of financial information*), Section 1.9 (*Financial advisers*), Section 5.6 (*Decision-making and Recommendation by the Boards*), Section 5.8 (*Shareholdings of the members of the Boards*), Section 5.9 (*Respective shareholdings by the Offeror, Co-Investors and Beter Bed Holding*), Section 5.12 (*Composition of the Supervisory Board*), Section 5.13 (*Composition of the Management Board*), Section 5.14 (*Compensation to the members of the Boards in connection with resignation*), Section 5.15 (*Corporate governance following Settlement*), Section 5.19 (*Employee consultations and SER and Trade Unions notification*) and Section 5.27 (*Extraordinary general meeting*)), Section 7 (*Information regarding the Offeror and Co-Investors*) (excluding Section 7.3 (*Details on the Co-Investors*)), Section 8 (*Certain Material Dutch Tax Considerations*), Section 10 (*Nederlandse samenvatting van het Bod*), Section 11 (*Press releases*), Section 12 (*Articles of Association*) and Section 13.1 (*Advisers to the Offeror*) have been solely provided by the Offeror.

The information and declarations included in Section 1.4 (*Presentation of financial information*), Section 5.6 (*Decision-making and Recommendation by the Boards*), Section 5.8 (*Shareholdings of the members of the Boards*), Section 5.12 (*Composition of the Supervisory Board*), Section 5.13 (*Composition of the Management Board*), Section 5.14 (*Compensation to the members of the Boards in connection with resignation*), Section 5.19 (*Employee consultations and SER and Trade Unions notification*), Section 5.27 (*Extraordinary general meeting*), Section 6 (*Information regarding Beter Bed Holding*), Section 13.3 (*Advisers to Beter Bed Holding*) and Section 14 (*Financial information Beter Bed Holding*) have been solely provided by Beter Bed Holding.

The information and declarations included in Section 1.9 (*Financial advisers*) and Section 5.15 (*Corporate governance following Settlement*) have been provided by the Offeror and Beter Bed Holding respectively to the extent it relates to it.

The information and declarations included in Section 7.3.1 (*Information on Navitas and Vinke Amsterdam*) have been solely provided by Navitas.

The information and declarations included in Section 7.3.2 (*Information on Teslin and Teslin HoldCo*) have been solely provided by Teslin.

The information and declarations included in Section 7.3.3 (*Information on De Engh and Hoogh Blarick*) have been solely provided by De Engh.

The information included in Section 13.2 (*Advisers Co-Investors*) have been provided by the Co-Investors jointly.

The information and declarations included in Section 5.9 (*Respective shareholdings by the Offeror, Co-Investors and Beter Bed Holding*) and Section 9 (*Other information required by the Decree*) have been provided by the Offeror, Beter Bed Holding, Navitas, Teslin and De Engh respectively to the extent it relates to it.

The Offeror, Beter Bed Holding, Navitas, Teslin and De Engh are exclusively responsible for the accuracy and completeness of the information provided in this Offer Memorandum, each severally with respect to the information it has solely provided, and jointly with respect to the information they have provided jointly.

The Offeror, Beter Bed Holding, Navitas, Teslin and De Engh confirm, each severally with respect to the information it has solely provided, and jointly with respect to the information which they have provided jointly, that to the best of their knowledge the information contained in this Offer Memorandum is in accordance with the facts and contains no omission likely to affect its import.

The information included in Section 14 (*Financial information Beter Bed Holding*) has been sourced by Beter Bed Holding from the audited consolidated financial statements for the financial years ended 31 December 2022 and 31 December 2021 (including comparative financial information for the financial year ended 31 December 2020) as included in the 2022 and 2021 annual reports of Beter Bed Holding, as further explained in Section 14 (*Financial information Beter Bed Holding*). The independent auditor's report included in Section 14.3 (*Independent auditor's report of EY on the selected consolidated financial information for the financial year ended 31 December 2022*) has been sourced by Beter Bed Holding from Ernst & Young Accountants LLP ("**EY**"), the independent auditor of Beter Bed Holding for the financial year 2022. The independent auditor's report included in Section 14.4 (*Independent auditor's report of PwC on the selected consolidated financial information for the financial years ended 31 December 2021 and 31 December 2020*) has been sourced by Beter Bed Holding from PricewaterhouseCoopers Accountants N.V. ("**PwC**"), the independent auditor of Beter Bed Holding for the financial years 2021 and 2020.

No person other than the Offeror and Beter Bed Holding, and without prejudice to the independent auditor's (review) reports issued by PwC and EY included in this Offer Memorandum, and the Fairness Opinions rendered by Coöperatieve Rabobank U.A. ("**Rabobank**") to the Boards and ABN AMRO Bank N.V. ("**ABN AMRO**") to the Supervisory Board, is authorised to provide any information or to make any statements on behalf of the Offeror or Beter Bed Holding in connection with the Offer or the information contained in the Offer Memorandum. If any such information or statement is provided or made by parties other than the Offeror or Beter Bed Holding, such information or statements must not be relied upon as having been provided by or made by or on behalf of the Offeror or Beter Bed Holding. Any information or representation not contained in this Offer Memorandum or in press releases by the Offeror or Beter Bed Holding must not be relied upon as having been provided or made by or on behalf of the Offeror or Beter Bed Holding.

The information included on pages 1 – 3 and in Section 10 (*Nederlandse samenvatting van het Bod*) contains summarised and translated information, and as the case may be, has been derived from the information included in the other sections of this Offer Memorandum.

ABN AMRO has been engaged by the Offeror as Exchange Agent for the Offer, upon the terms and subject to the conditions set out in the agency agreement. Neither the Exchange Agent nor any of its directors, officers, agents or employees make any representation or warranty as to the accuracy, completeness or fairness of the information or opinions described or incorporated by reference in this Offer Memorandum or for any other statements made or purported to be made either by itself or on its behalf in connection with the Offer set forth in this Offer Memorandum. Accordingly, the Exchange Agent disclaims all and any liability, whether arising in tort or contract or otherwise in respect of this Offer Memorandum and or any such other statements.

1.4. Presentation of financial information and other information

The information included in this Offer Memorandum reflects the situation as at the date of this Offer Memorandum, unless specified otherwise. Neither the issue nor the distribution of this Offer Memorandum shall under any circumstances imply that the information contained herein is accurate and complete as of any time subsequent to the date of this Offer Memorandum or that there has been no change in the information set out in this Offer Memorandum or in the affairs of the Offeror, Beter Bed Holding and/or their respective Affiliates since the date of this Offer Memorandum. The foregoing does not affect the obligation of the Offeror or Beter Bed Holding, each insofar as it concerns them, to make a public announcement pursuant to, respectively, Article 4, paragraphs 1 and 3 of the Decree and the European Market Abuse Regulation (596/2014), if applicable.

The selected consolidated financial information of Beter Bed Holding (as included in Section 14 (*Financial information Beter Bed Holding*)) is that of Beter Bed Holding and its consolidated subsidiaries. The selected consolidated financial information should be read in conjunction with the consolidated financial statements of Beter Bed Holding for the financial years ended 31 December 2022, 31 December 2021 and 31 December 2020. The selected consolidated financial information of Beter Bed Holding is derived from Beter Bed Holding's consolidated financial statements for the financial years ended 31 December 2022 and 31 December 2021 (including comparative information for the financial year ended 31 December 2020). The consolidated financial statements for the financial year ended 31 December 2022 has been audited by EY and the consolidated financial statements for the financial years ended 31 December 2021 and 31 December 2020 have been audited by PwC. The Annual Report 2022 is included in Section 14.5 (*Annual Report 2022 including independent auditor's report of EY*). The consolidated financial statements from which the selected consolidated financial information has been derived were prepared in accordance with IFRS, and Part 9 of Book 2 DCC.

The condensed interim consolidated financial statements of Beter Bed Holding for the period from 1 January 2023 to 30 June 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting and have been reviewed by EY, which issued an independent auditor's review report thereon on 20 July 2023. The condensed consolidated interim financial statements for the period from 1 January 2023 to 30 June 2023 of Beter Bed Holding and the independent auditor's review report thereon are included in Section 14.6 (*Unaudited interim financial information for the first half year of the financial year 2023 including independent auditor's review report of EY*) of this Offer Memorandum.

Certain numerical figures set out in this Offer Memorandum, including financial data presented in millions or thousands, have been subject to rounding adjustments and, as a result, should therefore not be regarded as exact. In addition, the rounding also means that the totals of the data in this Offer Memorandum may vary slightly from the actual arithmetic totals of such information.

1.5. Governing law

This Offer Memorandum and the Offer are, and any tender, purchase or transfer of Shares will be, governed by and construed in accordance with the laws of the Netherlands. The District Court of

Amsterdam (*Rechtbank Amsterdam*), the Netherlands, and its appellate courts shall have exclusive jurisdiction to settle any disputes that might arise out of or in connection with this Offer Memorandum, the Offer and/or any tender, purchase or transfer of Shares. Accordingly, any legal action or proceedings arising out of or in connection with the Offer Memorandum, the Offer and/or any tender, purchase or transfer of Shares, shall be brought exclusively in such courts.

1.6. Addresses

The Offeror

959 B.V.
Brediusweg 43
1401 AC Bussum
The Netherlands

Beter Bed Holding

Beter Bed Holding N.V.
Linie 27
5405 AR Uden
The Netherlands

Exchange Agent

Attn: Corporate Broking (HQ7212)
ABN AMRO Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

1.7. Availability of information and documents incorporated by reference

Digital copies of this Offer Memorandum are available on the websites of Beter Bed Holding (www.beterbedholding.com) and the Offeror (www.torgxcapital.com). Copies of this Offer Memorandum are also available free of charge at the offices of Beter Bed Holding and the Exchange Agent, at the addresses mentioned in Section 1.6 (*Addresses*). The websites of Beter Bed Holding, the Offeror and the AFM do not constitute a part of, and are not incorporated by reference into, this Offer Memorandum.

The current Articles of Association, which are incorporated by reference in this Offer Memorandum, are available on the website of Beter Bed Holding ([Articles of Association 2011](#)). Certain amendments of the Articles of Association will be proposed for adoption at the EGM in accordance with the draft of the amended articles of association included in Section 12.1 (*Articles of Association following Settlement*), as described in Section 5.16 (*Amendment of the Articles of Association*) and Section 5.27 (*Extraordinary general meeting*).

The Annual Report 2022 is set out in Section 14.5 (*Annual Report 2022 including independent auditor's report of EY*). The annual reports for the financial years 2021 and 2020 are incorporated by reference in this Offer Memorandum. The half-year report 2023 is set out in Section 14.6 (*Unaudited interim financial information for the first half year of the financial year 2023 including independent auditor's review report of EY*).

Copies of Beter Bed Holding's annual reports for the financial years 2022, 2021 and 2020 and the half-year report 2023 are available free of charge at the abovementioned offices of Beter Bed Holding and the Exchange Agent and on the website of Beter Bed Holding ([annual report 2022, 2021, 2020](#) and [half-year report 2023](#)).

1.8. Forward-looking statements

This Offer Memorandum includes "forward-looking statements" including statements about the expected timing and completion of the Offer. Forward-looking statements involve known or unknown risk and uncertainty because these statements relate to events and depend on circumstances that occur in the

future. Generally, words such as may, should, aim, will, expect, intend, estimate, anticipate, believe, plan, seek, continue or similar expressions identify forward-looking statements. Although the Offeror believes the expectations reflected in such forward-looking statements are based on reasonable assumptions, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and completeness of such statements. Any such forward-looking statements must be considered together with the fact that actual events or results may vary materially from such forward-looking statements due to, among other things, political, economic or legal changes in the markets and environments in which the Offeror and/or Beter Bed Holding does business, to competitive developments or risks inherent to the Offeror's or Beter Bed Holding's business plans and to uncertainties, risk and volatility in financial markets and other factors affecting the Offeror and/or Beter Bed Holding.

The Offeror expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based, except as required by applicable laws and regulations or by any competent regulatory authority.

1.9. Financial advisers

OXEYE Advisors is acting as financial adviser exclusively to the Offeror and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer and will not be responsible to anyone other than the Offeror for providing the protections afforded to the clients of OXEYE Advisors or for providing advice in relation to the Offer.

Rabobank is acting as financial adviser exclusively to the Boards, and ABN AMRO as financial adviser exclusively to the Supervisory Board, and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer and will not be responsible to anyone other than the Boards, or the Supervisory Board, as applicable, for providing the protections afforded to the clients of Rabobank or ABN AMRO or for providing advice in relation to the Offer.

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3. DEFINITIONS

Any reference in this Offer Memorandum to defined terms in plural form shall constitute a reference to such defined terms in singular form, and vice versa. All grammatical and other changes required by the use of a definition in singular form shall be deemed to have been made herein and the provisions hereof shall be applied as if such changes have been made.

The following definitions apply throughout this Offer Memorandum, except for capitalised terms in Section 10 (*Nederlandse samenvatting van het Bod*), Section 11 (*Press Releases*) and Section 14 (*Financial Information Beter Bed Holding*).

ABN AMRO	has the meaning ascribed to it in Section 1.3
Acceptance Closing Date	has the meaning ascribed to it on page 2
Acceptance Period	has the meaning ascribed to it on page 2
Acceptance Threshold	has the meaning ascribed to it in Section 5.5.1.a
Admitted Institutions	those institutions admitted to Euronext Amsterdam
Adverse Recommendation Change	has the meaning ascribed to it in Section 5.6.1
Affiliate	means in respect of the Offeror, Beter Bed Holding or an Offeror Entity, from time to time, any Person that is controlled by the Offeror, Beter Bed Holding or such Offeror Entity, controls the Offeror, Beter Bed Holding or such Offeror Entity, is controlled by a Person that also controls the Offeror, Beter Bed Holding or such Offeror Entity or otherwise qualifies as a subsidiary or a group company of the Offeror, Beter Bed Holding or such Offeror Entity as referred to in articles 2:24a and 2:24b DCC. " Control " for purposes of this definition means the possession, directly or indirectly, solely or jointly (whether through ownership of securities or partnership interest or other ownership interest, by contract, or otherwise) of (a) more than 50% of the voting power at general meetings of that Person or (b) the power to appoint and to dismiss a majority of the managing directors or supervisory directors of that Person or otherwise to direct the management and policies of that Person. Beter Bed Holding and any other Beter Bed Group company will at no time be considered an Affiliate of the Offeror (or <i>vice versa</i>) and a management company (or equivalent, in particular the general partner) of an investment fund is deemed to Control that fund
AFM	has the meaning ascribed to it on page 1
Alternative Proposal	means, with respect to any third party, a full or partial public offer for shares in Beter Bed Holding, a sale of all or a substantial part of the assets or business of Beter Bed Holding or the Beter Bed Group (which would in any event include a sale of the assets or business of Beter Bed Holding or the Beter Bed Group representing 5% or more of the entire Beter Bed Group) or any other transaction that could result in a change of control of Beter Bed Holding or all or a substantial part of its business or otherwise prevent the Offer and the Transaction from being consummated
Annual Report 2022	the annual report of Beter Bed Holding for the financial year 2022, as published by Beter Bed Holding on its website

Antitrust Laws	the Dutch Competition Act (<i>Mededingingswet</i>), Council Regulation (EC) No 139/2004 and any other applicable law, regulation or decree (whether national, international, federal, state or local) designed to prohibit, restrict or regulate actions for the purpose or effect of monopolization or restraint of trade or the significant impediment of effective competition
Articles of Association	means the articles of association (<i>statuten</i>) of Beter Bed Holding as amended on 1 June 2011
Articles Resolution	has the meaning ascribed to it in Section 5.27.2.d
Beter Bed Group	Beter Bed Holding and its group companies as defined in Article 2:24b DCC
Beter Bed HoldCo	Beter Bed Holdco B.V., a private limited liability company (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) incorporated under the laws of the Netherlands, having its corporate seat (<i>statutaire zetel</i>) in Uden, the Netherlands, its office address at Linie 27, 5405 AR Uden, the Netherlands and registered with the Dutch trade register under number 91422736
Beter Bed Holding	has the meaning ascribed to it on page 1
Beter Bed SplitCo	has the meaning ascribed to it in Section 5.11.3
Beter Bed SplitCo Share	has the meaning ascribed to it in Section 5.11.3
Beter Bed Sub	Beter Bed Sub B.V., a private limited liability company (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) incorporated under the laws of the Netherlands, having its corporate seat (<i>statutaire zetel</i>) in Uden, the Netherlands, its office address at Linie 27, 5405 AR Uden, the Netherlands and registered with the Dutch trade register under number 91429803
Beter Bed Sub Share	has the meaning ascribed to it in Section 5.11.4.b
Boards	has the meaning ascribed to it on page 2
Business Day	means a day other than (i) a Saturday or Sunday or (ii) a generally recognized public holiday as referred to in Article 3 of the Dutch General Time Limits Act (<i>Algemene Termijnenwet</i>) or in the collective labor agreement for banks (<i>CAO Banken</i>)
Business Strategy	has the meaning ascribed to it in Section 5.17.a
Co-Investors	means Navitas, Teslin HoldCo and De Engh together
Commencement Date	means the first Business Day following the announcement of this Offer Memorandum being generally available
Competing Offer	has the meaning ascribed to it in Section 5.22
Competing Offer Notice	has the meaning ascribed to it in Section 5.23.a
Contribution Shares	has the meaning ascribed to it in Section 5.7

DCC	means the Dutch Civil Code
Debt Financing	has the meaning ascribed to it in Section 5.4
Decree	has the meaning ascribed to it on page 1
De Engh	"De Engh" B.V., a private limited liability company (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) incorporated under the laws of the Netherlands, having its corporate seat (<i>statutaire zetel</i>) in Naarden, the Netherlands, its office address at Koningin Wilhelminalaan 31, 1411 EL Naarden, the Netherlands and registered with the Dutch trade register under number 32029051
Defaulting Party	has the meaning ascribed to it in Section 5.25.f
Demerger	has the meaning ascribed to it in Section 5.11.3
Demerger Explanatory Notes	has the meaning ascribed to it in Section 5.11.3
Demerger Proposal	has the meaning ascribed to it in Section 5.11.3
Demerger Share Purchase Agreement	has the meaning ascribed to it in Section 5.11.3
Demerger Share Sale	has the meaning ascribed to it in Section 5.11.3
Demerger Share Sale Purchase Price	has the meaning ascribed to it in Section 5.11.3
Demerger Share Transfer Deed	has the meaning ascribed to it in Section 5.11.3
Distribution	has the meaning ascribed to it on page 2
Dutch Resident Entity	has the meaning ascribed to it in Section 8.4.2
Dutch Resident Individual	has the meaning ascribed to it in Section 8.4.1
EGM	has the meaning ascribed to it on page 3
Enterprise Chamber	means the Enterprise Chamber (<i>Ondernemingskamer</i>) of the Amsterdam Court of Appeal (<i>Gerechtshof Amsterdam</i>)
Equity Financing	has the meaning ascribed to it in Section 5.4
Equity Plans	has the meaning ascribed to it in Section 6.7.1.c
EUR	means euro, the legal currency of the European Monetary Union
Euroclear	Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V .
Euronext Amsterdam	means the regulated market operated by Euronext Amsterdam N.V.
Exchange Agent	ABN AMRO Bank N.V.
Exclusivity Period	means the period commencing on the date of the Merger

	Agreement and ending on the earlier of the Settlement Date and the date of a valid termination of the Merger Agreement in accordance with Section 5.25
EV	has the meaning ascribed to it in Section 5.2.2
EY	has the meaning ascribed to it in Section 1.3
Fairness Opinions	has the meaning ascribed to it in Section 5.6
Fully Diluted	means that all options, warranties, convertible instruments or other rights to subscribe for or acquire Shares, issued by the Beter Bed Group, are taken into account as if they have vested, have been exercised or have been converted, as applicable, in full
HoldCo Dissolution	has the meaning ascribed to it in Section 5.11.4.c
Hoogh Blarick	"Hoogh Blarick" B.V., a private limited liability company (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) incorporated under the laws of the Netherlands, having its corporate seat (<i>statutaire zetel</i>) in Naarden, the Netherlands, its office address at Koningin Wilhelminalaan 31, 1411 EL Naarden, the Netherlands and registered with the Dutch trade register under number 32026344
IFRS	has the meaning ascribed to it in Section 1.2.2
Independent Supervisory Board Members	has the meaning ascribed to it in Section 5.12.b
Irrevocable Commitment Agreement	means the irrevocable commitment agreement between the Co-Investors, Teslin, Torqx, Torqx HoldCo, TopCo, MidCo and the Offeror dated 10 July 2023
Law	means any applicable statute, law, subordinate legislation, treaty, ordinance, order, rule, directive, regulation, code, executive order, resolution, decision, guidance, ruling, injunction, judgment, decree or other requirement of any Regulatory Authority, having binding effect at the relevant time
Liquidator	has the meaning ascribed to it in Section 5.11.4.c
Long Stop Date	has the meaning ascribed to it in Section 5.5.6
Management Board	has the meaning ascribed to it on page 2
Management Entities	has the meaning ascribed to it in Section 7.1.5
Material Adverse Effect	means (i) any change, event, development, occurrence, violation, inaccuracy, circumstance or effect (any such items an " Effect ") individually or when taken together with all other Effects, that exist or have occurred prior to the date of determination of the occurrence of the Effect, that has been, is or is reasonably likely to be materially adverse to the business, the assets, the liabilities, the financial condition or the capitalisation of the Beter Bed Group, taken as a whole, such that the Offeror cannot otherwise reasonably be expected to commence the Offer or to declare the Offer unconditional, as the case may be or (ii) an escalation of the armed hostilities in the Ukraine by means of (a) the direct armed

involvement of NATO troops or troops of one or more NATO members in the conflict between Russia and the Ukraine, (b) an invasion by Russia of a NATO member state or (c) the deployment of a nuclear weapon (it being understood that an incident at the Zaporizhzhia power plant (including an explosion and/or meltdown) in itself shall not qualify as deployment of a nuclear weapon), provided, however, that for the purpose of determining whether there has been, or will be, a Material Adverse Effect, as referred to under (i), Effects to the extent arising from the following will not be taken into account:

- a. changes or conditions generally affecting the industries in which the Beter Bed Group operates;
- b. any natural disaster, pandemic (including COVID-19), the outbreak or escalation of war/hostilities (including the armed hostilities in Ukraine), sabotage, military action, act of god, armed hostilities, acts of terrorism, or any escalation or worsening thereof;
- c. changes in economic, political or market conditions (including volatility in interest rates, changes in exchange rates for the currencies of any country, any suspension of trading in any type of securities, trade disputes or the imposition of trade restrictions), including any adverse development regarding the European Union, its member states (including members states leaving such union) and the Euro zone (including one or more member states leaving or forced to leave such zone);
- d. changes or prospective changes in laws or regulations or generally accepted accounting principles, or the binding interpretation or enforcement thereof by a Regulatory Authority;
- e. any failure, in and of itself, by Beter Bed Holding or the Beter Bed Group to meet any internal or published projections, forecasts or revenue or earnings predictions (provided, however, that, in the case of this paragraph the underlying cause for such failure may be considered in determining whether there may be a Material Adverse Effect);
- f. the credit, financial strength or other ratings of Beter Bed Holding or the Beter Bed Group (provided, however, that, in the case of this paragraph, the underlying cause for such Effect relating to credit, financial strength or other ratings may be considered in determining whether there may be a Material Adverse Effect);
- g. any Effect resulting from any act or omission of the Offeror, whether before or after the date of execution of the Merger Agreement, including any action taken by Beter Bed Holding or any other member of the Beter Bed Group with the Offeror's written consent or at the Offeror's direction (or not taken where such consent has been withheld) or compliance by Beter Bed Holding with the terms of, or the taking of any action required by, the Merger Agreement, except for any Effect resulting from any act or omission of the Offeror that is a reasonable response to a breach of the Merger Agreement by Beter Bed Holding;

- h. any Effect resulting from (i) the entry into, execution, performance (including the taking of any action required hereby or the failure to take any action prohibited hereby) of the Merger Agreement, (ii) the announcement of the Merger Agreement, the Offer and the Transaction, or (iii) the making or implementation of the Offer (it being understood and agreed that the foregoing shall not apply with respect to any representation or warranty that is intended to address the consequences of the entry into, execution, performance, implementation or announcement of the Merger Agreement, or the Transaction);
- i. a breach of the Merger Agreement or Law by the Offeror;
- j. any litigation having been commenced by shareholders of Beter Bed Holding in relation to the Offer or any Post-Closing Restructuring Measure; or
- k. any Effect (including litigation) which is known to the Offeror as per the date of execution of the Merger Agreement, including by way of fair disclosure of information through the due diligence investigation,

and provided, however, that the impact of any adverse Effect described in subparagraphs (a), (b), (c) and (d) shall be included for purposes of determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur if such Effect has or would reasonably be expected to have a materially disproportionate adverse effect on the Beter Bed Group, taken as a whole, as compared to similarly situated companies in the industries in which the Beter Bed Group operates;

Merger Aggregate Minority Cash Out Amount	has the meaning ascribed to it in Section 5.11.4.b(i)
Merger Agreement	means the agreement dated 10 July 2023 between Beter Bed Holding and the Offeror regarding the Offer by the Offeror for all issued and outstanding shares in Beter Bed Holding
Merger Code	means the SER Merger Code 2015 (<i>SER-besluit Fusiegedragsregels 2015</i>)
Merger Explanatory Notes	has the meaning ascribed to it in Section 5.11.4
Merger Offeror Net Amount	has the meaning ascribed to it in Section 5.11.4.b(ii)
Merger Proposal	has the meaning ascribed to it in Section 5.11.4
Merger Rules	means all Laws regarding the Transaction, including the Wft, the Decree, any rules and regulations promulgated pursuant to the Wft and the Decree, the EU Market Abuse Regulation (596/2014), the policy guidelines and instructions of the AFM, the rules and regulations of Euronext, the DCC, applicable Antitrust Laws, other applicable regulatory and foreign investment laws and regulations, the Merger Code and the Works Councils Act (<i>Wet op de ondernemingsraden</i>)

Merger Share Purchase Agreement	has the meaning ascribed to it in Section 5.11.4.b
Merger Share Sale	has the meaning ascribed to it in Section 5.11.4.b
Merger Share Sale Purchase Price	has the meaning ascribed to it in Section 5.11.4.b
Merger Share Transfer Deed	has the meaning ascribed to it in Section 5.11.4.b
MidCo	959 MidCo B.V., a private limited liability company (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) incorporated under the laws of the Netherlands, having its corporate seat (<i>statutaire zetel</i>) in Gooise Meren, the Netherlands and its office address at Brediusweg 43, 1401 AC Bussum, the Netherlands and registered with the Dutch trade register under number 90666550
Minority Cash Note	has the meaning ascribed to it in Section 5.11.4.b(i)
Navitas	Navitas B.V., a private limited liability company (<i>besloten vennootschap met beperkte aansprakelijkheid</i>) incorporated under the laws of the Netherlands, having its corporate seat (<i>statutaire zetel</i>) in Alphen aan den Rijn, the Netherlands, its office address at Baronie 52, 2404 XG Alphen aan den Rijn, the Netherlands and registered with the Dutch trade register under number 28034231
Non-Dutch Resident	has the meaning ascribed to it in Section 8.4.3
Non-Financial Covenants	has the meaning ascribed to it in Section 5.17
Non-Financial Covenants Period	has the meaning ascribed to it in Section 5.17
Offer	has the meaning as described to in on page 1
Offer Conditions	means the conditions to declaring the Offer unconditional (<i>gestand doen</i>) as set out in Section 5.5 (<i>Offer Conditions and waiver</i>)
Offer Memorandum	has the meaning ascribed to it on page 1
Offeror	has the meaning ascribed to it on page 1
Offeror Entities	has the meaning ascribed to it in Section 7.1.5
Offer Price	has the meaning ascribed to it on page 2
One-time PSUs	has the meaning ascribed to it in Section 6.7.1.a
Options	has the meaning ascribed to it in Section 6.7.1.b
Other Post-Closing Measures	has the meaning ascribed to it in Section 5.11.5
Outstanding Capital	means Beter Bed Holding's issued share capital (<i>geplaatst kapitaal</i>) on a Fully Diluted basis and reduced with any Shares for which Book 2 DCC provides that no votes can be cast on such Shares

Person	means any individual, corporation (including not-for-profit), general or limited partnership, limited liability company, joint venture, estate, trust, association, unincorporated association, organization, including a government or political subdivision or an agency or instrumentality thereof or other entity of any kind or nature (in each case whether or not having separate legal personality)
Position Statement	has the meaning as ascribed to it on page 1
Post-Acceptance Period	means a post-acceptance period (<i>na-aanmeldingstermijn</i>) of no more than two (2) weeks after the Offeror declares the Offer unconditional (<i>het bod gestand doen</i>)
Post-Closing Demerger	has the meaning ascribed to it in Section 5.11.3
Post-Closing Demerger Restructuring Resolution	has the meaning ascribed to it in Section 5.27.2
Post-Closing Merger	has the meaning ascribed to it in Section 5.11.4
Post-Closing Merger Restructuring Resolution	has the meaning ascribed to it in Section 5.27.2
Post-Closing Restructuring Measures	means the Post-Closing Merger, the Post-Closing Demerger and the Other Post-Closing Measures
Post-Closing Restructuring Resolutions	has the meaning ascribed to it in Section 5.27.2
Post-Closing Restructuring Threshold	has the meaning ascribed to it in Section 5.11.4
Postponed Closing Date	means the last date of the extended Acceptance Period
Potential Competing Offer	has the meaning ascribed to it in Section 5.21
Pre-IFRS 16 EV	has the meaning ascribed to it in Section 5.2.2
PSUs	has the meaning ascribed to it in Section 6.7.1
PwC	has the meaning ascribed to it in Section 1.3
Rabobank	has the meaning ascribed to it in Section 1.3
Reference Date	has the meaning ascribed to it in Section 5.2.2
Regulatory Authority	means any competent governmental, administrative, supervisory, regulatory, judicial, disciplinary, enforcement or taxation authority, body, agency, commission, board, organisation, court or arbitral tribunal of any jurisdiction (including any sub-division, department or branch of any of the foregoing as well as any relevant stock exchange), in each case whether supranational (including the European Union), national, federal, state, provincial, regional, municipal or local
Related Persons	means in relation to any Person, a Person who or which is (i) a member of a board of management (<i>bestuurder</i>) or of a

supervisory board (*commissaris*), or any other Person holding a similar position in a company in a jurisdiction other than the Netherlands or (ii) a direct or indirect shareholder of that Person, or (iii) (if applicable) his or her spouse, registered partner or relatives in blood or by marriage in the direct line and in the collateral line in the first degree

Resolutions	has the meaning ascribed to it in Section 5.27.2.d
Revised Offer	has the meaning ascribed to it in Section 5.23.b
Sale Shares	has the meaning ascribed to it in Section 5.7
Settlement	has the meaning ascribed to it on page 2
Settlement Date	has the meaning ascribed to it on page 2
Shares	has the meaning ascribed to it on page 1
Shareholders	has the meaning ascribed to it on page 1
Statutory Buy-Out Proceedings	has the meaning set out in Section 5.11.2
Statutory Buy-Out Threshold	has the meaning set out in Section 5.11.2
Subsidiaries	means, with respect to any Person, any entity (including a subsidiary (<i>dochtermaatschappij</i>) within the meaning of Section 2:24a DCC), whether incorporated or unincorporated, of which at least a majority of the securities or ownership interests having by their terms voting power to elect a majority of the board of directors or other Persons performing similar functions is directly or indirectly owned or controlled by such Person or by one or more of its respective Subsidiaries
Substantial Interest	has the meaning ascribed to it in Section 8.2
Supervisory Board	has the meaning ascribed to it on page 2
Tendered and Delivered Share	has the meaning as ascribed to it on page 2
Tendered, Owned and Committed Shares	has the meaning ascribed to it in Section 5.5.1.a
Tendered Shares	means the Shares validly tendered under the terms and subject to the conditions and restrictions contained in this Offer Memorandum (or defectively tendered provided that such defect has been waived by the Offeror)
Terminating Party	has the meaning ascribed to it in Section 5.25.b
Teslin	Teslin Participaties Coöperatief U.A. a cooperative with excluded liability under Dutch law (<i>coöperatie met uitgesloten aansprakelijkheid</i>), incorporated under the laws of the Netherlands, having its corporate seat (<i>statutaire zetel</i>) in Utrechtse Heuvelrug, the Netherlands, its office address at Woudenbergseweg 11, 3953 ME Maarsbergen, the Netherlands

and registered with the Dutch trade register under number 68975171

Teslin HoldCo

Teslin Pitstop Acquisition B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its corporate seat (*statutaire zetel*) in Utrecht, the Netherlands and its office address at Woudenbergseweg 11, 3953 ME Maarsbergen, the Netherlands and registered with the Dutch trade register under number 90749324

TopCo

959 TopCo B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its corporate seat (*statutaire zetel*) in Gooise Meren, the Netherlands and its office address at Brediusweg 43, 1401 AC Bussum, the Netherlands and registered with the Dutch trade register under number 90657705

TopCo Independent Supervisory Board Members

has the meaning ascribed to it in Section 5.12

Torqx

Torqx Capital Partners Fund II Coöperatief U.A., a cooperative with excluded liability under Dutch law (*coöperatie met uitgesloten aansprakelijkheid*), incorporated under the laws of the Netherlands, having its corporate seat (*statutaire zetel*) in Gooise Meren, the Netherlands, its office address at Brediusweg 43, 1401 AC Bussum, the Netherlands and registered with the Dutch trade register under number 86705334

Torqx HoldCo

TC Investment XXVII B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its corporate seat (*statutaire zetel*) in Gooise Meren, the Netherlands and its office address at Brediusweg 43, 1401 AC Bussum, the Netherlands and registered with the Dutch trade register under number 90644034 (incorporated on 28 June 2023)

Transaction

means the Offer, together with the Statutory Buy-Out Proceedings or any Post-Closing Restructuring Measure

Triangular Merger

has the meaning ascribed to it in Section 5.11.4

Unconditional Date

has the meaning ascribed to it on page 2

U.S. Exchange Act

has the meaning ascribed to it in Section 1.2.2

Vinke

Vinke Amsterdam B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its corporate seat (*statutaire zetel*) in Alphen aan den Rijn, the Netherlands and its office address at Baronie 52, 2404 XG Alphen aan den Rijn, the Netherlands and registered with the Dutch trade register under number 28024068

Wft

has the meaning ascribed to it on page 1

4. INVITATION TO THE SHAREHOLDERS

4.1. Introduction

Subject to the terms and conditions of this Offer Memorandum, the Offeror hereby makes a recommended public cash offer to all Shareholders to purchase all Shares held by them.

Shareholders are advised to review this Offer Memorandum (including all documents incorporated by reference herein) thoroughly and completely and to seek independent financial, tax and/or legal advice where appropriate to reach a balanced and informed judgment with respect to the Offer and the contents of this Offer Memorandum.

With due reference to all statements, terms, conditions and restrictions included in this Offer Memorandum, Shareholders are hereby invited to tender their Shares under the Offer in the manner and subject to the terms and conditions set out below.

4.2. Offer Price

For each Tendered and Delivered Share, the Shareholders will be paid the Offer Price of EUR 6.10 in cash. The Offer Price will be decreased by an amount in euro equal to the per Share full amount or value of any Distribution (before any applicable withholding tax or other taxes due in respect thereof) with a record date between 10 July 2023 and the Settlement Date (inclusive) (or, with respect to Shares tendered during the Post-Acceptance Period, a record date prior to or on the date of settlement of such Tendered Shares).

4.3. Acceptance by Shareholders

4.3.1. General

The tender of any Share by a Shareholder constitutes an acceptance of the Offer by the Shareholder. If in doubt, Shareholders should contact the Exchange Agent at the contact details included in Section 1.6 (*Addresses*).

To the extent permitted by applicable Law, the Offeror reserves the right to accept any Shares tendered for acceptance, even if it has not been effected in the manner set out in this Section 4.3 (*Acceptance by Shareholders*).

4.3.2. Acceptance via an Admitted Institution

Holders of Shares which are held through an Admitted Institution are requested to make their acceptance known via their custodian, bank or stockbroker no later than 17:40 hours, Amsterdam time on the Acceptance Closing Date, unless the Acceptance Period is extended in accordance with Section 4.6 (*Extension*). The relevant custodian, bank or stockbroker may set an earlier deadline for communication by Shareholders in order to permit the custodian, bank or stockbroker to communicate their acceptance to the Exchange Agent in a timely manner.

The Admitted Institutions may tender Shares on behalf of Shareholders for acceptance only to the Exchange Agent and only in writing. The Admitted Institutions are requested to tender Shares via Euroclear (via Swift message MT565). In submitting an acceptance, the Admitted Institutions are required to submit a statement to the Exchange Agent containing the name and the number of Shares for all instances in which Shareholders tender more than 100,000 Shares. In submitting the acceptance, the Admitted Institutions are required to declare that (i) they have the Tendered Shares in their

administration, (ii) each Shareholder who accepts the Offer irrevocably represents and warrants that (a) the Shares tendered by him are being tendered in compliance with the restrictions set out in Section 1 (*Restrictions and important information*) and (b) it is not the subject or target, directly or indirectly, of any economic or financial sanctions administered or enforced by any agency of the U.S. government, the European Union, any member state thereof, or the United Nations, other than solely by virtue of its inclusion in, or ownership by a person included in, the U.S. "Sectoral Sanctions Identifications (SSI) List" or Annex III, IV, V or VI of Council Regulation (EU) No. 833/2014 of 31 July 2014, as amended and (iii) they undertake to effect the transfer (*levering*) of these Tendered Shares to the Offeror on or before the Settlement Date, provided that the Offer has been declared unconditional (*gestand is gedaan*).

Although under normal circumstances the relevant Admitted Institutions will ensure that the Tendered Shares are transferred (*geleverd*) to the Offeror, if so instructed by the Shareholder, Shareholders are advised that each Shareholder is responsible for the transfer (*levering*) of such Tendered Shares to the Offeror.

Subject to Article 5b, paragraph 5, Article 15, paragraphs 3 and 8 and Article 15a paragraph 3 of the Decree, the tendering of Shares by a Shareholder in acceptance of the Offer will constitute irrevocable instructions (i) to block any attempt to transfer (*levering*) such Tendered Shares, so that on or prior to the Settlement Date no transfer (*levering*) of such Tendered Shares may be effected (other than to the Exchange Agent on or prior to the Settlement Date if the Offer is declared unconditional (*gestand is gedaan*) and the Tendered Shares have been accepted for purchase) and (ii) to debit the securities account in which such Tendered Shares are held on the Settlement Date in respect of all of the Tendered Shares, against payment by the Exchange Agent of the Offer Price per Tendered Share accepted for purchase.

4.3.3. Acceptance by holders of Shares individually recorded in Beter Bed Holding's shareholders' register

Shareholders owning Shares individually recorded in Beter Bed Holding's shareholders' register that choose to accept the Offer in respect of such Shares must deliver a completed and signed acceptance form to the Exchange Agent. Completed acceptance forms should be received by the Exchange Agent no later than 17:40 hours, Amsterdam time on the Acceptance Closing Date, unless the Acceptance Period is extended in accordance with Section 4.6 (*Extension*). The acceptance forms are available upon request from the Exchange Agent via as.exchange.agency@nl.abnamro.com. Completed and signed acceptance forms can be submitted via the same email address.

The acceptance form will also serve as a deed of transfer (*akte van levering*) with respect to the Shares referenced therein.

4.3.4. Undertakings, representations and warranties by tendering Shareholders

Each Shareholder tendering Shares pursuant to the Offer, by such tender irrevocably undertakes, represents and warrants to the Offeror, on the date that such Shares are tendered up to and including the Settlement Date, or, with respect to Tendered Shares in the Post-Acceptance Period, the settlement date for such Shares and subject to a valid withdrawal of any tender during any extension of the Acceptance Period, that:

- a. the tender of any Shares constitutes an acceptance by the Shareholder of the Offer, on and subject to the terms, conditions and restrictions of the Offer as contained in this Offer Memorandum;
- b. such Shareholder has full power and authority to tender, sell and transfer (*leveren*) the Shares held by it, and has not entered into any other agreement to tender, sell or deliver the Shares stated to have been tendered to any party other than the Offeror (together with all rights attaching thereto) and, when the same are purchased by the Offeror under the Offer, the Offeror will acquire such Shares, with full title guarantee and free and clear of all third party rights and restrictions of any kind, unless such third party rights and restrictions arise solely

and result directly from such Shares being held in book entry form by Euroclear or pursuant to the Articles of Association;

- c. such Shares are being tendered in compliance with the restrictions as set out in Section 1 (*Restrictions and important information*) and the securities and other applicable Laws or regulations of the jurisdiction in which such Shareholder is located or of which it is a resident and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with the tendering of such Shares; and
- d. neither such Shareholder nor any director, officer, member, employee or agent acting for it in connection with the Tendered Shares is the subject or target, directly or indirectly, of any economic or financial sanctions administered or enforced by any agency of the U.S. government, the European Union, any member state thereof, or the United Nations, other than solely by virtue of its inclusion in, or ownership by a person included in, the U.S. "Sectoral Sanctions Identifications (SSI) List" or Annex III, IV, V or VI of Council Regulation (EU) No. 833/2014 of 31 July 2014, as amended.

Furthermore, each Shareholder tendering Shares under the Offer, by such tender, acknowledges towards and agrees with the Offeror (i) that it has received this Offer Memorandum, and has reviewed and accepted the restrictions, terms, conditions and other considerations of the Offer, all as described in this Offer Memorandum, and has undertaken an analysis of the implications of the Offer without reliance on the Offeror, the Exchange Agent or any other representative of the Offeror, except as set forth in this Offer Memorandum and (ii) as of the date on which its Shares are transferred (*geleverd*) to the Offeror, that it has waived any and all rights or entitlements that the Shareholder may have in its capacity as Shareholder or otherwise in connection with its shareholding in Beter Bed Holding vis-à-vis Beter Bed Holding, any group company of Beter Bed Holding and any past or current member of the Boards.

4.4. Withdrawal rights

Shares tendered on or prior to the Acceptance Closing Date may not be withdrawn, subject to the right of withdrawal of any tender during the extension of the Acceptance Period in accordance with the provisions of Article 5b, paragraph 5, Article 15, paragraphs 3 and 8 and Article 15a paragraph 3 of the Decree:

- a. following an announcement of a mandatory public offer in accordance with the provisions of Article 5b, paragraph 5 of the Decree, provided that such Shares were already tendered prior to such announcement and withdrawn within seven (7) Business Days following such announcement;
- b. during any extension of the Acceptance Period in accordance with the provisions of Article 15, paragraph 3 of the Decree;
- c. following the filing of a successful request to set a reasonable price for a mandatory public bid by the Offeror in accordance with the provisions of Article 15, paragraph 8 of the Decree, provided that (A) such request was granted, (B) such Shares were already tendered prior to the filing of such request, and (C) withdrawn within seven (7) Business Days following the date on which the judgment of the Enterprise Chamber was declared provisionally enforceable or became final and conclusive; or
- d. following an increase of the Offer Price as a result of which the Offer Price does no longer only consist of a cash component and a document in relation thereto is made publicly available in accordance with the provisions of Article 15a, paragraph 3 of the Decree, provided that such Shares were already tendered before such document was made publicly available and withdrawn within seven (7) Business Days following such document being made publicly available.

To withdraw Tendered Shares, Shareholders must instruct the Admitted Institution they initially instructed to tender the Shares or, if Shares are individually recorded in Beter Bed Holding's shareholders' register, must instruct the Exchange Agent directly to arrange for the withdrawal of such Shares by the timely deliverance of a written or facsimile transmission notice of withdrawal to the

Exchange Agent.

Any notice of withdrawal for Shares must specify the name of the person having tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of the Shares to be withdrawn, if different from that of the person who tendered such Shares. The signature(s) on the notice of withdrawal of Shares must be guaranteed by an Admitted Institution, unless such Shares have been tendered for the account of any intermediary. All questions as to the form and validity, including time of receipt, of any notice of withdrawal will be determined by the Offeror, in its sole discretion, which determination will be final and binding. Shareholders should contact their financial intermediary to obtain information about the deadline by which such Shareholder must send instructions to the financial intermediary to withdraw their acceptance of the Offer and should comply with the dates set by such financial intermediary, as such dates may differ from the dates and times noted in this Offer Memorandum.

Withdrawals of tenders of Shares may not be rescinded, and any Shares validly withdrawn will be deemed not to be Tendered Shares purposes of the Offer. However, validly withdrawn Shares may be retendered by the procedure for tendering Shares described in Section 4.3 (*Acceptance by Shareholders*).

During the Post-Acceptance Period, no withdrawal rights will apply to Shares tendered during such Post-Acceptance Period or to Tendered Shares tendered under the Offer on or prior to the Acceptance Closing Date and accepted by the Offeror.

4.5. Acceptance Period

The Acceptance Period begins at 9:00 hours, Amsterdam time on 5 October 2023 and ends at 17:40 hours, Amsterdam time on 29 November 2023, unless extended in accordance with Article 15 of the Decree and the provisions of this Offer Memorandum.

If one or more of the Offer Conditions set out in Section 5.5 (*Offer Conditions and waiver*) are not satisfied or waived on the Acceptance Closing Date, the Offeror will consider extending the Acceptance Period once for a minimum of two weeks and up to a maximum of ten weeks until all such Offer Conditions have been satisfied or waived, unless it is clear that the relevant condition(s) cannot be met. See also Section 4.6 (*Extension*).

If all Offer Conditions are satisfied or, where appropriate, waived at the Acceptance Closing Date, the Offeror will accept all Tendered Shares and not previously withdrawn on the terms of the Offer in accordance with the procedures set forth in Section 4.3 (*Acceptance by Shareholders*).

4.6. Extension

If one or more of the Offer Conditions set out in Section 5.5 (*Offer Conditions and waiver*) are not satisfied or waived in accordance with Section 5.5.2 (*Waiver*) by the initial Acceptance Closing Date, the Offeror may in its sole discretion and in accordance with Article 15, paragraph 1 and paragraph 2 of the Decree, extend the Acceptance Period once for a minimum period of two (2) weeks and a maximum period of ten (10) weeks calculated from the initial Acceptance Closing Date, until such time as the Offeror reasonably believes is necessary to cause such Offer Conditions to be satisfied or waived. If the Offer Condition set out in Section 5.5.1.c (*No litigation against Post-Closing Restructuring Measures*), is not satisfied or waived in accordance with the terms and conditions of the Merger Agreement on the Acceptance Closing Date, the Offeror shall extend the Acceptance Period with ten (10) weeks, or such shorter period as may be agreed in writing between the Offeror and Beter Bed Holding in light of the reasonably expected period required to satisfy such Acceptance Period. If the Offeror and Beter Bed Holding do not agree on the Offer Condition set out in Section 5.5.1.j (*No Material Adverse Effect*), and certain conditions are met, the Offeror shall extend the Acceptance Period (see further information in Section 5.5 (*Satisfaction*)).

In the event of any extension, all references in this Offer Memorandum to "Acceptance Closing Date" and "17:40 hours" shall, unless the context requires otherwise, be changed to the latest date and time

to which the Acceptance Period has been so extended (the "**Postponed Closing Date**").

If one or more of the Offer Conditions set out in Section 5.5 (*Offer Conditions and waiver*) are not satisfied or waived by the first Postponed Closing Date, the Offeror may, subject to receipt of an exemption granted by the AFM, extend the extended Acceptance Period for more periods of time, until such time as the Offeror reasonably believes is necessary to cause such Offer Conditions to be satisfied or waived, but ultimately until the Long Stop Date. If the Offer Condition set out in Section 5.5.1.c (*No litigation against Post-Closing Restructuring Measures*), is not satisfied or waived in accordance with the terms and conditions of the Merger Agreement by noon CET on the third Business Day before the Postponed Closing Date, the Offeror shall promptly submit an exemption request to the AFM to extend the extended Acceptance Period until such time as the Offeror and Beter Bed Holding reasonably believe is necessary to satisfy such Offer Condition. If the Offeror and Beter Bed Holding do not agree on the Offer Condition set out in Section 5.5.1.j (*No Material Adverse Effect*), and certain conditions are met, the Offeror shall submit an exemption request to the AFM to extend the extended Acceptance Period (see further information in Section 5.5 (*Satisfaction*)).

If the Offeror wants to extend the Acceptance Period for more than one (1) time, the Offeror will consult with Beter Bed Holding before requesting an exemption from the AFM to extend the Acceptance Period.

If no exemption is granted by the AFM while not all Offer Conditions have been satisfied before the end of the extended Acceptance Period (and if such Offer Condition(s) has or have not been waived in accordance with Section 5.5.2 (*Waiver*)), the Offer will be terminated as a consequence of such Offer Condition(s) not having been satisfied or waived on or before the Unconditional Date.

If the Acceptance Period is extended, so that the obligation pursuant to Article 16 of the Decree to announce whether the Offer is declared unconditional (*gestand is gedaan*) is postponed, a public announcement to that effect will be made ultimately on the third (3rd) Business Day following the initial Acceptance Closing Date in accordance with the provisions of Article 15, paragraphs 1 and 2 of the Decree. If the Offeror extends the Acceptance Period, the Offer will expire on the latest time and date to which the Offeror extends the Acceptance Period.

During an extension of the Acceptance Period, any Shares previously tendered and not validly withdrawn will remain tendered under the Offer, subject to the right of each Shareholder to withdraw the Shares he or she has already tendered in accordance with Section 4.4 (*Withdrawal rights*).

4.7. Declaring the Offer unconditional

The obligation of the Offeror to declare the Offer unconditional (*gestand doen*) is subject to the satisfaction or waiver of the Offer Conditions. Reference is made to Section 5.5 (*Offer Conditions and waiver*). The Offer Conditions may be waived, to the extent permitted by Law, as set out in Section 5.5.2 (*Waiver*). If any Offer Condition is waived in accordance with Section 5.5.2 (*Waiver*), the Offeror will inform the Shareholders as required by the applicable rules.

On the Unconditional Date (i.e. no later than the third (3rd) Business Day following the Acceptance Closing Date), the Offeror will determine whether the Offer Conditions have been satisfied or waived as set out in Section 5.5 (*Offer Conditions and waiver*), to the extent permitted by applicable Law. In addition, the Offeror will announce on the Unconditional Date whether (i) the Offer is declared unconditional (*gestand is gedaan*), (ii) the Acceptance Period will be extended in accordance with Article 15 of the Decree, or (iii) the Offer is terminated as a result of the Offer Conditions set out in Section 5.5.1 (*Offer Conditions*) not having been satisfied or waived, all in accordance with Section 5.5.2 (*Waiver*) and Section 5.5.5 (*Satisfaction*) and Article 16 of the Decree. In the event that the Offer is not declared unconditional (*niet gestand is gedaan*), the Offeror will explain such decision.

In the event that the Offeror declares the Offer unconditional (*gestand wordt gedaan*), the Offeror will accept all Tendered Shares and will announce a Post-Acceptance Period as set out in Section 4.9 (*Post-Acceptance Period*) of up to two (2) weeks to enable Shareholders who did not tender their Shares during the Acceptance Period to tender their Shares during the Post-Acceptance Period under the same terms and conditions as the Offer.

4.8. Settlement

In the event that the Offeror announces that the Offer is declared unconditional (*gestand is gedaan*), the Offeror will make the payment of the Offer Price to the Shareholders having tendered their Shares for acceptance no later than on the Settlement Date in respect of each Tendered and Delivered Share on the terms and subject to the conditions and restrictions of the Offer. The Offeror cannot guarantee that Shareholders will receive the payment within such period.

4.9. Post-Acceptance Period

In the event that the Offeror declares the Offer unconditional (*gestand wordt gedaan*), the Offeror will, in accordance with Article 17 of the Decree, within three (3) Business Days after declaring the Offer unconditional, publicly announce a Post-Acceptance Period of up to two (2) weeks to enable Shareholders who did not tender their Shares during the Acceptance Period to tender their Shares during the Post-Acceptance Period under the same terms and conditions as the Offer.

In the Post-Acceptance Period, Shareholders who hold their Shares through an Admitted Institution are requested to make their acceptance known through their custodian, bank or stockbroker no later than 17:40 hours, Amsterdam time on the last Business Day of the Post-Acceptance Period. The custodian, bank or stockbroker may set an earlier deadline for communication by Shareholders in order to permit the custodian, bank or stockbroker to communicate its acceptances to the Exchange Agent in a timely manner. Accordingly, Shareholders holding Shares through a financial intermediary should comply with the dates communicated by such financial intermediary, as such dates may differ from the dates and times noted in this Offer Memorandum.

The Offeror will publicly announce the results of the Post-Acceptance Period and the total amount and total percentage of Shares to be held by it in accordance with Article 17, paragraph 4 of the Decree ultimately on the third (3rd) Business Day following the last day of the Post-Acceptance Period. The Offeror shall accept all Tendered Shares during such Post-Acceptance Period.

During the Post-Acceptance Period, Shareholders have no right to withdraw Tendered Shares from the Offer during the Acceptance Period or during the Post-Acceptance Period. Shareholders will receive for each Tendered Share that is transferred (*geleverd*) for acceptance pursuant to the Offer during the Post-Acceptance Period, the Offer Price no later than on the fourth (4th) Business Day after expiration of the Post-Acceptance Period.

In the event any Distribution on the Shares is made by Beter Bed Holding on or prior to the settlement date of the Shares tendered in the Post-Acceptance Period, whereby the record date on or prior to the settlement date of the Shares tendered in the Post-Acceptance Period is decisive for entitlement to such Distribution, the Offer Price will be decreased by the full amount of any such Distribution made by Beter Bed Holding in respect of each Share (before any applicable withholding tax or other taxes due in respect thereof).

As of the relevant settlement date, revocation (*herroeping*), dissolution (*ontbinding*) or annulment (*vernietiging*) of the tendering, sale or transfer (*levering*) of any Share tendered during the Post-Acceptance Period is not possible.

4.10. Costs related to tendering

No costs will be charged to Shareholders by the Offeror or Beter Bed Holding for the transfer (*levering*) and payment for each Tendered Share if an Admitted Institution is involved. However, Shareholders may be charged certain fees by Admitted Institutions or their custodians, banks or stockbrokers. Costs may also be charged to Shareholders by or on behalf of a foreign institution involved in the transfer (*levering*) and payment of the Tendered Shares. Shareholders should consult their custodians, banks and/or stockbrokers regarding any such fees.

4.11. Dividend

Any Distribution made in respect of Shares not tendered during the Acceptance Period, the extended Acceptance Period or the Post-Acceptance Period (before any applicable withholding tax or other taxes due in respect thereof) will *pro rata* be deducted from the price per share for the purpose of establishing the value per Share in the Post-Closing Merger and Statutory Buy-Out Proceedings, or any Other Post-Closing Measure contemplated by Section 5.11.5 (*Other Post-Closing Measures*).

4.12. Restrictions

The Offer is being made with due observance of the statements, conditions and restrictions included in the Offer Memorandum. The Offeror reserves the right to accept any tender under the Offer, which is made by or on behalf of a Shareholder, even if it has not been effected in the manner set out above.

4.13. Announcements

Any announcements contemplated by this Offer Memorandum will be made by press release. Any press release issued by the Offeror will be made on the website www.torgxcapital.com. Any press release issued by Beter Bed Holding will be made available on the website www.beterbedholding.com.

Subject to any applicable requirements of the Decree and other applicable laws and without limiting the manner in which the Offeror may choose to make any public announcement, the Offeror will have no obligation to communicate any public announcement other than as described above.

4.14. Envisaged timetable

The times and dates below are indicative only.

Expected date and time	Event
4 October 2023	Announcement of (i) general availability of the Offer Memorandum and (ii) the date of the commencement of the Acceptance Period
09:00 hours, 5 October 2023	Commencement of the Acceptance Period, in accordance with Article 14, paragraph 2 of the Decree
10:00 hours, 15 November 2023	<i>EGM</i> Extraordinary meeting of Shareholders during which the Offer will be discussed and recommended by the Boards to the Shareholders for acceptance and the Shareholders will be requested to vote in favour of the Resolutions
17:40 hours, 29 November 2023, unless extended	<i>Acceptance Closing Date</i> Deadline for Shareholders wishing to tender Shares, unless extended in accordance with Article 15, paragraph 2 of the Decree
Within three (3) Business Days following the Acceptance Closing Date	<i>Unconditional Date</i> The date on which the Offeror shall publicly announce whether the Offer is declared unconditional (<i>gestand is gedaan</i>) in accordance with Article 16, paragraph 1 of the Decree
No later than four (4) Business Days after the Unconditional Date	<i>Settlement Date</i> The date on which, in accordance with the terms and conditions of the Offer, the Offeror shall pay the Offer Price per Tendered and Delivered Share to the respective Shareholders

No later than on the third (3) Business Day following the Unconditional Date

Post-Acceptance Period

If the Offer is declared unconditional, the Offeror will announce a Post-Acceptance Period (*na-aanmeldingstermijn*) for the Offer for a maximum period of two weeks. During the Post-Acceptance Period, Shareholders that have not yet tendered their Shares under the Offer will be given the opportunity to do so in the same manner and under the same conditions as set out in this Offer Memorandum all in accordance with Article 17 of the Decree

No later than three (3) Business Days after the expiration of the Post-Acceptance Period

Results Post-Acceptance Period

The Offeror will publicly announce the results of the Post-Acceptance Period

No later than four (4) Business Days after the expiration of the Post-Acceptance Period

Post-Acceptance Period settlement date

Settlement of the Tendered Shares during the Post-Acceptance Period: in accordance with the terms and conditions of the Offer, the Offeror will pay the Offer Price for each Tendered Share

5. EXPLANATION AND BACKGROUND OF THE OFFER

5.1. Background and public announcements

At the end of June 2022, Beter Bed Holding was approached by Torqx regarding their interest in a potential take-private by it of Beter Bed Holding. On 13 July 2022, Torqx entered into a confidentiality agreement with Beter Bed Holding, which included a standstill provision. Following a number of interactions and meetings, Beter Bed Holding and Torqx, together with their respective financial advisers, had a meeting on 17 August 2022 on Beter Bed Holding's communicated strategy and projections. Thereafter, several discussions took place between Torqx and Beter Bed Holding. Torqx also held first meetings with Navitas, Teslin and De Engh on the proposed take-private of Beter Bed Holding. The discussions between Torqx and Beter Bed Holding, however, did not result in any agreement and were therefore terminated in December 2022.

Beter Bed Holding and Torqx re-engaged early April 2023 and Torqx submitted a non-binding offer letter on 20 April 2023 to Beter Bed Holding. Torqx was subsequently given the opportunity to conduct a due diligence investigation on Beter Bed Holding and its business, consisting of a review of documents that were made available in a virtual data room prepared by Beter Bed Holding and its advisers to which Torqx and its advisers were granted access on 12 May 2023 and the possibility to ask questions and join expert sessions.

During the negotiations regarding the Offer between Torqx and Beter Bed Holding, discussions took place between Torqx and Navitas, Teslin and De Engh regarding an irrevocable commitment to offer their Shares on the same terms as the Offer, by means of a sale and/or contribution and transfer of their Shares into the Offeror's indirect shareholder TopCo against the issuance of shares in TopCo and an amount in cash equal to the Offer Price. This resulted in Torqx, Torqx HoldCo, TopCo, MidCo, the Offeror, the Co-Investors and Teslin to enter into the Irrevocable Commitment Agreement. Thereafter, the Offeror and Beter Bed Holding executed the Merger Agreement after final negotiations on 10 July 2023.

The Co-Investors did not participate in the negotiations with Beter Bed Holding.

On 14 August 2023, the ACM issued a positive clearance decision with respect to the Transaction.

5.2. Substantiation of the Offer Price

5.2.1. General

In establishing the Offer Price, the Offeror has carefully considered the history and prospects of Beter Bed Holding. The Offeror derived information from various sources for the analyses set out in Section 5.2.2 (*Analyses*):

- a. historic financial information and potential future developments in Beter Bed Holding's growth, profitability, cash flows and balance sheet on the back of public disclosures by Beter Bed Holding prior to 10 July 2023, including its financial statements, shareholder presentations and press releases;
- b. equity research reports from the period between January 2020 and March 2023; and
- c. information disclosed in a virtual data room and information derived from management meetings and expert sessions.

5.2.2. Analyses

The Offer Price represents an equity value of approximately EUR 168.0m, which implies a pre-IFRS 16 enterprise value ("**Pre-IFRS 16 EV**") of EUR 130.3m and an IFRS-16 based enterprise value ("**EV**") of EUR 176.1m (based on the balance sheet at 31 December 2022) and a valuation multiple of:

- a. 10.1x based on Pre-IFRS 16 EV / pre-IFRS-16 EBITDA for the year 2022 of EUR 13.0m;
- b. 6.1x based on EV / reported EBITDA for the year 2022 of EUR 28.8m; and
- c. 20.3x based on EV / reported EBIT for the year 2022 of EUR 8.7m.

The difference between the pre-IFRS-16 EBITDA and the reported EBITDA is fully accounted for by the total cash outflow related to leases ('Payment lease liabilities' as included in the cash flow statement of the audited 2022 financial statements). As on pre-IFRS-16 basis this cash outflow is considered as an operating expense, the pre-IFRS-16 EBITDA is lower than reported EBITDA. Similarly, the difference between Pre-IFRS-16 EV and IFRS-16 based EV is fully accounted for by the current and non-current lease liabilities ('Lease liabilities' as included in the balance sheet the audited 2022 financial statements) which are considered off-balance sheet items pre-IFRS-16.

The following series of financial analyses have been performed by the Offeror to form the basis of the Offer Price:

- a. an analysis of publicly available target prices and equity research reports issued between January 2020 and March 2023 from Degroof Petercam, Kepler Chevreux, ABN AMRO – ODDO BHF, with the latest target price range prior to the public offer being EUR 3.00 to EUR 4.30;
- b. an analysis of the historical trading volumes and prices of the Shares since 8 July 2022 up to and including 7 July 2023 (the "**Reference Date**"). During this period, the closing price of the Shares ranged from EUR 2.81 to EUR 4.32, with volume-weighted average closing prices of the Shares for the three-, six- and twelve-months periods prior to and including the Reference Date of EUR 3.04, EUR 3.12 and EUR 3.31, respectively. Reference is made to Section 6.6 (*Share price of Beter Bed Holding*);
- c. a comparable trading multiple analysis, comparing the valuation multiples of certain publicly traded companies to the valuation multiples implied by the Offer Price. The companies included in this analysis were selected based on activity in the bedding and sleeping product space and included Tempur Sealy, Sleep Number, Sleep Country Canada, Leggett & Platt, Dunelm Group, Haverty Furniture, La-Z-Boy and RH. In addition, the broader furniture space has been analysed for further reference;
- d. a comparable transaction multiple analysis, comparing the average and median valuation multiples implied by the Offer Price compared to the multiples paid for historical acquisitions of companies active in the bedding and sleeping product space. This analysis comprised transactions over the last 20 years and included Mattress Firm Holding by Tempur Sealy, Loaf by Blue Coast Capital and Dreams by Tempur Sealy; and
- e. an analysis of premiums offered in precedent public offers on companies listed on Euronext Amsterdam between January 2015 and March 2023 and included Boskalis, Accell, DPA Group, ICT Group, NIBC, Wessanen, Refresco, Royal Reesink and Royal TenCate.

5.2.3. Premiums

The Offer Price of EUR 6.10 (cum dividend) per Share represents a premium of approximately:

- a. 107.1% to Beter Bed Holding's closing price per Share on the Reference Date;
- b. 100.5% to the volume-weighted average closing price per Share for the three months prior to and including the Reference Date;
- c. 95.5% to the volume-weighted average closing price per share for the six months prior to and including the Reference Date; and
- d. 84.2% to the volume-weighted average closing price per share for the twelve months prior to and including the Reference Date.

For reference, the median bid premiums for public offers on companies listed on Euronext Amsterdam made between January 2015 and March 2023 to the volume-weighted average closing prices for the three-, six-, and twelve-months prior periods were approximately between 30% and 40%.

5.3. Rationale for the Offer

The Offeror and Beter Bed Holding believe that the Transaction and subsequent private ownership structure will best facilitate the sustainable long-term success of Beter Bed Holding. The Offeror will support the management team of Beter Bed Holding in realizing its strategic priorities and is committed to the long-term interests of Beter Bed Holding's stakeholders, including its employees, customers and suppliers. The Offeror fully concurs with Beter Bed Holding's commitment to its 'Sleep better, live better' strategy, including its sustainability agenda based on Promise, People and Product.

Within a setting of private ownership Beter Bed Holding will be able to fully focus on its long-term strategic plan. The backing of committed, solid and stable shareholders will drive sustainable long-term success of Beter Bed Holding and will enable the management team to fully focus on the execution of its business strategy and accelerate both organic and acquisitive growth. Beter Bed Holding will be endorsed by the Offeror to utilize all resources Beter Bed Holding has available to facilitate such growth with a focus on long-term value creation.

The Offeror recognizes that Beter Bed Holding has a robust strategy in place to realize such long-term value creation and is committed to its continued execution. Over the past years, Beter Bed Holding has demonstrated strong execution capabilities in advancing its strategic agenda, based on three pillars of growth: (i) the digitization of the organization to increase online sales through its own channels and third-party platforms, (ii) the development of the store network to accommodate changing customer needs and service a growing group of health-conscious and sustainable customers, and (iii) the roll-out of the B2B and wholesale activities through expansion and the development of subscription models for B2C and B2B customers. The Offeror will support Beter Bed Holding in further execution of its strategy, facilitating continued investments in brand, stores, future growth and long-term value creation, leading to additional employment opportunities and allowing it to focus on providing the highest possible quality products to its customers, in a stable and long-term oriented environment.

Navitas, Teslin and De Engh, which are each long term and dedicated shareholders, fully endorse the strategic rationale as set out above, substantiated by their positive response to the request of Torqx to remain involved in Beter Bed Holding and re-invest a part of their proceeds in Beter Bed Holding in a private setting (see Section 5.7 (*Irrevocable commitments Co-Investors*)). Beter Bed Holding can benefit from the resources of the Offeror and the Co-Investors and their network and significant experience as investors in the local Dutch market, and in the retail segment.

The all-cash Offer provides Shareholders with the opportunity to realize immediate value for their Shares, reflecting Beter Bed Holding's potential at an attractive price for the Shareholders, and eliminating price risk related to the current operating and macro-economic environment and execution of Beter Bed Holding's strategy. The Offer Price represents an attractive premium as described in Section 5.2.3 (*Premiums*).

5.4. Financing of the Offer

With reference to Article 7, paragraph 4 of the Decree, the Offeror announced on 10 July 2023 that it has sufficient funds available to complete the Offer. The Offeror will fund the Offer through a combination of equity and third-party debt financing, whereby the aggregate amount of debt financing constitutes less than 30% of the total financing required to fund the Offer.

As such, the Offeror and Beter Bed Holding have received a binding equity commitment letter from Torqx, for an aggregate amount of approx. EUR 65 million and binding equity commitment letters from the Co-Investors regarding their commitment to offer their Shares for acceptance under the same terms as the Offer by a contribution, sale and/or transfer of their Shares to TopCo (the "**Equity Financing**").

In addition, the Offeror has received fully executed debt commitment letters for an aggregate amount of approximately EUR 45 million term debt and additional RCF headroom, which is fully committed on a "certain funds" basis (the "**Debt Financing**"). Rabobank and ABN AMRO act as mandated lead arrangers.

From the arranged Equity Financing and Debt Financing, the Offeror will be able to fund the acquisition of the Tendered Shares (which, for the avoidance of doubt, do not include the Shares held by Navitas, Teslin and De Engh, which Shares will be sold and/or contributed to TopCo as set out in Section 5.7 (*Irrevocable commitments Co-Investors*)), the payments to non-tendering Shareholders under the Statutory Buy-Out Proceedings (if commenced) or the Post-Closing Restructuring Measures (if implemented), the fees and expenses related to the Offer and all other payment obligations required to be satisfied at Settlement.

The Offeror has no reason to believe that any conditions to the Equity Financing or Debt Financing will not be fulfilled on or prior to the Settlement Date.

5.5. Offer Conditions and waiver

5.5.1. Offer Conditions

The Offeror shall declare the Offer unconditional (*het bod gestand doen*) subject to the following conditions precedent (the "**Offer Conditions**") being satisfied or waived in accordance with this Section 5.5.1 (*Offer Conditions*) on the Unconditional Date or, in case of paragraph (a) below, the Acceptance Closing Date or the Postponed Closing Date, as the case may be:

Acceptance Threshold

- a. the number of Tendered Shares, together with any Shares directly or indirectly held by the Offeror or irrevocably committed to the Offeror in writing subject only to the Offer being declared unconditional (collectively the "**Tendered, Owned and Committed Shares**"), representing as at the Acceptance Closing Date or the Postponed Closing Date at least 80% of the Outstanding Capital (the "**Acceptance Threshold**");

Resolutions

- b. the Post-Closing Restructuring Resolutions and Articles Resolution having been adopted at the EGM and being in full force and effect;

No litigation against Post-Closing Restructuring Measures

- c. no action, claim, proceeding or inquiry pending before or by any court, or government agency that will prevent or materially adversely affect or is reasonably likely to prevent or materially adversely affect the implementation of a Post-Closing Restructuring Measure;

No competing or mandatory offer

- d. no public announcement having been made of a Competing Offer and no-one being obligated to make a mandatory offer for the Shares based on section 5:70 Wft;

No right to subscribe for Shares

- e. no third party having obtained the right to subscribe, or having agreed to subscribe, for Shares, with the exception of the rights under the Equity Plans;

Irrevocable Commitment Agreement

- f. the Irrevocable Commitment Agreement being valid, binding and enforceable and not having been breached by a Co-Investor, terminated or modified, except as approved by the Offeror;

No Adverse Recommendation Change

- g. no Adverse Recommendation Change having occurred that has not been rectified in accordance with the provisions of the Merger Agreement;

No breach by Beter Bed Holding

- h. Beter Bed Holding not having breached the terms of the Merger Agreement to the extent that any such breach (i) has or could reasonably be expected to have material adverse

consequences on Beter Bed Holding, the Offeror or its Affiliates or the Transaction; and (ii) is incapable of being remedied or has not been remedied by Beter Bed Holding, in each case before the date that is the earlier of (A) ten (10) Business Days after receipt by Beter Bed Holding of a written notice from the Offeror and (B) three (3) Business Days before the Acceptance Closing Date or the Postponed Closing Date, as the case may be;

No breach by Offeror

- i. the Offeror not having breached the terms of the Merger Agreement to the extent that any such breach (i) has or could reasonably be expected to have material adverse consequences on Beter Bed Holding, its Affiliates or the Transaction; and (ii) is incapable of being remedied or has not been remedied, in each case before the date that is the earlier of (A) ten (10) Business Days after receipt by the Offeror of a written notice from Beter Bed Holding and (B) three (3) Business Days before the Acceptance Closing Date or the Postponed Closing Date, as the case may be;

No Material Adverse Effect

- j. no Material Adverse Effect having occurred or become known since the date of the Merger Agreement;

No order

- k. no order, stay, injunction, judgment, decision, guidance, ruling or decree having been issued by any Regulatory Authority and being in effect, or any statute, law, subordinate legislation, treaty, ordinance, rule, regulation, resolution, directive, code or executive order having been enacted or enforced, any of which prohibits, restrains or substantially delays or is reasonably likely to prohibit, restrain or substantially delay the consummation of the Transaction in any material respect;

No AFM notification violation Wft

- l. no notification having been received from the AFM stating that the Offer has been prepared, announced or made in conflict with any of the provisions of chapter 5.5 Wft or the Decree, within the meaning of section 5:80 paragraph 2 Wft, that investment firms (*beleggingsinstellingen*) would not be permitted to cooperate with the Offer; and

No suspension or ending of trading

- m. trading in the Shares not having been permanently suspended or ended by Euronext Amsterdam.

5.5.2. Waiver

The Offer Condition set out in Clause 5.5.1.a (*Acceptance Threshold*) is for the sole benefit of the Offeror and may be waived by the Offeror (either in whole or in part) at any time by giving written notice to Beter Bed Holding, provided that a waiver by the Offeror of this Offer Condition requires the prior written approval of the Boards if the total of the Tendered, Owned and Committed Shares at the Acceptance Closing Date or the Postponed Closing Date, as the case may be, represents less than 75% of the Outstanding Capital at the Acceptance Closing Date or the Postponed Closing Date, as the case may be.

The Offer Conditions set out in Clauses 5.5.1.b (*Resolutions*), 5.5.1.d (*No competing or mandatory offer*), 5.5.1.e (*No right to subscribe to shares*), 5.5.1.f (*Irrevocable Commitment Agreement*), 5.5.1.g (*No Adverse Recommendation Change*), 5.5.1.h (*No breach by Beter Bed Holding*) and 5.5.1.j (*No Material Adverse Effect*), are for the sole benefit of the Offeror and accordingly the Offeror may, to the extent permitted by Law, waive each of these Offer Conditions (either in whole or in part) at any time by giving written notice to Beter Bed Holding.

Each of the Offer Conditions set out in Sections 5.5.1.c (*No litigation against Post-Closing Restructuring Measures*), 5.5.1.k (*No order*) and 5.5.1.m (*No suspension or ending of trading*) is for the benefit of both

the Offeror and Beter Bed Holding and may, to the extent permitted by Law, only be waived (either in whole or in part) by both the Offeror and Beter Bed Holding jointly in writing.

The Offer Condition set out in Section 5.5.1.i (*No breach by Offeror*) is for the sole benefit of Beter Bed Holding and accordingly Beter Bed Holding may, to the extent permitted by Law, waive this Offer Condition (either in whole or in part) at any time by written notice to the Offeror.

The Offer Condition set out in Section 5.5.1.l (*No AFM notification violation Wft*) cannot be waived.

The Offeror and Beter Bed Holding may not invoke any of the Offer Conditions if the non-satisfaction of such Offer Condition is primarily caused by a breach of that party of any of its obligations under the Merger Agreement.

5.5.3. No Material Adverse Effect

To the Offeror's knowledge, at the date of this Offer Memorandum, there are no Effects that, in aggregate, would result in a Material Adverse Effect.

5.5.4. No Adverse Recommendation Change

To the Offeror's knowledge, no Adverse Recommendation Change has occurred on or before the date of this Offer Memorandum.

5.5.5. Satisfaction

The satisfaction of each of the Offer Conditions does not depend on the will of the Offeror as prohibited by Article 12, paragraph 2 of the Decree.

The Offeror and Beter Bed Holding shall use their reasonable best efforts to procure the satisfaction of the Offer Conditions as soon as reasonably practicable. If at any time either the Offeror or Beter Bed Holding becomes aware of a fact or circumstance that is reasonably likely to prevent an Offer Condition from being satisfied, it shall notify the other party as soon as reasonably practicable thereof in writing in reasonable detail. If at any time the Offeror or Beter Bed Holding becomes aware that an Offer Condition is satisfied, it shall immediately notify the other party thereof.

To the extent that the Offeror and Beter Bed Holding do not agree on the Offer Condition set out in Section 5.5.1.j (*No Material Adverse Effect*) being satisfied, the Offeror and Beter Bed Holding have agreed on a binding advice procedure. In such event, a binding adviser shall be appointed and a binding advice shall be rendered within ten (10) Business Days after the dispute having been referred to the binding adviser or such shorter period as the Offeror and Beter Bed Holding may agree. The binding advice shall be rendered no later than on the Acceptance Closing Date or Postponed Closing Date (as applicable). If on the Acceptance Closing Date (i) the Offeror and Beter Bed Holding do not agree on the Offer Condition set out in Section 5.5.1.j (*No Material Adverse Effect*) being satisfied, (ii) the Offeror has not waived such Offer Condition in accordance with the terms and conditions of the Merger Agreement, and (iii) the binding advice has not been rendered, the Offeror shall extend the Acceptance Period until such time as the Offeror and Beter Bed Holding reasonably believe is necessary to obtain the binding advice. If the Offeror or Beter Bed Holding has initiated the binding advice procedure by noon CET on the third Business Day before the Postponed Closing Date and (i) the Offeror and Beter Bed Holding do not agree on the Offer Condition set out in Clause 5.5.1.j (*No Material Adverse Effect*) being satisfied, (ii) it is reasonably likely that the binding advice will not have been obtained ultimately on the Postponed Closing Date, and (iii) the Offeror has not waived such Offer Condition in accordance with the terms and conditions of the Merger Agreement, the Offeror shall promptly submit an exemption request to the AFM to extend the extended Acceptance Period until such time as the Offeror and Beter Bed Holding reasonably believe is necessary to obtain the binding advice and, subject to receipt of such exemption granted by the AFM, extend the extended Acceptance Period in accordance with the exemption granted. Subject to the aforementioned extension obligations, the Offeror may invoke the Offer Condition set out in Section 5.5.1.j (*No Material Adverse Effect*) if the binding advice is not rendered by noon CET on the Business Day before the Acceptance Closing Date or Postponed Closing Date (as applicable) (without prejudice to Beter Bed Holding's right to continue to challenge the exercise of such right after the Offeror has invoked the relevant condition). The binding adviser shall be appointed

directly by the Arbitration Institute of the Netherlands (*Nederlands Arbitrage Instituut*) in accordance with Article 14 of the Binding Advice Rules of the Arbitration Institute of the Netherlands (*Bindend Adviesreglement van het Nederlands Arbitrage Instituut*). The binding advice shall be final and binding upon the Offeror and Beter Bed Holding. The binding adviser shall decide as binding adviser, not as arbitrator. Each of the Offeror and Beter Bed Holding shall fully comply with the binding advice and the content thereof.

To the extent that the Offeror and Beter Bed Holding do not agree on the Offer Condition set out in Clause 5.5.1.d (*No competing or mandatory Offer*) being satisfied in respect of the obligation to make a mandatory offer, a final and conclusive judgment from the Enterprise Section of the Amsterdam Court of Appeal (*Ondernemingskamer*) on the topic will be binding on the Offeror and Beter Bed Holding.

5.5.6. Long Stop Date

The Offer Conditions must be satisfied or waived before 10 July 2024 (the "**Long Stop Date**").

5.6. Decision-making and Recommendation by the Boards

During the second half of 2020, Beter Bed Holding performed a strategic analysis to identify, review and evaluate all strategic options available, focusing on the sustainable long-term success of its business and taking into account the interest of all stakeholders, concluding that the company would potentially have more strategic freedom and be better positioned to execute and accelerate its growth strategy in a private environment. Subsequently, the Boards identified seven criteria to evaluate any potential take-private of the Beter Bed Group, being (i) strategic direction, (ii) continuity, (iii) focus on long term, (iv) value for employees, (v) deal certainty, (vi) ability to invest, and (vii) shareholder value. In the first half of 2022, Beter Bed Holding, together with its financial adviser, updated its strategic analysis, resulting in the same conclusion that the company would potentially benefit from a private environment.

Over the past years, Beter Bed Holding has from time to time entered into dialogues with parties on potential strategic options, but these dialogues did not result in any concrete proposals. As set out in Section 5.1 (*Background and public announcements*), TorqX showed interest in a potential takeover of the Beter Bed Group at the end of June 2022, after which several interactions and meetings took place. These discussions did not result in any agreement and were therefore terminated in December 2022. The discussions resumed early April 2023 after TorqX again expressed its interest in Beter Bed Holding and put forward a non-binding offer letter to Beter Bed Holding on 20 April 2023 with a significantly improved offer compared to its initial offer.

Consistent with their fiduciary duties, the Boards, with the assistance of their financial and legal advisers, have carefully reviewed and evaluated all aspects of the proposal, including, amongst others, the strategic merits, deal certainty, financial, non-financial, operational and social aspects and other terms of the proposal. This resulted in Beter Bed Holding giving TorqX and their advisers the opportunity to conduct a confirmatory due diligence investigation on Beter Bed Holding and its business, consisting of a review of documents that were made available in a virtual data room prepared by Beter Bed Holding and its advisers and the possibility to ask questions and to join a number of expert sessions. Moreover, Beter Bed Holding and TorqX initiated negotiations on the terms and conditions of the potential transaction, including the Merger Agreement, in Q2 2023. Throughout this process, the Boards frequently and extensively discussed the developments in respect of the potential transaction and related key decisions and the Boards considered a number of aspects, including but not limited to the seven criteria the Boards identified (as set out above). In the deliberations and decision-making process, the Boards gave due consideration to potential conflicts of interests between any member of the Boards and the Company in respect of the potential transaction, and concluded that there were no such conflicts.

On 9 July 2023, Rabobank issued a written fairness opinion to the Boards and ABN AMRO issued a separate written fairness opinion to the Supervisory Board, in each case that, as of such date, and based upon and subject to the assumptions, qualifications and limitations set forth in each opinion, (a) the Offer Price to be received by the Shareholders is fair from a financial point of view, and (b) the purchase price for the share(s) in the capital of (i) Beter Bed Sub under the Merger Share Sale is fair to Beter Bed HoldCo, and (ii) Beter Bed SplitCo under the Demerger Share Sale is fair to Beter Bed Holding, from a

financial point of view (the "**Fairness Opinions**"). The full text of the Fairness Opinions, which sets out the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each such opinion, is included in the Position Statement.

After having received extensive legal and financial advice and having given due and careful consideration to all circumstances and all aspects of the Transaction, the Boards believe that the Offeror has made a compelling offer representing an attractive cash premium to the Shareholders, as well as favourable non-financial terms and commitments in respect of deal certainty. The Boards conclude that the Offer is in the best interest of Beter Bed Holding and the sustainable, long-term success of its business, taking into account the interests of all of Beter Bed Holding's stakeholders.

Early in the morning of 10 July 2023, the representatives of Beter Bed Holding and the Offeror signed the Merger Agreement and Beter Bed Holding and the Offeror jointly published a press release stating that they had reached a conditional agreement on an intended public offer by the Offeror on Beter Bed Holding.

With reference to the above, and subject to Section 5.22 (*Competing Offer*), the Boards unanimously (i) support the Transaction, (ii) recommend to the Shareholders to accept the Offer and to tender their Shares pursuant to the Offer, and (iii) recommend to the Shareholders to vote in favour of the Resolutions at the EGM to be held at 10:00 hours CET on 15 November 2023 (the "**Recommendation**").

At the date of this Offer Memorandum, Beter Bed Holding published a Position Statement pursuant to Article 18a of the Decree, which sets out the Recommendation and a more elaborate explanation on the decision-making process.

5.6.1. Adverse Recommendation Change

Subject to the right of the Offeror and Beter Bed Holding to terminate the Merger Agreement in accordance with the arrangements set out in Section 5.20 (*Exclusivity*) and Section 5.22 (*Competing Offer*), Beter Bed Holding shall ensure that neither the Boards nor any of their members shall:

- a. withdraw, modify, amend or qualify the Recommendation;
- b. make any statement contradictory to the Recommendation or take any other action of which they know or reasonably should know that it may prejudice or frustrate the Offer or the Transaction in any material respect; or
- c. fail to comply with including the Recommendation in certain documents and announcements related to the Offer, including but not limited to the Position Statement, the explanatory notes to the agenda for the EGM, the presentation for the EGM and the script for the EGM,

any of the actions described in sub a – c, an "**Adverse Recommendation Change**".

Other than in accordance with the arrangements set out in Sections 5.20 (*Exclusivity*) and 5.22 (*Competing Offer*), any Adverse Recommendation Change will constitute a material breach by Beter Bed Holding of the Merger Agreement (for more information, see Sections 5.25 (*Termination*) and 5.26 (*Compensation*)), provided that if one or more members of the Boards are misquoted or inadvertently or without intent make a statement contradictory to the Recommendation, this shall not constitute a material breach by Beter Bed Holding if the Boards publicly reconfirm the Recommendation of (the relevant member(s) of) the Boards as soon as reasonably possible, but in any event within one (1) Business Day after Beter Bed Holding has been informed in writing by the Offeror of the relevant statement.

5.7. Irrevocable commitments Co-Investors

On 10 July 2023, the Offeror, MidCo, TopCo, Torqx, Torqx HoldCo, the Co-Investors and Teslin entered into the Irrevocable Commitment Agreement.

Each of Navitas (holding approximately 17% of the Shares on the date of the Merger Agreement), Teslin (holding approximately 14% of the Shares on the date of the Merger Agreement) and De Engh (holding

approximately 14% of the Shares on the date of the Merger Agreement) has irrevocably undertaken in the Irrevocable Commitment Agreement to:

- a. agree to offer their Shares to the Offeror on the same terms as the Offer but subject to and in accordance with the terms and conditions of the Irrevocable Commitment Agreement as set out in this Section 5.7; and
- b. vote in favour of the Resolutions at the EGM.

Upon the Offer being declared unconditional (*gestanddoening*) in accordance with the Merger Agreement and subject to the terms and conditions of the Irrevocable Commitment Agreement and the Irrevocable Commitment Agreement remaining in full force and effect, each of Navitas, Teslin (through Teslin HoldCo) and De Engh will offer their Shares to the Offeror on the same terms as the Offer, which will be done by means of:

- a. a contribution and transfer of part of their Shares to TopCo resulting in (i) Navitas holding 21% of the ordinary shares in TopCo and (ii) each of Teslin HoldCo and De Engh holding 10.5% of the ordinary shares in TopCo (which reflects a reinvestment by Teslin HoldCo and De Engh of approximately 45% of the value attributed to their Shares (based on the Offer Price)) (the "**Contribution Shares**"). The exact number of Contribution Shares depends on the estimated net cash position of Beter Bed Holding and the transaction costs on the date of transfer of the Contribution Shares. Each of Navitas, Teslin (through Teslin HoldCo) and De Engh shall contribute and transfer to TopCo the Contribution Shares under the same terms and conditions as applicable to all Shareholders except for the date of delivery, which will take place between the Unconditional Date and the Settlement Date, and no cash payment shall be made but they shall receive an indirect equity interest in the Offeror (through TopCo and MidCo) with the same value as the cash payment. Immediately following the contribution and transfer of the Contribution Shares to TopCo, TopCo shall contribute and transfer the Contribution Shares to MidCo and MidCo shall contribute and transfer the Contribution Shares to the Offeror; and
- b. a sale and transfer of their Shares minus their Contribution Shares to TopCo (the "**Sale Shares**"). Each of Navitas, Teslin (through Teslin HoldCo) and De Engh shall sell and transfer to TopCo the Sale Shares under the same terms and conditions as applicable to all Shareholders except for the date of delivery, which will take place between the Unconditional Date and the Settlement Date, and no cash payment shall be made but they shall receive an interest free note with the same value as the cash payment which is intended to be repaid by TopCo as soon as reasonably possible following the date of the transfer of the Sale Shares. Immediately following the sale and transfer of the Sale Shares to TopCo, TopCo shall contribute and transfer the Sale Shares to MidCo and MidCo shall contribute and transfer the Sale Shares to the Offeror.

The difference for Shareholders that tender their Shares in the Offer and the transfer of the Contribution Shares and Sale Shares by the Co-Investors to the Offeror (through TopCo and MidCo) is the manner in which the Contribution Shares and Sale Shares end up with the Offeror (in addition to the Co-Investors becoming shareholders in TopCo). There is no difference in value attributed to the Contribution Shares and Sale Shares or other rights in relation to the Offer. The value attributed to the Contribution Shares and the Sale Shares is the Offer Price.

The Irrevocable Commitment Agreement contains customary undertakings and conditions and shall terminate if the Merger Agreement is terminated in accordance with its terms.

Navitas, Teslin, Teslin HoldCo and De Engh did not receive any information relevant for a Shareholder in connection with the Offer that is not included in this Offer Memorandum.

5.8. Shareholdings of the members of the Boards

5.8.1. Information on Shares

As at the date of this Offer Memorandum, Shares are held by the members of the Boards as shown in the following table.

A.J.G.P.M. Kruijssen	G.E.A. Reijnen
219,395	132,987

For as long as the Boards support and recommend the Transaction in accordance with the Merger Agreement, Beter Bed Holding shall ensure that (i) each member of the Boards shall tender in the Offer during the Acceptance Period any Shares such member directly or indirectly holds, and (ii) vote such Shares in favour of the Resolutions.

If and when Settlement occurs, it is anticipated Mr Kruijssen and Ms Reijnen will receive a cash amount of EUR 1,338,309.50 and EUR 811,220.70, respectively, in consideration of the tender of their respective Shares tendered under the Offer which is equal to the Offer Price per Tendered Share.

The members of the Management Board did not receive any information relevant for a Shareholder in connection with the Offer that is not included in this Offer Memorandum and will tender their Shares under the Offer under the same terms and conditions as the other Shareholders.

The members of the Supervisory Board do not hold any Shares in Beter Bed Holding.

5.8.2. Information on rewards under Equity Plans

At the date of this Offer Memorandum, Options, PSUs, and One-time PSUs are held by the members of the Boards as shown in the following table.

Board member	Number of Options	Number of PSUs	Number of One-time PSUs	Total proceeds based on Offer Price
A.J.G.P.M. Kruijssen	37,500	179,113	480,522	EUR 4,274,640.10
G.E.A. Reijnen	100,000	113,755	0	EUR 1,163,763.40

In accordance with Section 6.7.1.c (*Treatment of the share-based compensation plans in the context of the Offer*), all outstanding Options, PSUs and One-time PSUs that are outstanding but unvested on the Settlement Date will automatically vest and be cancelled against a right to receive an amount in cash, without interest, equal to the Offer Price (in respect of the Options only, reduced with the exercise price), multiplied by the number of shares in the capital of Beter Bed Holding to which the holder of such vested Option, PSU and One-time PSU would have been entitled.

5.8.3. Share and PSU transactions in the year prior to the date of this Offer Memorandum

The table below provides an overview of all transactions in Shares and PSUs effectuated by the members of the Boards in the year prior to the date of this Offer Memorandum.

Board member	Number of Shares	Type of transaction	Date	Volume weighted average price (EUR)
A.J.G.P.M. Kruijssen	86,835 PSUs	Receipt of PSUs pursuant to the Equity Plans (as defined below)	13 January 2023	2.95
G.E.A. Reijnen	55,149 PSUs	Receipt of PSUs pursuant to the Equity Plans (as defined below)	13 January 2023	2.95
A.J.G.P.M. Kruijssen	209,395 Shares	Vesting of Shares for 142,039 vested	19 January 2023	3.09

		PSUs pursuant to Equity Plans		
G.E.A. Reijnen	132,987 Shares	Vesting of Shares for 90,209 vested PSUs pursuant to Equity Plans	19 January 2023	3.09

Other than transactions under the Equity Plans, no transactions have been effected and no arrangements have been concluded by any member of the Boards, any of their spouses (*echtgenoten*), registered partners (*geregistreeerde partners*), minor children (*minderjarige kinderen*) or any entities over which these members or other persons referred to have control (*zeggenschap hebben*) in relation to the Shares in the year immediately preceding this Offer Memorandum.

5.9. Respective shareholdings by the Offeror, Co-Investors and Beter Bed Holding

As at the date of this Offer Memorandum:

- a. Navitas, directly or indirectly, holds 4,569,640 Shares;
- b. Teslin, directly or indirectly, holds 3,820,000 Shares; and
- c. De Engh, directly or indirectly, holds 3,817,842 Shares.

As at the date of this Offer Memorandum, the Offeror, directly or indirectly, does not hold any Shares in Beter Bed Holding. In the year preceding the date of this Offer Memorandum, the Offeror has not executed transactions in relation to the Beter Bed Holding securities.

The Offeror or brokers (acting as agents for the Offeror) reserve the right to, to the extent permissible under applicable Law, from time to time after the date the Offer Memorandum, and other than pursuant to the intended Offer, directly or indirectly purchase, or arrange to purchase Shares that are the subject of the Offer. To the extent information about such purchases or arrangements to purchase has to be made public in the Netherlands, such information will be disclosed by means of a press release to inform Shareholders of such information and made available on the website of the Offeror.

Beter Bed Holding and/or any of its Affiliates do not directly or indirectly hold any shares in the Offeror Entities.

5.10. Consequences of the Offer for non-tendering Shareholders

It is likely that the Offer, if and when it is declared unconditional (*gestanddoening*), has implications for the Shareholders who did not tender their Shares. Therefore, Shareholders considering not tendering their Shares under the Offer should carefully review the sections of this Offer Memorandum that further explain the intentions of the Offeror, such as this Section 5.10 (*Consequences of the Offer for non-tendering Shareholders*) and Section 5.11 (*Possible Post-Closing Measures and future legal structure*), which describe certain implications to which such Shareholders will be subject if the Offer is declared unconditional (*gestand is gedaan*) and settled. These risks are in addition to the risks associated with holding securities issued by Beter Bed Holding generally, such as the exposure to risks related to the business of Beter Bed Holding, the markets in which Beter Bed Holding and its Affiliates operate, as well as economic trends affecting such markets generally as such business, markets and trends may change from time to time after the Settlement Date.

5.10.1. Intentions following the Offer being declared unconditional

If the Offer is declared unconditional (*gestand is gedaan*), the Offeror and Beter Bed Holding intend to as soon as possible:

- a. procure delisting of the Shares from Euronext Amsterdam and terminate the listing agreement between Beter Bed Holding and Euronext Amsterdam in relation to the listing of the Shares;
- b. convert Beter Bed Holding into a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), if deemed desirable by the Offeror; and

- c. have the Offeror acquire all Shares not yet owned by it or the entirety of the Beter Bed Holding business, pursuant to the Statutory Buy-Out Proceedings (potentially in combination with the implementation of the Post-Closing Demerger prior to commencing such Statutory Buy-Out Proceedings in accordance with Section 5.11.3 (*Post-Closing Demerger*)), or by implementing the Post-Closing Merger resulting in the Beter Bed Holding business being owned by a wholly-owned subsidiary of the Offeror, or the Offeror otherwise becoming 100% owner of the Shares or the Beter Bed Holding business. See Section 5.11 (*Possible Post-Closing Restructuring Measures and future legal structure*).

5.10.2. Liquidity and delisting

The purchase of Shares by the Offeror pursuant to the Offer will reduce the number of Shareholders, as well as the number of Shares that might otherwise be traded publicly. As a result, the liquidity and market value of the Shares that were not tendered under the Offer, or were tendered and validly withdrawn, may be adversely affected. The Offeror does not intend to compensate for such adverse effect by, for example, setting up a liquidity mechanism for the Shares that are not tendered following the Settlement Date and the Post-Acceptance Period.

Should the Offer be declared unconditional (*gestanddoening*), the Offeror and Beter Bed Holding intend to procure the delisting of the Shares on Euronext Amsterdam as soon as possible under applicable rules. This may further adversely affect the liquidity and market value of any Shares not tendered.

If the Offeror acquires 95% or more of the Shares, it will be able to procure delisting of the Shares from Euronext Amsterdam in accordance with applicable (policy) rules. However, if the Offeror implements a Post-Closing Merger as set out in Section 5.11.4 (*Post-Closing Merger*) or any Other Post-Closing Measure as set out in Section 5.11.5 (*Other Post-Closing Measures*), the listing of the Shares on Euronext Amsterdam will also terminate. In the event that Beter Bed Holding will no longer be listed, the provisions applicable to the governance of listed companies will no longer apply and the rights of remaining minority shareholders may be limited to the statutory minimum.

5.11. Possible Post-Closing Restructuring Measures and future legal structure

5.11.1. General

Taking into account the business rationale of the Transaction, Beter Bed Holding acknowledges that the terms of the Offer are predicated on the acquisition of 100% (one hundred per cent) of the Shares or Beter Bed Holding's assets and operations. This importance is based, *inter alia*, on:

- a. the ability to achieve the strategic benefits of the Transaction and enhance the sustainable success of Beter Bed Holding's business (including increasing Beter Bed Holding's ability to achieve the goals and implement the actions of its strategy) in an expeditious manner in a private environment in a fully owned set-up after delisting;
- b. the ability to terminate the listing of the Shares from Euronext Amsterdam, and the resulting cost savings therefrom and from having a single shareholder;
- c. the ability to achieve an efficient capital structure; and
- d. the ability to implement and focus on achieving long-term strategic goals of Beter Bed Holding, as opposed to short-term performance driven by periodic reporting and market expectations.

In light of the above and the fact that the Offeror's willingness to pay the Offer Price and pursue the Offer is predicated on the direct or indirect acquisition of 100% of the Shares or Beter Bed Holding's assets and operations, and the willingness of the Offeror to accept the Acceptance Threshold of 80%, Beter Bed Holding expresses an interest in and its support for the Post-Closing Restructuring Measures which are to be executed in accordance with this Section 5.11, subject to the terms and conditions of the Merger Agreement.

Following Settlement and settlement of the Tendered Shares during the Post-Acceptance Period and subject to Sections 5.11.2 (*Statutory Buy-Out Proceedings*), 5.11.3 (*Post-Closing Demerger*), 5.11.4 (*Post-Closing Merger*) and 5.11.5 (*Other Post-Closing Measures*), the Offeror may implement the measures mentioned in those sections.

Furthermore, the Offeror reserves the right to use any legally permitted method to acquire all of the Shares (or full ownership of Beter Bed Holding's assets and operations) and to optimize the corporate, financing and structure of Beter Bed Holding. No decision in respect of pursuing any restructuring measures as set out in this Section 5.11 (*Possible Post-Closing Restructuring Measures and future legal structure*) has been taken by the Offeror and no such decision is envisaged to be taken prior to the Offer being declared unconditional (*gestanddoening*), provided that the Offeror will decide to implement the Statutory Buy-Out in the event set out in Section 5.11.2 (*Statutory Buy-Out Proceedings*). In addition, the Offeror may decide to implement the Post-Closing Demerger in the event set out in Section 5.11.3 (*Post-Closing Demerger*) and implement the Post-Closing Merger in the event set out in Section 5.11.4 (*Post-Closing Merger*).

5.11.2. Statutory Buy-Out Proceedings

Beter Bed Holding acknowledges that it is the intention of the Offeror to acquire 100% of the Shares or Beter Bed Holding's assets and operations and accordingly, if, following the Settlement Date and the Post-Acceptance Period, the Offeror and its group companies within the meaning DCC hold in the aggregate at least 95% of the Shares (calculated in accordance with the DCC) (the "**Statutory Buy-Out Threshold**"), the Offeror shall commence (a) the takeover buy-out procedure in accordance with Article 2:359c DCC or (b) the compulsory acquisition procedure (*uitkoopprocedure*) in accordance with Article 2:92a or 2:201a DCC, to buy out the remaining holders of Shares that have not tendered their Shares under the Offer ((a) or (b), the "**Statutory Buy-Out Proceedings**"). Beter Bed Holding shall provide the Offeror with any assistance as may be required, including, if needed, joining such proceedings as co-claimant. The Offeror may elect to implement the Post-Closing Demerger prior to commencing such Statutory Buy-Out Proceedings in accordance with Section 5.11.3 (*Post-Closing Demerger*).

In the Statutory Buy-Out Proceedings, any remaining minority shareholders of Beter Bed Holding will be offered the Offer Price for their Shares unless the Amsterdam Court of Appeal in the Statutory Buy-Out Proceedings decides that there would be financial, business or other developments or circumstances that would justify a different price (including a reduction resulting from payment of any Distribution) in accordance with, respectively, Article 2:92a, paragraph 5 or Article 2:359c, paragraph 6 DCC.

No Dutch dividend withholding tax (*dividendbelasting*) will be withheld from the payment made by the Offeror to Shareholders in consideration for their Shares under the Statutory Buy-Out Proceedings. For more information on certain material Dutch tax consequences in connection with the disposal of Shares under the Statutory Buy-Out Proceedings, reference is made to the general summary set forth in Section 8 (*Certain material Dutch tax considerations*).

5.11.3. Post-Closing Demerger

After and subject to (i) the adoption of the Post-Closing Demerger Restructuring Resolutions at the EGM, (ii) the Offer being declared unconditional (*gestand wordt gedaan*) and settlement of the Tendered Shares during the Post-Acceptance Period having taken place and (iii) the Tendered, Owned and Committed Shares representing at least the Statutory Buy-Out Threshold ultimately following settlement of the Tendered Shares during the Post-Acceptance Period, the Offeror may notify Beter Bed Holding that it wishes to implement the Post-Closing Demerger prior to commencing the Statutory Buy-Out Proceedings.

Prior to the date of this Offer Memorandum, the Boards have adopted and signed a demerger proposal (the "**Demerger Proposal**") for a legal demerger (*juridische afsplitsing*) of Beter Bed Holding (the "**Demerger**"), whereby at the occasion of the Demerger Beter Bed Holding will incorporate a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*), to be fully and directly owned by Beter Bed Holding ("**Beter Bed SplitCo**"). The Boards also have adopted and signed explanatory notes to the Demerger Proposal (the "**Demerger Explanatory Notes**").

On or around the Commencement Date, Beter Bed Holding has filed the Demerger Proposal and all ancillary documents required by Law with the Trade Register of the Netherlands Chamber of Commerce. Copies of the Demerger Proposal, Demerger Explanatory Notes and all ancillary documents are available at the offices of Beter Bed Holding. Beter Bed Holding will announce in a Dutch national newspaper that the filing is made and that such copies are made available.

If the conditions for implementing the Post-Closing Demerger have been satisfied ultimately following settlement of the Tendered Shares during the Post-Acceptance Period, the Offeror may notify Beter Bed Holding that it wishes to implement the Post-Closing Demerger. The Post-Closing Demerger shall consist of the following main steps:

- a. Beter Bed Holding shall effect the Demerger in accordance with the provisions set forth in the Demerger Proposal and the Demerger Explanatory Notes pursuant to the execution of a notarial deed of demerger, as soon as possible after the Offeror's notification to pursue the Post-Closing Demerger;

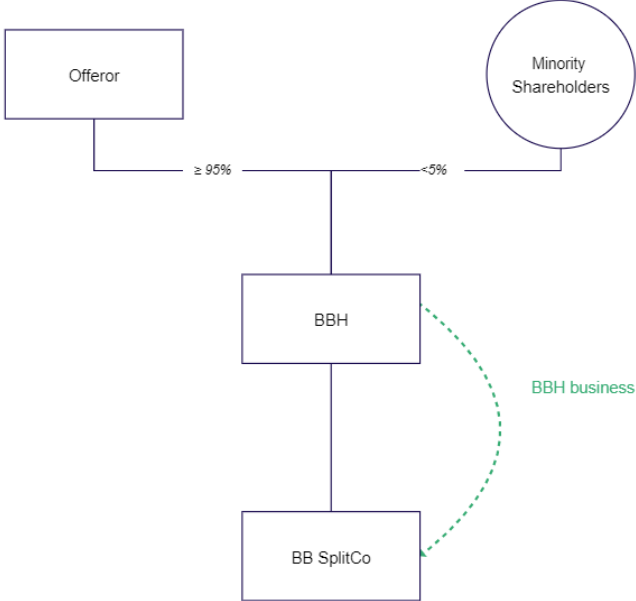


Figure 1: Demerger

- b. immediately after the Demerger becoming effective and Beter Bed SplitCo having been incorporated at the occasion thereof, the Offeror shall, and Beter Bed Holding (or any of its successors) shall procure that Beter Bed Holding shall enter into a share purchase agreement (the "**Demerger Share Purchase Agreement**"), pursuant to which the issued and outstanding share in the capital of Beter Bed SplitCo (the "**Beter Bed SplitCo Share**") will be sold and, by means of the execution of a notarial deed of transfer (the "**Demerger Share Transfer Deed**"), immediately after the Demerger becoming effective, be transferred to the Offeror (or its nominee nominated in accordance with the Demerger Share Purchase Agreement) (the "**Demerger Share Sale**"). The aggregate purchase price for the Beter Bed SplitCo Share shall be an amount equal to (i) the Offer Price multiplied by (ii) the total number of Shares issued and outstanding immediately prior to the Demerger becoming effective (the "**Demerger Share Sale Purchase Price**"). The Demerger Share Sale Purchase Price shall be payable immediately following the execution of the Demerger Share Transfer Deed by the Offeror's execution and delivery of a loan note to Beter Bed Holding payable by the Offeror on demand by Beter Bed Holding at arm's length terms (which shall take into account that such note is payable by the Offeror on demand by Beter Bed Holding) in an aggregate principal amount equal to the Demerger Share Sale Purchase Price,

(the steps under paragraphs (a) and (b) together, the "**Post-Closing Demerger**").

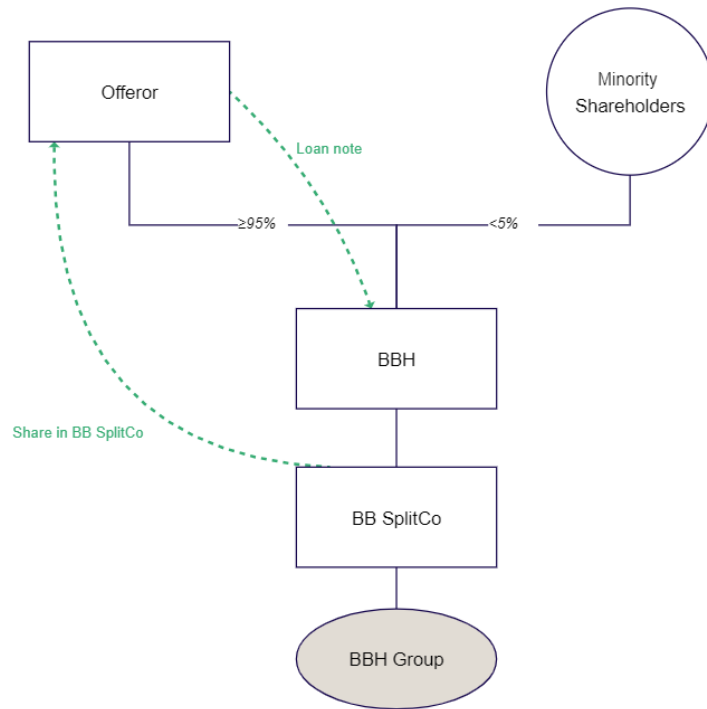


Figure 2: Share sale

Following completion of the Post-Closing Demerger, the Offeror shall initiate the Statutory Buy-Out Proceedings.

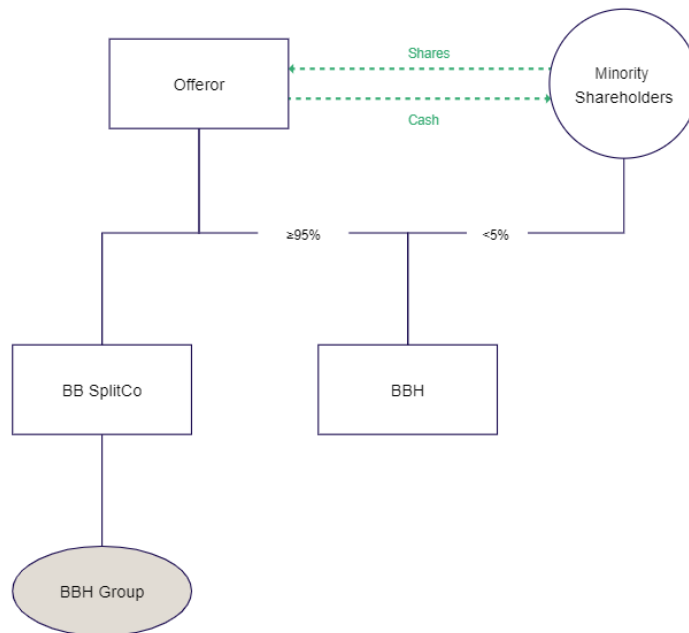


Figure 3: Statutory Buy-Out Proceedings

5.11.4. Post-Closing Merger

After and subject to (i) the adoption of the Post-Closing Merger Restructuring Resolutions at the EGM, (ii) the Offer being declared unconditional (*gestand wordt gedaan*) and settlement of the Tendered Shares during the Post-Acceptance Period having taken place and (iii) the Tendered, Owned and Committed Shares representing at least 80% of the Outstanding Capital (the "**Post-Closing Restructuring Threshold**") and the Statutory Buy-Out Threshold not having been met ultimately

following settlement of the Tendered Shares during the Post-Acceptance Period, the Offeror may notify Beter Bed Holding that it wishes to implement the Post-Closing Merger.

The structure comprises a statutory triangular merger (*juridische driehoeksfusie*) in accordance with Articles 2:309 et seq. and 2:333a DCC of Beter Bed Holding with Beter Bed HoldCo and Beter Bed Sub (the "**Triangular Merger**"), whereby each Shareholder will come to hold a number of shares in the capital of Beter Bed HoldCo equal to the number of Shares held by such Shareholders prior to the completion of the Triangular Merger.

Prior to the date of this Offer Memorandum, Beter Bed Holding has incorporated Beter Bed HoldCo as a wholly-owned subsidiary of Beter Bed Holding and Beter Bed HoldCo has incorporated Beter Bed Sub as a wholly-owned subsidiary of Beter Bed HoldCo. The Boards and the management boards of Beter Bed HoldCo and Beter Bed Sub have adopted and signed a merger proposal (the "**Merger Proposal**") for a triangular merger (*juridische driehoeksfusie*) of Beter Bed Holding (as disappearing company) with and into Beter Bed Sub (as acquiring company), with Beter Bed HoldCo allotting shares to the Shareholders in accordance with Articles 2:309 et seq. and 2:333a DCC. The Boards and management boards of Beter Bed HoldCo and Beter Bed Sub have adopted and signed explanatory notes to the Merger Proposal (the "**Merger Explanatory Notes**").

On or around the Commencement Date, Beter Bed Holding has filed the Merger Proposal and all ancillary documents (including the relevant audit statements) required by Law with the Trade Register of the Netherlands Chamber of Commerce. Copies of the Merger Proposal, Merger Explanatory Notes and all ancillary documents (including the relevant audit statements and reports) are available at the offices of Beter Bed Holding, Beter Bed HoldCo and Beter Bed Sub. Beter Bed Holding will announce in a Dutch national newspaper that the filing is made and that such copies are made available.

If the conditions for implementing the Post-Closing Merger have been satisfied ultimately after settlement of the Tendered Shares during the Post-Acceptance Period, the Offeror may notify Beter Bed Holding that it wishes to implement the Post-Closing Merger. The Post-Closing Merger shall consist of the following main steps:

- a. Beter Bed Holding will, and will procure that Beter Bed HoldCo and Beter Bed Sub will, effectuate the Triangular Merger in accordance with the provisions set forth in the Merger Proposal and the Merger Explanatory Notes by means of execution of a notarial deed of merger as soon as possible after the Offeror's notification to pursue the Post-Closing Merger;

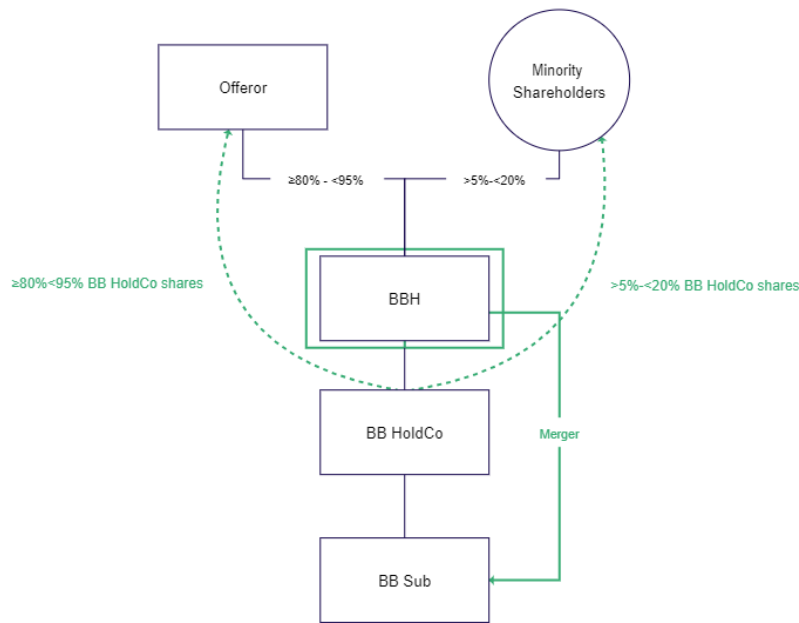


Figure 1: Triangular legal merger

- b. immediately after the Triangular Merger becoming effective, the Offeror shall, and Beter Bed Holding (or any of its successors) shall procure that Beter Bed HoldCo shall, enter into a share purchase agreement (the "**Merger Share Purchase Agreement**"), pursuant to which the issued and outstanding share in the capital of Beter Bed Sub (the "**Beter Bed Sub Share**") will be sold and, by means of the execution of a notarial deed of transfer (the "**Merger Share Transfer Deed**"), be transferred to the Offeror (or its nominee nominated in accordance with the Merger Share Purchase Agreement) (the "**Merger Share Sale**"). The aggregate purchase price for the Beter Bed Sub Share shall be an amount equal to (i) the Offer Price multiplied by (ii) the total number of Shares issued and outstanding immediately prior to the Triangular Merger becoming effective (the "**Merger Share Sale Purchase Price**"). The Merger Share Sale Purchase Price shall be payable immediately following the execution of the Merger Share Transfer Deed as follows:
- (i) an amount equal to (x) the Offer Price multiplied by (y) the total number of Shares held by holders of Shares other than the Offeror (such amount, the "**Merger Aggregate Minority Cash Out Amount**") will be paid either in cash or by the Offeror's execution and delivery of a loan note to Beter Bed HoldCo payable on demand by Beter Bed HoldCo at arm's length terms (which shall take into account that such note is payable on demand by Beter Bed HoldCo) in an aggregate principal amount equal to the Merger Aggregate Minority Cash Out Amount ("**Minority Cash Note**"); and
 - (ii) an amount equal to (x) the Merger Share Sale Purchase Price minus (y) the Merger Aggregate Minority Cash Out Amount (such difference, the "**Merger Offeror Net Amount**") will be paid by the Offeror's execution and delivery of a loan note to Beter Bed HoldCo payable on demand by Beter Bed HoldCo at arm's length terms (which shall take into account that such note is payable on demand by Beter Bed HoldCo) in an aggregate principal amount equal to the Merger Offeror Net Amount;

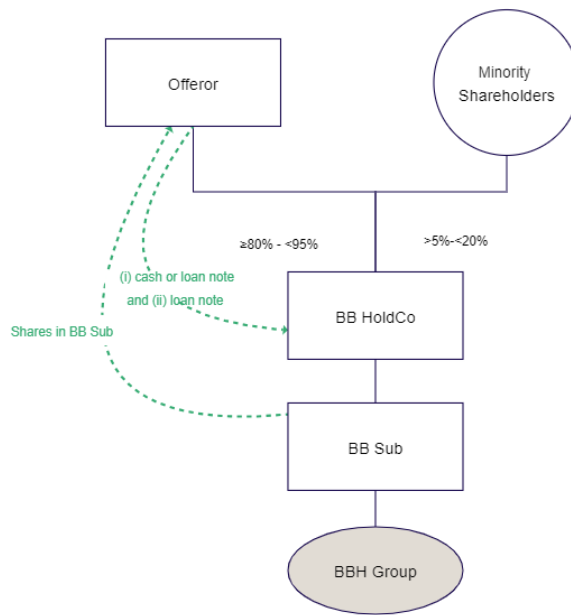


Figure 2: Share sale

- c. Beter Bed Holding shall adopt prior to the Settlement Date, in its capacity as sole shareholder of Beter Bed HoldCo, a resolution to, subject to and with effect as per immediately following execution of the Merger Share Transfer Deed, (i) dissolve Beter Bed HoldCo in accordance with Article 2:19 DCC (the "**HoldCo Dissolution**"), (ii) appoint a special purpose foundation as the liquidator of Beter Bed HoldCo (the "**Liquidator**"), (iii) approve reimbursement of the Liquidator's reasonable salary and costs and (iv) appoint Beter Bed Sub as the custodian of the books and records of Beter Bed HoldCo in accordance with Article 2:24 DCC; and
- d. following the execution of the Merger Share Transfer Deed, Beter Bed HoldCo shall demand payment of the Minority Cash Note and Beter Bed Holding shall cause the effectuation of the HoldCo Dissolution and the making of an advance liquidation distribution per ordinary share in the capital of Beter Bed HoldCo, whereby such advance liquidation distribution is intended to take place on or about the date of the execution of the Merger Share Transfer Deed and in an amount per ordinary share that is to the fullest extent possible equal to the Offer Price, without any interest and less any applicable taxes to be withheld in connection with the contemplated liquidation (such as Dutch dividend withholding tax, to which the advance liquidation distribution will generally be subject at a rate of 15% to the extent it exceeds the average paid-in capital recognized for Dutch dividend withholding tax purposes on the relevant (class of) shares in Beter Bed HoldCo, as further described in Section 8 (*Certain material Dutch tax considerations*) below),

(the steps under paragraphs (a)-(d) together, the "**Post-Closing Merger**").

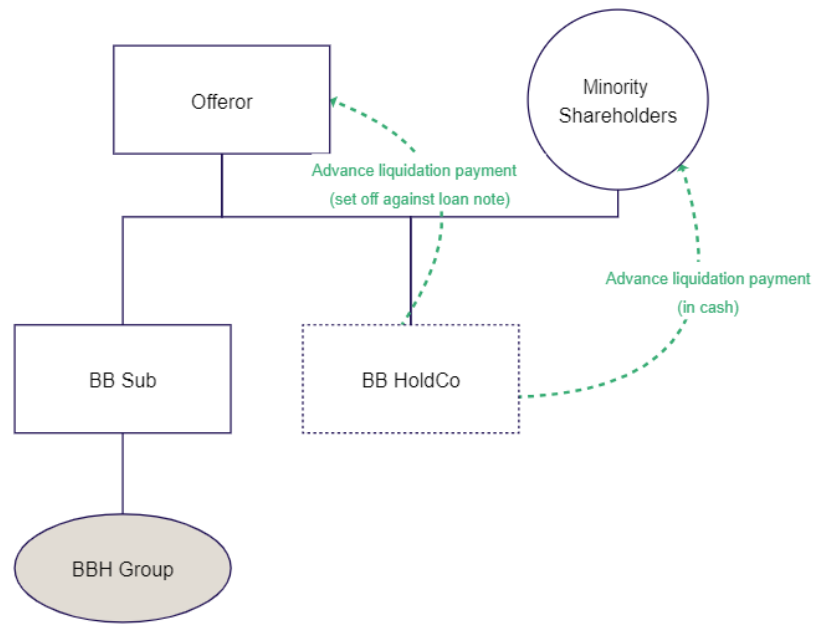


Figure 3: Liquidation and distribution

5.11.5. Other Post-Closing Measures

If the Offeror declares the Offer unconditional (*gestand doen*), the Offeror shall be entitled to effect or cause to effect any other restructuring of the Beter Bed Group (other than the Statutory Buy-Out Proceedings, the Post-Closing Demerger or the Post-Closing Merger) for the purpose of achieving an optimal operational, legal or financial structure, in accordance with the Merger Rules and Law in general, some of which may have the side effect of diluting the shareholding of any remaining minority shareholders of Beter Bed Holding (each an "**Other Post-Closing Measure**"), including:

- a. a subsequent public offer for any Shares held by minority Shareholders;
- b. a statutory cross-border or domestic (bilateral or triangular) legal merger (*juridische driehoeksfusie*) or legal demerger (*juridische splitsing*) in accordance with Part 7 of Book 2 DCC involving (x) two or more members of the Beter Bed Group or (y) one or more members of the Beter Bed Group and the Offeror or any of its Affiliates;
- c. a contribution of cash or assets by the Offeror or by any Affiliate of the Offeror in exchange for shares in the share capital of a member of the Beter Bed Group, in which circumstances the pre-emptive rights (*voorkeursrechten*), if any, of minority shareholders of Beter Bed Holding may be excluded;
- d. a distribution of proceeds, cash or assets to the Shareholders or share buybacks;
- e. a liquidation of any member of the Beter Bed Group;
- f. a sale or transfer of assets or liabilities by the Offeror or any of its Affiliates to any member of the Beter Bed Group, or a sale or transfer of assets or liabilities by any member of the Beter Bed Group to the Offeror or any of its Affiliates;
- g. any transaction between any member of the Beter Bed Group and the Offeror or any of its Affiliates at terms that may not be at arm's length;
- h. any transactions, restructurings, share issues, procedures or proceedings in relation to any member of the Beter Bed Group required to effect the aforementioned objectives; or
- i. any combination of the foregoing.

The Offeror has agreed to only effect or cause to effect an Other Post-Closing Measure (i) in accordance with the terms and subject to the conditions of the Merger Agreement, (ii) after settlement of the

Tendered Shares during the Post-Acceptance Period and (iii) if the Statutory Buy-Out Threshold has not been achieved thereafter.

In the implementation of an Other Post-Closing Measure, due consideration will be given to the requirements of Law (including the Merger Rules), including the fiduciary duty of the members of the Boards to consider the interests of all stakeholders including any minority shareholders of Beter Bed Holding, and the requirement for the members of the Supervisory Board to form their independent view of the relevant matter.

If any proposed Other Post-Closing Measure could reasonably be expected to prejudice or negatively affect the value of the Shares held by the remaining minority shareholders in Beter Bed Holding, other than pursuant to a rights issue or any other share issue where they have been offered a reasonable opportunity to subscribe pro rata to their then existing shareholding, or any shares issued to a third party not being an Affiliate of the Offeror or Beter Bed Holding, then the affirmative vote of all the Independent Supervisory Board Members shall be required prior to the implementation of any such Other Post-Closing Measure.

The applicable withholding taxes and other taxes, if any, due by non-tendering Shareholders in connection with any Other Post-Closing Measure or combination of Other Post-Closing Measures are dependent on the specific (combination of) Other Post-Closing Measures actually implemented (if any) and may be different from, and greater than, any taxes due in connection with (a) the disposal of Shares pursuant to the Offer or Statutory Buy-Out Proceedings and (b) any potential Post-Closing Merger or Post-Closing Demerger (in respect of which a general summary of certain material Dutch tax consequences is set forth in Section 8 (*Certain material Dutch tax considerations*) below). The Offeror and Beter Bed Holding can offer no assurances and have no responsibility with respect to the tax treatment of non-tendering Shareholders with respect to any Other Post-Closing Measure or combination of Other Post-Closing Measures. Shareholders are therefore urged to consult their own independent tax adviser as to the Dutch or other tax consequences in connection with any Other Post-Closing Measures or combination of Other Post-Closing Measures.

5.12. Composition of the Supervisory Board

At the Settlement Date, the Supervisory Board will initially comprise five (5) persons. The Offeror and Beter Bed Holding shall use their reasonable best efforts to ensure that the Supervisory Board will immediately following Settlement be composed as follows:

- a. three new members Mr H.J. Geerts, Mr A.L.J. Spek and Ms K.Y.M. de Kruiff; and
- b. two current members of the Supervisory Board, Ms B.M.A. van Hussen and Mr A.H. Beyens, who qualify as independent from the Offeror within the definition of the Dutch Corporate Governance Code 2022 as of the Settlement Date (the "**Independent Supervisory Board Members**").

The members under (a) above will be designated by the Offeror for nomination by the Supervisory Board for appointment by the EGM and their appointment is to take effect as per Settlement.

After Settlement, the Offeror, as majority shareholder of Beter Bed Holding, will be able to determine the size of the Supervisory Board and the appointment of the members of the Supervisory Board in Beter Bed Holding's general meeting, provided that the Independent Supervisory Board Members (or, after their resignation, any other person who (x) qualifies as independent within the meaning of the Dutch Corporate Governance Code 2022 and (y) is reasonably acceptable to the other Supervisory Board members including the Independent Supervisory Board Member(s)) shall continue to serve on the Supervisory Board for the duration of the Non-Financial Covenants Period.

In their position as members of the Supervisory Board, the Independent Supervisory Board Members shall monitor compliance with the Non-Financial Covenants as set out in Section 5.17 (*Non-Financial Covenants*) and, when material transactions between (i) Beter Bed Holding, and (ii) the Offeror, the Co-Investors or any of their respective Affiliates are considered, the fair treatment of minority shareholders of Beter Bed Holding or its legal successor pursuant to the Triangular Merger (if any).

The Offeror may remove the Supervisory Board and have Beter Bed Holding's articles of association amended such that only the Management Board remains in place at the earlier of (i) the date on which the Offeror holds 100% of the Outstanding Capital, (ii) the date on which a Statutory Buy-Out Proceeding has been initiated, or (iii) the date on which the Post-Closing Merger is completed. If the Offeror removes the Supervisory Board in accordance with the previous sentence, it shall procure that the Independent Supervisory Board Members shall be appointed as supervisory board members to the TopCo supervisory board (such members the "**TopCo Independent Supervisory Board Members**") and that the TopCo Independent Supervisory Board Members shall continue to serve on the TopCo Supervisory Board for the remainder of the Non-Financial Covenants Period.

In the event and upon the implementation of the Post-Closing Demerger, the Supervisory Board will remain in place and the Independent Supervisory Board Members will continue to serve on the Supervisory Board, in each case until the earlier of (i) the date on which the Offeror holds 100% of the Outstanding Capital or (ii) the date on which a Statutory Buy-Out Proceeding has been initiated.

5.13. Composition of the Management Board

The current members of the Management Board shall be the initial members of the Management Board following Settlement.

5.14. Compensation to the members of the Boards in connection with resignation

The members of the Supervisory Board who shall resign as per the Settlement Date, as described in Section 5.12 (*Composition of the Supervisory Board*), do not receive any payments in connection with their resignation.

As described in Section 5.13 (*Composition of the Management Board*), the members of the Management Board shall not resign, and their management agreements shall continue. Accordingly, they do not receive any severance payments.

5.15. Corporate governance following Settlement

For as long as Shares remain listed on Euronext Amsterdam, the Offeror shall procure that Beter Bed Holding shall continue to comply with the Dutch Corporate Governance Code 2022, unless (i) a deviation finds its basis in the Merger Agreement, as disclosed in this Offer Memorandum, including but not limited to the composition of the Supervisory Board as described in Section 5.12 (*Composition of the Supervisory Board*) which entails that the majority of the Supervisory Board shall, following Settlement, not be "independent" as defined in the Dutch Corporate Governance Code 2022, but is nominated by the Offeror, (ii) Beter Bed Holding did not comply with the relevant principle or best practice provision of the Dutch Corporate Governance Code 2022 at the date of the Merger Agreement, or (iii) other deviations that are agreed in writing between Beter Bed Holding and the Offeror.

There are currently no intentions for post-Settlement deviations from the Dutch Corporate Governance Code 2022 by Beter Bed Holding other than the deviations that find their basis in the Merger Agreement (as disclosed in this Offer Memorandum) and Beter Bed Holding's current deviations.

The current deviations from the Dutch Corporate Governance Code 2016 applied by Beter Bed Holding can be found on its website (<https://www.beterbedholding.com/governance/code-regulations>). Beter Bed Holding shall report on the Dutch Corporate Governance Code 2022 in due course, subject to any consequences of the Transaction.

5.16. Amendment of the Articles of Association

The Offeror intends to have the Articles of Association amended in the following instances: (i) following Settlement, and (ii) following termination of the listing of the Shares on Euronext Amsterdam, in each case as included in Section 12 (*Articles of Association*).

The amendments to the Articles of Association following Settlement will reflect that Beter Bed Holding has the Offeror as large majority shareholder. The amendments mainly relate to the authorities of the general meeting and Boards.

The subsequent amendment of the Articles of Association following delisting from Euronext Amsterdam will primarily relate to (i) Beter Bed Holding at that moment no longer being a listed company and (ii) the conversion of Beter Bed Holding into a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*).

5.17. Non-Financial Covenants

The Offeror shall comply with each of the non-financial covenants set out below (the "**Non-Financial Covenants**"), which will apply from the Settlement Date until the date that is thirty (30) months after the Settlement Date (the "**Non-Financial Covenants Period**").

Strategy

- a. The Offeror subscribes to the Beter Bed Group's business strategy as set out in page 7 up to and including page 70 of the Annual Report 2022 (the "**Business Strategy**") including the projected capital expenditures (CAPEX) and is supportive of Beter Bed Group in its effort to realize and accelerate the Business Strategy.
- b. The Offeror supports Beter Bed Group in furthering its current sustainability, ESG, and corporate social responsibility strategy and goals as set out in page 36 up to and including page 55 of the Annual Report 2022 and the Offeror acknowledges that these goals are a core element of the Business Strategy.

Financing and leverage

- c. The Offeror confirms that it is intended that the Beter Bed Group will remain prudently capitalised and financed in order to safeguard business continuity and to support the implementation and acceleration of the Business Strategy including but not limited to sufficient working capital financing and headroom for Beter Bed Holding's capital expenditure (CAPEX) requirements.
- d. The Offeror shall procure that no dividends or other distributions shall be paid by Beter Bed Holding or its subsidiaries to the Offeror, its Affiliates (excluding the Beter Bed Group) or the Co-Investors if and to the extent the Beter Bed Group would not have sufficient funds to finance the projected capital expenditure (CAPEX) for 2024 as a result of such dividends or other distribution.

M&A and investments

- e. The Offeror will work with, and supports, the Beter Bed Group's strategic and financial strategy to grow the business both organically and through mergers and acquisitions.
- f. As part of its support for the Business Strategy, the Offeror acknowledges that the Beter Bed Group may require additional funding to pursue add-on acquisitions. The Offeror intends to make additional equity capital available in order to finance such add-on acquisitions through a balanced combination of debt and equity financing, subject to the Beter Bed Group's approval policies and (financial) parameters as applicable from time to time.

Structure and corporate governance

- g. The Offeror shall procure that the headquarters of the Beter Bed Group shall remain located in Uden, the Netherlands. The Beter Bed Group will maintain its corporate identity, core values and culture.
- h. The Offeror acknowledges that Beter Bed Holding qualifies as a large company under the DCC and it will apply the large company regime (*structuurregime*) if and when required under Law. The Offeror acknowledges and accepts that Beter Bed Holding will have a two-tier board or, as a consequence of arrangements set out in Section 5.12 (*Composition of the Supervisory Board*), TopCo will have a two-tier board.
- i. The Offeror agrees that there will not be substantial changes to the Beter Bed Group's operational activities or a substantial decrease of its operational footprint.

- j. The Offeror shall keep the Beter Bed Group and its business materially intact and shall not divest or transfer to any third party, the Offeror or any member of its group, any of the Beter Bed Group's material subsidiaries, material business units or material assets, unless explicitly agreed in the Merger Agreement.

Employees

- k. The Offeror agrees that Beter Bed Holding shall respect the existing rights and benefits of the Beter Bed Group's employees, including existing rights and benefits under their individual employment agreements, incentive plans, social plans, and collective bargaining agreements.
- l. The Offeror agrees that there will be no changes to, or reductions in, the total workforce as a direct consequence of the Transaction. Any future redundancies will be implemented at fair terms in accordance with applicable Law, including applicable employee consultation requirements.
- m. The Offeror will respect the Beter Bed Group's current employee consultation structure.
- n. The Offeror shall use reasonable efforts to retain key managers and (other) employees of the Beter Bed Group as much as reasonably possible to the extent this fits within the Beter Bed Group's strategy and budget.
- o. The Offeror agrees that Beter Bed Holding continues to provide the Beter Bed Group's employees with attractive career opportunities and training.
- p. The Offeror agrees that Beter Bed Holding continues to focus on the health and wellbeing of the Beter Bed Group's employees and to further strive to reflect in the best possible way a culture of diversity and inclusion within the Beter Bed Group.
- q. The Offeror agrees that Beter Bed Holding will respect the existing pension arrangements and the pension rights of current and former employees of the Beter Bed Group shall be respected.

Protection of minority shareholders

- r. Until the earlier of (i) the date on which the Offeror holds 100% of the Outstanding Capital, (ii) the date on which the Statutory Buy-Out Proceeding is initiated, or (iii) the date on which the Post-Closing Merger (if applicable) is completed, no member of the Beter Bed Group shall take any of the following actions:
 - (i) issue additional shares for a cash consideration to any person (other than members of the Beter Bed Group) without offering pre-emption rights to minority shareholders;
 - (ii) agree to and enter into a related party transaction with the Offeror, the Co-Investors or their respective Affiliates or any of their respective Related Persons which is not at arm's length;
 - (iii) take any other action which disproportionately prejudices the value of, or the rights relating to the minority's shareholding; or
 - (iv) effect any debt push down to the Beter Bed Group or charge the Beter Bed Group any management fees or other costs.

5.18. Benefit and enforcement of Non-Financial Covenants

The Offeror's covenants, confirmations and obligations set forth in this Section 5.18 (*Benefit and enforcement of Non-Financial Covenants*) and Section 5.17 (*Non-Financial covenants*) are made to Beter Bed Holding as well as, by way of irrevocable third-party undertaking for no consideration (*onherroepelijk derdenbeding om niet*), to each Independent Supervisory Board Member or each TopCo Independent Supervisory Board Member (as applicable), and regardless of whether he or she is in office or has resigned or has been dismissed, provided that after resignation or dismissal, the resigned or dismissed Independent Supervisory Board Member(s) or TopCo Independent Supervisory Board Member(s) (as applicable) must assign the benefit of such undertaking to the new Independent Supervisory Board Member(s) or new TopCo Independent Supervisory Board Member(s) (as applicable) in function, unless such dismissal is successfully challenged by such independent Supervisory Board Member(s) or TopCo Independent Supervisory Board Member(s) (as applicable).

In the event that Beter Bed Holding ceases to exist or ceases to be the holding company of Beter Bed Holding's operations during the Non-Financial Covenants Period, the Non-Financial Covenants and the arrangements set out in this Section 5.18 (*Benefit and enforcement of Non-Financial Covenants*) and the relevant provisions of the Merger Agreement shall continue to apply to the holding company of Beter Bed Holding's operations (being Beter Bed Sub if the Post-Closing Merger is effected and being Beter Bed SplitCo if the Post-Closing Demerger is effected). In such case, all references to Beter Bed Holding shall be deemed to refer to such holding company and all references to the Beter Bed Group shall be deemed to refer to such holding company, its subsidiaries and its businesses, and any and all of Beter Bed Holding's rights and obligations under the Non-Financial Covenants and Section 5.18 (*Benefit and enforcement of Non-Financial Covenants*) will be assigned and transferred to such holding company.

In the event that the Offeror or any of its Affiliates sells or transfers (whether directly or indirectly, whether by a sale or transfer of shares or assets or otherwise) the Beter Bed Group or substantially all of the assets of the Beter Bed Group (in a single transaction or a series of related transactions) to any third party within the Non-Financial Covenants Period, the Offeror shall procure that such third party shall commit to undertakings in respect of the Beter Bed Group which are comparable to the Non-Financial Covenants as set out in Section 5.17 (*Non-Financial Covenants*) and which are at such time still applicable for the remainder of the Non-Financial Covenants Period.

Any deviation from the Non-Financial Covenants as set out in Section 5.17 (*Non-Financial Covenants*) will only be permitted with the prior approval of (i) the Supervisory Board, including votes in favour of such approval by the two (2) Independent Supervisory Board Members, or (ii) if no Supervisory Board is installed anymore in accordance with Section 5.12 (*Composition of the Supervisory Board*), TopCo's Supervisory Board, including votes in favour of such approval by the two (2) TopCo Independent Supervisory Board Members. The Statutory Buy-Out Proceedings or the implementation of a Post-Closing Restructuring Measure, as the case may be, does not constitute a deviation from the Non-Financial Covenants.

5.19. Employee consultations and SER and Trade Unions notification

5.19.1. Works Council

The Works Council has been informed of, and consulted on, the Transaction. The Works Council has also been informed of, and consulted on, the financing for, amongst others, the Transaction. On 22 August 2023, the Works Council has rendered a positive advice regarding the Transaction and the financing.

5.19.2. SER and Trade Unions Notification

The secretariat of the Social Economic Council (*Sociaal Economische Raad*) and the Trade Unions have been informed in writing of the Offer in accordance with the *SER Fusiegedragsregels 2015* (the Dutch code in respect of informing and consulting of trade unions).

5.20. Exclusivity

During the Exclusivity Period, except to the extent expressly permitted pursuant to Section 5.22 (*Competing Offer*):

- a. Beter Bed Holding shall and shall procure that each other Beter Bed Group company and each of their respective directors, officers, employees, agents, advisers or other representatives, including the members of the Boards, shall not and shall not publicly announce an intention to, directly or indirectly, (i) approach, initiate, enter into or continue discussions or negotiations with, (ii) provide any non-public information relating to the Beter Bed Group, or (iii) otherwise approach, solicit or take any action of which they know or reasonably should that it encourages any third party with respect to an Alternative Proposal; and
- b. Beter Bed Holding will promptly notify the Offeror (and in any event within twenty-four (24) hours) if any communication, invitation, approach or enquiry, or any request for information, is received by any of the Beter Bed Group companies or any of their respective directors, officers, employees, agents or representatives, from any third-party in relation to an

Alternative Proposal and provide the Offeror with (i) the identity of the relevant third party, (ii) the proposed consideration, and (iii) any other material terms of the Alternative Proposal.

5.21. Potential Competing Offer

Following receipt of an unsolicited communication from a third party containing an Alternative Proposal for all Shares or all or substantially all of Beter Bed Holding's business, which in the reasonable opinion of the Boards, after having considered advice of Beter Bed Holding's outside counsel and financial adviser, could reasonably be expected to qualify as or evolve into a Competing Offer as described in Section 5.22 (*Competing Offer*) (a "**Potential Competing Offer**"), Beter Bed Holding may:

- a. provide confidential information relating to the Beter Bed Group to such third party, provided that (i) the relevant third party enters into a confidentiality agreement with Beter Bed Holding on terms that are no less stringent than the terms of the confidentiality letters entered into by Beter Bed Holding and TorqX and (ii) any such confidential information is provided to the Offeror substantially concurrently with the time it is provided to such third party (if such information has not been previously provided to the Offeror);
- b. engage in discussions or negotiations regarding such Potential Competing Offer;
- c. consider such Potential Competing Offer; and
- d. make public announcements in relation to a Potential Competing Offer to the extent required under the applicable Merger Rules,

in each case provided that Beter Bed Holding will promptly notify the Offeror (and in any event within twenty-four (24) hours) of such Potential Competing Offer and provide the Offeror with (i) the identity of the relevant third-party, (ii) the proposed consideration, (iii) other material terms of the Potential Competing Offer and (iv) Beter Bed Holding's intention to enter into discussions with such third-party.

5.22. Competing Offer

A Potential Competing Offer will be a "**Competing Offer**" if:

- a. it is a credible, written, and unsolicited proposal by a *bona fide* third party to make a (public) offer for all of the Shares, for substantially all of Beter Bed Holding's business, a merger of Beter Bed Holding or any other Beter Bed Group company with a third party or another credible, written, and unsolicited proposal made by a *bona fide* third party that would involve a change of control of Beter Bed Holding or substantially all of Beter Bed Holding's business, which is in the good faith opinion of the Boards, after having considered advice of Beter Bed Holding's financial and legal advisers, on balance, a more beneficial offer and transaction for Beter Bed Holding and the sustainable success of its business, taking into account the interests of its stakeholders, than the Transaction as contemplated in the Merger Agreement, taking into account the identity and track record of the Offeror and its Affiliates and that of such third party, certainty of execution (including certainty of financing and compliance with all Antitrust Laws), conditionality, the level and nature of the consideration, the future plans of such third party with respect to Beter Bed Holding and Beter Bed Holding's strategy, and the interest of all stakeholders of Beter Bed Holding;
- b. the consideration offered per Share is in cash and exceeds the Offer Price (as increased in accordance with the Merger Rules (if applicable), but excluding, for the avoidance of doubt, any increases pursuant to any Revised Offers), by at least ten per cent (10%), and to the extent that the Competing Offer is an offer for all or substantially all of the assets of the Beter Bed Group, the calculation shall be made on the basis of the net proceeds (before any applicable taxes) to be distributed to the shareholders of Beter Bed Holding resulting from such a transaction calculated on a per Share basis;
- c. it is binding on the third party in the sense that such third party has (i) committed itself to Beter Bed Holding to (x) in case of a public offer, subject to customary (pre-)offer conditions, launch a public offer which is consistent with that Competing Offer within ten (10) weeks subsequent to public announcement of that Competing Offer by the third party, or (y) in case of another transaction not involving a public offer, subject to obtaining required regulatory and competition clearances and other customary conditions, complete the transaction which is

consistent with that Competing Offer as soon as possible following obtaining the required clearances, and (ii) publicly announced its intention to launch a transaction which is consistent with that Competing Offer, which announcement includes the proposed price per Share and the relevant conditions precedent in relation to such offer and the commencement thereof; and

- d. there has not been a breach by Beter Bed Holding of the obligations set out in Section 5.20 (*Exclusivity*).

5.23. Revised Offer

If Beter Bed Holding receives a Competing Offer, the following shall apply:

- a. Beter Bed Holding shall notify the Offeror in writing of such event promptly upon the Boards' determining that the relevant Potential Competing Offer is a Competing Offer (and in any event within twenty-four (24) hours of such announcement or receipt of such Competing Offer) and shall provide all relevant details on the Competing Offer, insofar as Beter Bed Holding is aware of such details, to the Offeror, it being understood that as a minimum Beter Bed Holding shall promptly (and in any event within twenty-four (24) hours) notify the Offeror in writing of its knowledge of the identity of such third party and its advisers, the proposed consideration, the conditions to (making) the Competing Offer and other key terms of such Competing Offer, so as to enable the Offeror to consider its position and assess the consequences of such Competing Offer on the Offer (the "**Competing Offer Notice**") and after delivery of the Competing Offer Notice, Beter Bed Holding shall promptly keep the Offeror informed of all material developments affecting the material terms of any such Competing Offer;
- b. the Offeror has the right to submit in writing to the Boards a revision of its Offer within a period of ten (10) Business Days following the date on which the Offeror has received the Competing Offer Notice. If, on balance, the terms and conditions of such revised offer are, in the good faith opinion of the Boards, having consulted their financial and legal advisers and acting in good faith and observing their obligations under Dutch Law, on balance, at least equal to those of the Competing Offer, such offer shall qualify as a "**Revised Offer**" and Beter Bed Holding shall notify the Offeror as soon as reasonably possible of the Board's preliminary opinion of such offer. A revised offer submitted in accordance with the first sentence of this Section 5.23.b shall in any event be deemed to be a Revised Offer if the Boards have not confirmed otherwise to the Offeror in writing within five (5) Business Days after receipt of such revised offer;
- c. if the Offeror has submitted a revision of its Offer to the Boards in accordance with Section 5.23.b and the Boards have qualified it as a Revised Offer or it is deemed a Revised Offer pursuant to the last sentence of Section 5.23.b, the Offeror and Beter Bed Holding will continue to be bound by the Merger Agreement; and
- d. if the Offeror has not made a Revised Offer or if the Offeror has informed Beter Bed Holding in writing that it does not wish to make a Revised Offer, (i) Beter Bed Holding shall be entitled to agree to the Competing Offer and (ii) the Offeror and Beter Bed Holding have the right to terminate the Merger Agreement with immediate effect in accordance with Section 5.25 (*Termination*).

5.24. Consecutive Competing Offer

Section 5.22 (*Competing Offer*) and 5.23 (*Revised Offer*) will apply *mutatis mutandis* to any consecutive Competing Offer.

5.25. Termination

The Merger Agreement terminates immediately:

- a. if the Offeror and Beter Bed Holding so agree in writing;
- b. by notice in writing given by the terminating party (the "**Terminating Party**") to the other party to the Merger Agreement if (i) either (x) any of the Offer Conditions set out in Section 5.5.1 (*Offer Conditions*) has not been satisfied or waived on the Acceptance Closing Date or the

Postponed Closing Date (subject to any extension requirement under the Merger Agreement), or (y) it is apparent that such Offer Condition(s) cannot be satisfied and will not be waived on such date and (ii) the non-satisfaction of the relevant Offer Condition(s) is not due to a breach by the Terminating Party of any of its obligations under the Merger Agreement;

- c. by notice in writing given by Beter Bed Holding to the Offeror if the Offer has been commenced and all Offer Conditions have been satisfied or waived and Settlement has not taken place on the Settlement Date;
- d. by notice in writing given by the Offeror to Beter Bed Holding in case of an Adverse Recommendation Change that has not been rectified in accordance with the provisions of the Merger Agreement as set out in Section 5.6.1 (*Adverse Recommendation Change*);
- e. by notice given by the Terminating Party to the other party to the Merger Agreement pursuant to Section 5.23.d; or
- f. by notice in writing given by the Terminating Party to the other party to the Merger Agreement in case of the other party having breached the terms of the Merger Agreement (the "**Defaulting Party**") to the extent that any such breach (i) has or could reasonably be expected to have material adverse consequences for Beter Bed Holding, the Offeror or their respective Affiliates or the Transaction and (ii) is incapable of being remedied or has not been remedied by the Defaulting Party, in each case before the date that is (x) ten (10) Business Days after receipt by the Defaulting Party of a written notice from the other party to the Merger Agreement of such breach, or (y) three (3) Business Days prior to the Acceptance Closing Date.

5.26. Compensation

If the Merger Agreement is terminated on the basis of the grounds included in Section 5.25.d or Section 5.25.e, Beter Bed Holding shall pay the Offeror within ten (10) Business Days after valid termination of the Merger Agreement by way of compensation for damages, fees and costs, an amount of EUR 2,500,000 (amount exclusive of (reverse charge) VAT, if any), without prejudice to the right of the Offeror to claim further damages, fees and costs for a breach of the Merger Agreement prior to such termination.

5.27. Extraordinary general meeting

5.27.1. Convocation

In accordance with Article 18, paragraph 1 of the Decree, Beter Bed Holding shall on the date of the publication of this Offer Memorandum convene an EGM with a 42 day convocation period, in order to provide the Shareholders with the necessary information concerning the Transaction and to vote on the Resolutions. Subject to the terms and conditions of the Merger Agreement, Beter Bed Holding shall procure that the Boards unanimously recommend the Offer to the Shareholders and to recommend the Shareholders to vote in favour of the Resolutions.

5.27.2. Resolutions

At the EGM, the Shareholders shall be requested to, subject to the Offer being declared unconditional:

- a. adopt the following resolutions for the implementation of the Post-Closing Merger or Post-Closing Demerger (the "**Post-Closing Restructuring Resolutions**"):
 - (i) subject to the Post-Closing Restructuring Threshold having been met and the Statutory Buy-Out Threshold not having been met ultimately following settlement of the Tendered Shares during the Post-Acceptance Period, and the Offeror having notified Beter Bed Holding that it wishes to implement the Post-Closing Merger,
 - A. to enter into the Triangular Merger; and
 - B. to approve, to the extent required under Law, the Merger Share Sale and the HoldCo Dissolution, each subject to the Triangular Merger being effected,
- (the "**Post-Closing Merger Restructuring Resolutions**");
- (ii) subject to the Statutory Buy-Out Threshold having been met ultimately following settlement of the Tendered Shares during the Post-Acceptance Period, and the

Offeror having notified Beter Bed Holding that it wishes to implement the Post-Closing Demerger,

- A. to enter into the Demerger; and
- B. to approve, to the extent required under Law, the Demerger Share Sale, subject to the Demerger being effected,

(the "**Post-Closing Demerger Restructuring Resolutions**");

- b. appoint the persons identified by the Offeror in accordance with Section 5.12 (*Composition of the Supervisory Board*) to the Supervisory Board with effect as per Settlement;
- c. with effect as per Settlement give full and final discharge to the Supervisory Board members resigning in accordance with Section 5.14 (*Compensation to the members of the Boards in connection with resignation*) for the performance of their duties as member of the Supervisory Board up to and including the date of the EGM, except for liability as a result of fraud (*bedrog*), willful misconduct (*opzet*) or gross negligence (*grove schuld*); and
- d. amend Beter Bed Holding's Articles of Association, in accordance Section 12.1 (*Articles of Association following Settlement*) which shall be executed and become effective at Settlement and (ii) amend Beter Bed Holding's Articles of Association in accordance with Section 12.2 (*Articles of Association following Delisting*) which, if deemed desirable by the Offeror, shall be executed and become effective at such time after the delisting of the Shares from Euronext Amsterdam as determined by the Offeror (the "**Articles Resolution**"),

(together, the "**Resolutions**").

6. INFORMATION REGARDING BETER BED HOLDING

6.1. Overview

Beter Bed Holding is public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands, having its corporate seat in Uden, the Netherlands and its office address at Linie 27, 5405 AR Uden, the Netherlands. Beter Bed Holding N.V. is listed on Euronext Amsterdam.

Beter Bed Holding is the Netherlands' leading sleep specialist in retail, wholesale and B2B, operating the successful retail brands Beter Bed, Beddenreus, the subscription brand Leazzzy and the digital organisation LUNEXT. In addition, through its subsidiary DBC International, Beter Bed Holding has a wholesale business in branded products in the bedroom furnishings sector, which includes the well-known international brands M line and Simmons.

With four distribution centres, a fleet of 80 vehicles, 130 stores, a fast-growing online presence, and a wholesale company Beter Bed Holding's team of over 1,000 dedicated employees generated EUR 229.4 million revenue in 2022.

6.2. History of Beter Bed Holding

Year	Event
1981	Founded
1996	Listing on Euronext Amsterdam
1998	Acquisition of Matratzen Concord (Germany)
2001	Establishment DBC International subsidiary Launch of M line
2005	Acquisition of El Gigante del Colchón (Spain)
2015	Acquisition of BettenMax (Austria)
2016	Acquisition of Sängjätten (Sweden)
2018	Divestment El Gigante del Colchón (Spain)
2019	Divestment of Matratzen Concord (Germany, Austria and Switzerland)
2021	Divestment of Sängjätten (Sweden) Launch of new strategy Beter Bed Holding "Sleep better, live better" Start implementation "Beter Slapen ID" (data matching customer measurement with product characteristics) Pilot experience store Groningen (piloting new "look and feel" and new format experience store)
2022	Aдова Benelux appoints DBC International as exclusive distributor Opening of the second experience store in Eindhoven
2023	Beter Bed Group obtained 50% of the shares in Bovelli and Velborn, a Poland based bedding manufacturing company

6.2.1. Industry trends

Beter Bed Holding has identified seven trends that are impacting the way it does business:

a. Omni-channel

Beter Bed Holding recognizes that customer journeys are changing with transactions done anywhere anytime. One of these changes is that traffic numbers are decreasing, but that people visit physical stores rather for experience or convenience. As a result, bricks-and-mortar retailers are rationalising their store footprint and online players seek physical presence. The format of physical stores does change along with this changing customer journey. More diverse store formats arise, for example focused on providing a richer experience or smaller stores with a more focused assortment at high-traffic locations.

b. Doubling down on digital

Beter Bed Holding signals the trend of companies boosting investments in online marketing, extending digital presence and engagement. Beter Bed Holding acknowledges that in the sleep market, online is there to stay, yet online-only specialists with a narrow assortment are struggling to keep up growth. They miss the assortment width and omni-channel journey required to offer a rich and complete experience and are overly dependent on costly growth drivers, like performance marketing and price while coping with higher return rates. Therefore, Beter Bed Holding believes that omni-channel retailers offering the full domain of sleep will flourish.

c. From ownership to service

Beter Bed Holding sees that across industries, consumers shift away from traditional product ownership and one-off transactions. Consumers are rather looking for pay-per-use and subscription models. In the sleep market, subscription models allow consumers to choose a sleep solution truly right for them which they otherwise could not afford. Moreover, it enables for complementary services focused on further improving sleep. For retailers through such subscription models they can maintain lifetime relations with their customers and gain real-time insights in customer preferences and behaviours.

d. Health awareness

Across all levels in society the focus on health has been increasing. The COVID-19 pandemic has further underlined that our health is not always a given. Nutrition and exercise have already been recognised for a long time as key drivers for health. In the last ten years, however, sleep has taken its place as a 'third pillar of health'. This is illustrated by the yearly amount of published scientific articles with 'sleep' as keyword doubling in the past ten years. Despite the importance of sleep being recognised more and more, the quality of sleep is under pressure. In 2019, multiple brain researchers warned about the lack of sleep becoming a public health crisis. Improving sleep is also mentioned as one of the top priorities in research conducted by Trimbos Institute in the Netherlands, advising the government to increase public awareness about the effects of insufficient qualitative sleep.

e. Sustainability

Beter Bed Holding recognizes that sustainability is a prerequisite for any company to be successful on the long term. It has grown into a license to operate in consumer as well as wholesale and B2B markets. Considering in the Netherlands alone already an approximate amount of 1.6 million mattresses are disposed annually, the bedding market will specifically need to take its responsibility in reducing waste and increase circularity. This includes shifting among others to eco-friendly textiles and to box springs that are designed for disassembly and moving towards the use of recycled materials.

f. Vertical integration

Product brands are increasingly seeking direct access to consumers to build direct customer relations, acquire first-party customer data and realise cost efficiencies by eliminating the middleman. We see this happening by either producers acquiring retailers or product brands opening own stores. At the same

time retailers are getting involved in manufacturing to increase control on product quality, sustainability and innovation. In this changing dynamic the retailers have the edge as they are having the relationship with the end consumer. To stay ahead it will be key to build up and increasingly leverage customer data.

g. Geographic expansion

The European retail bedding market is highly fragmented. In each country a different player is the biggest. Most retailers that tried to cross borders under their own banner did not succeed as they enjoyed little brand value outside the home country and creating cross-border synergies proved challenging. Product brands allow for more focused and distinctive marketing than retail brands.

6.2.2. Business overview and strategy

Beter Bed Holding executes its strategy by focusing on three strategic objectives:

a. Raise awareness about sleep as the third pillar of health

There is a clear scientific consensus about the importance of sleep. Beter Bed Holding's priority is to help increase awareness of this in society as a whole. This will result in customers investing more time and energy into finding the best sleep solutions for them. The aim for Beter Bed Holding is to be the trusted sleep partner that they choose again and again for their sleep products and services.

b. Become a brand of choice

As the leading sleep retailer in the Netherlands, Beter Bed Holding enjoys high brand awareness. Beter Bed Holding has already established a leading role and strong relationship based on trust with customers in this domain and in recent years has further strengthened its position as the value-for-money retailer of choice. A cornerstone of our growth strategy towards 2025 to build on this with our purpose Sleep better, live better. The more specialist domain of sleep also offers significant growth opportunities. This is because a high-quality sleep solution represents the largest part of anyone's investment in sleep. This means higher margins, which in turn create more value. As a sleep specialist retailer, Beter Bed Holding is uniquely positioned to claim its position in this market due to its ability to provide data-driven sleep advice and high-quality products with sustainable choices and services to all customers.

c. Become an employer of choice

Beter Bed Holding acknowledges that it is in the business of taking care of people, and that starts with its employees. This means aiming to become an employer of choice with a mission and purpose that resonates with everyone employed by the Beter Bed Group. It means being able to learn and develop through our award-winning academy. And it means providing a safe, secure and above all fun workplace for all.

6.3. Supervisory Board, Management Board and Employees

6.3.1. Supervisory Board

The Supervisory Board consists of the following four members:

B.E. Karis
Nationality: Dutch
Appointed: 3 December 2018
End of current term of office: 2027
Committees at Beter Bed Holding: Remuneration Committee and Selection and Appointment Committee (Chair)

B.M.A. van Hussen
Nationality: Dutch
Appointed: 13 May 2020
End of current term of office: 2024
Committees at Beter Bed Holding: Remuneration Committee (Chair), Audit Committee and Selection and Appointment Committee

A.H. Beyens

Nationality: Belgian
Appointed: 3 December 2018
End of current term of office: 2027
Committees at Beter Bed Holding: Audit Committee

M.C. Schipperheijn

Nationality: Dutch
Appointed: 13 May 2020
End of current term of office: 2024
Committees at Beter Bed Holding: Remuneration Committee, Audit Committee (Chair) and Selection and Appointment Committee

6.3.2. Management Board

The Management Board consists of the following two members:

A.J.G.P.M. Kruijssen

Mr Kruijssen is the Chief Executive Officer. He was appointed as Beter Bed Holding's Chief Executive Officer per 1 April 2018 and his current term expires in 2026. Mr Kruijssen has the Dutch nationality and was born in 1965.

G.E.A. Reijnen

Ms Reijnen is the Chief Financial Officer. She was appointed as Beter Bed Holding's Chief Financial Officer per 12 December 2019 and her current term expires in 2024. Ms Reijnen has the Dutch nationality and was born in 1967.

6.3.3. Employees

The average number of Beter Bed Holding's full-time equivalents in 2022 was 911, compared to 937 FTE's in 2021, and in 2022 58.6% of Beter Bed Holding's employees worked part-time.

6.4. Capital and Shares

At the date of this Offer Memorandum, Beter Bed Holding has issued 27,538,426 (twenty-seven million five hundred thirty-eight thousand four hundred and twenty-six) Shares at par value of EUR 0.02 (two eurocents). Beter Bed Holding does not hold Shares in treasury.

The Shares are listed on Euronext Amsterdam. The Euronext Amsterdam ticker symbol is BBED and the ISN code is NL0000339703.

6.5. Main Shareholders

The shareholdings of Navitas, De Engh and Teslin as per the date of this Offer Memorandum can be found in Section 5.7 (*Irrevocable commitments Co-Investors*). According to the notifications included in the public register held by the AFM, the following additional holders of Shares directly hold 3% or more of the Outstanding Capital on the date of the Offer Memorandum.

Shareholder	Shares
ASR Nederland N.V.	6.64%
Ameriprise Financial Inc	4.72%
Harris Associates L.P.	4.58%
Samson Rock Event Driven Fund Limited	3.65%

H. Ziengs	3.01%
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To the best of Beter Bed Holding's knowledge, at the date of the Merger Agreement and at the date of this Offer Memorandum, Ameriprise Financial Inc and Harris Associates L.P. are no longer Shareholders.

The percentages are based on the information registered in the register kept by the AFM as at 3 October 2023. These percentages may not reflect the actual shareholdings and/or voting rights as at 3 October 2023 since not all changes in shareholdings or voting rights require a notification. Only if a notification threshold is reached, exceeded or fallen below this must be notified.

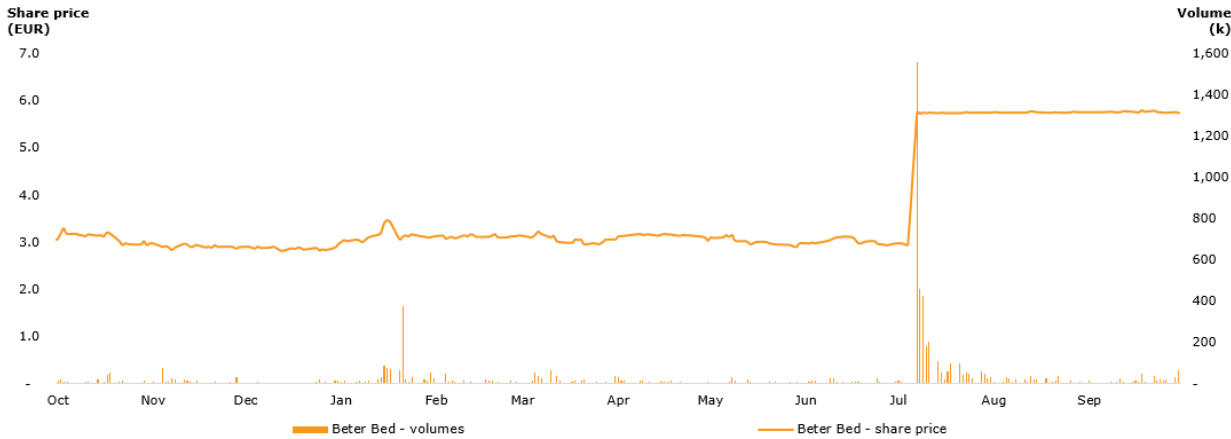
Latest filings with the AFM by Shareholders and other investors, including on gross and net short positions, can be found at the website of the AFM (www.afm.nl).

6.6. Share price of Beter Bed Holding

The chart below shows the development of the price of the Shares on Euronext Amsterdam in the period from 1 January 2022 to 31 December 2022.



The chart below shows the development of the price of the Shares on Euronext Amsterdam in the year prior to the Offer, being the period from 4 October 2022 up to and including 3 October 2023.



6.7. Equity Plans

6.7.1. Overview of equity incentive plans

As of the date of this Offer Memorandum, Beter Bed Holding operates stock option programme pursuant to which options have been granted (the "**Options**") and a performance share units plan pursuant to which performance share units have been granted ("**PSUs**") to the Management Board and certain employees.

a. **PSU plan**

The PSU long-term incentive plan rewards members of the Management Board and senior management for the achievement of Beter Bed Holding's strategic objectives over a three-year period.

Under the PSU plan, an annual conditional grant of Shares is awarded to the members of the Management Board and senior management. PSU plan conditions deviate between members of the Management Board and senior management.

As at the date of this Offer Memorandum, 900,141 PSUs are outstanding, of which 480,522 were granted to a member of the Management Board pursuant to the one-time equity grant in 2021 (in two tranches) (the "**One-time PSUs**").

b. **Stock option plan**

Under the stock option programme, a number of Options have been granted to members of the Management Board and senior management each year until 2020. Since 2021, Beter Bed Holding has not granted any Options. As of the date of this Offer Memorandum, there are no unvested Options. The Vested Options can be exercised at the discretion of the holder.

As at the date of this Offer Memorandum, 163,750 Options are outstanding.

c. **Treatment of the share-based compensation plans in the context of the Offer**

The PSUs, One-time PSUs and Options together constitute the equity plans of Beter Bed Holding (the "**Equity Plans**"). Pursuant to the applicable terms and conditions of the Equity Plans:

- (i) all PSUs, One-time PSUs and Options that are outstanding but unvested on the Settlement Date will automatically vest upon Settlement; and
- (ii) each vested PSU, One-time PSU and Option (including those that vest upon Settlement in accordance with (i) above) shall immediately upon Settlement be cancelled against a right to receive an amount in cash, without interest, equal to the Offer Price (in respect of the Options only, reduced with the exercise price), multiplied by the number of Shares to which the holder of such vested PSU, One-time PSU and Option would have been entitled. Payment of such amount will be made by Beter Bed Holding as soon as reasonably possible after Settlement in full and final settlement of the entitlements under the relevant Equity Plans.

Immediately prior to Settlement, any holding or lock-up requirement in respect of Shares awarded under and/or pursuant to the Equity Plans shall lapse.

The Offeror intends to implement appropriate equity incentive arrangements for the period following Settlement.

6.8. Transactions by Beter Bed Holding relating to the Shares

Other than transactions under the Equity Plans, no transactions have been effected and no agreements have been concluded by Beter Bed Holding in relation to the Shares in the year immediately preceding this Offer Memorandum.

7. INFORMATION REGARDING THE OFFEROR AND CO-INVESTORS

7.1. Details of the Offeror

7.1.1. Introduction

The Offeror is a special purpose vehicle incorporated to complete the purchase of the Shares and Beter Bed Holding's assets and operations under the Transaction. The Offeror is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under the laws of the Netherlands, having its corporate seat (*statutaire zetel*) in Gooise Meren, the Netherlands and its business address at Brediusweg 43, 1401 AC Bussum, the Netherlands. The Offeror has been incorporated on 30 June 2023 by MidCo.

It is currently envisaged that around Settlement, the place of establishment for the Offeror will be changed to Uden so that it has the same place of establishment as Beter Bed Holding.

7.1.2. Offeror Board

At the date of this Offer Memorandum, the management board of the Offeror consists of Torqx Capital Partners B.V. The managing directors of Torqx Capital Partners B.V. are Mr H.J. Geerts, Mr R.T. Leunissen, Mr A.L.J. Spek and Mr D.A.J. Van Hasselt.

At the date of this Offer Memorandum, the Offeror does not have a supervisory board nor any employees.

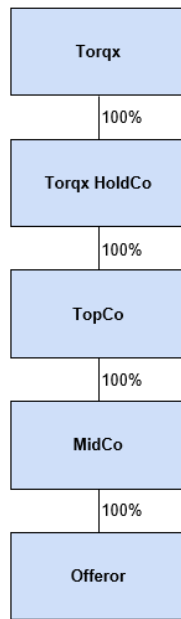
It is currently intended that as per Settlement, the management board of the Offeror will consist of TopCo.

7.1.3. Capital and Shares of the Offeror

As at the date of this Offer Memorandum, the share capital of the Offeror consists of one (1) ordinary share with a nominal value of EUR 0.01 (one eurocent) per ordinary share. All ordinary shares of the Offeror are registered shares. On the date of publication of this Offer Memorandum, one (1) ordinary share has been issued.

7.1.4. Ownership structure as per the date of this Offer Memorandum

As set out in the structure chart below, as per the date of the Offer Memorandum, the Offeror is wholly owned by MidCo. MidCo is in turn wholly owned by TopCo. TopCo is in turn wholly owned by Torqx HoldCo, which is wholly owned by Torqx, each as per the date of this Offer Memorandum.



7.1.5. Ownership structure as per Settlement

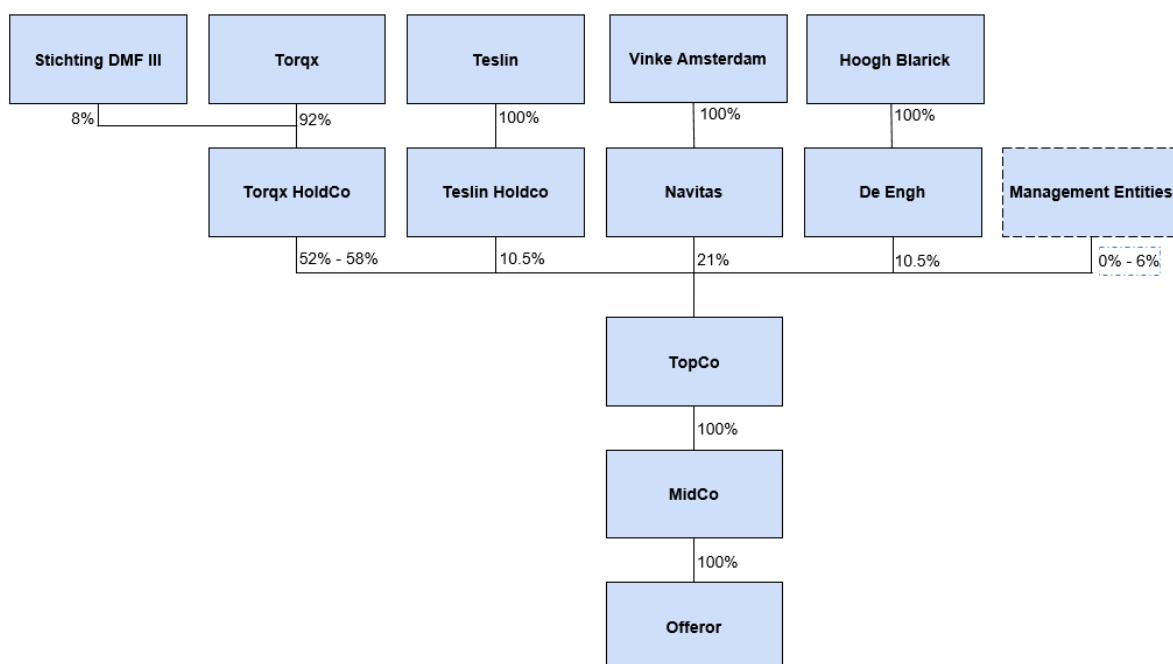
As per Settlement, all shares in the Offeror will be held by MidCo, all shares in MidCo will be held by TopCo and all shares in TopCo will be held by (i) Torqx HoldCo, (ii) the Co-Investors and (iii) management companies and/or STAK foundations (the "**Management Entities**") (if applicable), as follows:

- a. Torqx HoldCo shall hold between 52% and 58% of the ordinary share capital;
- b. Navitas shall hold 21% of the ordinary share capital;
- c. Teslin HoldCo shall hold 10.5% of the ordinary share capital;
- d. De Engh shall hold 10.5% of the ordinary share capital; and
- e. Management Entities shall hold between 0% and 6% of the ordinary share capital.

At the date of this Offer Memorandum, no discussions have taken place and no agreement has been reached on potential participations by key management (see Section 7.5 (*Management participation*)).

TopCo shall also issue preference shares whereby the ratio between the ordinary shares and the preference shares in TopCo shall be the same for Torqx HoldCo and the Co-Investors and the ratio between the ordinary shares and preference shares in TopCo for the Management Entities (if any) shall differ from the ratio of Torqx HoldCo and the Co-Investors, with a higher weight on ordinary shares. There shall be no voting rights attached to the preference shares and no special rights shall be attached to the preference shares other than a preferred dividend.

Please also see the structure chart below.



Pursuant to Article 1:1 Wft, the Offeror and each of Torqx, Torqx HoldCo, Teslin, Teslin HoldCo, Vinke, Navitas, Hoogh Blarick, De Engh, TopCo and MidCo qualify as offerors (*bieders*) in respect of the Offer (together, the "**Offeror Entities**"). The Offer, however, is made only by the Offeror, and the Offeror is solely responsible for accepting and paying for the Tendered Shares.

7.2. Details on Torqx, Torqx HoldCo, TopCo and MidCo

Torqx, the sole shareholder of Torqx HoldCo at the date of this Offer Memorandum, is a Benelux investment firm focused on medium-sized companies with potential to accelerate. Situations include growth-, buy-and-build-, and transformational investments across a range of industries. Torqx acquires majority positions, often in partnership with co-shareholders and management, offering the companies smart capital, network, expertise and talent to support implementation of their plans and achieve their full potential. The Torqx team consists of fifteen (15) highly experienced and skilled professionals who look beyond spreadsheets and understand what it takes to build businesses and accelerate momentum. Torqx currently invests out of funds with EUR 380 million committed capital backed by highly reputable international institutional investors and the Torqx team itself.

The management board of Torqx, Torqx HoldCo, TopCo and MidCo consists of Torqx Capital Partners B.V. Mr H.J. Geerts, Mr R.T. Leunissen, Mr A.L.J. Spek and Mr D.A.J. Van Hasselt are the decision makers in respect of Torqx, Torqx HoldCo, TopCo and MidCo. Dutch Mezzanine Fund (DMF) has agreed to provide mezzanine financing to Torqx HoldCo on customary terms. As part of the terms of this mezzanine financing Stichting DMF III will acquire an equity interest in Torqx HoldCo. For more information about Torqx, please visit: www.torqxcapital.com.

It is currently intended that as per Settlement, the supervisory board of TopCo will consist of five (5) individuals, of which three (3) individuals are appointed upon nomination by Torqx HoldCo, one (1) individual is appointed by Navitas and one (1) individual is appointed upon joint nomination by Teslin and De Engh. The Offeror may elect and procure that the Independent Supervisory Board Members will be appointed as supervisory board members to the TopCo supervisory board. See Section 5.12 (*Composition of the Supervisory Board*).

It is currently envisaged that as per Settlement, the management board of MidCo will consist of TopCo.

It is currently envisaged that in the event and upon the implementation of the Post-Closing Demerger or Post-Closing Merger (as applicable), the management board of TopCo will consist of the current

members of the Management Board.

It is currently envisaged that around Settlement, the place of establishment for TopCo and MidCo will be changed to Uden so that it has the same place of establishment as Beter Bed Holding.

7.3. Details on the Co-Investors

7.3.1. Information on Navitas and Vinke

Navitas is a Dutch investment firm, focused on Dutch medium-sized companies with a strong market positioning, proven business model and future growth potential. Navitas has a flexible investment horizon, invests alongside founders and management in various sectors and has a strong focus on long term value creation. Navitas' investment portfolio comprises of both non-listed and listed companies.

Navitas has participated in Beter Bed Holding since 2008. At the end of 2021, Navitas increased its stake in Beter Bed Holding from 8.9% to 16.8%.

The management board of Navitas consists of Vinke. The management board of Vinke consists of Mr R.J. Jonk. Mr R.J. Jonk is the decision maker in respect of Navitas. For more information, please visit: www.navitascapital.nl.

7.3.2. Information on Teslin and Teslin HoldCo

Teslin, the sole shareholder of Teslin HoldCo, is an investment fund managed by Teslin Capital Management B.V. Teslin invests in promising small and midcap companies. Based on fundamental analyses, Teslin selects value creating companies active in attractive markets with a strong market position and a proper corporate governance structure. Teslin focuses on responsible value creation in the long-term and acts as an active and involved shareholder. Teslin has been a long-term significant, active and committed shareholder of Beter Bed Holding since 2003. The management board of Teslin consists of Teslin Capital Management B.V. The management board of Teslin HoldCo consists of Teslin Capital Management B.V. The managing directors of Teslin Capital Management B.V. are Happy Acres B.V. and Loch Broom Management B.V. Ms A.C. Kruize-Schuitemaker and Mr H.A. Van Beuningen (both indirect managing directors of Teslin Capital Management B.V.) are the decision makers in respect of Teslin.

For more information, please visit: www.teslin.nl.

7.3.3. Information on De Engh and Hoogh Blarick

De Engh is a Dutch family office. De Engh invests amongst others in large minority stakes in Dutch listed companies and hold its investments for the long term. De Engh prefers to select investments that have a strong sustainability focus and the potential for a long growth trajectory. De Engh holds shares in Beter Bed Holding since 2010.

The management board of De Engh consists of Hoogh Blarick. The management board of Hoogh Blarick consists of Mr M. van Wettum.

7.4. Shareholder arrangements

The Offeror, MidCo, TopCo, Torqx and Torqx HoldCo reached an agreement with the Co-Investors and Teslin in respect of their indirect participation in the Offeror (through TopCo and MidCo). The key terms of the shareholders arrangements include provisions in relation to (i) the governance structure of TopCo and the Beter Bed Group, (ii) the capital structure of TopCo as of Settlement, (iii) the future composition of the boards of TopCo and the Beter Bed Group, (iv) transfer restrictions and other rights and obligations attached or related rights to interests in TopCo and the Beter Bed Group and (v) financial reporting and information rights relating to the Beter Bed Group. These shareholders arrangements will become effective on the first Business Day after the Offer having been declared unconditional (*gestand wordt gedaan*) (or such other date as agreed between the parties but in any event before the Settlement Date).

It is agreed that pending the fulfilment of the Offer Conditions in accordance with this Offer Memorandum and the Offeror declaring the Offer unconditional (*gestanddoening*), Torqx (through Torqx HoldCo) shall remain the sole shareholder of TopCo and indirectly of MidCo and the Offeror. One Business Day after the Offeror has declared the Offer unconditional (*gestand is gedaan*) (or such other date as agreed between the parties but in any event before the Settlement Date), TopCo shall issue shares in its capital to Torqx HoldCo and the Co-Investors against contribution in cash by Torqx HoldCo and a contribution and transfer of the Contribution Shares by the Co-Investors, after which Torqx HoldCo shall hold between 52% and 58% of the ordinary shares in TopCo, Navitas shall hold 21% of the ordinary shares in TopCo and each of Teslin HoldCo and De Engh shall hold 10.5% of the ordinary shares in TopCo. In addition, TopCo shall issue to each of Torqx HoldCo and the Co-Investors preference shares whereby the ratio between the ordinary shares and the preference shares in TopCo shall be the same for Torqx HoldCo, Navitas, Teslin HoldCo and De Engh. There shall be no voting rights attached to the preference shares and no special rights shall be attached to the preference shares other than a preferred dividend.

7.5. Management participation

As is customary in buy out transactions involving private equity investors, the Offeror desires management, including the Management Board, and key employees to participate in the ownership of the business and accordingly will make equity available for investment by key management. Any investment by members of key management will reflect their long term commitment to Beter Bed Holding and is intended to incentivise management to contribute to the success and long term financial achievements of Beter Bed Holding going forward.

Certain members of key management will be invited to invest in the business following Settlement, which will be further determined in the course of the process. Any agreement in respect of such investment will not become effective until, and will be subject to, completion of the Offer. If certain members of key management will invest, they will acquire an indirect stake in Beter Bed Holding via the Management Entities. Until the participation by key management (if any), such interest shall be held by Torqx HoldCo.

8. CERTAIN MATERIAL DUTCH TAX CONSIDERATIONS

8.1. Introduction

The information set out below is a general summary of certain material Dutch tax consequences in connection with (i) the disposal of Shares under the Offer or the Statutory Buy-Out Proceedings and (ii) the potential Post-Closing Merger and Post-Closing Demerger. This summary does not purport to be a comprehensive or complete description of all Dutch tax considerations or consequences that may be relevant for a particular Shareholder, who or which may be subject to special tax treatment under any applicable law, nor does this summary intend to be applicable in respect of all categories of Shareholders or all Post-Closing Restructuring Measures.

For purposes of Dutch tax law, a Shareholder may include an individual who, or an entity which, does not have the legal title to the Shares, but to whom or to which the Shares or the income therefrom are nevertheless attributed based on specific statutory provisions or on the basis of such individual or entity having a beneficial interest in the Shares or the income therefrom.

This summary is based upon tax laws of the Netherlands as in effect on the date of this Offer Memorandum and as applied and interpreted in case law of the relevant Dutch courts and in administrative guidance of the relevant Dutch authorities, in each case as available in printed form on or before such date and without prejudice to any developments or amendments introduced at a later date and implemented with or without retroactive effect. The tax consequences that may arise in any jurisdiction other than the Netherlands in connection with the disposal of Shares under the Offer or the Statutory Buy-Out Proceedings and/or in connection with the potential Post-Closing Merger or Post-Closing Demerger, are not addressed.

All references in this summary to the Netherlands and to Dutch law are to the European part of the Kingdom of the Netherlands and its law, respectively, only. In addition, any reference hereafter made to a double taxation convention concluded by the Netherlands includes a reference to the Tax Regulation for the Kingdom of the Netherlands (*Belastingregeling voor het Koninkrijk*), the Tax Regulation Netherlands-Curacao (*Belastingregeling Nederland Curaçao*), the Tax Regulation Netherlands Sint Maarten (*Belastingregeling Nederland Sint Maarten*), the Tax Regulation for the country of the Netherlands (*Belastingregeling voor het land Nederland*) and the Agreement between the Taipei Representative Office in the Netherlands and the Netherlands Trade and Investment Office in Taipei for the Avoidance of Double Taxation.

As this is a general summary only, Shareholders should consult their own independent tax advisers as to the Dutch or other tax consequences of the disposal of Shares under the Offer or the Statutory Buy-Out Proceedings and/or in connection with the potential Post-Closing Merger and Post-Closing Demerger, including, in particular, the application to their specific situations of the tax considerations discussed below.

8.2. Excluded Shareholders

The description of the Dutch tax consequences set out in this general summary is not intended for any Shareholder:

- a. for whom the income or capital gains derived from the Shares are attributable to a membership of a management board or a supervisory board, an employment relationship or a deemed employment relationship, the income from which is taxable in the Netherlands;
- b. who has, or that has, a Substantial Interest (*aanmerkelijk belang*) or deemed Substantial Interest (*fictief aanmerkelijk belang*) (as further described below) in Beter Bed Holding within the meaning of Chapter 4 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*);
- c. that is an entity for which the income and/or capital gains derived in respect of the Shares are exempt under the participation exemption (*deelnemingsvrijstelling*) or are subject to the participation credit (*deelnemingsverrekening*) as set out in the Dutch Corporate Income Tax

Act 1969 (*Wet op de vennootschapsbelasting 1969*) (as further discussed below), or for which the income and/or capital gains derived in respect of the Shares would have been subject to either the participation exemption or participation credit regime if such Shareholder had been a taxpayer in the Netherlands;

- d. which is an entity that is, in whole or in part, not subject to or exempt from Dutch corporate income tax (such as qualifying pension funds) or, in case of an entity that is not resident or deemed to be resident in the Netherlands for tax purposes, corporate income tax or other taxation levied by reference to profits in its state of residence;
- e. which is an entity that is an exempt investment institution (*vrijgestelde beleggingsinstelling*) or a fiscal investment institution (*fiscale beleggingsinstelling*) as meant in Article 6a and Article 28, respectively, of the Dutch Corporate Income Tax Act 1969 or, in the case of an entity that is not resident in the Netherlands for tax purposes, has a function comparable to any such exempt investment institution or fiscal investment institution;
- f. which is an entity that is a resident of Aruba, Curaçao or Sint Maarten and has a business enterprise which is carried on through a permanent establishment (*vaste inrichting*) or permanent representative (*vaste vertegenwoordiger*) located on Bonaire, Sint Eustatius or Saba to which the Shares are attributable; and/or
- g. who or which is not considered the beneficial owner of the Shares and/or the income and/or capital gains derived therefrom.

Substantial interest

Generally, a Shareholder will have a substantial interest (*aanmerkelijk belang*) in Beter Bed Holding if such Shareholder holds, alone or, in the case of an individual, together with his or her partner (statutorily defined term in Dutch tax law), whether directly or indirectly, the ownership of, or certain rights over, Shares representing 5% or more of the total issued and outstanding capital (or the issued and outstanding capital of any class of shares) of Beter Bed Holding, or rights to acquire Shares, whether or not already issued, that represent 5% or more of the Beter Bed Holding's total issued and outstanding capital (or the issued and outstanding capital of any class of shares), or the ownership of certain profit participating certificates that relate to 5% or more of Beter Bed Holding's annual profit, and/or 5% or more of the proceeds upon liquidation of Beter Bed Holding ("**Substantial Interest**"). A Shareholder will also have a Substantial Interest in Beter Bed Holding if his or her partner, or (a) certain relative(s) of the Shareholder or of his or her partner, has a Substantial Interest in Beter Bed Holding. If a holder of Shares does not have a Substantial Interest, a deemed Substantial Interest will be present if (part of) a Substantial Interest has been disposed of, or is deemed to have been disposed of, without recognizing a taxable gain.

Participation exemption and participation credit

Generally, a holding of Shares may qualify as a participation for the participation exemption or participation credit if that holding represents an interest of 5% or more of the nominal paid-up capital of Beter Bed Holding and certain conditions are met. A holder of Shares may also have a qualifying participation if such holder does not have such 5% interest but a related entity (statutorily defined term under Dutch tax law) does, or if Beter Bed Holding is a related entity of the Shareholder.

8.3. Dividend withholding tax

8.3.1. Dividend withholding tax consequences of the Offer

No Dutch dividend withholding tax (*dividendbelasting*) will be withheld from the payment of the Offer Price by the Offeror to Shareholders in respect of a disposal of Shares under the Offer.

8.3.2. Dividend withholding tax consequences of the Statutory Buy-Out Proceedings

In the event the Offeror shall commence any Statutory Buy-Out Proceedings in accordance with Section 5.11.2 (*Statutory Buy-Out Proceedings*), no Dutch dividend withholding tax will be withheld from the payment made by the Offeror to Shareholders in consideration for their Shares under such Statutory Buy-Out Proceedings.

Any potential implementation of the Post-Closing Demerger prior to the commencement of Statutory Buy-Out Proceedings in accordance with Section 5.11.3 (*Post-Closing Demerger*), would for Shareholders not result in a disposal or deemed disposal of Shares for Dutch tax purposes nor in a receipt or deemed receipt of shares in another entity for Dutch dividend withholding tax purposes.

8.3.3. Dividend withholding tax consequences of the Post-Closing Merger

Triangular Merger and HoldCo Dissolution

In the event that the Post-Closing Merger would be implemented in accordance with Section 5.11.4 (*Post-Closing Merger*), no Dutch dividend withholding tax will be due in connection with a disposal of Shares and the receipt of shares in Beter Bed HoldCo pursuant to the Triangular Merger.

However, any liquidation distribution or advance liquidation distribution made by Beter Bed HoldCo to its shareholders following the Triangular Merger becoming effective would generally be subject to Dutch dividend withholding tax at a rate of 15% to the extent such distribution would exceed the average paid-in capital as recognized for Dutch dividend withholding tax purposes on the relevant (class of) shares in Beter Bed HoldCo. Any such Dutch dividend withholding tax would be for the account of the relevant holders of shares in Beter Bed HoldCo following the Triangular Merger becoming effective and will be withheld from any liquidation distribution or advance liquidation distribution made by Beter Bed HoldCo. Beter Bed HoldCo would not be obliged to pay additional amounts to the relevant shareholders in respect of Dutch dividend withholding tax withheld and deducted from any liquidation distribution or advance liquidation distribution.

Relief from Dutch dividend withholding tax

a. Holders of shares resident in the Netherlands

A holder of shares in Beter Bed HoldCo following the Triangular Merger becoming effective who or which is, or is deemed to be, a resident of the Netherlands for tax purposes, would generally be entitled to credit any Dutch dividend withholding tax withheld and deducted from any liquidation distribution or advance liquidation distribution against his or her Dutch personal income tax or its Dutch corporate income tax liability, provided certain conditions are met. Any (deemed) Dutch tax resident individual would generally also be entitled to a refund of any Dutch dividend withholding tax exceeding his or her aggregate Dutch personal income tax liability, but a (deemed) Dutch tax resident shareholder of Beter Bed HoldCo which is subject to Dutch corporate income tax would only be allowed to credit the aggregate amount of Dutch dividend withholding tax (together with any gaming tax (*kansspelbelasting*) in respect of items of profits taxable for Dutch corporate income tax purposes) levied in a relevant year against the amount of Dutch corporate income tax payable in that same year. Any excess amount is not refunded but can be carried forward to future years, subject to certain conditions being met.

b. Holders of shares not resident in the Netherlands

A holder of shares in Beter Bed HoldCo following the Triangular Merger becoming effective who or which is not and is not deemed to be a resident of the Netherlands for tax purposes, may, depending on the particular situation and specific circumstances of such holder, be eligible for a full or partial exemption from, or a full or partial refund or reduction of, Dutch dividend withholding tax pursuant to Dutch domestic law or double taxation conventions concluded by the Netherlands, provided that all relevant conditions are met.

c. Limitation

Any holder of shares in Beter Bed HoldCo following the Triangular Merger becoming effective, will not be entitled to an exemption from, or credit, reduction or refund of, Dutch dividend withholding tax if such holder would not be considered the beneficial owner (*uiteindelijk gerechtigde*) of the liquidation distribution or advance liquidation distribution. A Beter Bed HoldCo shareholder will in any case not be considered the beneficial owner if it would not be considered such under specific Dutch domestic anti-dividend stripping rules.

8.4. Taxes on income and capital gains

Any reference in this Section 8.4 to 'Shares' includes a reference to shares in Beter Bed HoldCo held by non-tendering Shareholders following the (potential) Triangular Merger becoming effective.

8.4.1. Dutch resident individuals

A Shareholder who is an individual and who is resident or deemed to be resident in the Netherlands for Dutch tax purposes (a "**Dutch Resident Individual**"), will generally be subject to Dutch personal income tax (*inkomstenbelasting*) at progressive rates of up to 49.5% (maximum rate for 2023) with respect to (a) any capital gains realized in respect of a disposal of Shares pursuant to the Offer or Statutory Buy-Out Proceedings and/or (b) any income and capital gains realized in connection with the potential Post-Closing Merger, if:

- a. the relevant Shareholder derives profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth (*medegerechtigd tot het vermogen*) of such enterprise (other than as an entrepreneur or a shareholder), to which enterprise the Shares are attributable or deemed to be attributable; or
- b. the relevant Shareholder derives income or capital gains from the Shares, as the case may be, that is or that are taxable as benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*), as defined in the Dutch Income Tax Act 2001, which include the performance of activities with respect to the Shares that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*) and also include benefits resulting from a lucrative interest (*lucratief belang*).

If neither condition (a) nor condition (b) mentioned above applies, a Dutch Resident Individual will generally be subject to Dutch personal income tax on a deemed return with respect to the Shares, regardless of the actual income or capital gains derived therefrom. As of 1 January 2023, transitional legislation applies to determine the income from savings and investments based on a deemed return, until a new system will be implemented (envisaged to enter into force as of 2027). Under this transitional regime, the taxable income from savings and investments is calculated by multiplying the relevant individual's deemed return percentage (*effectieve rendementspercentage*) by the individual's yield basis (*rendementsgrondslag*) exceeding a personal threshold (*heffingvrij vermogen*) of EUR 57,000 (2023) (*grondslag sparen en beleggen*). The individual's deemed return percentage is calculated on the basis of the actual composition of the individual's yield basis (determined as the fair market value of certain qualifying assets less the fair market value of certain qualifying liabilities) on 1 January of the relevant year (subject to certain rules against reference date arbitration; *peildatumarbitrage*), with separate (periodically announced) deemed return percentages applying for bank deposits (*banktegoeden* – estimated at 0.36% for 2023), other investments (such as Shares; *overige bezittingen* – 6.17% for 2023) and debts (*schulden* – estimated at 2.57% for 2023). The definitive deemed return percentages for bank deposits and debts will be confirmed at a later stage. The taxable income from savings and investments will be taxed at a rate of 32% (the rate for 2023).

8.4.2. Dutch resident entities

A Shareholder which is an entity (including for example a partnership or mutual fund, in each case to the extent taxable as a corporate entity from a Dutch tax perspective) and that is resident or deemed to be resident in the Netherlands for Dutch tax purposes (a "**Dutch Resident Entity**"), will generally be subject to Dutch corporate income tax at rates of up to 25.8% (maximum rate for 2023) on (a) any capital gains realized in respect of a disposal of Shares pursuant to the Offer or Statutory Buy-Out Proceedings and/or (b) any income and capital gains realized in connection with the potential Post-Closing Merger.

8.4.3. Non-Dutch resident entities

A Shareholder who is not, nor deemed to be, a Dutch Resident Individual or a Dutch Resident Entity (a "**Non-Dutch Resident**"), is generally not subject to Dutch personal income tax or corporate income tax on (a) any capital gains realized in respect of a disposal of Shares pursuant to the Offer or Statutory Buy-Out Proceedings and/or (b) any income and capital gains realized in connection with the potential Post-Closing Merger, provided that:

- a. such Non-Dutch Resident does not derive profits from an enterprise or deemed enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net worth (*medegerechtigd tot het vermogen*) of such enterprise (other than as an entrepreneur or a shareholder), which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Shares are attributable or deemed attributable;
- b. in case such Non-Dutch Resident is an individual, such individual does not derive income or capital gains from the Shares, as the case may be, that are taxable as benefits from miscellaneous activities performed in the Netherlands (*resultaat uit overige werkzaamheden in Nederland*), which include, but are not limited to, the performance of activities in respect of the Shares that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*) and also includes benefits resulting from a lucrative interest (*lucratief belang*);
- c. in case such Non-Dutch Resident is an individual, such individual is not entitled to a share in the profits of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities or through an employment relationship, to which enterprise the Shares or payments in respect of the Shares are attributable; and
- d. in case such Non-Dutch Resident is an entity (including for example a partnership or mutual fund, in each case to the extent taxable as a corporate entity), such entity is neither entitled to a share in the profits of an enterprise nor co-entitled to the net worth of an enterprise effectively managed in the Netherlands, other than by way of the holding of securities, to which enterprise the Shares, or payments in respect of the Shares are attributable.

8.5. Value added tax

No Dutch value added tax (*omzetbelasting*) will be payable by a Shareholder (a) in respect of the disposal of Shares pursuant to the Offer or Statutory Buy-Out Proceedings and/or (b) in connection with the potential Post-Closing Merger.

8.6. Gift and inheritance taxes

No Dutch gift or inheritance tax will be payable by a Shareholder (a) in respect of the disposal of Shares pursuant to the Offer or Statutory Buy-Out Proceedings and/or (b) in connection with the potential Post-Closing Merger.

8.7. Other taxes and duties

No Dutch registration tax, stamp duty or any other similar tax will be payable by a Shareholder (a) in respect of the disposal of Shares pursuant to the Offer or Statutory Buy-Out Proceedings and/or (b) in connection with the potential Post-Closing Merger.

9. OTHER INFORMATION REQUIRED BY THE DECREE

In addition to the other statements set out in this Offer Memorandum, the Offeror with regard to b. below, Beter Bed Holding with regard to f. below, the Offeror and Beter Bed Holding jointly with regard to a. below, the Offeror Entities with regard to c., e., h., i. and j. below and the Offeror Entities and Beter Bed Holding jointly with regard to d. and g. below, hereby declare as follows:

- a. there have been consultations regarding the Offer between Torqx and the Management Board, with support of the Supervisory Board, which have resulted in a conditional agreement regarding the Offer as publicly announced on 10 July 2023. Discussions regarding the Offer, including, but not limited to, the Offer Price, the financing of the Offer, the Offer Conditions and the future strategy of Beter Bed Holding, took place between Torqx and its advisers on the one hand and the Management Board, supported by the Supervisory Board, and their advisers on the other hand;
- b. with due observance of and without prejudice to the restrictions referred to in Section 1 (*Restrictions and important information*), the Offer concerns all outstanding Shares and applies on an equal basis to all Shares and all Shareholders;
- c. with reference to Annex A, paragraph 2, subparagraphs 5, 6 and 7 of the Decree, none of the Offeror Entities, whether directly or indirectly, has acquired any Shares in the year preceding the date of this Offer Memorandum;
- d. other than as described in (i) Section 5.7 (*Irrevocable commitment of Co-Investors*), (ii) 5.8 (*Shareholdings of the members of the Boards*), (iii) Section 5.9 (*Respective Cross-Shareholdings by the Offeror and Co-Investors*) and (iv) Section 6.7 (*Beter Bed Holding equity incentive plans*), and other than in respect of Mr M. van Wettum, in his capacity of sole management board member of Hoogh Blarick, 466,274 Shares held by Mr M. van Wettum (held indirectly via Mavawe B.V.), 16,000 Shares held by Mr M. van Wettum directly and 10,000 Shares held by the spouse (*echtgenoot*) of Mr M. van Wettum, no securities in Beter Bed Holding are held at the date of this Offer Memorandum, and no transactions or agreements in respect of securities in Beter Bed Holding have been effected or have been concluded and no similar transactions have been effected in respect of securities in Beter Bed Holding during the twelve (12) months preceding the date hereof, by any of the Offeror Entities or any of its Affiliates of these parties, or any member of the board of directors or supervisory board or any ultimate decision maker of an Offeror Entity or by any member of the Boards, nor by any of their spouses (*echtgenoten*), registered partners (*geregistreeerde partners*), minor children (*minderjarige kinderen*) and any entities over which these members or other persons referred to have control (*zeggenschap hebben in*) within the meaning of Annex A, paragraph 2, subparagraph 5, 6 and 7 of the Decree;
- e. the costs incurred or to be incurred by the Offeror Entities in relation to the Offer are expected to amount to approximately EUR 7 million and comprise finance arrangement fees, bank adviser fees, listing and Exchange Agent fees, legal fees, financial, commercial and tax due diligence fees, and public relations and communications advice. These costs will be borne by the Offeror Entities;
- f. the costs Beter Bed Holding's fees of legal advisers, financial advisers, tax advisers, accountants and communications advisers incurred and expected to be incurred in relation to the Offer amount to approximately EUR 4.5 million. These costs will be borne by Beter Bed Holding;
- g. other than as described in Section 5.8 (*Shareholdings of the members of the Boards*) and 6.7 (*Beter Bed Holding equity incentive plans*), no remunerations will be paid to members of the Boards or to any member of the board of directors or the supervisory board of the Offeror Entities in connection with the Offer being declared unconditional (*gestanddoening*);
- h. other than as described in Section 7.1.1 (*Introduction*) and Section 7.2 (*Details on Torqx, Torqx HoldCo, TopCo and MidCo*), the Offer will not have any impact on the business and place of establishment of the Offeror Entities;
- i. other than as described in Section 7.1.2 (*Offeror Board*) and Section 7.2 (*Details on Torqx, Torqx HoldCo, TopCo and MidCo*), at the date of this Offer Memorandum, no changes are

foreseen to the governance of the Offeror Entities after the Offer has been declared unconditional; and

- j. other than as described in Section 7.1.2 (*Offeror Board*) and Section 7.2 (*Details on Torqx, Torqx HoldCo, TopCo and MidCo*), the Offer will not have any impact on the employment or employment conditions of the directors and employees of the Offeror Entities.

9.2. Available documents

Copies of this Offer Memorandum are available free of charge at the website and offices of Beter Bed Holding (www.beterbedholding.com) and the Offeror (www.torqxcapital.com) and at the offices of the Exchange Agent, at the addresses mentioned in Section 1.6 (Addresses).

10. DUTCH LANGUAGE SUMMARY

Dit Hoofdstuk 10 is de Nederlandse samenvatting van het Biedingsbericht dat is uitgegeven ter zake van het aanbevolen openbaar bod uitgebracht door de Bieder op alle Aandelen in het geplaatst en uitstaand kapitaal van Beter Bed Holding met inachtneming van de voorwaarden zoals beschreven in het Biedingsbericht.

De gedefinieerde termen in dit Hoofdstuk 10 van het Biedingsbericht hebben de betekenis die daaraan is gegeven in Hoofdstuk 10.2 (*Nederlandse definities*). Deze Nederlandstalige samenvatting maakt deel uit van het Biedingsbericht, maar vervangt deze niet. Deze Nederlandse samenvatting is niet volledig en bevat niet alle informatie die voor Aandeelhouders van belang zou kunnen zijn om een afgewogen oordeel te vormen omtrent het Bod.

Het lezen van deze Nederlandstalige samenvatting mag niet worden beschouwd als een alternatief voor het bestuderen van het volledige Biedingsbericht. Aandeelhouders wordt geadviseerd het volledige Biedingsbericht (inclusief alle documenten die daarin door middel van verwijzing (*incorporation by reference*) zijn opgenomen) zorgvuldig te bestuderen en zo nodig onafhankelijk advies in te winnen teneinde een afgewogen en goed geïnformeerd oordeel te kunnen vormen omtrent het Bod. Daarnaast wordt Aandeelhouders geadviseerd een onafhankelijke professionele adviseur te raadplegen met betrekking tot de fiscale gevolgen van het aanmelden van Aandelen onder het Bod.

Waar deze Nederlandse samenvatting afwijkt van de Engelse tekst van het Biedingsbericht, prevaleert de Engelse tekst.

10.1. Restricties en belangrijke informatie

Het uitbrengen van het Bod, de algemeen verkrijgbaarstelling van het Biedingsbericht, inclusief deze Nederlandstalige samenvatting, en/of de verspreiding van enige andere informatie met betrekking tot het Bod, kunnen in bepaalde jurisdicties aan restricties onderhevig zijn. Zie tevens Hoofdstuk 1 (*Restrictions and important information*) van het Biedingsbericht.

Het Bod wordt gedaan in en vanuit Nederland met inachtneming van de in het Biedingsbericht opgenomen verklaringen, voorwaarden en beperkingen. De Bieder behoudt zich het recht voor om elk aandeel onder het Bod te aanvaarden dat door of namens een Aandeelhouder wordt Aangemeld, zelfs als dit niet is gedaan op de wijze zoals uiteengezet in het Biedingsbericht.

Het Bod wordt niet gedaan, en de Aandelen zullen niet worden aanvaard voor aankoop van, of namens, een Aandeelhouder, vanuit een jurisdictie waar het uitbrengen van het Bod of het aanvaarden daarvan niet in overeenstemming is met de in die jurisdictie geldende effectenwetgeving of andere wet- of regelgeving of registratie, goedkeuring of indiening bij een regelgevende instantie vereist die niet uitdrukkelijk wordt beoogd door de voorwaarden van het Biedingsbericht.

De informatie en verklaringen op het voorblad en op pagina's 1, 2 en 3 en in Hoofdstuk 1 (*Restrictions and important information*) tot en met Hoofdstuk 5 (*Explanation and Background to the Offer*) (met uitzondering van Hoofdstuk 1.4 (*Presentation of financial information*), Hoofdstuk 1.9 (*Financial advisers*), Hoofdstuk 5.6 (*Decision-making and Recommendation by the Boards*), Hoofdstuk 5.8 (*Shareholdings of the members of the Boards*), Hoofdstuk 5.9 (*Respective shareholdings by the Offeror, Co-Investors and Beter Bed Holding*), Hoofdstuk 5.12 (*Composition of the Supervisory Board*), Hoofdstuk 5.13 (*Composition of the Management Board*), Hoofdstuk 5.14 (*Compensation to the members of the Boards in connection with resignation*), Hoofdstuk 5.15 (*Corporate governance following Settlement*), Hoofdstuk 5.19 (*Employee consultations and SER and Trade Unions notification*) en Hoofdstuk 5.27 (*Extraordinary general meeting*)), Hoofdstuk 7 (*Information regarding the Offeror and Co-Investors*) (met uitzondering van Hoofdstuk 7.3 (*Details on the Co-Investors*)), Hoofdstuk 8 (*Certain Material Dutch Tax Considerations*), Hoofdstuk 10 (*Nederlandse samenvatting van het Bod*), Hoofdstuk 11 (*Press releases*), Hoofdstuk 12 (*Articles of Association*) en Hoofdstuk 13.1 (*Advisers to the Offeror*)

zijn uitsluitend verstrekt door de Bieder.

De informatie en verklaringen in Hoofdstuk 1.4 (*Presentation of financial information*), Hoofdstuk 5.6 (*Decision-making and Recommendation by the Boards*), Hoofdstuk 5.8 (*Shareholdings of the members of the Boards*), Hoofdstuk 5.12 (*Composition of the Supervisory Board*), Hoofdstuk 5.13 (*Composition of the Management Board*), Hoofdstuk 5.14 (*Compensation to the members of the Boards in connection with resignation*), Hoofdstuk 5.19 (*Employee consultations and SER and Trade Unions notification*), Hoofdstuk 5.27 (*Extraordinary general meeting*), Hoofdstuk 6 (*Information regarding Beter Bed Holding*), Hoofdstuk 13.2 (*Advisers to Beter Bed Holding*) en Hoofdstuk 14 (*Financial information Beter Bed Holding*) zijn uitsluitend door Beter Bed Holding verstrekt.

De informatie en verklaringen opgenomen in Hoofdstuk 1.9 (*Financial advisers*) en Hoofdstuk 5.15 (*Corporate governance following Settlement*) zijn door respectievelijk de Bieder en Beter Bed Holding verstrekt, voor zover daarop betrekking hebbend.

De informatie en verklaringen opgenomen in Hoofdstuk 7.3.1 (*Information on Navitas and Vinke Amsterdam*) zijn uitsluitend door Navitas verstrekt.

De informatie en verklaringen in Hoofdstuk 7.3.2 (*Information on Teslin and Teslin HoldCo*) zijn uitsluitend door Teslin verstrekt.

De informatie en verklaringen in Hoofdstuk 7.3.3 (*Information on De Engh en Hoogh Blarick*) zijn uitsluitend door De Engh verstrekt.

De informatie opgenomen in Hoofdstuk 13.2 (*Advisers Co-Investors*) is door de Mede-Investeerders gezamenlijk verstrekt.

De informatie opgenomen in Hoofdstuk 5.9 (*Respective shareholdings by the Offeror, Co-Investors and Beter Bed Holding*) en Hoofdstuk 9 (*Other information required by the Decree*) zijn door respectievelijk de Bieder, Beter Bed Holding, Navitas, Teslin en De Engh verstrekt, voor zover daarop betrekking hebbend.

De Bieder, Beter Bed Holding, Navitas, Teslin en De Engh zijn exclusief verantwoordelijk voor de juistheid en volledigheid van de informatie die in dit Biedingsbericht is verstrekt, ieder afzonderlijk voor de informatie die door henzelf is verstrekt, en gezamenlijk voor de informatie die door hen gezamenlijk is verstrekt.

De Bieder, Beter Bed Holding, Navitas, Teslin en De Engh bevestigen, ieder afzonderlijk ten aanzien van de informatie die door henzelf is verstrekt, en gezamenlijk ten aanzien van de informatie die door hen gezamenlijk is verstrekt, dat naar hun beste weten en overtuiging de informatie in dit Biedingsbericht in overeenstemming is met de feiten en geen gegevens zijn weggelaten waarvan de vermelding de strekking van het Biedingsbericht zou wijzigen.

De informatie in het Biedingsbericht geeft de situatie weer op datum van het Biedingsbericht tenzij specifiek anders is aangegeven.

Uitsluitend de Bieder en Beter Bed Holding zijn bevoegd mededelingen te doen over het Bod of de in het Biedingsbericht opgenomen informatie namens de Bieder respectievelijk Beter Bed Holding, zonder afbreuk te doen aan de accountantsverklaringen van PwC en EY die zijn opgenomen in dit Biedingsbericht en de fairness opinions die zijn verstrekt door Rabobank en ABN AMRO respectievelijk, zoals opgenomen in de standpuntbepaling van Beter Bed Holding. Indien dergelijke informatie of verklaringen door anderen dan de Bieder of Beter Bed Holding is verstrekt of gedaan, dient op dergelijke informatie of verklaringen niet te worden vertrouwd als zijnde verstrekt door of gedaan door of namens de Bieder of Beter Bed Holding. Op informatie of verklaringen die niet in dit Biedingsbericht of in persberichten van de Bieder of Beter Bed Holding zijn opgenomen, mag niet worden vertrouwd als

zijnde verstrekt of gedaan door of namens de Bieder of Beter Bed Holding.

De geselecteerde geconsolideerde financiële informatie van Beter Bed Holding (zoals opgenomen in Hoofdstuk 14 (*Financial information Beter Bed Holding*)) is die van Beter Bed Holding en haar geconsolideerde dochterondernemingen. De geselecteerde geconsolideerde financiële informatie dient te worden gelezen in samenhang met de geconsolideerde jaarrekeningen van Beter Bed Holding over de boekjaren geëindigd op 31 december 2022, 31 december 2021 en 31 december 2020. De geselecteerde geconsolideerde jaarcijfers van Beter Bed Holding zijn ontleend aan de geconsolideerde jaarrekeningen van Beter Bed Holding voor de boekjaren geëindigd op 31 december 2022 en 31 december 2021 (inclusief vergelijkende cijfers voor het boekjaar geëindigd op 31 december 2020). De geconsolideerde jaarrekening over het boekjaar geëindigd op 31 december 2022 is gecontroleerd door EY en de geconsolideerde jaarrekeningen over de boekjaren geëindigd op 31 december 2021 en 31 december 2020 zijn gecontroleerd door PwC. Het jaarverslag over het boekjaar 2022 is opgenomen in Hoofdstuk 14.5 (*Annual Report 2022 including independent auditor's report of EY*). De geconsolideerde jaarrekeningen waaraan de geselecteerde geconsolideerde financiële informatie is ontleend, zijn opgesteld in overeenstemming met IFRS en Titel 9 van Boek 2 BW.

De verkorte tussentijdse geconsolideerde financiële informatie van Beter Bed Holding over de periode 1 januari 2023 tot en met 30 juni 2023 is opgesteld in overeenstemming met IAS 34 Interim Financial Reporting en is beoordeeld door EY, die op 20 juli 2023 een beoordelingsverklaring heeft afgegeven. De verkorte tussentijdse geconsolideerde financiële informatie van Beter Bed Holding over de periode 1 januari 2023 tot en met 30 juni 2023 en de beoordelingsverklaring van de onafhankelijke accountant daarbij zijn opgenomen in Hoofdstuk 14.6 (*Unaudited interim financial information for the first half year of the financial year 2023 including independent auditor's review report of EY*) van dit Biedingsbericht.

10.2. Nederlandse Definities

Gedefinieerde termen in deze Nederlandse samenvatting zullen de volgende betekenis hebben:

Aanbeveling	heeft de betekenis die daaraan wordt gegeven in Hoofdstuk 10.14
Aandeelhouders	een houder van één of meer Aandelen
Aandelen	een gewoon aandeel in het aandelenkapitaal van Beter Bed Holding met een nominale waarde van EUR 0,02
Aandelenplannen	Beter Bed Holding's PSUs, eenmalige PSUs en opties gezamenlijk
Aangemeld Aandeel	elk Aandeel dat geldig wordt Aangemeld (of gebrekkig is Aangemeld op voorwaarde dat de Bieder afstand heeft gedaan van het gebrek) en wordt geleverd
Aangemeld en Geleverd Aandeel	elk Aandeel dat geldig wordt Aangemeld (of gebrekkig is Aangemeld op voorwaarde dat de Bieder afstand heeft gedaan van het gebrek) en dat is geleverd onder de voorwaarden en beperkingen van het Bod
Aangemelde, Eigen en Toegezegde Aandelen	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.6.1.a
Aangesloten Instellingen	de instellingen die aangesloten zijn tot Euronext Amsterdam

Aanmeldingstermijn	de periode gedurende welke de Aandeelhouders hun Aandelen kunnen aanmelden bij de Bieder, beginnend om 9:00 uur Amsterdamse tijd, op 5 oktober 2023 en eindigend om 17:40 uur Amsterdamse tijd op de Laatste Dag van Aanmelding
Aanvaardingsdrempel	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.6.1.a
ABN AMRO	ABN AMRO Bank N.V.
AFM	Stichting Autoriteit Financiële Markten
Afwikkelingskantoor	ABN AMRO Bank N.V.
BAVA	betekent de buitengewone vergadering van Aandeelhouders die zal worden gehouden om 10.00 uur op 15 november 2023
Besluiten	de Post-Closing Herstructureringsbesluiten en het Statuten Besluit gezamenlijk
Bestuur	de raad van bestuur van Beter Bed Holding
Beter Bed Groep	Beter Bed Holding en haar groepsmaatschappijen zoals gedefinieerd in artikel 2:24b BW
Beter Bed HoldCo	Beter Bed Holdco B.V., een besloten vennootschap met beperkte aansprakelijkheid, opgericht naar Nederlands recht, met statutaire zetel in Uden, Nederland, en kantoorhoudende te Linie 27, 5405AR, Uden, Nederland, en geregistreerd bij de Kamer van Koophandel onder nummer 91422736
Beter Bed Holding	Beter Bed Holding N.V., een naamloze vennootschap met beperkte aansprakelijkheid, opgericht naar Nederlands recht, met statutaire zetel in Uden, Nederland, en kantoorhoudende te Linie 27, 5405AR, Uden, Nederland, en geregistreerd bij de Kamer van Koophandel onder nummer 16040335
Beter Bed SplitCo	de besloten vennootschap met beperkte aansprakelijkheid opgericht naar Nederlands recht door Beter Bed Holding in het kader van de Post-Closing Afsplitsing
Beter Bed SplitCo Aandeel	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.2
Beter Bed Sub	Beter Bed Sub B.V., een besloten vennootschap met beperkte aansprakelijkheid, opgericht naar Nederlands recht, met statutaire zetel in Uden, Nederland,

en kantoorhoudende te Linie 27, 5405AR, Uden, Nederland, en geregistreerd bij de Kamer van Koophandel onder nummer 91429803

Bieder	959 B.V., een besloten vennootschap met beperkte aansprakelijkheid opgericht naar Nederlands recht, met statutaire zetel in Gooise Meren, Nederland, en kantoorhoudende te Brediusweg 43, 1401AC te Bussum, Nederland, en geregistreerd bij de Kamer van Koophandel onder nummer 90681398
Bieder Bedrag	heeft de betekenis die daaraan wordt gegeven in Hoofdstuk 10.15.3(ii)
Bieder Entiteit	betekent die entiteiten die volgens artikel 1:1 Wft als bieder kwalificeren, namelijk de Bieder, Torqx, Torqx HoldCo, Teslin, Teslin HoldCo, Vinke, Navitas, Hoogh Blarick, De Engh, TopCo en MidCo
Biedprijs	heeft de betekenis daaraan gegeven in Hoofdstuk 10.3
Bob	Besluit openbare biedingen Wft
Bod	het openbaar bod zoals in dit Biedingsbericht beschreven
Concurrerend Bod	<p>betekent een potentieel concurrerend bod dat voldoet aan de volgende cumulatieve vereisten:</p> <p>(a) het concurrerend bod is een geloofwaardig, schriftelijk en ongevraagd voorstel van een <i>bona fide</i> derde om een (openbaar) bod uit te brengen op alle Aandelen of nagenoeg alle activiteiten van Beter Bed Holding, een fusie met Beter Bed Holding of een andere onderneming in de Beter Bed Groep met een derde partij of een ander geloofwaardig, schriftelijk en ongevraagd voorstel van een <i>bona fide</i> derde partij dat een wijziging van de zeggenschap over Beter Bed Holding of nagenoeg alle activiteiten van Beter Bed Holding, dat naar het beste oordeel van het Bestuur en de Raad van Commissarissen, na advies van de financiële en juridische adviseurs van Beter Bed Holding, en in overweging nemende en rekening houdende met de identiteit en de staat van dienst van de Bieder en haar Gelieerde Partijen en die van de derde partij, de zekerheid van uitvoering van de transactie (met inbegrip van zekerheid met betrekking tot financiering daarvan en naleving van alle mededingingsrechtelijke regelgeving), de voorwaardelijkheid, de</p>

hoogte en de aard van de geboden prijs, de toekomstplannen van de derde partij met betrekking tot Beter Bed Holding en haar strategie en de belangen van alle stakeholders van Beter Bed Holding, al met al een gunstiger bod en transactie is voor Beter Bed Holding en het bestendige succes van haar onderneming, rekening houdend met de belangen van haar stakeholders, dan de Transactie zoals beoogd in de Fusieovereenkomst;

(b) de geboden prijs per Aandeel in cash is en hoger dan de Biedprijs (zoals verhoogd in overeenstemming met de Fusiegedragsregels (indien van toepassing), maar exclusief, voor alle duidelijkheid, verhogingen als gevolg van een Herziene Bieding), met ten minste tien procent (10%), en voor zover het Concurrerende Bod een bod is op alle of vrijwel alle activa van de Beter Bed Groep, zal de berekening worden gedaan op basis van de netto-opbrengsten (voor eventuele toepasselijke belastingen) die aan de aandeelhouders van Beter Bed Groep moeten worden uitgekeerd als gevolg van een dergelijke transactie per Aandeel;

(c) het concurrerende bod is bindend voor de derde partij in die zin dat die derde partij (i) zich jegens Beter Bed Holding heeft verbonden om (x) in geval van een openbaar bod, onder gebruikelijke (pre)biedingsvoorwaarden, een openbaar bod uit te brengen dat consistent is met het Concurrerende Bod binnen tien (10) weken na de openbare aankondiging van dat Concurrerende Bod door de derde partij, of (y) in geval van een andere transactie zonder openbaar bod, onder voorbehoud van het verkrijgen van vereiste wettelijke en mededingingsgoedkeuringen en andere gebruikelijke voorwaarden, de transactie die in overeenstemming is met dat Concurrerende Bod zo spoedig mogelijk voltooiën na het verkrijgen van de vereiste goedkeuringen, en (ii) openbaar heeft aangekondigd voornemens te zijn om een transactie te lanceren die in overeenstemming is met dat Concurrerende Bod, welke aankondiging de voorgestelde prijs per Aandeel en de relevante opschortende voorwaarden met betrekking tot dat bod en de aanvang daarvan bevat

Dag van Gestanddoening

de derde (3^e) Werkdag na de Uiterste Dag van Aanmelding

Dag van Overdracht

de vierde (4^e) Werkdag na de Dag van Gestanddoening

De Engh

"De Engh" B.V., een besloten vennootschap met beperkte aansprakelijkheid opgericht naar Nederlands recht, met statutaire zetel in

Naarden, Nederland, kantoorhoudende te Koningin Wilhelminalaan 31, 1411 EL Naarden, Nederland, en geregistreerd bij de Kamer van Koophandel onder nummer 32029051

Equity Financiering	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.5
Euronext Amsterdam	de beurs van Euronext Amsterdam, de gereguleerde markt van Euronext Amsterdam N.V.
EY	Ernst & Young Accountants LLP
Fairness Opinion	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.14
Fusieovereenkomst	de overeenkomst van 10 juli 2023 tussen Beter Bed Holding en de Bieder betreffende het Bod door de Bieder op alle geplaatste en uitstaande aandelen Beter Bed Holding
Gelieerde Partijen	ten aanzien van Bieder, Beter Bed Holding of een Bieder Entiteit, van tijd tot tijd, iedere Persoon die onder zeggenschap staat van Bieder, Beter Bed Holding of die Bieder Entiteit, zeggenschap heeft over Bieder, Beter Bed Holding of die Bieder Entiteit, onder zeggenschap staat van een Persoon die eveneens zeggenschap heeft over Bieder, Beter Bed Holding of die Bieder Entiteit of anderszins kwalificeert als dochteronderneming of groepsmaatschappij van Bieder, Beter Bed Holding of die Bieder Entiteit als bedoeld in de artikelen 2:24a en 2:24b BW. " Zeggenschap " in de zin van deze definitie betekent het bezit, direct of indirect, alleen of gezamenlijk (door middel van het bezit van effecten of partnerschaps- of andere eigendomsbelangen, bij overeenkomst of anderszins) van (a) meer dan 50% van de stemrechten op algemene vergaderingen van die Persoon of (b) de bevoegdheid om een meerderheid van de bestuurders of commissarissen van die Persoon te benoemen en te ontslaan of anderszins het bestuur en het beleid van die Persoon te bepalen. Beter Bed Holding en iedere andere Beter Bed Groep zal op geen enkel moment worden beschouwd als een Gelieerde Partij van Bieder (of <i>vice versa</i>) en een managementmaatschappij (of equivalent, in het bijzonder de beherend vennoot) van een beleggingsfonds wordt geacht zeggenschap te hebben over dat fonds
Herziene Bieding	betekent een herziene bieding door de Bieder waarvan de voorwaarden naar het oordeel van

het Bestuur en de Raad van Commissarissen, na advies van de financiële en juridische adviseurs en handelend naar beste weten en met inachtneming van hun verplichtingen onder Nederlands recht, per saldo tenminste gelijk zijn aan de voorwaarden van een Concurrent Bod

Hoogh Blarick

"Hoogh Blarick" B.V., een besloten vennootschap met beperkte aansprakelijkheid opgericht naar Nederlands recht, met statutaire zetel in Naarden, Nederland, kantoorhoudende te Koningin Wilhelminalaan 31, 1411 EL Naarden, Nederland, en geregistreerd bij de Kamer van Koophandel onder nummer 32026344

Laatste Dag van Aanmelding

de dag waarop de Aanmeldingstermijn afloopt, zijnde 29 november 2023, tenzij de Aanmeldingstermijn is verlengd in overeenstemming met artikel 15 van het Bob, in welk geval de Laatste Dag van Aanmelding zal zijn de dag waarop de verlengde Aanmeldingstermijn afloopt

Liquidatie

heeft de betekenis die daaraan wordt gegeven in Hoofdstuk 10.15.3(c)

Management Entities

heeft de betekenis die daaraan wordt gegeven in Hoofdstuk 10.15.6

Materieel Nadelig Effect

betekent (i) elke verandering, gebeurtenis, ontwikkeling, voorval, schending, onnauwkeurigheid, omstandigheid of effect (elk van deze items een "Effect") afzonderlijk of wanneer deze tezamen met alle andere Effecten wordt genomen, die bestaan of zich hebben voorgedaan voorafgaand aan de datum van vaststelling dat het Effect, dat, materieel nadelig is of redelijkerwijs kan zijn voor de bedrijfsvoering, de activa, de passiva, de financiële positie of de kapitalisatie van de Beter Bed Groep als geheel, zodanig dat anders redelijkerwijs niet van de Bieder kan worden verwacht dat hij het Bod uitbrengt of het Bod gestand doet, (ii) een escalatie van de gewapende vijandelijkheden in Oekraïne door middel van (a) de directe gewapende betrokkenheid van NAVO-troepen of troepen van een of meer NAVO-leden in het conflict tussen Rusland en Oekraïne, (b) een invasie door Rusland van een NAVO-lidstaat of (c) de inzet van een kernwapen (met dien verstande dat een incident in de Zaporizja-centrale (met inbegrip van een explosie en/of meltdown) op zichzelf niet als de inzet van een kernwapen wordt aangemerkt), op voorwaarde echter dat voor de bepaling of er sprake is of zal zijn van een materieel nadelig effect, als bedoeld

onder (i), effecten die voortvloeien uit het volgende buiten beschouwing worden gelaten:

- a. veranderingen of omstandigheden die in het algemeen van invloed zijn op de bedrijfstakken waarin de Beter Bed Groep actief is;
- b. natuurrampen, pandemieën (waaronder COVID-19), het uitbreken of escaleren van oorlog/vijandelijkheden (waaronder de gewapende vijandelijkheden in Oekraïne), sabotage, militaire acties, overmacht, gewapende vijandelijkheden, terreurdaden, of escalatie of verergering daarvan;
- c. veranderingen in economische, politieke of marktomstandigheden (waaronder volatiliteit in rentetarieven, veranderingen in wisselkoersen voor de valuta van een land, opschorting van de handel in enig type effecten, handelsgeschillen of het opleggen van handelsbeperkingen), waaronder ongunstige ontwikkelingen met betrekking tot de Europese Unie, haar lidstaten (waaronder lidstaten die een dergelijke unie verlaten) en de Eurozone (waaronder een of meer lidstaten die een dergelijke zone verlaten of gedwongen worden te verlaten);
- d. veranderingen of verwachte veranderingen in wet- of regelgeving of algemeen aanvaarde boekhoudkundige principes, of de bindende interpretatie of handhaving daarvan door een regelgevende instantie;
- e. het op zichzelf niet voldoen door Beter Bed Holding of de Beter Bed Groep aan interne of gepubliceerde projecties, prognoses of omzet- of winstvoorspellingen (met dien verstande echter dat in het geval van dit lid de onderliggende oorzaak voor een dergelijk falen kan worden meegewogen bij het bepalen of er sprake kan zijn van een wezenlijk nadelig effect);
- f. de kredietwaardigheid, financiële draagkracht of andere ratings van Beter Bed Holding of de Beter Bed Groep (met dien verstande echter dat, in het geval van dit lid, de onderliggende oorzaak voor een dergelijk Effect met betrekking tot kredietwaardigheid, financiële draagkracht of andere ratings kan worden meegewogen bij het bepalen

- of er sprake kan zijn van een Materieel Nadelig Effect);
- g. enig Effect als gevolg van enig handelen of nalaten van Bieder, hetzij vóór, hetzij na de datum van uitvoering van de Fusieovereenkomst, waaronder begrepen enige handeling verricht door Beter Bed Holding of enig ander lid van de Beter Bed Groep met schriftelijke toestemming van Bieder of op aanwijzing van Bieder (of niet verricht indien die toestemming is onthouden) of naleving door Beter Bed Holding van de voorwaarden van, of het nemen van enige actie vereist door de Fusieovereenkomst, met uitzondering van enig Effect als gevolg van enig handelen of nalaten van Bieder dat een redelijke reactie is op een schending van de Fusieovereenkomst door Beter Bed Holding;
 - h. enig Effect voortvloeiend uit (i) het aangaan, effectueren, uitvoeren (met inbegrip van het verrichten van enige handeling die hierbij is vereist of het nalaten van het verrichten van enige handeling die hierbij is verboden) van de Fusieovereenkomst, (ii) de aankondiging van de Fusieovereenkomst, het Bod en de Transactie, of (iii) het doen van of uitvoering geven aan het Bod (met dien verstande en overeengekomen dat het voorgaande niet van toepassing is met betrekking tot enige verklaring of garantie die is bedoeld om de gevolgen van het aangaan, uitvoeren, uitvoeren, uitvoeren of aankondigen van de Fusieovereenkomst, of de Transactie te adresseren);
 - i. een schending van de Fusieovereenkomst of de Wet door de Bieder;
 - j. enige rechtszaak die is aangespannen door aandeelhouders van Beter Bed Holding met betrekking tot het Bod of enige Post-Closing Herstructureringsmaatregel; of
 - k. enig Effect (inclusief enige rechtszaak) dat bekend is bij Bieder per de datum van uitvoering van de Fusieovereenkomst, inclusief door middel van eerlijke bekendmaking van informatie door middel van het due diligence onderzoek,

en op voorwaarde echter dat de impact van

enig nadelig Effect beschreven in subparagrafen (a), (b), (c) en (d) wordt meegenomen voor de doeleinden van het bepalen of een Materieel Nadelig Effect heeft plaatsgevonden of redelijkerwijs verwacht wordt te zullen plaatsvinden, indien een dergelijk Effect een materieel onevenredig nadelig effect heeft of redelijkerwijs verwacht wordt te hebben op de Beter Bed Groep, als geheel genomen, in vergelijking met gelijksoortige ondernemingen in de industrieën waarin de Beter Bed Groep actief is

Mede-Investeerders

Navitas, Teslin HoldCo en de Engh gezamenlijk

MidCo

959 MidCo B.V., een besloten vennootschap met beperkte aansprakelijkheid opgericht naar Nederlands recht, met statutaire zetel in Gooise Meren, Nederland, kantoorhoudende te Brediusweg 43, 1401AC te Bussum, Nederland, en geregistreerd bij de Kamer van Koophandel onder nummer 90666550

Na-aanmeldingstermijn

een periode van niet meer dan twee weken na afloop van de Aanmeldingstermijn gedurende welke Aandeelhouders hun Aandelen nog niet hebben aangemeld onder het Bod de kans wordt gegeven dit alsnog te doen, op dezelfde wijze en onder dezelfde voorwaarden als opgenomen in het Biedingsbericht

Navitas

Navitas B.V., een besloten vennootschap met beperkte aansprakelijkheid opgericht naar Nederlands recht, met statutaire zetel in Alphen aan den Rijn, Nederland, en kantoorhoudende te Baronie 52, 2404 XG Alphen aan de Rijn, Nederland, en geregistreerd bij de Kamer van Koophandel onder nummer 28034231

Nadelige Verandering van de Aanbeveling

betekent dat het Bestuur of de Raad van Commissarissen of één van haar leden de Aanbeveling (i) intrekt, wijzigt, aanpast of kwalificeert; (ii) een verklaring aflegt die tegenstrijdig is aan de Aanbeveling of een andere actie ondernemen waarvan zij weten of redelijkerwijs behoren te weten dat deze het Bod of de Transactie kan schaden of frustreren; of (iii) zich niet houdt aan het opnemen van de Aanbeveling in bepaalde documenten en aankondigingen met betrekking tot het Bod, waaronder de Standpuntbepaling, de toelichting op de agenda voor de BAVA, de presentatie voor de BAVA en het draaiboek voor de BAVA

Onherroepelijke

de onherroepelijke verbintenisovereenkomst

Verbintenisovereenkomst	tussen de Mede-Investeerders, Teslin, Torqx, Torqx HoldCo, TopCo, MidCo, en de Bieder van 10 juli 2023
Overdracht	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.11
Persoon	natuurlijke personen, vennootschappen (met inbegrip van vennootschappen zonder winstogmerk), algemene of beperkte partnerschappen, vennootschappen met beperkte aansprakelijkheid, joint ventures, nalatenschappen, trusts, verenigingen, verenigingen zonder rechtspersoonlijkheid, organisaties, met inbegrip van regeringen of politieke onderafdelingen, agentschappen of instellingen daarvan of andere entiteiten van welke aard dan ook (in elk geval met of zonder rechtspersoonlijkheid)
Post-Closing Afsplitsing	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.2
Post-Closing Afsplitsingsbesluiten	de besluiten die aan de Aandeelhouders op de BAVA worden voorgelegd, op voorwaarde dat (i) de Wettelijke Uitkoopdrempel uiteindelijk is bereikt na afwikkeling van de Aangemelde Aandelen tijdens de Na-aanmeldingstermijn, en (ii) de Bieder Beter Bed heeft geïnformeerd dat hij de Post-Closing Afsplitsing wenst uit te voeren, tot goedkeuring van: <ul style="list-style-type: none"> a. de Post-Closing Afsplitsing; en b. voor zover wettelijk vereist, de Verkoop van Aandelen Afsplitsing, op voorwaarde dat de Post-Closing Afsplitsing tot stand wordt gebracht
Post-Closing Herstructureringsbesluiten	de Post-Closing Fusiebesluiten en de Post-Closing Afsplitsingsbesluiten
Post-Closing Herstructureringsmaatregelen	de Post-Closing Fusie, Post-Closing Afsplitsing en de overige post-closing maatregelen
Post-Closing Herstructureringsdrempel	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.3
Post-Closing Fusie	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.3
Post-Closing Fusiebesluiten	de besluiten die aan de Aandeelhouders op de BAVA worden voorgelegd, (i) op voorwaarde dat de Post-Closing Herstructureringsdrempel is bereikt maar de Wettelijke Uitkoopdrempel uiteindelijk niet is bereikt na afwikkeling van de Aangemelde Aandelen tijdens de Na-aanmeldingstermijn, en (ii) de Bieder Beter Bed heeft geïnformeerd dat hij de Post-Closing Fusie wenst uit te voeren, tot

	<p>goedkeuring van:</p> <ol style="list-style-type: none"> a. de Post-Closing Fusie; en b. voor zover wettelijk vereist, de Verkoop van Aandelen Fusie en de Liquidatie, beide op voorwaarde dat de Post-Closing Fusie tot stand wordt gebracht
Prijs Aandelen Afsplitsing	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.2
Prijs Aandelen Fusie	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.3
PwC	PricewaterhouseCoopers Accountants N.V.
Raad van Commissarissen	de raad van commissarissen van Beter Bed Holding
Rabobank	Coöperatieve Rabobank U.A.
Referentiedatum	7 juli 2023
Schuldfinanciering	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.5
Standpuntbepaling	de standpuntbepaling van Beter Bed Holding van 4 oktober 2023, waarin de informatie uit artikel 18, lid 2 van het Bob is opgenomen
Statutenbesluit	de besluiten die aan de Aandeelhouders op de BAVA worden voorgelegd tot (i) wijziging van de statuten van Beter Bed Holding op de Dag van Overdracht, en (ii) indien dit wenselijk wordt geacht door de Bieder, de statuten te wijzigen op een door de Bieder te bepalen tijdstip na de delisting van de Aandelen van Euronext Amsterdam
Teslin	Teslin Participaties Coöperatief U.A., een coöperatie met uitgesloten aansprakelijkheid opgericht naar Nederlands recht, met statutaire zetel in Utrechtse Heuvelrug, Nederland, kantoorhoudende te Woudenbergseweg 11, 3953 ME Maarsbergen, Nederland, en geregistreerd bij de Kamer van Koophandel onder nummer 68975171
TopCo	959 TopCo B.V., een besloten vennootschap met beperkte aansprakelijkheid opgericht naar Nederlands recht, met statutaire zetel in Gooise Meren, Nederland, kantoorhoudende te Brediusweg 43, 1401AC te Bussum, Nederland, en geregistreerd bij de Kamer van Koophandel onder nummer 90657705
Torqx	Torqx Capital Partners Fund II Coöperatief U.A., een coöperatie met uitgesloten

	aansprakelijkheid opgericht naar Nederlands recht, met statutaire zetel in Gooise Meren, Nederland, kantoorhoudende te Brediusweg 43, 1401AC te Bussum, Nederland, en geregistreerd bij de Kamer van Koophandel onder nummer 86705334
Torqx HoldCo	TC Investment XXVII B.V., een besloten vennootschap met beperkte aansprakelijkheid opgericht naar Nederlands recht, met statutaire zetel in Gooise Meren, Nederland, kantoorhoudende te Brediusweg 43, 1401AC te Bussum, Nederland, en geregistreerd bij de Kamer van Koophandel onder nummer 90644034 (opgericht op 28 juni 2023)
Totale Minderheidsbedrag	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.3
Transactie	het Bod, samen met de Wettelijke Uitkoopprocedure of een Post-Closing Herstructureringsmaatregel
Uiterlijke Datum	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.6.6
Uitkering	een bedrag in euro gelijk aan het volledige bedrag of de volledige waarde per Aandeel van enig door Beter Bed Holding betaald of gedeclareerd dividend of andere uitkering (vóór toepasselijke bronbelasting of andere daarover verschuldigde belastingen) in contanten of in natura
Uitstaande Kapitaal	het geplaatste kapitaal van Beter Bed Holding op volledig verwaterde basis en verminderd met Aandelen waarvoor volgens Boek 2 BW op die Aandelen geen stem kan worden uitgebracht
Verkoop van Aandelen Afsplitsing	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.2
Verkoop van Aandelen Fusie	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.3
Voorwaarden	heeft de betekenis daaraan gegeven in Hoofdstuk 10.6.1
Werkdag	een dag niet zijnde (i) een zaterdag of zondag of (ii) een algemeen erkende feestdag als bedoeld in artikel 3 van de Algemene Termijnenwet of in de CAO Banken
Wet	elke toepasselijke wet, wet, ondergeschikte wetgeving, verdrag, verordening, order, regel, richtlijn, verordening, code, uitvoeringsbesluit, resolutie, besluit, leidraad, uitspraak, bevel, vonnis, decreet of andere vereiste van een

	regelgevende instantie, die op het desbetreffende moment bindend is
Wettelijke Uitkoopdrempel	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.1
Wettelijke Uitkoopprocedure	heeft de betekenis die daaraan is gegeven in Hoofdstuk 10.15.1
Wft	Wet of het financieel toezicht

10.3. Het Bod

Onder de bepalingen en restricties van dit Biedingsbericht doet de Bieder hierbij een aanbevolen bod in contanten aan alle Aandeelhouders om alle Aandelen die door hen worden gehouden te verwerven.

Voor elk Aangemeld en Geleverd Aandeel zullen de Aandeelhouders de Biedprijs van EUR 6,10 in contanten ontvangen. De Biedprijs zal worden verminderd met een bedrag dat gelijk is aan het volledige bedrag of de volledige waarde per Aandeel van enig dividend of enige andere uitkering (vóór enige toepasselijke bronbelasting of andere belastingen die in verband daarmee verschuldigd zijn) betaald of aangekondigd door Beter Bed Holding, hetzij in contanten of in natura, met een registratiedatum tussen 10 juli 2023 en de Dag van Overdracht (of, met betrekking tot Aandelen die zijn aangemeld tijdens de Na-aanmeldingstermijn, een registratiedatum voorafgaand aan of op de datum van afwikkeling van die Aangemelde Aandelen).

De Biedprijs van EUR 6,10 (cum dividend) per Aandeel vertegenwoordigt een premie van ongeveer:

- a. 107,1% ten opzichte van de slotkoers per Aandeel van Beter Bed Holding op de Referentiedatum;
- b. 100,5% ten opzichte van de volume-gewogen gemiddelde slotkoers per Aandeel over de drie maanden voorafgaand aan en inclusief de Referentiedatum;
- c. 95,5% van de naar volume-gewogen gemiddelde slotkoers per Aandeel over de zes maanden voorafgaand aan en met inbegrip van de Referentiedatum; en
- d. 84,2% ten opzichte van de volume-gewogen gemiddelde slotkoers per aandeel voor de twaalf maanden voorafgaand aan en inclusief de Referentiedatum.

Zie ook Hoofdstuk 5.2 (*Substantiation of the Offer Price*).

10.4. Rationale van het Bod

De Bieder en Beter Bed Holding menen dat de Transactie en de daaropvolgende private eigendomsstructuur het duurzame lange termijn succes van Beter Bed Holding het beste zal bevorderen. De Bieder zal het managementteam van Beter Bed Holding ondersteunen bij het realiseren van haar strategische prioriteiten en zet zich in voor de lange termijn belangen van de stakeholders van Beter Bed Holding, waaronder haar medewerkers, klanten en leveranciers. De Bieder ondersteunt volledig het commitment van Beter Bed Holding aan haar 'Sleep better, live better' strategie, inclusief haar duurzaamheidsagenda gebaseerd op Promise, People and Product.

Binnen een omgeving van privaat eigendom zal Beter Bed Holding zich volledig kunnen richten op haar lange termijn strategisch plan. De steun van betrokken, solide en stabiele aandeelhouders zal het duurzame langetermijnsucces van Beter Bed Holding bevorderen en zal het managementteam in staat stellen zich volledig te richten op de uitvoering van haar bedrijfsstrategie en zowel organische als overname groei te versnellen. De Bieder zal Beter Bed Holding steunen alle middelen die Beter Bed

Holding beschikbaar heeft aan te wenden om een dergelijke groei te faciliteren met een focus op lange termijn waardecreatie.

De Bieder erkent dat Beter Bed Holding een robuuste strategie heeft om dergelijke lange termijn waardecreatie te realiseren en is gecommitteerd aan de verdere uitvoering daarvan. In de afgelopen jaren heeft Beter Bed Holding laten zien over sterke executiemogelijkheden te beschikken bij de voortgang van haar strategische agenda, gebaseerd op drie groeipijlers: (i) de digitalisering van de organisatie om de online verkoop via eigen kanalen en platforms van derden te vergroten, (ii) de ontwikkeling van het winkelnetwerk om tegemoet te komen aan veranderende klantbehoeften en een groeiende groep gezondheidsbewuste en duurzame klanten te bedienen, en (iii) de uitrol van de B2B- en wholesale-activiteiten door middel van expansie en de ontwikkeling van abonnementsmodellen voor B2C- en B2B-klanten. De Bieder zal Beter Bed Holding ondersteunen bij de verdere uitvoering van haar strategie, door het faciliteren van voortdurende investeringen in merken, winkels, toekomstige groei en waardecreatie op lange termijn, wat zal leiden tot extra werkgelegenheid en waardoor Beter Bed Holding zich kan richten op het leveren van producten van de hoogst mogelijke kwaliteit aan haar klanten, in een stabiele en op de lange termijn gerichte omgeving.

Navitas, Teslin en De Engh, stuk voor stuk lange termijn en toegewijde aandeelhouders, ondersteunen de hierboven uiteengezette strategische rationale volledig, wat wordt onderbouwd door hun positieve reactie op het verzoek van Torqx betrokken te blijven bij Beter Bed Holding en een deel van hun opbrengsten te herinvesteren in Beter Bed Holding. Beter Bed Holding kan profiteren van de middelen van de Bieder en de Mede-Investeerders en hun netwerk en significante ervaring als investeerders in de lokale Nederlandse markt en in het retail-segment.

Het bod in contanten biedt Aandeelhouders de mogelijkheid onmiddellijk waarde voor hun Aandelen te realiseren, laat het potentieel van Beter Bed Holding zien tegen een aantrekkelijke prijs voor de Aandeelhouders en elimineert het prijsrisico gerelateerd aan de huidige operationele en macro-economische omgeving en de uitvoering van de strategie van Beter Bed Holding. De Biedprijs vertegenwoordigt een aantrekkelijke premie zoals beschreven in Hoofdstuk 5.2.3 (*Premiums*).

10.5. Financiering van het Bod

Onder verwijzing naar artikel 7, lid 4 van het Bob heeft de Bieder op 10 juli 2023 aangekondigd dat hij over voldoende middelen beschikt om het Bod te voltooien. De Bieder zal het Bod financieren door middel van een combinatie van eigen vermogen en schuldfinanciering, waarbij het gezamenlijke bedrag aan schuldfinanciering minder dan 30% van de totale financiering vormt die nodig is om het Bod te financieren.

In verband daarmee hebben de Bieder en Beter Bed Holding een bindende *equity commitment letter* ontvangen van Torqx, voor een totaalbedrag van ongeveer EUR 65 miljoen en bindende *equity commitment letters* van de Mede-Investeerders ontvangen betreffende hun toezegging hun Aandelen aan te bieden onder dezelfde voorwaarden als het Bod door middel van een inbreng, verkoop en/of overdracht van hun Aandelen aan TopCo (de "**Equity Financiering**").

Daarnaast heeft de Bieder volledig uitgevoerde *debt commitment letters* ontvangen voor een totaalbedrag van ongeveer EUR 45 miljoen aan termijnschuld en additionele *RCF headroom*, die volledig gecommitteerd is op een "*certain funds*" basis (de "**Schuldfinanciering**"). Rabobank en ABN AMRO treden op als *mandated lead arrangers*.

Met de overeengekomen Equity Financiering en Schuldfinanciering zal de Bieder in staat zijn de aankoop van de Aangemelde Aandelen te financieren (die, voor alle duidelijkheid, niet de Aandelen omvatten die worden gehouden door Navitas, Teslin en De Engh, welke Aandelen zullen worden verkocht en/of ingebracht in TopCo zoals uiteengezet in Hoofdstuk 5.7 (*Irrevocable commitments Co-Investors*)), de vergoedingen aan niet-aanbiedende Aandeelhouders in het kader van de Wettelijke Uitkoopprocedure (indien gestart) of de Post-Closing Herstructureringsmaatregelen (indien geïmplementeerd), de vergoedingen en kosten in verband met het Bod en alle andere betalingsverplichtingen die bij de Dag van Overdracht voldaan moeten worden te voldoen.

De Bieder heeft geen reden om aan te nemen dat enige voorwaarden voor de Equity Financiering of Schuldfinanciering niet zullen worden vervuld op of voorafgaand aan de Dag van Overdracht.

10.6. Voorwaarden, afstand en vervulling

10.6.1. Voorwaarden om het Bod gestand te doen

De Bieder zal het Bod onvoorwaardelijk verklaren (het bod gestand doen) op voorwaarde dat aan de volgende opschortende voorwaarden (de "**Voorwaarden**") is voldaan of daarvan afstand is gedaan in overeenstemming met dit Hoofdstuk 10.6.1 (*Voorwaarden, afstand en vervulling*) op de Dag van Gestanddoening of, in geval van sub paragraaf (a) hieronder, de Laatste dag van Aanmelding of de Uitgestelde Laatste Dag van Aanmelding, al naar gelang het geval:

Aanvaardingsdrempel

- a. het aantal Aangemelde Aandelen, samen met alle Aandelen die direct of indirect worden gehouden door de Bieder of die onherroepelijk schriftelijk aan de Bieder zijn toegezegd onder de voorwaarde dat het Bod gestand wordt gedaan (gezamenlijk de "**Aangemelde, Eigen en Toegezegde Aandelen**"), vertegenwoordigen ten minste 80% van het Uitstaande Kapitaal op de Laatste Dag van Aanmelding of de Uitgestelde Laatste Dag van Aanmelding (de "**Aanvaardingsdrempel**");

Besluiten

- b. de BAVA heeft de Post-Closing Herstructureringsbesluiten en het Statuten Besluit aangenomen en deze zijn volledig van kracht;

Geen geschillen tegen Post-Closing Herstructureringsmaatregelen

- c. er is geen actie, claim, procedure of onderzoek in behandeling voor of door een rechtbank of overheidsinstantie die de implementatie van een Post-Closing Herstructureringsmaatregel zal verhinderen of wezenlijk nadelig zal beïnvloeden of redelijkerwijs waarschijnlijk zal verhinderen of wezenlijk nadelig zal beïnvloeden;

Geen concurrerend of verplicht bod

- d. er is geen openbare aankondiging gedaan van een Concurrerend Bod en niemand is verplicht een verplicht bod uit te brengen op de Aandelen op basis van artikel 5:70 Wft;

Geen recht om in te schrijven op Aandelen

- e. er is geen derde partij die het recht heeft verkregen in te schrijven op Aandelen, of heeft ingestemd om in te schrijven op Aandelen, met uitzondering van de rechten onder de Aandelenplannen;

Onherroepelijke Verbintenisovereenkomst

- f. de Onherroepelijke Verbintenisovereenkomst is geldig, bindend en afdwingbaar en is niet geschonden door een Mede-Investeerder, beëindigd of gewijzigd, behalve zoals goedgekeurd door de Bieder;

Geen Nadelige Verandering van de Aanbeveling

- g. er heeft zich geen Nadelige Verandering van de Aanbeveling voorgedaan die niet is hersteld in overeenstemming met de bepalingen van de Fusieovereenkomst;

Geen schending door Beter Bed Holding

- h. Beter Bed Holding heeft de bepalingen van de Fusieovereenkomst niet geschonden voor zover een dergelijke schending (i) materiële nadelige gevolgen heeft of redelijkerwijs verwacht kan worden te hebben voor Beter Bed Holding, de Bieder of haar Gelieerde Partijen of de Transactie; en (ii) niet kan worden hersteld of niet is hersteld door Beter Bed Holding, in elk geval voor de datum die het vroegste is van (A) tien (10) Werkdagen na ontvangst door Beter Bed Holding van een schriftelijke mededeling van Bieder en (B) drie (3) Werkdagen voor de

Laatste dag van Aanmelding of de Uitgestelde Laatste Dag van Aanmelding, al naar gelang het geval;

Geen overtreding door Bieder

- i. de Bieder heeft de bepalingen van de Fusieovereenkomst niet geschonden voor zover een dergelijke schending (i) materiële nadelige gevolgen heeft of redelijkerwijs verwacht kan worden te hebben voor Beter Bed Holding, haar Gelieerde Partijen of de Transactie; en (ii) niet kan worden hersteld of niet is hersteld, in elk geval vóór de datum die het vroegste is van (A) tien (10) Werkdagen na ontvangst door de Bieder van een schriftelijke mededeling van Beter Bed Holding en (B) drie (3) Werkdagen vóór de Laatste Dag van Aanmelding of de Uitgestelde Laatste Dag van Aanmelding, al naar gelang het geval;

Geen Materieel Nadelig Effect

- j. er heeft geen Materieel Nadelig Effect plaatsgevonden of is bekend geworden sinds de datum van de Fusieovereenkomst;

Geen bevel

- k. geen bevel, schorsing, gerechtelijk bevel, vonnis, beslissing, leidraad, uitspraak of decreet is uitgevaardigd door enige regelgevende instantie welke van kracht is, en geen statuut, wet, ondergeschikte wetgeving, verdrag, verordening, regel, verordening, resolutie, richtlijn, code of uitvoerend bevel is uitgevaardigd of wordt gehandhaafd, die de voltooiing van de Transactie in enig materieel opzicht verbiedt, beperkt of aanzienlijk vertraagt of redelijkerwijs waarschijnlijk zal verbieden, beperken of aanzienlijk vertragen;

Geen AFM melding overtreding Wft

- l. er door de AFM geen aanwijzing is gegeven dat het Bod is voorbereid, aangekondigd of gedaan in strijd met een van de bepalingen van hoofdstuk 5.5 Wft of het Bob, in de zin van artikel 5:80 lid 2 Wft, op grond waarvan beleggingsinstellingen niet zullen mogen meewerken aan het Bod; en

Geen opschorting of beëindiging van de handel

- m. de handel in de Aandelen is niet permanent geschorst of beëindigd door Euronext Amsterdam.

10.6.2. Afstand van de Voorwaarden

De in Hoofdstuk 10.6.1(a) (*Aanvaardingsdrempel*) genoemde Voorwaarde is opgenomen ten behoeve van de Bieder en de Bieder kan daarvan te allen tijde (geheel of gedeeltelijk) afstand doen door middel van een schriftelijke kennisgeving aan Beter Bed Holding, op voorwaarde dat een verklaring van afstand door de Bieder van deze Voorwaarde de voorafgaande schriftelijke goedkeuring van het Bestuur en de Raad van Commissarissen vereist en als het totaal van de Aangeboden, Eigen en Toegezegde Aandelen op de Laatste Dag van Aanmelding of de Uitgestelde Laatste Dag van Aanmelding, al naar gelang het geval, minder bedraagt dan 75% van het Uitstaande Kapitaal op de Laatste Dag van Aanmelding of de Uitgestelde Laatste Dag van Aanmelding, al naar gelang het geval.

De Voorwaarden uiteengezet in Hoofdstukken 10.6.1.b (*Besluiten*), 10.6.1.d (*Geen concurrerend of verplicht bod*), 10.6.1.e (*Geen recht om in te schrijven op aandelen*), 10.6.1.f (*Onherroepelijke Verbintenisovereenkomst*), 10.6.1.g (*Geen Nadelige Verandering in de Aanbeveling*), 10.6.1.h (*Geen schending door Beter Bed Holding*) en 10.6.1.j (*Geen Materieel Nadelig Effect*), zijn opgenomen ten behoeve van de Bieder en de Bieder kan daarvan, voor zover de Wet dat toelaat, te allen tijde (geheel of gedeeltelijk) afstand doen door middel van een schriftelijke kennisgeving aan Beter Bed Holding.

De Voorwaarden uiteengezet in Hoofdstukken 10.6.1.c (*Geen geschillen tegen Post-Closing Herstructureringsmaatregelen*), 10.6.1.k (*Geen bevel*) en 10.6.1.m (*Geen opschorting of beëindiging van de handel*) zijn opgenomen ten behoeve van zowel de Bieder als Beter Bed Holding en de Bieder en Beter Bed Holding kunnen daarvan, voor zover de Wet dat toelaat, te allen tijde (geheel of gedeeltelijk) afstand doen door middel van een gezamenlijke schriftelijke kennisgeving.

De Voorwaarde uiteengezet in Hoofdstuk 10.6.1.i (*Geen overtreding door Bieder*) is opgenomen ten behoeve van Beter Bed Holding en Beter Bed Holding kan daarvan, voor zover de Wet dit toelaat, te allen tijde (geheel of gedeeltelijk) afstand doen door middel van een schriftelijke kennisgeving aan de Bieder.

Van de Voorwaarde uiteengezet in Hoofdstuk 10.6.1.l (*Geen AFM melding overtreding Wft*) kan geen afstand worden gedaan.

De Bieder en Beter Bed Holding kunnen geen beroep doen op één van de Voorwaarden als de niet-ervulling van dergelijke Voorwaarde met name wordt veroorzaakt door een schending van de betreffende partij van een van haar verplichtingen onder de Fusieovereenkomst.

10.6.3. Geen Materieel Nadelig Effect

Voor zover de Bieder weet, zijn er op de datum van dit Biedingsbericht geen Effecten die, gezamenlijk, zouden resulteren in een Materieel Nadelig Effect.

10.6.4. Nadelige Verandering van de Aanbeveling

Voor zover de Bieder weet, heeft zich op of voor de datum van dit Biedingsbericht geen Nadelige Verandering van de Aanbeveling voorgedaan.

10.6.5. Vervulling

De vervulling van elk van de Voorwaarden hangt niet af van de wil van Bieder, zoals verboden bij artikel 12, lid 2 van het Bob.

Zowel de Bieder als Beter Bed Holding zullen in redelijkheid haar uiterste best doen om ervoor te zorgen dat zo snel als redelijkerwijs mogelijk aan de Voorwaarden wordt voldaan. Indien op enig moment de Bieder of Beter Bed Holding kennis krijgt van een feit of omstandigheid waarvan redelijkerwijs aannemelijk is dat deze de nakoming van een Voorwaarde in de weg staat, zal zij de andere partij daarvan zo spoedig als redelijkerwijs mogelijk is schriftelijk en redelijk gedetailleerd op de hoogte stellen. Indien op enig moment de Bieder of Beter Bed Holding constateert dat aan een Voorwaarde is voldaan, zal zij de andere partij daarvan onverwijld op de hoogte stellen.

Ten aanzien van de Voorwaarde uiteengezet in Hoofdstuk 10.6.1.j (*Geen Materieel Nadelig Effect*), zijn de Bieder en Beter Bed Holding een bindend adviesprocedure overeengekomen voor het geval er tussen de Bieder en Beter Bed Holding geen overeenstemming bestaat over het vervuld zijn van die voorwaarde.

Ten aanzien van de Voorwaarde uiteengezet in Hoofdstuk 10.6.1.d (*Geen concurrerend of verplicht bod*), geldt voor het geval dat er tussen de Bieder en Beter Bed Holding geen overeenstemming bestaat over het vervuld zijn van die voorwaarde, dat een terzake gewezen eindvonnis van de Ondernemingskamer van het Gerechtshof te Amsterdam bindend is voor de Bieder en Beter Bed Holding.

10.6.6. Uiterlijke Datum

De Voorwaarden moeten zijn vervuld of er moet afstand van worden gedaan vóór 10 juli 2024 (de "**Uiterlijke Datum**").

10.7. Aanmelding

De Aanmeldingstermijn vangt aan op 9:00 uur, Amsterdamse tijd op 5 oktober 2023 en eindigt om 17:40 uur, Amsterdamse tijd op 29 november 2023, tenzij verlengd in overeenstemming met Artikel 15 van het Bob en de bepalingen van dit Biedingsbericht.

Indien op de Laatste Dag van Aanmelding één of meer van de Voorwaarden zoals uiteengezet in Hoofdstuk 10.6 (*Voorwaarden, afstand en vervulling*) niet zijn vervuld of daarvan afstand is gedaan, zal de Bieder overwegen de Aanmeldingstermijn eenmaal te verlengen met minimaal twee weken en

maximaal tien weken totdat aan alle Voorwaarden zijn vervuld of daarvan afstand is gedaan, tenzij het duidelijk is dat de betreffende Voorwaarde(n) niet kan worden vervuld. Zie ook Hoofdstuk 10.9 (*Verlenging*).

Als op de Laatste Dag van Aanmelding alle Voorwaarden zijn vervuld of, indien van toepassing, daarvan afstand is gedaan, zal de Bieder alle Aangemelde Aandelen accepteren waarvan de aanmelding niet eerder is herroepen in overeenstemming met de procedures zoals uiteengezet in Hoofdstuk 10.13 (*Aanvaarding door Aandeelhouders*).

10.8. Recht tot herroeping

Aandelen die zijn aangeboden op of vóór de Laatste Dag van Aanmelding kunnen niet worden herroepen, behoudens het recht tot herroeping van elke aanmelding tijdens de verlenging van de Aanmeldingstermijn in overeenstemming met de bepalingen van artikel 5b, lid 5, artikel 15, leden 3 en 8 en artikel 15a, lid 3 van het Bob.

De aanmelding wordt herroepen door een daartoe strekkende schriftelijke kennisgeving aan de Aangesloten Instelling of Afwikkelingskantoor, zoals nader beschreven in Hoofdstuk 4.4 (*Withdrawal rights*).

Een herroeping van de aanmelding van Aandelen kan niet worden teruggedraaid. Gedurende de Na-aanmeldingstermijn kan de aanmelding van Aandelen niet worden herroepen.

10.9. Verlenging

Indien op de oorspronkelijke Laatste Dag van Aanmelding één of meer Voorwaarden niet zijn vervuld en daarvan evenmin afstand is gedaan, mag de Bieder, in overeenstemming met artikel 15, lid 2 van het Bob, de Aanmeldingstermijn eenmaal verlengen met een minstens twee (2) weken en een maximaal van tien (10) vanaf de oorspronkelijke Laatste Dag van Aanmelding, tot het moment dat de Bieder redelijkerwijs noodzakelijk acht om aan die Voorwaarden te voldoen of daarvan afstand te doen.

Als de Aanmeldingstermijn wordt verlengd, worden alle verwijzingen in dit Biedingsbericht naar "Laatste Dag van Aanmelding" en "17:40 uur", geacht te zijn gewijzigd in de laatste datum en het laatste tijdstip waartoe Laatste Dag van Aanmelding aldus is verlengd (de "**Uitgestelde Laatste Dag van Aanmelding**"), tenzij de context anders vereist.

Indien op de Uitgestelde Laatste Dag van Aanmelding niet is voldaan aan één of meer van de in Hoofdstuk 10.6 (*Voorwaarden, afstand en vervulling*) genoemde Voorwaarden, kan de Bieder, onder voorbehoud van ontvangst van een door de AFM verleende ontheffing, de Uitgestelde Laatste Dag van Aanmelding met meerdere termijnen verlengen, tot het moment dat de Bieder redelijkerwijs noodzakelijk acht om aan die Voorwaarden te voldoen of daarvan afstand te doen, maar uiterlijk tot de Uiterlijke Datum.

Indien de Bieder de Aanmeldingstermijn vaker dan één (1) keer wil verlengen, zal de Bieder in overleg treden met Beter Bed Holding alvorens een ontheffing aan te vragen bij de AFM om de Aanmeldingstermijn te verlengen.

Indien de Aanmeldingstermijn wordt verlengd, waardoor de verplichting op grond van artikel 16 van het Bob om openbaar mede te delen of het Bod gestand wordt gedaan wordt uitgesteld, zal uiterlijk op de derde (3^e) Werkdag na de oorspronkelijke Laatste Dag van Aanmelding hierover een openbare mededeling worden gedaan in overeenstemming met de bepalingen van artikel 15 leden 1 en 2 van het Bob. Indien de Bieder de Aanmeldingstermijn verlengt, zal het Bod eindigen op het laatste tijdstip en de laatste datum waartoe de Bieder de Aanmeldingstermijn verlengt.

Gedurende een verlenging van de Aanmeldingstermijn blijft elk Aandeel dat reeds is aangemeld, en niet rechtsgeldig is herroepen, aangemeld onder het Bod, behoudens het recht tot herroeping in overeenstemming met Hoofdstuk 10.8 (*Recht tot herroeping*).

10.10. Gestanddoening

De verplichting van de Bieder om het Bod gestand te doen is onder voorbehoud van de vervulling of afstand doen van de Voorwaarden zoals uiteengezet in Hoofdstuk 10.6 (*Voorwaarden, afstand en vervulling*). Van de Voorwaarden kan afstand worden gedaan, voor zover wettelijk toegestaan, zoals uiteengezet in Hoofdstuk 10.6.2 (*Afstand van de Voorwaarden*). Indien afstand wordt gedaan van enige Voorwaarde in overeenstemming met het bepaalde in Hoofdstuk 10.6.2 (*Afstand van de Voorwaarden*), zal de Bieder de Aandeelhouders informeren zoals voorgeschreven door de toepasselijke regels.

Op de Dag van Gestanddoening (i.e. niet later dan de derde (3^e) Werkdag na de Laatste Dag van Aanmelding) zal de Bieder bepalen of aan de Voorwaarden van het Bod is voldaan of dat daarvan afstand is gedaan zoals uiteengezet in Hoofdstuk 10.6 (*Voorwaarden, afstand en vervulling*), voor zover dit is toegestaan op grond van de Wet. Daarnaast zal de Bieder op de Dag van Gestanddoening een openbare mededeling doen of (i) het Bod gestand wordt gedaan, (ii) de Aanmeldingstermijn wordt verlengd in overeenstemming met artikel 15 van het Bob, of (iii) het Bod wordt beëindigd als gevolg van het niet voldoen aan of afstand doen van de Voorwaarden zoals uiteengezet in Hoofdstuk 10.6.1 (*Voorwaarden*), in overeenstemming met Hoofdstuk 10.6.2 (*Afstand van de Voorwaarden*), en Hoofdstuk 10.6.5 (*Vervulling*) en artikel 16 van het Bob. In het geval dat het Bod niet gestand wordt gedaan, zal de Bieder deze beslissing toelichten.

In het geval dat de Bieder het Bod gestand doet, zal de Bieder alle Aangemelde Aandelen accepteren en een Na-aanmeldingstermijn van maximaal twee (2) weken aankondigen zoals uiteengezet in Hoofdstuk 10.12 (*Na-aanmeldingstermijn*) om Aandeelhouders die hun Aandelen niet hebben aangemeld tijdens de Aanmeldingstermijn in staat te stellen hun Aandelen aan te melden tijdens de Na-aanmeldingstermijn onder dezelfde voorwaarden als het Bod.

10.11. Overdracht

In het geval dat de Bieder aankondigt dat het Bod gestand wordt gedaan, zal de Bieder de Biedprijs aan de Aandeelhouders die hun Aandelen ter aanvaarding hebben aangemeld uiterlijk op de Dag van Overdracht betalen voor elk Aangemeld en Geleverd Aandeel op de voorwaarden en met inachtneming van de voorwaarden en beperkingen van het Bod (de "**Overdracht**"). De Bieder kan niet garanderen dat Aandeelhouders de betaling binnen deze termijn zullen ontvangen.

10.12. Na-aanmeldingstermijn

Indien de Bieder het Bod gestand doet, zal de Bieder, in overeenstemming met artikel 17 van het Bod, binnen drie (3) Werkdagen na het gestand doen van het Bod de Na-aanmeldingstermijn aankondigen om Aandeelhouders die hun Aandelen niet hebben aangemeld tijdens de Aanmeldingstermijn in de gelegenheid te stellen hun Aandelen aan te melden tijdens de Na-aanmeldingstermijn onder dezelfde voorwaarden en beperkingen als het Bod.

De Bieder zal de resultaten van de Na-aanmeldingstermijn en het totale aantal en percentage van de door de Bieder gehouden Aandelen uiterlijk op de derde (3^e) Werkdag na de laatste dag van de Na-aanmeldingstermijn openbaar mededelen, in overeenstemming met artikel 17, lid 4 van het Bob.

Nadat de overdracht heeft plaatsgevonden is herroeping, ontbinding of vernietiging van de aanmelding, verkoop of levering van Aandelen die zijn aangemeld tijdens de Na-aanmeldingstermijn niet mogelijk.

Betaling van de Biedprijs voor de Aandelen die zijn geleverd aan de Bieder tijdens de Na-aanmeldingstermijn zal niet later dan op de vierde (4^e) Werkdag na afloop van de Na-aanmeldingstermijn plaatsvinden.

In het geval dat enige Uitkering op de Aandelen wordt gedaan door Beter Bed Holding op of voorafgaand aan de Dag van Overdracht van de Aandelen die zijn aangemeld in de Na-aanmeldingstermijn, waarbij de registratiedatum op of voorafgaand aan Dag van Overdracht van de Aandelen die zijn aangemeld in de Na-aanmeldingstermijn bepalend is voor het recht op een dergelijke Uitkering, zal de Biedprijs worden verminderd met het volledige bedrag van enige dergelijke Uitkering die door Beter Bed Holding wordt gedaan met betrekking tot elk Aandeel (vóór enige toepasselijke bronbelasting).

Vanaf de Dag van Overdracht is herroeping, ontbinding of vernietiging van de aanmelding, verkoop of levering van enig Aandeel waarop is ingeschreven gedurende de Na-aanmeldingstermijn niet mogelijk.

10.13. Aanvaarding door Aandeelhouders

Aandeelhouders die Aandelen houden via een Aangesloten Instelling dienen hun aanvaarding van het Bod via hun bewaarnemer, bank of commissionair bekend te maken, uiterlijk om 17.40 uur, Amsterdamse tijd op de Laatste dag van Aanmelding, tenzij de Aanmeldingstermijn is verlengd in overeenstemming met Hoofdstuk 10.9 (*Verlenging*). De betreffende bewaarnemer, bank of commissionair kan een eerdere deadline vaststellen voor de communicatie door Aandeelhouders zodat de bewaarnemer, bank of commissionair voldoende tijd heeft om de Aanmelding door te geven aan het Afwikkelingskantoor.

Aangesloten Instellingen mogen de Aandelen slechts schriftelijk en slechts bij het Afwikkelingskantoor onder het Bod aanmelden. Bij het aanmelden van de Aandelen moeten Aangesloten Instellingen verklaren dat: (i) zij de Aangemelde Aandelen in hun administratie hebben opgenomen, (ii) iedere betrokken Aandeelhouder onherroepelijk garandeert dat (a) voldaan is aan alle restricties die worden genoemd in Hoofdstuk 10.1 (*Restricties en belangrijke informatie*) en (b) het niet, direct of indirect is onderworpen aan of getroffen door enige economische of financiële sanctie uitgevoerd of afgedwongen door enig orgaan van de Amerikaanse overheid, de Europese Unie of een van haar lidstaten of de Verenigde Naties, anders dan enkel uit hoofde van zijn opname in, of eigendom door een persoon opgenomen in de Amerikaanse "*Sectoral Sanctions Identifications (SSI) List*" of Annex III, IV, V of VI van Verordening (EU) No. 833/2014 van 31 juli 2014 en (iii) zij zich verplicht om de Aangemelde Aandelen tegen ontvangst van de Biedprijs te leveren aan de Bieder voor of uiterlijk op de Dag van Overdracht, onder de voorwaarde dat het Bod gestand wordt gedaan.

Met inachtneming van artikel 5b lid 5, artikel 15, leden 3 en 8 en artikel 15a, lid 3 van het Bob, zal het aanmelden van Aandelen als aanvaarding van het Bod leiden tot onherroepelijke instructies om (i) de levering van de Aangemelde Aandelen tegen te houden, waardoor op of voorafgaand aan de Dag van Overdracht geen van de leveringen van de Aandelen uitgevoerd kan worden (anders dan aan het Afwikkelingskantoor op of voorafgaand aan de Dag van Overdracht indien het Bod gestand wordt gedaan en de Aangemelde Aandelen zijn aanvaard voor aankoop) en (ii) de effectenrekening waarop dergelijke Aangemelde Aandelen worden gehouden op de Dag van Overdracht te debiteren ten aanzien van alle Aangemelde Aandelen, tegen betaling bij het Afwikkelingskantoor van de Biedprijs per Aandeel.

Aandeelhouders die Aandelen houden die individueel zijn ingeschreven in het aandeelhoudersregister van Beter Bed Holding die het Bod met betrekking tot die Aandelen wensen te aanvaarden, dienen een ingevuld en ondertekend aanvaardingsformulier in te leveren bij het Afwikkelingskantoor. Ingevulde aanvaardingsformulieren dienen uiterlijk om 17.40 uur, Amsterdamse tijd op de Laatste Dag van Aanmelding door het Afwikkelingskantoor te zijn ontvangen, tenzij de Aanmeldingstermijn wordt verlengd in overeenstemming met Hoofdstuk 10.9 (*Verlenging*). De aanvaardingsformulieren zijn op verzoek verkrijgbaar bij het Afwikkelingskantoor via as.exchange.agency@nl.abnamro.com. Ingevulde en ondertekende aanvaardingsformulieren kunnen via hetzelfde e-mailadres worden ingediend.

Het aanvaardingsformulier zal tevens dienen als akte van levering met betrekking tot de Aandelen waarnaar daarin wordt verwezen.

10.14. Besluitvorming en aanbeveling van het Bestuur en de Raad van Commissarissen

In de tweede helft van 2020 heeft Beter Bed Holding een strategische analyse verricht om alle beschikbare strategische opties in kaart te brengen, te beoordelen en te evalueren, waarbij de focus lag op het duurzame succes van de onderneming op de lange termijn en rekening werd gehouden met de belangen van alle belanghebbenden, waarbij de conclusie was dat de onderneming mogelijk meer strategische vrijheid zou hebben en beter gepositioneerd zou zijn haar groeistrategie uit te voeren en te versnellen in een private setting. Vervolgens hebben het Bestuur en de Raad van Commissarissen zeven criteria vastgesteld aan de hand waarvan een eventuele overname van de Beter Bed Groep kon worden geëvalueerd, namelijk (i) strategische koers, (ii) continuïteit, (iii) focus op de lange termijn, (iv) waarde voor medewerkers, (v) dealzekerheid, (vi) mogelijkheden om te investeren en (vii) aandeelhouderswaarde. In de eerste helft van 2022 heeft Beter Bed Holding samen met haar financieel adviseur haar strategische analyse geactualiseerd, met dezelfde conclusie dat de onderneming mogelijk gebaat is bij een private setting.

De afgelopen jaren heeft Beter Bed Holding van tijd tot tijd met verschillende partijen gesproken over mogelijke strategische opties, maar deze gesprekken hebben niet geleid tot concrete voorstellen. Zoals uiteengezet in Hoofdstuk 5.1 (*Background and public announcements*) heeft Torqx eind juni 2022 interesse getoond in een mogelijke overname van de Beter Bed Groep. De gesprekken tussen Torqx en Beter Bed Holding hebben echter niet tot afspraken geleid en zijn daarom in december 2022 afgebroken. De gesprekken zijn begin april 2023 hervat nadat Torqx opnieuw haar interesse in Beter Bed Holding kenbaar maakte. Op 20 april 2023 heeft Torqx een aanzienlijk verbeterd, ten opzichte van haar initiële bod, niet-bindend bod aan Beter Bed Holding voorgelegd.

In overeenstemming met hun fiduciaire plichten hebben het Bestuur en de Raad van Commissarissen, bijgestaan door hun financiële en juridische adviseurs, alle aspecten van het niet-bindende bod zorgvuldig beoordeeld en geëvalueerd, waarbij in het bijzonder gekeken is naar de strategische merites, dealzekerheid, financiële, niet-financiële, operationele en sociale aspecten en andere voorwaarden van het niet-bindende bod. Dit heeft ertoe geleid dat Beter Bed Holding Torqx en haar adviseurs de mogelijkheid heeft geboden om een bevestigend *due diligence* onderzoek naar Beter Bed Holding en haar onderneming uit te voeren, door documenten te bekijken en beoordelen die in een door Beter Bed Holding en haar adviseurs ingerichte virtuele dataroom zijn geplaatst, waarbij de mogelijkheid is geboden om vragen te stellen en deel te nemen aan een aantal expertsessies. In het tweede kwartaal van 2023 zijn Beter Bed Holding en Torqx onderhandelingen gestart over de voorwaarden van de mogelijke transactie, waaronder de Fusieovereenkomst. Gedurende dit proces hebben het Bestuur en de Raad van Commissarissen de ontwikkelingen met betrekking tot de potentiële transactie en daarmee samenhangende belangrijke beslissingen veelvuldig en uitgebreid besproken en hebben het Bestuur en de Raad van Commissarissen een aantal aspecten overwogen, waaronder, maar niet beperkt tot, de zeven criteria die het Bestuur en de Raad van Commissarissen hebben vastgesteld (zoals hierboven uiteengezet). Tijdens het besluitvormingsproces hebben het Bestuur en de Raad van Commissarissen voldoende aandacht besteed aan mogelijke tegenstrijdige belangen tussen de leden van het Bestuur en de Raad van Commissarissen en Beter Bed Holding met betrekking tot de potentiële transactie en zijn zij tot de conclusie gekomen dat er geen sprake was van dergelijke tegenstrijdige belangen.

Op 9 juli 2023 hebben Rabobank en ABN AMRO afzonderlijk een schriftelijke *fairness opinion* afgegeven aan respectievelijk het Bestuur en de Raad van Commissarissen, waarin Rabobank en ABN AMRO hebben geconcludeerd dat, op basis van en met inachtneming van de veronderstellingen, kwalificaties en beperkingen zoals uiteengezet in elke opinie, (a) de Biedprijs die door de Aandeelhouders zal worden ontvangen vanuit financieel oogpunt billijk is, en (b) de prijs voor het aandeel of de aandelen in het kapitaal van (i) Beter Bed Sub onder de Verkoop van Aandelen Fusie is billijk voor Beter Bed HoldCo, en (ii) Beter Bed SplitCo onder de Verkoop van Aandelen Afsplitsing is billijk voor Beter Bed Holding, vanuit financieel oogpunt (de "**Fairness Opinions**"). De in de Fairness Opinions gemaakte veronderstellingen, gevolgde procedures, overwegingen en kwalificaties zijn opgenomen in de Standpuntbepaling.

Na uitgebreid juridisch en financieel advies en na alle omstandigheden en alle aspecten van de Transactie zorgvuldig te hebben overwogen, zijn het Bestuur en de Raad van Commissarissen van mening dat de Bieder een overtuigend bod heeft gedaan dat een aantrekkelijke premie in contanten voor de Aandeelhouders vertegenwoordigt, evenals gunstige niet-financiële voorwaarden en toezeggingen met betrekking tot de zekerheid van de overeenkomst. Het Bestuur concludeert dat het Bod in het belang is van Beter Bed Holding en bevorderlijk is voor het lange termijn succes van haar onderneming, rekening houdend met de belangen van alle *stakeholders* van Beter Bed Holding.

In de vroege ochtend van 10 juli 2023 ondertekenden de vertegenwoordigers van Beter Bed Holding en de Bieder de Fusieovereenkomst en publiceerden Beter Bed Holding en de Bieder gezamenlijk een persbericht waarin zij aangaven voorwaardelijke overeenstemming te hebben bereikt over een voorgenomen openbaar bod door de Bieder op Beter Bed Holding.

Onder verwijzing naar het bovenstaande, en behoudens Hoofdstuk 5.22 (*Competing Offer*), steunen het Bestuur en de Raad van Commissarissen unaniem (i) de Transactie, (ii) adviseren het Bestuur en de Raad van Commissarissen de Aandeelhouders het Bod te aanvaarden en hun Aandelen aan te melden, en (iii) adviseren het Bestuur en de Raad van Commissarissen de Aandeelhouders vóór de Besluiten te stemmen tijdens de BAVA die wordt gehouden op 10:00 uur Amsterdamse tijd op 15 november 2023 (de "**Aanbeveling**").

Meer informatie over de besluitvorming door het Bestuur en de Raad van Commissarissen is opgenomen in de Standpuntbepaling.

10.15. Mogelijke Post-Closing Herstructureringsmaatregelen en toekomstige juridische structuur

Gelet op de strategische rationale van de Transactie, beoogt de Bieder uiteindelijk 100% van de Aandelen of alle activa en activiteiten van Beter Bed Holding te verwerven. De bereidheid van de Bieder om de Biedprijs te betalen is gebaseerd op een dergelijke verkrijging. Daartoe kan de Bieder na Overdracht en na de overdracht van de Aandelen aangemeld tijdens de Na-aanmeldingstermijn de maatregelen nemen zoals uiteengezet in de Hoofdstukken 5.11.2 (*Statutory Buy-Out Proceedings*), 5.11.4 (*Post-Closing Merger*), 5.11.3 (*Post-Closing Demerger*), and 5.11.5 (*Other Post-Closing Measures*).

De Bieder behoudt zich het recht voor om van iedere juridisch toegestane methode gebruik te maken om alle Aandelen (of de volledige eigendom van de onderneming van Beter Bed Holding) te verwerven en de juridische, financiële en fiscale structuur van Beter Bed Holding te optimaliseren.

De verwerving van de Aandelen door de Bieder onder het Bod zal allereerst het aantal Aandeelhouders verminderen, evenals het aantal aandelen dat anders openbaar zou worden verhandeld. Als gevolg hiervan kunnen de liquiditeit en de marktwaarde van de Aandelen die niet onder het Bod zijn aangeboden of waarvan aanmelding onder het Bod rechtsgeldig is herroepen, nadelig worden beïnvloed. De Bieder heeft niet de intentie om een dergelijk negatief effect te compenseren door bijvoorbeeld een liquiditeitsmechanisme op te zetten voor de Aandelen die niet worden aangeboden na de Dag van Overdracht en de Na-aanmeldingstermijn.

Indien het Bod gestand wordt gedaan, dan zijn de Bieder en Beter Bed Holding voornemens zo spoedig mogelijk de notering van de Aandelen aan Euronext Amsterdam te beëindigen.

Indien de Bieder 95% of meer van de Aandelen verwerft, zal de Bieder in staat zijn de beëindiging van de notering van de Aandelen aan Euronext Amsterdam te bewerkstelligen in overeenstemming met de toepasselijke (beleids)regels. Als de Bieder echter een Post-Closing Fusie implementeert zoals uiteengezet in Hoofdstuk 10.15.3 (*Post-Closing Fusie*), of andere post-closing maatregelen neemt zoals uiteengezet in Hoofdstuk 5.11.5 (*Other Post-Closing Measures*), dan zal de notering van de Aandelen aan Euronext Amsterdam ook worden beëindigd. In het geval dat Beter Bed Holding niet langer beursgenoteerd is, zullen de bepalingen die van toepassing zijn op het bestuur van beursgenoteerde vennootschappen niet langer van toepassing zijn en kunnen de rechten van de overblijvende minderheidsaandeelhouders worden beperkt tot het wettelijk minimum.

10.15.1. Wettelijke Uitkoopprocedure

Als na de Dag van Overdracht en de Na-aanmeldingstermijn de Bieder en haar groepsmaatschappijen in de zin van het BW in totaal ten minste 95% van de Aandelen houden (berekend in overeenstemming met BW) (de "**Wettelijke Uitkoopdrempel**"), zal de Bieder (a) een wettelijke uitkoopprocedure starten in overeenstemming met artikel 2:359c BW of (b) een wettelijke uitkoopprocedure starten in overeenstemming met artikel 2:92a of 2:201a BW, om houders van Aandelen uit te kopen wiens Aandelen nog niet worden gehouden door de Bieder ((a) of (b), de "**Wettelijke Uitkoopprocedure**"). De Bieder kan ervoor kiezen de Post-Closing Afsplitsing te implementeren voordat zij de Wettelijke Uitkoopprocedure initieert, in overeenstemming met Hoofdstuk 10.15.2 (*Post-Closing Afsplitsing*).

10.15.2. Post-Closing Afsplitsing

Nadat en op voorwaarde dat (i) de Post-Closing Afsplitsingsbesluiten op de BAVA zijn aangenomen, (ii) het Bod gestand wordt gedaan en de overdracht van de Aangemelde Aandelen tijdens de Na-Aanmeldingstermijn heeft plaatsgevonden en (iii) de Aangeboden, Eigen en Toegezegde Aandelen uiterlijk na de overdracht van de Aangemelde Aandelen tijdens de Na-aanmeldingstermijn de Wettelijke Uitkoopdrempel vertegenwoordigen, kan de Bieder Beter Bed Holding informeren dat hij de Post-

Closing Afsplitsing wenst te implementeren voor aanvang van de Wettelijke Uitkoopprocedure, waarbij:

- a. Beter Bed Holding de Afsplitsing tot stand zal brengen (de "**Post-Closing Afsplitsing**"), zo snel als redelijkerwijs mogelijk na het verzoek van de Bieder hiertoe, ter gelegenheid waarvan Beter Bed SplitCo wordt opgericht;
- b. bewerkstelligd wordt dat Beter Bed Holding met de Bieder een koopovereenkomst zal sluiten, op grond waarvan het geplaatste en uitstaande aandeel in het kapitaal van Beter Bed Splitco (het "**Beter Bed SplitCo Aandeel**") zal worden verkocht en geleverd aan de Bieder (de "**Verkoop van Aandelen Afsplitsing**"). De totale aankoopprijs voor het Beter Bed SplitCo Aandeel zal een bedrag zijn dat gelijk is aan (i) de Biedprijs vermenigvuldigd met (ii) het totale aantal uitgegeven en uitstaande Aandelen onmiddellijk voorafgaand aan het van kracht worden van de Post-Closing Afsplitsing (de "**Prijs Aandelen Afsplitsing**"). De Prijs Aandelen Afsplitsing zal betaalbaar zijn door het toekennen door de Bieder van een lening aan Beter Bed Holding, die onmiddellijk opeisbaar is door Beter Bed Holding tegen marktconforme voorwaarden.

Na voltooiing van de Post-Closing Afsplitsing zal de Bieder de Wettelijke Uitkoopprocedure starten.

Voor een meer gedetailleerde uitleg over de Post-Closing Afsplitsing wordt verwezen naar Hoofdstuk 5.11.3 (*Post-Closing Demerger*).

10.15.3. Post-Closing Fusie

Voorafgaand aan de datum van dit Biedingsbericht zijn Beter Bed HoldCo en Beter Bed Sub opgericht.

Nadat en op voorwaarde dat (i) de Post-Closing Fusiebesluiten op de BAVA zijn aangenomen, (ii) het Bod gestand wordt gedaan en de overdracht van de Aangemelde Aandelen tijdens de Na-Aanmeldingstermijn heeft plaatsgevonden en (iii) de Aangemelde, Eigen en Gecommitteerde Aandelen ten minste 80% van het Uitstaande Kapitaal vertegenwoordigen (de "**Post-Closing Herstructureringsdrempel**") en de Wettelijke Uitkoopdrempel niet is bereikt uiterlijk na overdracht van de Aangemelde Aandelen tijdens de Na-aanmeldingstermijn, kan de Bieder Beter Bed Holding informeren dat hij de Post-Closing Fusie wenst te implementeren, waarbij:

- a. een juridische driehoeksfusie wordt geëffectueerd, waarbij Beter Bed Holding (als verdwijnende vennootschap) zal fuseren met Beter Bed Sub (als verkrijgende vennootschap) en waarbij Beter Bed HoldCo aandelen toekent aan de aandeelhouders van Beter Bed Holding overeenkomstig de artikelen 2:309 e.v. en 2:333a BW;
- b. bewerkstelligd wordt dat Beter Bed HoldCo met de Bieder een koopovereenkomst zal sluiten, op grond waarvan alle geplaatste en uitstaande aandelen in het kapitaal van Beter Bed Sub zullen worden verkocht en geleverd aan de Bieder (de "**Verkoop van Aandelen Fusie**"). De totale aankoopprijs voor de aandelen in Beter Bed Sub zal een bedrag zijn dat gelijk is aan (i) de Biedprijs vermenigvuldigd met (ii) het totale aantal uitgegeven en uitstaande Aandelen onmiddellijk voorafgaand aan het van kracht worden van de Post-Closing Fusie (de "**Prijs Aandelen Fusie**"). De Prijs Aandelen Fusie zal als volgt worden betaald:
 - (i) een bedrag gelijk aan de uitkomst van (x) de Biedprijs vermenigvuldigd met (y) het totale aantal Aandelen gehouden door houders van Aandelen anders dan de Bieder (dergelijk bedrag, het "**Totale Minderheidsbedrag**") zal worden betaald, hetzij in contanten, hetzij door het toekennen door de Bieder van een lening aan Beter Bed HoldCo die onmiddellijk opeisbaar is door Beter Bed HoldCo tegen marktconforme voorwaarden, gelijk aan het Totale Minderheidsbedrag; en
 - (ii) een bedrag gelijk aan (x) de Prijs van de Fusieaandelen *minus* (y) het Totale Minderheidsbedrag (dit verschil, het "**Bieder Bedrag**") zal worden betaald door het toekennen door de Bieder van een lening aan Beter Bed HoldCo die onmiddellijk opeisbaar is door Beter Bed HoldCo tegen marktconforme voorwaarden, gelijk aan het Bieder Bedrag

- c. na de levering van de Beter Bed Sub aandelen, bewerkstelligd wordt dat de ontbinding en vereffening van Beter Bed HoldCo wordt geëffectueerd (de "**Liquidatie**") en op ieder gewoon aandeel in het kapitaal van Beter Bed HoldCo een liquidatie-uitkering bij voorbaat wordt gedaan welke uitkering beoogd is plaats te vinden op of rond de datum waarop de Verkoop van Aandelen Fusie wordt voltooid en voor een bedrag dat zoveel als mogelijk gelijk is aan de Biedprijs zonder enige rente en onder aftrek van enige toepasselijke belastingen.

(de stappen onder (a)-(c) vormen gezamenlijk de "**Post-Closing Fusie**")

Voor een meer gedetailleerde uitleg over de Post-Closing Fusie wordt verwezen naar Hoofdstuk 5.11.4 (*Post-Closing Merger*).

10.15.4. Samenstelling van de Raad van Commissarissen

Op de Dag van Overdracht zal de Raad van Commissarissen aanvankelijk uit vijf (5) personen bestaan. De Bieder en Beter Bed Holding zullen zich naar redelijkheid inspannen om te bewerkstelligen dat de Raad van Commissarissen direct na Overdracht als volgt zal zijn samengesteld:

- a. drie nieuwe leden de heer H.J. Geerts, de heer A.L.J. Spek en mevrouw K.Y.M. de Kruiff; en
- b. twee huidige leden van de Raad van Commissarissen, mevrouw B.M.A van Hussen en de heer A.H. Beyens, die per de Dag van Overdracht kwalificeren als onafhankelijk van de Bieder binnen de definitie van de Nederlandse Corporate Governance Code 2022 (de "**Onafhankelijke Commissarissen**").

De leden onder (a) hierboven zullen worden aangewezen door de Bieder voor voordracht door de Raad van Commissarissen voor benoeming door de BAVA en hun benoeming zal van kracht worden per Dag van Overdracht.

Na Dag van Overdracht zal de Bieder, als meerderheidsaandeelhouder van Beter Bed Holding, de omvang van de Raad van Commissarissen en de benoeming van de leden van de Raad van Commissarissen kunnen bepalen in Beter Bed Holding's algemene vergadering van aandeelhouders, met dien verstande dat de Onafhankelijke Commissarissen (of, na hun aftreden, iedere andere persoon die (x) als onafhankelijk kwalificeert in de zin van de Nederlandse Corporate Governance Code 2022 en (y) redelijkerwijs aanvaardbaar is voor de andere leden van de Raad van Commissarissen inclusief de Onafhankelijke Commissaris(sen)) zitting zullen blijven nemen in de Raad van Commissarissen voor de duur van de periode van de niet-financiële convenanten.

In hun positie als lid van de Raad van Commissarissen zullen de Onafhankelijke Commissarissen toezien op de naleving van de niet-financiële convenanten zoals uiteengezet in Hoofdstuk 5.17 (*Non-Financial Covenants*) en, wanneer materiële transacties tussen (i) Beter Bed Holding, en (ii) de Bieder, de Mede-Investeerders of een van hun respectievelijke Gelieerde Partijen worden overwogen, de eerlijke behandeling van minderheidsaandeelhouders van Beter Bed Holding of haar rechtsopvolger ingevolge de Driehoeksfusie (indien van toepassing).

De Bieder kan de Raad van Commissarissen ontslaan en de statuten van Beter Bed Holding zodanig laten wijzigen dat alleen het Bestuur nog in functie is op de vroegste van de volgende data: (i) de datum waarop de Bieder 100% (honderd procent) van het Uitstaande Kapitaal houdt, (ii) de datum waarop een Wettelijke Uitkoopprocedure is gestart, of (iii) de datum waarop de Post-Closing Fusie is voltooid. Als de Bieder de Raad van Commissarissen verwijdert in overeenstemming met de vorige zin, zal hij ervoor zorgen dat de Onafhankelijke Commissarissen worden benoemd als commissarissen in de Raad van Commissarissen van TopCo (dergelijke leden de "**Onafhankelijke Commissarissen TopCo**") en dat de Onafhankelijke Commissarissen TopCo gedurende de rest van de periode van niet-financiële convenanten zitting blijven nemen in de Raad van Commissarissen TopCo.

In het geval en bij de implementatie van de Post-Closing Afsplitsing zal de Raad van Commissarissen blijven bestaan en zullen de Onafhankelijke Commissarissen onderdeel van de Raad van Commissarissen blijven, in elk geval tot de vroegste van de volgende twee data: (i) de datum waarop

de Bieder 100% van het Uitstaande Kapitaal houdt of (ii) de datum waarop een Wettelijke Uitkoopprocedure is gestart.

10.15.5. Samenstelling van het Bestuur

De huidige leden van het Bestuur zijn de eerste leden van de raad van het Bestuur na Overdracht.

10.15.6. Bieder

De Bieder is een lege vennootschap en alle aandelen in de Bieder worden op de datum van het Biedingsbericht gehouden door MidCo.

Op de Dag van Overdracht zullen alle aandelen in de Bieder worden gehouden door MidCo, alle aandelen in MidCo zullen worden gehouden door TopCo en alle aandelen in TopCo zullen worden gehouden door (i) Torqx HoldCo, (ii) de Mede-Investeerdere en (iii) beheermaatschappijen en/of STAK-stichtingen (de "**Management Entities**") (indien van toepassing), als volgt:

- a. Torqx HoldCo houdt tussen 52% en 58% van het gewone aandelenkapitaal;
- b. Navitas houdt 21% van het gewone aandelenkapitaal;
- c. Teslin HoldCo houdt 10,5% van het gewone aandelenkapitaal;
- d. De Engh zal 10,5% van het gewone aandelenkapitaal houden; en
- e. Management Entities houden tussen 0% en 6% van het gewone aandelenkapitaal.

Op de datum van dit Biedingsbericht hebben er geen besprekingen plaatsgevonden en is geen overeenstemming bereikt over mogelijke participaties door het management (zie Hoofdstuk 7.5 (*Management participation*)).

TopCo zal ook preferente aandelen uitgeven waarbij de verhouding tussen de gewone aandelen en de preferente aandelen in TopCo dezelfde zal zijn voor Torqx HoldCo en de Mede-Investeerdere en de verhouding tussen de gewone aandelen en de preferente aandelen in TopCo voor de Management Entities (indien van toepassing) zal verschillen van de verhouding van Torqx HoldCo en de Mede-Investeerdere, met een hoger gewicht voor de gewone aandelen. Er is geen stemrecht verbonden aan de preferente aandelen en er zijn geen speciale rechten verbonden aan de preferente aandelen anders dan een preferent dividend.

De aandeelhoudersstructuur van de Bieder op de datum van dit Biedingsbericht is weergegeven in Hoofdstuk 7.1.4 (*Ownership structure as per the date of this Offer Memorandum*) en de aandeelhoudersstructuur van de Bieder op de Dag van Overdracht is weergegeven in hoofdstuk 7.1.5 (*Ownership structure as per Settlement*).

Op de datum van dit Biedingsbericht bestaat de raad van bestuur van de Bieder uit Torqx Capital Partners B.V. De raad van bestuur van Torqx Capital Partners B.V. bestaat uit de heren H.J. Geerts, R.T. Leunissen, A.L.J. Spek en D.A.J. Van Hasselt.

Op de datum van dit Biedingsbericht heeft de Bieder geen raad van commissarissen en geen werknemers.

Op dit moment is het de bedoeling dat de raad van bestuur van de Bieder op de Dag van Overdracht zal bestaan uit TopCo.

De Bieder, MidCo, TopCo, Torqx en Torqx HoldCo hebben een overeenkomst bereikt met de Mede-Investeerdere en Teslin met betrekking tot hun indirecte participatie in de Bieder (via TopCo en MidCo). De belangrijkste voorwaarden van de aandeelhoudersregelingen betreffen bepalingen met betrekking tot (i) de bestuursstructuur van TopCo en de Beter Bed Groep, (ii) de kapitaalstructuur van TopCo vanaf de Overdracht, (iii) de toekomstige samenstelling van de besturen van TopCo en de Beter Bed Groep, (iv) overdrachtsbeperkingen en andere rechten en verplichtingen die verbonden zijn aan of gerelateerd

zijn aan rechten op belangen in TopCo en de Beter Bed Groep en (v) financiële verslaglegging en informatierechten met betrekking tot de Beter Bed Groep. Deze aandeelhoudersregelingen zullen van kracht worden op de eerste Werkdag nadat het Bod gestand is gedaan (of een andere datum zoals overeengekomen tussen de partijen, maar in ieder geval vóór de Dag van Overdracht).

10.15.7. Aankondigingen

Eventuele aankondigingen in het kader van dit Biedingsbericht zullen worden gedaan door middel van een persbericht. Persberichten van de Bieder worden beschikbaar gesteld op de website www.torqxcapital.com. Elk persbericht van Beter Bed Holding wordt beschikbaar gesteld op de website www.beterbedholding.com.

Met inachtneming van eventuele toepasselijke vereisten van het Bob en andere toepasselijke wetgeving en zonder beperking van de wijze waarop de Bieder ervoor kan kiezen een openbare mededeling te doen, heeft de Bieder geen verplichting tot het doen van een openbare mededeling anders dan hierboven beschreven.

11. PRESS RELEASES

11.1.1. Press release 10 July 2023

JOINT PRESS RELEASE

*This is a joint press release by Beter Bed Holding ("**Beter Bed Holding**", "**BBH**" or the "**Company**") and 959 B.V. (the "**Offeror**"), a company controlled by Torqx Capital Partners ("**Torqx**"). This joint press release is issued pursuant to the provisions of Section 17, paragraph 1 of the European Market Abuse Regulation (596/2014), as well as Section 4, paragraphs 1 and 3, Section 5, paragraph 1 and Section 7, paragraph 4 of the Netherlands Decree in Public Takeover Bids (Besluit openbare biedingen Wft, the "**Decree**") in connection with the intended recommended public offer by the Offeror for all the issued and outstanding shares in the capital of the Company (the "**Offer**"). This press release does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in the Company. Any offer will be made only by means of an offer memorandum approved by the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten, the "**AFM**"). This press release is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, in any jurisdiction in which such release, publication or distribution would be unlawful, including the United States.*

Beter Bed Holding and Torqx agree on recommended all-cash offer of EUR 6.10 per share

- **Significant premium of 107%**
- **BBH's Boards unanimously consider offer in the best interest of all stakeholders**
- **Torqx fully supports the Company's management in its growth strategy**
- **44% of the shares committed through irrevocables**
- **Financing in place, providing high deal certainty**

Uden, the Netherlands, 10 July 2023 – Beter Bed Holding ("BBH") – the Netherlands' largest sleep specialist in retail, wholesale and B2B – and Benelux investment firm Torqx Capital Partners ("Torqx") are pleased to announce they have reached conditional agreement on an intended recommended all-cash public Offer for all issued and outstanding shares in the Company (the "Shares") of EUR 6.10 (cum dividend) in cash per share (the "Consideration"). The Consideration represents a premium of approximately 107% to BBH's closing price per Share on 7 July 2023 of EUR 2.95. This delivers immediate, certain and attractive value to the shareholders of the Company. The Offer values a 100% of the Shares at approximately EUR 168 million.

The management board (the "**Management Board**") and supervisory board (the "**Supervisory Board**", and together with the Management Board, the "**Boards**") of Beter Bed Holding consider the Offer to be in the best interest of the Company and all of the Company's stakeholders. The Offer provides the Company's shareholders the opportunity to monetize on their current investment and realise immediate value for their Shares, reflecting the Company's potential at an attractive price and a considerable premium.

Operating in a private setting supports Beter Bed Holding in the next phase of its development, promoting the long-term sustainable success of the Company and enabling the management team to accelerate the execution of its business strategy. Torqx fully supports the Management Board in its vision and growth strategy, including its continued investments in the brand and future growth priorities. This growth will create additional employment opportunities and enables Beter Bed Holding to continue its strong focus on providing the highest possible quality products to its customers. The headquarters of Beter Bed Holding will remain in Uden, the Netherlands, and the Company's corporate identity, core values and culture will be maintained, including its strong ESG commitments.

The transaction initiated by Torqx is supported by the Company's three largest shareholders, together holding 44.32% of the Shares. Navitas Capital, Teslin Participaties Coöperatief UA ("Teslin Participaties") and De Engh B.V. ("De Engh") (the "**Co-investors**"), long-term and dedicated shareholders in the Company will, at the request of Torqx, re-invest in the Company after successful completion of the Offer. Torqx has fully committed prudent financing in place on a "certain funds" basis and has completed its due diligence, providing high deal certainty. This facilitates a swift and efficient transaction process to completion. Based on the required steps and subject to the necessary approvals, the Company and the Offeror anticipate settlement of the Offer ultimately beginning of 2024.

John Kruijssen, CEO of Beter Bed Holding: *"We successfully transitioned from bedding retailer to sleep specialist. The development of our digital organization is bearing fruit and online sales have accelerated. We introduced innovative store formats and rolled out 'Beter Slapen ID' reflected in strong client appreciation growth and increasing market share. I am proud of the strong progress made in building our business in a time marked by many macroeconomic challenges. Against this background, we carefully examined the ownership structure that would best capture the sustainable long-term success of our business."*

"We believe that a private setting will allow us to fully focus on our long-term strategic plans. Torqx has a track-record in building better businesses with an entrepreneurial mindset and fully supports our strategic roadmap. This transaction will provide us with a shareholder with the resources to drive sustained profitable organic and acquisitive growth by further enhancing and expanding the business, ensuring the long-term interests of all our stakeholders, including our employees and customers."

"At the same time, we believe the Offer Price represents a highly attractive proposition and immediate value to our shareholders. We therefore fully support the Offer and unanimously recommend it to our shareholders."

Bart Karis, Chair of the Supervisory Board of Beter Bed Holding: *"Together with our financial and legal advisors, we have carefully evaluated the interest Torqx has expressed in Beter Bed Holding and ran a diligent process, considering all alternatives available to the Company and taking into account a broad set of financial and non-financial criteria. At the same time, with Torqx as a strong shareholder with a long term view on the business and full support of the strategy, this transaction creates a stable foundation for the future. We believe the Offer is beneficial to the Company and all its stakeholders and therefore the Supervisory Board unanimously supports the Offer."*

Harmen Geerts, Managing Partner & Chief Investment Officer of Torqx Capital Partners: *"Beter Bed Holding has a robust strategy in place with the right components for growth and long-term success. We recognize the quality and commitment of the management team, having a clear vision where to steer the company, combined with strong execution skills. Beter Bed Holding's Board can fully focus on their long-term strategic plan and accelerate both organic and in-organic growth of the company. In this new setting, Beter Bed Holding can utilize all its resources to facilitate growth with a focus on long-term value creation for all stakeholders, which we fully endorse. We are very pleased that Navitas Capital, Teslin Participaties and De Engh honoured our request to act as co-investors. They share our long-term perspective on further strengthening Beter Bed Holding's business in the Benelux and internationally. We very much value the retail experience and investment involvement of these three longstanding investors of Beter Bed Holding."*

Transaction highlights

- Beter Bed Holding and the Offeror have reached conditional agreement (the "**Merger Agreement**") on an intended recommended all-cash public offer by the Offeror for all issued and outstanding shares in the capital of the Company of EUR 6.10 (cum dividend) in cash per Share, representing a total value of approximately EUR 168 million for 100% of the Shares.
- The Consideration represents a premium of 107% to the Company's closing Share price on 7 July 2023, 101% premium to the 3-month and 96% premium to the 6-month volume weighted average closing Share price prior to this announcement, delivering immediate, certain and attractive value to the shareholders of the Company.
- The transaction, initiated by Torqx, is supported by long-term and dedicated shareholders Navitas Capital, Teslin Participaties and De Engh, who currently hold 16.59%, 13.87% and 13.86% respectively. With these irrevocables 44.32% of the shares are committed to the Offeror.
- BBH's Boards fully and unanimously support the Offer and the transactions contemplated in connection therewith, including the Post-Closing Restructuring Measures and recommend the Offer to the shareholders of the Company.
- The Offeror has committed financing in place providing high deal certainty. Torqx will fund the Transaction entirely through a combination of equity and prudent debt financing package, consisting of EUR 45 million term debt and additional RCF headroom and an opening leverage of ca. 2.25x net debt / EBITDA.
- The Transaction is subject to customary pre-offer conditions and offer conditions, including obtaining the Competition Clearance (as defined below).
- At the request of Torqx, Navitas Capital, Teslin Participaties and De Engh will continue to invest in Beter Bed Holding. Torqx values the retail experience and investment involvement of these three longstanding Beter Bed Holding shareholders. Following settlement of the Offer ("**Settlement**") Torqx will become the majority shareholder and the co-investors Navitas Capital, Teslin Participaties and De Engh will indirectly own 42% of the ordinary shares in BBH. Torqx has the intention to offer management, including the Management Board, the possibility to participate, which will be further determined in the course of the process.
- Teslin Participaties and De Engh will re-invest around 45% of their net proceeds in the Company and will end at a 10.5% stake each. After re-investment, Navitas Capital will have a 21% stake.
- The Offeror has agreed to certain non-financial covenants for the first 2.5 years following Settlement, which may only be deviated from with the consent of both Independent Supervisory Board Members (as defined below).

Beter Bed Holding's growth strategy

Over the past years, Beter Bed Holding has been diligently executing its strategic agenda, based on three pillars of growth: (i) the digitization of the organization to increase online sales through its own channels and third-party platforms, (ii) the development of the store network to accommodate changing customer needs and service a growing group of health-conscious and sustainable customers and (iii) the roll-out of the B2B and wholesale activities through expansion and the development of subscription models for B2C and B2B customers.

In May 2021, as part of its strategy update, Beter Bed Holding presented a financial framework highlighting its financial ambitions for the period until 2025. The Company remains confident in its ability to meet these financial ambitions. However, due to prudent cash management and conservative capital expenditure in light of the pandemic and the turbulent geopolitical environment, the Company now anticipates a two-year

delay in the ambition to (nearly) double net sales¹. By sharply navigating the economic circumstances, Beter Bed Holding has achieved substantial market share growth, showcasing both the competitive advantage and resilience in challenging circumstances. As a result, online activities are performing in line with expectations, the EBITDA margin is progressing towards the targeted range and dividend payments have started earlier than anticipated, demonstrating the Company's commitment to delivering value to its stakeholders.

Strategic rationale

Within a setting of private ownership Beter Bed Holding will be able to fully focus on its long-term strategic plan and accelerate both organic and acquisitive growth of the company. Beter Bed Holding will be endorsed by Torqx to utilize all resources the company has available to facilitate growth with a focus on long-term value creation for all stakeholders. Supported by co-investors Navitas Capital, Teslin Participaties and De Engh, which also have a long-term perspective on further strengthening Beter Bed Holding's business in the Benelux and internationally, the Management Board believes this will be instrumental in the next phase of its development.

The Boards consider the Offer to be compelling for all of the Company's stakeholders. Torqx and Beter Bed Holding believe that operating as a private company, with the backing of committed solid and stable shareholders including Torqx and the Co-investors, will drive sustainable long-term success of the Company and will enable the management team to fully focus on the execution of the business strategy. Torqx will support the management team of Beter Bed Holding in realizing its strategic priorities and is committed to the long-term interests of Beter Bed Holding's stakeholders, including its employees, customers and suppliers.

Beter Bed Holding will continue as a separate legal entity and its management is committed to steer the company through its next phase of development. Beter Bed Holding will retain its corporate identity, brand names and culture. Beter Bed Holding is endorsed by Torqx to utilize all resources the company has available to facilitate brand-investment and future growth, leading to additional employment opportunities and allowing it to focus on providing the highest possible quality products to its customers, in a stable and long term oriented environment. Torqx and the Co-investors fully support Beter Bed Holding's commitment to its 'Sleep better, live better' strategy, including its sustainability pillars based on Promise, People and Product.

Irrevocable undertakings

The Company's three largest shareholders support the Transaction. The Offeror entered into an irrevocable commitment agreement with the Co-investors, Navitas Capital, Teslin Participaties and De Engh holding 16.59%, 13.87% and 13.86% respectively. In addition, the Co-investors have irrevocably undertaken to vote their respective Shares in favour of the Resolutions.

In accordance with applicable public offer rules, any information about the Offer shared with shareholders providing an irrevocable undertaking and relevant for a shareholder in connection with the Offer will, if not published prior to the Offer Memorandum being made generally available, be included in the Offer Memorandum (if and when issued). These shareholders will tender their Shares on the same terms (including price) and conditions as the other shareholders.

¹ The net sales ambition of approximately EUR 400 million by 2025 included a net sales ambition for Sängjätten, the Company's Swedish operation, which was divested in the course of 2021. Excluding this, the Company's net sales ambition would have been approximately EUR 360 million

Transaction process

Over the past years, the Company has explored all strategic alternatives available, focusing on the sustainable long-term success of the business and taking into account the interests of its stakeholders. Following an initial expression of interest from Torqx, the Boards engaged in constructive discussions with Torqx, ensuring a thorough and careful process to reach the best outcome for the Company and its stakeholders. Following several rounds of negotiations, the Offeror put forward a conditional non-binding proposal. Consistent with their fiduciary duties, the Boards, with the assistance of their financial and legal advisors, have carefully reviewed and evaluated all aspects of the proposal, including, amongst others, the strategic merits, deal certainty, financial, non-financial, operational and social aspects and other terms of the proposal. As a result of the subsequent discussions, review and evaluation, the Company has entered into the Merger Agreement with the Offeror against the terms and conditions as set out in this press release.

Support and unanimous recommendation from the Boards

The Boards have met on a frequent basis throughout the process to discuss the progress of the discussions with Torqx and the Co-Investors, the other developments in the process and the key decisions in connection with the Offer.

Following a diligent and carefully executed process, the Boards believe that the Offeror has made a compelling offer representing an attractive cash premium to the Company's shareholders, as well as favourable non-financial terms and commitments in respect of deal certainty. The Boards conclude that the Offer is in the best interest of the Company and the sustainable, long-term success of its business, taking especially into account the interests of all of the Company's stakeholders.

Taking all these considerations into account, the Boards unanimously support the Offer and recommend that the Company's shareholders tender their Shares under the Offer, if and when made and vote in favour of the resolutions relating to the Offer (the "**Resolutions**") at the upcoming extraordinary general meeting of the Company (the "**EGM**") to be held during the acceptance period of the Offer, each in accordance with the terms set out in the Merger Agreement (the "**Board Recommendation**"). The Board Recommendation will also be included in the position statement of Beter Bed Holding which will be published simultaneously with the publication of the Offer Memorandum.

Fairness opinions

On 9 July 2023, Coöperatieve Rabobank U.A. ("**Rabobank**") has issued a written opinion to the Boards and ABN AMRO Bank N.V. ("**ABN AMRO**") has issued a separate written opinion to the Supervisory Board, in each case that, as of such date, and based upon and subject to the assumptions, qualifications and limitations set forth in each opinion (a) the Consideration to be paid to the holders of the Shares in the Offer pursuant to the Merger Agreement is fair, from a financial point of view, to such holders, and (b) the purchase price for the share(s) in the capital of (i) Company Sub (as defined below) under the Merger Share Sale (as defined below) is fair to Company Holdco (as defined below), and (ii) Company Splitco (as defined below) under the Demerger Share Sale (as defined below) is fair to the Company, from a financial point of view. The full text of such opinions, each of which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each such opinion, will be included in the Company's position statement. The opinions of Rabobank and ABN AMRO have been given solely to the Boards and to the Supervisory Board respectively, and not to the holders of Shares. The opinions do not make any recommendation to the holders of Shares as to whether they

should tender their Shares under the Offer (if and when made) or how they should vote or act with respect to the proposed Resolutions at the EGM or any other matter.

Non-Financial Covenants

The Company and the Offeror have agreed to certain covenants on strategy, financing and leverage, M&A and investments, structure and corporate governance, employees and minority shareholders, for a duration of 2.5 years after Settlement (the "**Non-Financial Covenants**").

Strategy

The Offeror has subscribed to the Company's business strategy as set out in page 7 up to and including 70 of the Company's 2022 annual report (the "**Business Strategy**").

Financing and leverage

The Offeror confirms that it is intended that the Company's group (the "**Group**") will remain prudently capitalised and financed in order to safeguard business continuity and to support the implementation and acceleration of the Business Strategy, including sufficient working capital financing and headroom for the Company's capex requirements.

M&A and investments

The Offeror will work with, and supports, the Group's strategic and financial strategy to grow the business both organically and through mergers and acquisitions. The Offeror acknowledges that the Group may require additional funding to pursue add-on acquisitions.

Structure and corporate governance

The headquarters of the Group will remain located in Uden, the Netherlands. The Offeror will ensure and maintain the Company's corporate identity, core values and culture. Furthermore, the Offeror agrees that there will not be a substantial change to the Group's operational activities or a substantial decrease of its operational footprint. The Group and its business will materially remain intact.

Employees

The existing rights and benefits of the Group's employees will be respected, including existing rights and benefits under individual employment agreements, incentive plans, social plans, collective bargaining agreements and pension arrangements. The Offeror agrees that the Company continues to provide attractive career opportunities and training. Additionally, the Company will continue to focus on health and well-being of the Group's employees, as well as diversity and inclusion.

There will be no changes to, or reductions in, the total workforce as a direct consequence of the Transaction. The Offeror will retain key managers and (other) employees of the Group as much as reasonably possible to the extent this fits within the Group's strategy and budget. The Offeror will also respect the Group's current employee consultation structure.

Protection of minority shareholders

As long as the Company has minority shareholders, or until the Offeror initiated statutory buy-out proceedings, the Offeror will procure that no member of the Group will (i) issue additional shares for a cash consideration to persons outside the Group without offering pre-emption rights to minority shareholders, (ii) enter into related party transactions with the Offeror or the Co-investors or their respective affiliations or related persons which is not at arm's length, (iii) take other actions which

disproportionality prejudices the value or rights relating to the minority shareholding, or (iv) effect any debt push down to the Group or charge the Group any management fees or other costs.

Fully committed financing for the Transaction

The Offer values 100% of the Shares at EUR 168 million. The Offeror shall fund the Offer through a combination of equity and third-party debt financing, whereby the aggregate amount of debt financing constitutes less than 30% of the total financing required to fund the Offer.

As such, the Offeror and the Company have received binding equity commitment letters from Torqx and the Co-investors, for an aggregate amount of EUR 65 million (the "**Equity Financing**").

In addition, the Offeror has received fully executed debt commitment letters for an aggregate amount of approximately EUR 45 million term debt and additional RCF headroom, which is fully committed on a "certain funds" basis (the "**Debt Financing**"). Rabobank and ABN AMRO act as Mandated Lead Arrangers and ABN AMRO as Exchange Agent.

From the arranged Equity Financing and Debt Financing, the Offeror will be able to fund the acquisition of the Shares under the Offer, the purchase price under the Merger Share Sale or Demerger Share Sale (if implemented), the fees and expenses related to the Offer and all other payment obligations required to be satisfied at Settlement.

The Offeror has no reason to believe that any conditions to the Equity Financing or Debt Financing will not be fulfilled on or prior to the Settlement date of the Offer.

Acquisition of 100%

The Company and the Offeror believe the sustainable and long-term success of the Company will be enhanced under private ownership and acknowledge the importance of acquiring 100% of the Shares and achieving a delisting in order to execute on the Company's long-term strategy. The Company and the Offeror intend to terminate the listing of the Shares on Euronext Amsterdam as soon as practicable after Settlement.

After Settlement or settlement of the Shares tendered during the post-acceptance period (if applicable), the Offeror and the Company intend to execute a post-closing restructuring measure to obtain 100% of the operations of the Company. If, after Settlement or settlement of the Shares tendered during the post-acceptance period (if applicable), the Offeror holds at least 95% of the Shares, the Offeror shall commence statutory buy-out proceedings to obtain 100% of the Shares. The Offeror may elect to implement a post-closing legal demerger prior to commencing statutory buy-out proceedings. In such case, the Company (a) at the occasion of a legal demerger, will incorporate a subsidiary ("**Company Splitco**") to which the Company transfers its business and (b) subsequently will sell its shares in Company Splitco to the Offeror (the "**Demerger Share Sale**") ((a) and (b) together, the "**Post-Closing Demerger**").

If, after Settlement or settlement of the Shares tendered during the post-acceptance period (if applicable), the Offeror holds at least 80%, but less than 95% of the Shares, the Company and the Offeror intend to execute a legal triangular merger involving the Company and two newly to be incorporated subsidiaries of the Company ("**Company Holdco**" and "**Company Sub**") in which (a) the Company (as disappearing company) merges with and into Company Sub (as acquiring company) and (b) Company Holdco subsequently sells its shares in Company Sub to the Offeror (the "**Merger Share Sale**"), following which

(c) Company Holdco is liquidated to deliver such consideration to the shareholders ((a), (b) and (c) together, the "**Post-Closing Merger**"). The advance liquidation distribution to the shareholders of Company Holdco will be an amount that is to the fullest extent possible equal to the Consideration, without any interest and less any applicable withholding taxes. Instead of the Post-Closing Demerger and Post-Closing Merger, however, the Company and the Offeror may also agree to implement any other Post-Closing Restructuring Measure.

The Post-Closing Demerger and the Post-Closing Merger are subject to the adoption of certain shareholder resolutions at the EGM (the "**Post-Closing Restructuring Resolutions**"). Subject to the terms and conditions of the Merger Agreement and the Offer being declared unconditional, the Company has agreed to procure that the Boards recommend that shareholders vote in favour of the Post-Closing Restructuring Resolutions.

Pre-offer and offer conditions

The commencement of the Offer is subject to the satisfaction or waiver of pre-offer conditions customary for a transaction of this kind, including:

- No material breach of the Merger Agreement having occurred that has not been timely remedied
- No material adverse effect having occurred or become known
- The Offeror having received confirmation from the AFM that it has approved the final draft of the Offer Memorandum
- The joint works council of the Group having rendered an unconditional neutral or positive advice with respect to the Offer and, if applicable, other contemplated decisions in relation to the Offer by the Merger Agreement (including the Post-Closing Restructuring Measure) or having in writing irrevocably and unconditionally waived its right to render such advice or having given a negative advice which is not timely followed-up with the necessary legal proceedings
- Compliance with the notification procedures pursuant to the Merger Code (*SER Fusiegedragsregels 2015*)
- No competing or mandatory offer
- The Irrevocable Commitment Agreement being valid, binding and enforceable and not being breached, terminated or modified, except as approved by the Offeror
- No third party having obtained the right to subscribe for Shares
- The Offeror having received executed copies of the resigning members of the Supervisory Board
- The Boards not having revoked or altered the Board Recommendation
- No order, stay, judgment or decree having been issued and being in effect, or statute, rule, regulation or executive order having been enacted or enforced, prohibiting or substantially delaying the consummation of the Transaction in any material respect
- Trading in the Shares on Euronext Amsterdam not having been permanently suspended or ended
- No notification having been received from the AFM stating that the Offer has been prepared or announced in conflict with any of the provisions of chapter 5.5 Wft (*Wet op het financieel toezicht*) or the Decree, within the meaning of section 5:80 paragraph 2 Wft, that investment firms (*beleggingsondernemingen*, as defined in the Wft) would not be permitted to cooperate with the Offer
- The Merger Agreement not having been terminated in accordance with its terms

If and when made, the consummation of the Offer will be subject to the satisfaction or waiver of the following offer conditions customary for a transaction of this kind, including:

- Minimum acceptance level of at least 80% of the Shares
- The Post-Closing Restructuring Resolutions and the resolutions for the amendment of the Company's articles of association having been adopted at the EGM
- No litigation pending before any court that will prevent or materially adversely affect or is reasonably likely to prevent or materially adversely affect the implementation of any Post-Closing Restructuring Measure
- The Competition Clearance (as defined below) having been obtained
- No competing or mandatory offer
- No third party having obtained the right to subscribe for Shares
- The Irrevocable Commitment Agreement being valid, binding and enforceable and not being breached, terminated or modified, except as approved by the Offeror
- The Boards not having revoked or altered the Board Recommendation
- No material breach of the Merger Agreement having occurred that has not been timely remedied
- No material adverse effect, having occurred or become known
- No order, stay, judgment or decree having been issued and being in effect, or statute, rule, regulation or executive order having been enacted or enforced, prohibiting or substantially delaying the consummation of the Transaction in any material respect
- No notification having been received from the AFM stating that the Offer has been prepared or announced in conflict with any of the provisions of chapter 5.5 Wft (*Wet op het financieel toezicht*) or the Decree, within the meaning of section 5:80 paragraph 2 Wft, that investment firms (*beleggingsondernemingen*, as defined in the Wft) would not be permitted to cooperate with the Offer
- Trading in the Shares on Euronext Amsterdam not having been permanently suspended or ended

Competition Clearance

The Offeror will procure the timely preparation and filing with the Dutch Authority for Consumers and Markets (*Autoriteit Consument & Markt*) the ("ACM") of the notices and applications necessary to obtain the required competition clearance in respect of the Offer (the "**Competition Clearance**") as soon as reasonably practicable. The Offeror and the Company will closely co-operate in respect of any necessary contact with and notifications to ACM.

Exclusivity and Competing Offer

As part of the Merger Agreement, the Company has entered into customary undertakings not to solicit any third party offers. If a *bona fide* third party makes a cash offer which, in the good faith opinion of the Boards, is a more beneficial offer and transaction for the Company than the Transaction and exceeds the Consideration by 10% (a "**Competing Offer**"), the Offeror has the opportunity to match such Competing Offer. If it does, and on balance the terms and conditions of such revised offer are, in the good faith opinion of the Boards, at least equal to those of the Competing Offer, the Merger Agreement will remain in force. However, if a Competing Offer is not matched by the Offeror, the Company as well as the Offeror may terminate the Merger Agreement. The same conditions apply to any consecutive Competing Offer.

Termination

If the Merger Agreement is terminated because the Company made an adverse recommendation, change or in the event of a competing offer, the Company shall pay the Offeror a EUR 2.5 million termination compensation.

If the Merger Agreement is terminated because the offer condition to obtain the Competition Clearance has not been satisfied or waived, the Offeror will pay the Company a EUR 2.5 million termination compensation.

Next steps and additional information

The Company and the Offeror will seek to obtain all necessary approvals and the Competition Clearance, whereby the Offeror has agreed to take all actions and agree to all commitments in respect of the Offeror and the Group that may be required to obtain clearance from the competition authority, other than any actions or commitments that would have a material impact on the businesses of the Offeror or the Group. The required advice and consultation procedures with the works council of the Group will start as soon as feasible. Both parties are confident that the Offeror will secure all approvals and clearances within the timetable of the Offer.

The Offeror intends to launch the Offer as soon as practically possible and in accordance with the applicable statutory timetable.

It is intended that the Company will convene an EGM on the date of the publication of the Offer Memorandum. At such EGM the Company's shareholders will also be asked to approve the Post-Closing Restructuring Resolutions.

Advisors

Rabobank is acting as financial advisor and De Brauw Blackstone Westbroek N.V. is acting as legal advisor to the Company. ABN AMRO provides an independent fairness opinion to the Supervisory Board. CFF Communications is acting as the Company's communications advisor.

OXEYE Advisors is acting as financial advisor, Stibbe N.V. as legal advisor and Confidant Partners as communications advisor to the Offeror.

For more information, please contact:

Press enquires Beter Bed Holding

CFF Communications

Uneke Dekkers / Ruben Cardol

M +31 (0)6 50261626 / 31 (0)6 55358427

E uneke.dekkers@cffcommunications.nl

E ruben.cardol@cffcommunications.nl

Press enquires Offeror

Confidant Partners

+31 (0) 20 303 60 20

E sabine.post@confidantpartners.com

E frans.vandergrint@confidantpartners.com

About the Company

Beter Bed Holding is the Netherlands' leading sleep specialist in retail, wholesale and B2B, with a simple mission: "We believe that the better we sleep, the **happier, healthier and more productive** we are. And we won't rest until everyone gets the high-quality sleep they deserve."

Listed on Euronext Amsterdam, the Company operates the successful retail brands Beter Bed, Beddenreus, the subscription brand Leazzzy and the digital organisation LUNEXT. In addition, through its subsidiary DBC International, the Company has a wholesale business in branded products in the bedroom furnishings sector, which includes the well-known international brands M line and Simmons.

With four distribution centres, a fleet of 80 vehicles, 130 stores, a fast-growing online presence, and a wholesale company our team of over 1,000 dedicated employees generated EUR 229.4 million revenue in 2022.

Providing expert sleep advice is at the very heart of the Company's strategy, and thanks to its revolutionary 'Beter Slapen ID' tool, its sleep consultants help customers to get the perfect night's sleep. The Company is proud that M line is the official sleep supplier of AFC Ajax, TeamNL, Jumbo-Visma, NOC*NSF and the KNVB.

About Torqx Capital Partners

Torqx Capital Partners is a Benelux investment firm focused on medium-sized companies with potential to accelerate. Situations include growth-, buy-and-build-, and transformational investments across a range of industries. Torqx acquires majority positions, often in partnership with co-shareholders and management, offering the companies smart capital, network, expertise and talent to support implementation of their plans and achieve their full potential. The Torqx team consists of 15 highly experienced and skilled professionals who look beyond spreadsheets and understand what it takes to build businesses and accelerate momentum. Torqx currently invests out of funds with € 380 million committed capital backed by highly reputable international institutional investors and the Torqx team itself.

General restrictions

The information in this announcement is not intended to be complete. This announcement is for information purposes only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity. This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire the securities of the Company in any jurisdiction.

The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, the Offeror and the Company disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither the Company, nor the Offeror, nor any of their advisors assume any responsibility for any violation by any person of any of these restrictions. The Company shareholders in any doubt as to their position should consult an appropriate professional advisor without delay. This announcement is not to be released, published or distributed, in whole or in part, directly or indirectly, in any jurisdiction in which such release, publication or distribution would be unlawful, including in or to the United States.

Forward-looking statements

This press release may include "forward-looking statements" and language that indicates trends, such as "anticipated" and "expected". Although the Company and the Offeror believe that the assumptions upon which their respective financial information and their respective forward-looking statements are based are reasonable, they can give no assurance that these assumptions will prove to be correct. Neither the Company, nor the Offeror, nor any of their advisors accept any responsibility for any financial information contained in this press release relating to the business or operations or results or financial condition of the other or their respective groups.

11.1.2. Press release 4 August 2023

UPDATE - JOINT PRESS RELEASE

*This is a joint press release by Beter Bed Holding N.V. ("**Beter Bed Holding**" or the "**Company**") and 959 B.V. (the "**Offeror**"), a company controlled by Torqx Capital Partners B.V. ("**Torqx**"). This joint press release is issued pursuant to the provisions of Section 7, paragraph 1 sub a of the Dutch Decree on public takeover bids (Besluit openbare biedingen Wft) (the "**Decree**") in connection with the intended recommended public offer by the Offeror for all the issued and outstanding shares in the capital of the Company (the "**Offer**"). This press release does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in the Company. Any offer will be made only by means of an offer memorandum ("**Offer Memorandum**") approved by the Dutch Authority for the Financial Markets (Autoriteit Financiële Markten, the "**AFM**"). This press release is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, in any jurisdiction in which such release, publication or distribution would be unlawful, including the United States.*

Update on intended public offer by Torqx for Beter Bed Holding

Uden/Bussum, the Netherlands, 4 August 2023 – Reference is made to the joint press release issued by Beter Bed Holding and Torqx on 10 July 2023 in respect of the conditional agreement on a recommended all-cash public offer to be made by the Offeror for all the issued and outstanding shares in the capital of Beter Bed Holding (each a "**Share**") at an offer price of EUR 6.10 per Share (cum dividend).

Pursuant to the provisions of Section 7, paragraph 1 sub a of the Decree, which requires a public announcement with a status update on an intended public offer within four weeks after the offer is announced, Beter Bed Holding and Torqx hereby provide this joint update on the Offer.

Beter Bed Holding and Torqx confirm that they are making good progress on the preparations for the Offer. A request for review and approval of the Offer Memorandum will be filed with the AFM no later than the second half of September 2023.

Beter Bed Holding and Torqx confirm that the competition clearance process with the Dutch Authority for Consumers and Markets (*Autoriteit Consument & Markt*) is ongoing. Beter Bed Holding and Torqx are closely co-operating to obtain the competition clearance and expect that clearance will be secured within the timetable of the Offer.

In compliance with the Dutch Works Councils Act (*Wet op de ondernemingsraden*), the joint works council of Beter Bed Holding's group in the Netherlands has been requested to render its advice on the intended decision of Beter Bed Holding's management board to recommend the Offer and support the transaction.

For more information:

Press enquiries Beter Bed Holding

Uneke Dekkers / Ruben Cardol

M +31 (0)6 50261626 / 31 (0)6 55358427

E uneke.dekkers@cffcommunications.nl

E ruben.cardol@cffcommunications.nl

Confidant Partners

+31 (0) 20 303 60 20

E sabine.post@confidantpartners.com

E frans.vandergrint@confidantpartners.com

About Beter Bed Holding

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The distribution of this press release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, the Offeror and the Company disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither the Company, nor the Offeror, nor any of their advisors assume any responsibility for any violation by any person of any of these restrictions. The Company shareholders in any doubt as to their position should consult an appropriate professional advisor without delay. This announcement is not to be released, published or distributed, in whole or in part, directly or indirectly, in any jurisdiction in which such release, publication or distribution would be unlawful, including in or to the United States.

Forward-looking statements

This press release may include "forward-looking statements" and language that indicates trends, such as "anticipated" and "expected". Although the Company and the Offeror believe that the assumptions upon which their respective financial information and their respective forward-looking statements are based are reasonable, they can give no assurance that these assumptions will prove to be correct. Neither the Company, nor the Offeror, nor any of their advisors accept any responsibility for any financial information contained in this press release relating to the business or operations or results or financial condition of the other or their respective groups.

12. ARTICLES OF ASSOCIATION

12.1. Articles of Association following Settlement

CHAPTER I.

Article 1. Definition of terms.

The following terms are defined as follows in these articles of association:

- a. **'share'**: a share in the capital of the company;
- b. **'shareholder'**: a holder of one or more shares (explicitly not including Euroclear Nederland), as well as a participant in a collective deposit of shares;
- c. **'affiliated institution'**: an institution affiliated to Euroclear Nederland, as referred to in the Securities (Bank Giro Transactions) Act;
- d. **'accountant'**: a chartered or other accountant as referred to in Section 2:393 of the Dutch Civil Code, or an organisation in which such accountants work together;
- e. **'general regulations'**: the General Regulations of Euroclear Amsterdam N.V.;
- f. **'General Meeting'**: the body formed by shareholders with voting rights, and pledgees and usufructuaries with voting rights;
- g. **'the General Meeting of Shareholders'**: the meeting of shareholders and other persons entitled to attend meetings;
- h. **'depository receipts'**: depository receipts for shares issued by the company;
- i. **'subsidiary'**: a subsidiary of the company as referred to in Section 2:24a of the Dutch Civil Code;
- j. **'Euroclear Nederland'**: Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., trading under the name Euroclear Nederland, being the central institution referred to in the Securities (Bank Giro Transactions) Act;
- k. **'giro depot'**: a giro depot within the meaning of the Securities (Bank Giro Transactions) Act;
- l. **'group company'**: a group company as referred to in Section 2:24b of the Dutch Civil Code;
- m. **'Annual General Meeting'**: the General Meeting of Shareholders which discusses and adopts the annual accounts and management report;
- n. **'Works Council'**: the works council of the company;
- o. **'written'**: legible and reproducible message sent by letter, fax or email, or by other electronic means, on condition that the identity of the sender can be determined with sufficient certainty;
- p. **'distributable portion of the shareholders' equity'**: the part of the shareholders' equity which exceeds the subscribed capital plus the reserves which must be held by law and under the articles of association;
- q. **'collective deposit'**: a collective deposit within the meaning of the Securities (Bank Giro

Transactions) Act.

CHAPTER II. NAME, REGISTERED OFFICE AND OBJECT.

Article 2. Name and registered office.

- 2.1 The company bears the name: **Beter Bed Holding N.V.**
- 2.2 The company has its registered office in Uden.

Article 3. Object

The object of the company is: the participation in and realisation of the trade in and manufacture of consumer durables, in particular beds, bedroom furniture and related accessories, as well as the participation in, management of and financing of other enterprises and companies and providing security for debts of others, and all that which may be related or beneficial to this, all in the broadest sense of the word.

CHAPTER III. CAPITAL AND SHARES. GLOBAL CERTIFICATE. REGISTER OF SHAREHOLDERS

Article 4. Authorised capital.

- 4.1 The authorised capital of the company is two million euros (EUR 2,000,000).
- 4.2 It is divided into one hundred million (100,000,000) shares, each of two euro cents (EUR 0.02).

Article 5. Depositary receipts for shares.

The company will not cooperate in the issue of depositary receipts for its shares.

Article 6. Registered shares. Bearer shares.

- 6.1 The shares will be registered or bearer shares, at the choice of the shareholder.
- 6.2 When applying for shares to be issued, the person who acquires a right to share from the company can notify the company in writing that he/she wants a registered share. If no such notification is made, he/she will receive a right to a bearer share, in the manner stipulated in Article 7.

Article 7. Global certificate for bearer shares.

- 7.1 All bearer shares issued will be embodied in a single share certificate.
- 7.2 The company will ensure that said share certificate is stored on behalf of the rightholder(s) by Euroclear Nederland. Administration of the share certificate is transferred irrevocably to Euroclear Nederland; Euroclear Nederland is irrevocably authorised, on behalf of the rightholder(s) in the context of the shares in question, to do all that which is necessary, including accepting and transferring shares and cooperate on the addition and removal of entries on the share certificate.
- 7.3 The company assigns to the entitled holder the right of an ordinary bearer share by (a) Euroclear Nederland allowing the company to add a share to the respective share certificate and (b) the entitled holder nominating an affiliated institution that credits him/her accordingly as a participant in its collective deposit of shares in the company.
- 7.4 In the event that a participant in a collective deposit of an affiliated institution wishes to have one or more shares delivered, up to the maximum quantity for which he/she is a participant, the following must take place as an inseparable whole: (a) Euroclear Nederland will make it possible for the company to remove the shares from the share certificate, (b) Euroclear

Nederland will transfer the shares to the rightholder by deed, (c) the company will acknowledge the transfer, (d) the affiliated institution in question will debit the rightholder accordingly as participant in its collective deposit, and (e) the company will enter the rightholder in its register of shareholders as a holder of registered shares.

7.5 The holder of a registered share may have it converted to a bearer share at any time if the following take place, as an inseparable whole: (a) the entitled holder transfers the share to Euroclear Nederland by deed, (b) the company acknowledges the transfer, (c) Euroclear Nederland allows the company to have the share added to the appropriate share certificate, (d) an approved affiliated institution nominated by the rightholder correspondingly credits the rightholder as a joint holder in its collective deposit, and (e) the company removes the rightholder from its register as the holder of the share in question.

7.6 For the application of the provisions in these articles of association, the term 'shareholders' is deemed to include participants in a collective deposit within the meaning of the Securities (Bank Giro Transactions) Act.

Article 8.

In exceptional cases, and with the approval of the Supervisory Board and Euroclear Nederland, the Board of Directors can decide that bearer shares will be embodied by a means other than the collective deposit referred to in Article 7 of these articles of association.

Article 9. Shareholders' Register.

9.1 The Board of Directors will maintain a register listing the names and addresses of all holders of registered shares.

9.2 Each holder of one or more registered shares and each person with a right of usufruct or pledge on one or more of such shares is required to notify the company in writing of his/her address.

9.3 All entries and notes in the register will be signed by a director or a person authorised to do so by a director.

9.4 Section 2:85 of the Dutch Civil Code is also applicable to the register.

9.5 Extracts from the register are not tradeable.

CHAPTER IV. ISSUE OF SHARES.

Article 10. Authorised body.

10.1 The issue of shares takes place pursuant to a decision of the General Meeting, but the General Meeting is able to designate the Board of Directors as body authorised to issue shares. An authorisation of the Board of Directors relates to all as-yet unissued shares in the authorised capital, at its current level or at any future level. The duration of an authorisation is determined by decision of the General Meeting, up to a maximum of five years.

10.2 A designation of the Board of Directors as the body authorised to issue can be renewed under the articles of association or by a decision of the General Meeting for successive periods not exceeding five years. At the time of a designation, it will be determined how many shares can be issued. A designation made by a decision of the General Meeting cannot be withdrawn, unless otherwise determined in said designation.

10.3 In the event that an authorisation of the Board of Directors ends or the number of shares involved in the issue exceeds the authorisation of the Board of Directors, the issue of shares will take place by virtue of a decision of the General Meeting, subject to the designation of

another company body by the General Meeting.

- 10.4 The provisions in articles 10.1 through 10.3 are applicable by analogy to the granting of rights to and subscription to shares, but are not applicable to the issue of shares to persons who are exercising a right to subscribe to shares which had been previously granted.
- 10.5 The issue of shares and the granting of rights to subscribe to shares are also subject to Section 2:96 of the Dutch Civil Code.

Article 11. Conditions of issue. Preferential right.

- 11.1 The decision to issue shares will include a determination of the price and the other conditions of issue. The issue price cannot be below par, subject to the provision in Section 2:80 paragraph 2 of the Dutch Civil Code.
- 11.2 Each shareholder has a preferential right with regard to the issue of shares which is proportional to the total amount of his/her ordinary shares. He/she does not have a preferential right on shares which are issued for a contribution other than money, however. He/she also does not have a preferential right to shares which are issued to employees of the company or a group company.
- 11.3 The preferential right can be restricted or excluded pursuant to a decision of the General Meeting. Articles 10.1 through 10.3 are applicable by analogy.
- 11.4 The conditions of issue and the preferential right are also subject to Sections 2:96a and 2:97 of the Dutch Civil Code.

Article 12. Payment for shares.

- 12.1 Notwithstanding the provisions of Section 2:80, paragraph 2 of the Dutch Civil Code, the nominal value of shares must be paid on subscription, and - if a higher amount is subscribed - the difference between the amounts.
- 12.2 Payment on shares must take place in cash, inasmuch as another contribution has not been agreed.
- 12.3 The Board of Directors is authorised to enter into legal acts for the contribution on ordinary shares other than in cash, and the other legal acts referred to in Section 2:94 of the Dutch Civil Code with the prior permission of the General Meeting.
- 12.4 Payment on shares and contributions other than money are also subject to Sections 2:80, 2:80a, 2:80b and 2:94b of the Dutch Civil Code.

CHAPTER V. SHARES HELD BY THE COMPANY IN ITS OWN CAPITAL, AND DEPOSITORY RECEIPTS FOR THEM. FINANCIAL SUPPORT. REDUCTION OF THE SUBSCRIBED CAPITAL.

Article 13. Shares held by the company in its own capital, and depository receipts for them.

- 13.1 The company can only acquire fully paid shares in its own capital, or depository receipts for these, at no charge or if:
- a. the distributable portion of the shareholders' equity is at least equal to the acquisition price; and
 - b. the total nominal value of the shares in its capital or depository receipts for these which the company acquires, holds or on which it holds pledges, or which are held by a subsidiary, does not amount to more than half of the subscribed capital.

The requirement referred to in point (a) is determined by the size of the shareholders'

equity according to the most recently adopted balance sheet, less the acquisition price for shares in the capital of the company, or share certificates for them, and distributions from profits or reserves to other parties which the company and its subsidiaries owe after the balance-sheet date. If more than six months have passed in the financial year without the annual accounts having been adopted, then acquisition pursuant to the provisions of this article 13.1 is not permitted.

- 13.2 Acquisition other than at no charge can only take place if the General Meeting has authorised the Board of Directors to do so. Such authorisation will be valid for a maximum of eighteen months. In the authorisation, the General Meeting must determine how many shares or depository receipts for them can be acquired, how they may be acquired and between which limits the price must be.
- 13.3 The company can acquire its own shares or depository receipts for them in order to transfer these to employees in the employ of the company or of a group company pursuant to an arrangement applicable to them. In such cases, the authorisation of the General Meeting referred to in Article 13.2 is not applicable.
- 13.4 Acquisition or disposal of shares held by the company in its own capital or depository receipts for them take place pursuant to a decision of the Board of Directors. Such decisions are subject to the approval of the Supervisory Board, without prejudice to the provisions of Article 13.2.
- 13.5 Sections 2:89a, 2:95, 2:98, 2:98a, 2:98b, 2:98c, 2:98d and 2:118 of the Dutch Civil Code are applicable to shares held by the company in its own capital, or depository receipts for them.

Article 14. Financial Support.

- 14.1 In the context of the subscription for or acquisition of shares or depository receipts for them by others, the company may not grant security, issue a price guarantee or in any other way warrant the performance of a third party or bind itself jointly or severally or in addition to or on behalf of others.
- 14.2 In the context of the subscription for or acquisition by others of shares or depository receipts for them, the company may not issue loans, unless the Board of Directors decides to do so and the conditions set by the law in the matter have been met.
- 14.3 The prohibition referred to in Articles 14.1 and 14.2 also applies to subsidiaries of the company, but does not apply in the event that shares or depository receipts for them are subscribed for or acquired by or for employees employed by the company or by a group company.

Article 15. Capital reduction.

- 15.1 The General Meeting can decide to reduce the subscribed capital:
- a. by means of cancellation of shares; or
 - b. by reducing the amount of the shares by means of an amendment to the articles of association, on the condition that the subscribed capital or the paid share of it is not reduced to less than the amount stipulated in or pursuant to Section 2:67 of the Dutch Civil Code.

A decision of the General Meeting to reduce the capital must indicate the shares to which the decision relates and make arrangements regarding how the decision will be put into effect.

- 15.2 A decision to cancel can only relate to shares which the company itself holds, or for which it holds the depository receipts.
- 15.3 Any reduction to the nominal amount of the shares without restitution must be effected proportionally for all shares. The proportionality requirement may be disregarded with the

agreement of all the affected shareholders.

- 15.4 Partial restitution in respect of shares or an exemption from the obligation to pay must only be allowed in implementation of a decision to reduce the amount of the shares. Such a restitution or exemption must take place proportionally for all shares.
- 15.5 Capital reduction is also subject to the provisions in Sections 2:99 and 2:100 of the Dutch Civil Code.

CHAPTER VI. TRANSFER OF REGISTERED SHARES. RESTRICTED RIGHTS.

Article 16. Transfer, Usufruct, Right of Pledge.

- 16.1 Transfer of a share in a collective deposit or a giro depot, or the transfer of a restricted right to these, will take place in the manner determined in the Securities (Bank Giro Transactions) Act.
- 16.2 On the transfer of a registered share - inasmuch as it is not part of a collective deposit or a giro depot - or a restricted right to a registered share the transfer must be effected by an appropriate instrument and - unless the company is a party to said legal transaction - the transfer must also be acknowledged in writing by the company. The acknowledgement must be made in the instrument or by a dated statement of acknowledgement on the instrument or on a notarised copy of the instrument or on a copy of or extract from the instrument that has been authenticated by the disposer. The instrument or authenticated copy or extract will be deemed to have been acknowledged if it has been served on the company.
- 16.3 On the establishment of a right of pledge on a share or the establishment of a right of usufruct on a share, the voting right can be allocated to the pledgee or the usufructuary, with due observance of that stipulated in law in the matter.
- 16.4 A right of pledge can be established without the need for acknowledgement by or service on the company. In such cases, Section 3:239 of the Dutch Civil Code is applicable by analogy, but the notification of the pledging by the pledgee referred to in paragraph 3 of said section is replaced with the acknowledgement by or service on the company.
- 16.5 The acknowledgement must be signed with due observance of the regulations on representation pursuant to Article 21.
- 16.6 The voting right attached to shares encumbered by a right of usufruct or pledge will be held by the shareholder. The voting right will be held by the usufructuary or pledge, however, if this is determined at the time of establishment of the usufruct or pledge.
- 16.7 Shareholders who do not have voting rights and usufructuaries and pledgees who do have voting rights also hold the rights which are allocated by law to the holders of depositary receipts for shares in the company issued with the company's cooperation. Usufructuaries and pledgees who do not have voting rights are not entitled to the rights referred to in the previous sentence.

CHAPTER VII. THE BOARD OF DIRECTORS.

Article 17. Board of Directors.

- 17.1 Management of the company will be carried out by a Board of Directors consisting of one or

more members.

17.2 The number of members of the Board of Directors is determined by the General Meeting.

Article 18. Appointment, suspension and dismissal.

18.1 Directors are appointed by the General Meeting.

18.2 Each member of the Board of Directors is appointed or reappointed for a period of four years, unless otherwise stipulated in the decision to appoint/reappoint the member of the Board of Directors in question.

18.3 The General Meeting can suspend or dismiss a member of the Board of Directors. The General Meeting can only decide to suspend or dismiss a director, other than at the proposal of the Supervisory Board, by an absolute majority of the votes cast, representing more than one third of the subscribed capital.

18.4 The Supervisory Board can suspend a member of the Board of Directors.

18.5 Each suspension can be extended once or multiple times, but cannot last more than a total of three months. After the end of this period, if no decision has been taken by the General Meeting regarding withdrawal of the suspension or dismissal, the suspension will end.

Article 19. Remuneration.

19.1 With due observance of the provisions of Article 2:135 paragraphs 1 and 2 of the Dutch Civil Code, the General Meeting sets the applicable remuneration policy for directors of the company, and determines any changes to this from time to time. The remuneration policy addresses at least the subjects described in Sections 2:383c through 2:383e of the Dutch Civil Code, insofar as these affect the Board of Directors.

19.2 With due observance of the applicable remuneration policy, the Supervisory Board sets the remuneration and the other employment conditions of each of the directors. Regulations relating to the remuneration of directors in the form of shares or rights to subscribe for shares will be put before the General Meeting in advance for approval. The proposal must at least determine how many shares or rights to subscribe for shares may be allocated to the Board of Directors, and which criteria apply to allocation or amendment.

19.3 The lack of approval of the General Meeting does not affect the authorisation to represent of the Supervisory Board on the grounds of Section 19.2.

Article 20. Responsibilities of the Board of Directors. Decision-making. Division of Responsibilities.

20.1 Notwithstanding the restrictions set out in the articles of association, the Board of Directors will be charged with the management of the company. In the fulfilment of their duties, the directors will act in the interests of the company and of the company affiliated with it.

20.2 In all cases in which a member of the Board of Directors has a direct or indirect personal interest which conflicts with the interests of the company and the company affiliated to it, he/she will not take part in the deliberations or the decision making. In such event, the other members of the Board of Directors shall be authorized to adopt the resolution. If all members of the Board of Directors have a conflict of interest as mentioned before, the resolution shall be adopted by the Supervisory Board. If all members of the Supervisory Board also have a direct or indirect personal interest which conflicts with the interests of the company and the company affiliated to it and as a result a resolution cannot be adopted, the preceding sentences shall not apply and all members of the Board of Directors with or without a conflict of interest may participate in the deliberation and decision-making process, but the Board of

Directors shall record in writing the reasons for the resolution.

A member of the Board of Directors who has a personal interest that may potentially conflict with the interest of the company, shall report this to the chairman of the Supervisory Board without delay. If the chairman of the Board of Directors has a conflicting interest as referred to above, he shall notify the other members of the Board of Directors without delay.

- 20.3 The Board of Directors can establish regulations to govern the decision-making of the Board of Directors. These regulations require the approval of the Supervisory Board.
- 20.4 When dividing the responsibilities, the Board of Directors can determine which responsibilities are specifically allocated to each member of the Board of Directors. The division of responsibilities requires the approval of the Supervisory Board.
- 20.5 The Board of Directors may also adopt resolutions without holding a meeting, provided that all directors have been consulted in respect thereof and none of the directors has objected to adopting resolutions in this manner.

Article 21. Representation.

- 21.1 The Board of Directors represents the company. The authorisation to represent is also granted to each member of the Board of Directors individually.
- 21.2 The Board of Directors can appoint officers with general or restricted authorisation to represent.

Each appointment can be withdrawn at any time. Each of these officers represents the company, with due observance of the limits of their authorisation. Their titles are determined by the Board of Directors. A decision of the Board of Directors as referred to in this article is subject to the approval of the Supervisory Board.

Article 22. Approval of decisions of the Board of Directors.

- 22.1 The Board of Directors requires the approval of the General Meeting for the determination of policy proposals (and changes made to them from time to time) relating to the operational and financial objectives of the company, the strategy which should result in the realisation of the objectives and the parameters applicable to the strategy - for example with regard to the financial ratios, and the social aspects of running a business which are relevant to the enterprise.
- 22.2 The General Meeting is also authorised to rule that other decisions of the Board of Directors must be subject to its approval. These decisions must be clearly described and notified to the Board of Directors in writing.
- 22.3 The approval of the General Meeting is required for decisions of the Board of Directors concerning an important change to the identity or character of the company's business operations, including in any event:
- a. transfer of the business or virtually the entire business of the company to a third party;
 - b. entering into and ending a long-term cooperation of the company or a subsidiary with another legal entity or company, or as a fully liable partner in a limited or general partnership, if this cooperation or ending of a cooperation is of significant importance to the company; and
 - c. the taking or disposal by the company or a subsidiary of a participation in the capital of a company with a value of at least one third of the amount of the assets according to the balance sheet with explanatory notes or, if the company draws up a consolidated balance sheet, according to the consolidated balance sheet with explanatory notes according to

the most recent adopted annual accounts of the company.

- 22.4 The lack of approval of the General Meeting for a decision as referred to in this article does not affect the authorisation to represent of the Board of Directors or the directors.

Article 23. Absence or inability to act.

In the event of the absence or inability to act of a member of the Board of Directors, the remaining members or member of the Board of Directors is/are temporarily charged with management of the company. In the event of the absence or inability to act of all members of the Board of Directors or of the sole member, the Supervisory Board is temporarily charged with management of the company, with the authorisation to appoint one or more persons, including but not limited to members of the Supervisory Board, to manage the company temporarily.

If all members of the Board of Directors and the Supervisory Board are absent or prevented from acting, and no person has been appointed who shall temporarily be entrusted with the management of the company, or if such person is unable or unwilling to perform the management of the company temporarily, each shareholder shall be authorized to convene a general meeting for the sole purpose of the appointment of a member of the Board of Directors, or a person who is willing and able to perform the management of the company temporarily.

CHAPTER VIII. SUPERVISORY BOARD.

Article 24. Number of members. Profile.

- 24.1 The company has a Supervisory Board consisting of natural persons. The Supervisory Board consists of at least three members. The Supervisory Board may resolve to dissolve the Supervisory Board by a majority decision. As from the day such resolution is filed with the trade register, the Supervisory Board will cease to exist. If no Supervisory Board is installed, the provisions where the Supervisory Board or members of the Supervisory Board are mentioned do not apply.
- 24.2 The number of members of the Supervisory Board is determined by the Supervisory Board with due observance of the provision in Article 24.1.
- 24.3 The Supervisory Board draws up a profile of its size and composition, taking account of the nature of the business, its activities and the desired expertise and the background of the supervisory directors. The profile will be made generally available, and will be placed on the company's website.

Article 25. Appointment.

- 25.1 Supervisory Directors are appointed by the General Meeting from a list of candidates of one person (or as many more persons as is required by law in order to be binding within the meaning stated below) for each vacancy, to be drawn up by the Supervisory Board. The Supervisory Board will give the Works Council the opportunity, in good time to advise the Supervisory Board regarding the draft list of candidates drawn up by the Supervisory Board, and will not adopt said list of candidates until the Works Council has issued such advice, has given notification that it will not be issuing advice or has not issued advice within the reasonable period given it to do so.
- 25.2 The General Meeting is free in its appointment of a supervisory director in the event that the Supervisory Board has not drawn up a list of candidates within three months of the vacancy coming into being.
- 25.3 A list of candidates drawn up by the Supervisory Board in good time is binding. The General Meeting can, however, remove the binding character of a list of candidates by a decision passed by an absolute majority of the votes cast, representing more than one third of the

subscribed capital.

Article 26. Reasons for recommendation and nomination.

Each recommendation or nomination for appointment or reappointment of a supervisory director will be accompanied by reasons. In the case of reappointment, account will be taken of the manner in which the candidate fulfilled his/her responsibilities as supervisory director.

Article 27. Retirement, suspension and dismissal of supervisory directors.

27.1 The General Meeting can suspend or dismiss a member of the Supervisory Board. The General Meeting can only decide to suspend or dismiss a supervisory director, other than at the proposal of the Supervisory Board, by an absolute majority of the votes cast, representing more than one third of the subscribed capital.

27.2 Each suspension can be extended once or multiple times, but cannot last more than a total of three months. After the end of this period, if no decision has been taken by the General Meeting regarding withdrawal of the suspension or dismissal, the suspension will end.

27.3 Each supervisory director will retire no later than on the day of the first General Meeting of Shareholders held after four years have passed since his/her appointment, unless otherwise determined in the decision to appoint.

27.4 The supervisory directors retire periodically according to a retirement timetable to be drawn up by the Supervisory Board. Any change to this timetable cannot mean that a current supervisory director is forced to step down before the term for which he/she has been appointed has passed.

The retirement timetable will be made generally available, and will be placed on the company's website.

27.5 A retiring supervisory director can be reappointed, on the understanding that a supervisory director can sit on the Supervisory Board for a maximum of three four-year periods.

Article 28. Remuneration.

The remuneration of each member of the Supervisory Board is determined by the General Meeting.

Article 29. Duties and authorisations.

29.1 The Supervisory Board is charged with supervision of the policy of the Board of Directors and of the general course of affairs in the company and in the company affiliated with it. It supports the Board of Directors with advice. In the fulfilment of their duties, the supervisory directors will act in the interests of the company and of the company affiliated with it.

29.2 The Board of Directors must provide the Supervisory Board with the information necessary for the realisation of the duties of the Supervisory Board in good time.

29.3 The Board of Directors will notify the Supervisory Board in writing at least once a year of the main strands of strategic policy, the general and financial risks and the administration and control system of the company.

29.4 The Supervisory Board has access to the buildings and land of the company and is authorised to inspect the books and documentation of the company. The Supervisory Board can appoint one or more of its members or an expert to carry out these authorisations. The Supervisory

Board may also arrange to be assisted by experts.

Article 30. Working method and decision-making

30.1 The Supervisory Board appoints a chairman from among its members, and a deputy chairman, who deputises for the chairman in his/her absence. It appoints a secretary, who may or may not be one of its members, and makes arrangements regarding his/her deputisation.

30.2 In the absence of the chairman and deputy chairman at the meeting, the meeting will appoint a chairman.

30.3 The Supervisory Board meets whenever a supervisory director or the Board of Directors deem necessary.

30.4 Minutes will be taken by the secretary of that discussed in the meeting of the Supervisory Board.

The minutes will be adopted in the same meeting or in a subsequent meeting of the Supervisory Board, and signed by the chairman and the Secretary to indicate their adoption.

30.5 All decisions of the Supervisory Board are taken by an absolute majority of the votes cast. In the event of a tie, the vote of the chairman is decisive.

30.6 The Supervisory Board can only take valid decisions in a meeting if the majority of the supervisory directors are present or represented at that meeting.

30.7 In all cases in which a supervisory director has a direct or indirect interest which personally conflicts with the interests of the company and the company affiliated to it, he/she will not take part in the deliberations or the decision making. In such event, the other members of the Supervisory Board shall be authorized to adopt the resolution. If all members of the Supervisory Board have a conflict of interest as indicated, the resolution shall be adopted by the General Meeting.

A member of the Supervisory Board who has a personal interest that may potentially conflict with the interest of the company, shall report this to the chairman of the Supervisory Board without delay. If the chairman of the Supervisory Board has a conflicting interest as referred to above, he shall notify the other members of the Supervisory Board without delay.

30.8 A supervisory director can be represented by another supervisory director holding a written proxy.

The term 'written proxy' is deemed to mean any authorisation transmitted and received in writing by viable means of communication. A supervisory director cannot act on behalf of more than one other supervisory director.

30.9 The Supervisory Board can also take decisions outside meetings, in writing or by another means, on condition that the proposal in question has been put before all the supervisory directors and none of them have objected to this method of decision-making. Minutes on a decision outside a meeting which is not taken in writing will be drawn up by the secretary of the Supervisory Board and signed by the chairman and the secretary of the Supervisory Board. Written decision-making takes place by means of written statements by all serving supervisory directors.

30.10 All meetings of the Supervisory Board can be held by means of a telephone or video conference, or by a comparable means of communication, on the understanding that all the participating supervisory directors can hear one another. Decisions taken in this way will be included in the minutes.

30.11 The Supervisory Board meets together with the Board of Directors as often as is deemed

necessary by the Supervisory Board or the Board of Directors.

- 30.12 The Supervisory Board draws up regulations governing the division of responsibilities of, how meetings are held by and decision-making of the Supervisory Board. The Supervisory Board will include in the regulations a passage on its dealings with the Board of Directors, the General Meeting and the Works Council. The regulations will be placed on the company's website.

CHPATER IX. ANNUAL ACCOUNTS AND MANAGEMENT REPORT. PROFIT.

Article 31. Financial Year. Annual accounts and management report.

- 31.1 The financial year coincides with the calendar year.
- 31.2 Each year, within four months of the end of the financial year, the Board of Directors will draw up annual accounts and the management report, and make them available for inspection by the shareholders at the company's offices.
- 31.3 The Board of Directors submits the adopted annual accounts together with the management report to the Supervisory Board within the period referred to in Article 31.2.
- 31.4 The annual accounts will be signed by all the directors and the supervisory directors; if the signature of one or more of these is missing, a note will be added to explain this.
- 31.5 The Supervisory Board issues a preliminary advice on the annual account to the General Meeting.
- 31.6 Sections 2:101, 2:102 and Title 9, Book 2 of the Dutch Civil Code are also applicable by analogy to the annual accounts and the management report.

Article 32. Submission to the General Meeting and the Works Council.

- 32.1 The company will ensure that the draft annual accounts, the management report, the preliminary advice and the data to be added pursuant to Section 2:392 paragraph 1 of the Dutch Civil Code are available for inspection at its offices from the moment the annual meeting is called. Shareholders and other persons authorised to do so by law can inspect the documents there at no charge, and can obtain copies of them at no charge.
- 32.2 The General Meeting adopts the annual accounts.
- 32.3 The company must send the adopted annual accounts to the Financial Markets Authority within five days of their adoption. If the annual accounts are not adopted within six months of the end of the financial year, the company will notify the Financial Markets Authority to this effect.

Article 33. Half-yearly financial reporting.

- 33.1 Within two months of the end of the first six months of the financial year, the company will draw up the half-yearly financial report, as referred to in Section 5:25d, paragraph 2 of the Financial Supervision Act, and will make these generally available. These half-yearly financial reports are kept available to the public for a period of at least five years.
- 33.2 If the half-yearly financial report is audited or given a limited assessment by an auditor, the declaration or assessment signed by the auditor will be made generally available, together with the half-yearly financial report.
- 33.3 If the half-yearly financial report has not been audited or given a limited assessment by an auditor, this is stated by the company in its half yearly report.
- 33.4 The half-yearly report, which forms part of the half-yearly financial reporting, must contain at least a summary of key events which have occurred during the first six months of the financial

year in question and the effect of these on the half-yearly accounts, and a description of the main risks and uncertainties for the other six months of the financial year in question. The half-yearly report must also state the key transactions with affiliated parties.

Article 34. Dividend. Reserves.

- 34.1 Each year, the General Meeting determines which share of the profits - the positive balance of the profit and loss account - is to be reserved.
- 34.2 The profit after deduction of reserves in accordance with the previous paragraph is at the disposal of the General Meeting.
- 34.3 If losses are suffered in any year, no dividend will be distributed in that year. Distribution also cannot take place in the subsequent years until the loss has been made good by profit. However, the General Meeting can decide to offset such a loss against the distributable portion of the shareholders' equity or also to set off the distribution of dividend against the distributable portion of the shareholders' equity.
- 34.4 The General Meeting can decide to distribute an interim dividend.
- 34.5 Payments to shareholders are also subject to Sections 2:104 and 2:105 of the Dutch Civil Code.

Article 35. Distributions in shares and against the reserves.

- 35.1 The General Meeting can decide that a distribution of dividend must take place on ordinary shares, not wholly or partly in cash but in shares in the company.
- 35.2 The General Meeting can decide to make distributions to holders of shares against the distributable portion of the shareholders' equity. The provision in Article 35.1 will then apply by analogy.

Article 36. Availability for payment

- 36.1 The availability for payment of dividends and other payments will be announced in accordance with Article 45.
- 36.2 Claims for payment of dividend lapse after a period of five years after the day on which they become available for payment.

CHAPTER X. GENERAL MEETINGS OF SHAREHOLDERS.

Article 37. Annual meeting.

- 37.1 The annual meeting is held annually within six months of the end of the financial year.
- 37.2 The agenda of the meeting must include at least the following items:
 - a. discussion of the management report, with a separate chapter included in it on the corporate governance code as referred to in Section 2:391 paragraph 5 of the Dutch Civil

Code;

- b. discussion and adoption of the annual accounts;
- c. reservation and dividend policy, including policy on setting the profit appropriation;
- d. distribution of dividend;
- e. granting discharge to the members of the Board of Directors;
- f. granting discharge to the members of the Supervisory Board;
- g. filling any vacancies in the Board of Directors of the Supervisory Board, such as appointments of any supervisory directors and giving notification of a proposed appointment of members of the Board of Directors, and any vacancies to be expected in the Supervisory Board;
- h. any other proposals by the Supervisory Board or the Board of Directors, which have been announced with due observance of Article 45, such as in respect of a body which is authorised to issue shares and to grant rights to subscribe to them, and in respect of authorisation of the Board of Directors to acquire shares in the company's own capital, or depositary receipts for them;
- i. any other business proposed by shareholders, with due observance of the provisions set down in law in the matter.

Article 38. Other meetings.

- 38.1 Other General Meetings of Shareholders will be held as often as the Board of Directors or the Supervisory Board deem necessary, without prejudice to the provisions in Sections 2:110, 2:111 and 2:112 of the Dutch Civil Code.
- 38.2 Within three months of it becoming clear to the Board of Directors that the shareholders' equity of the company has decreased to an amount equal to or lower than half of the paid and called up share of the capital, a General Meeting will be held to discuss any measures which may be needed.

Article 39. Calling meetings. Agenda.

- 39.1 The General Meetings of Shareholders are called by the Supervisory Board, the Board of Directors or a shareholder holding more than fifty per cent (50%) of the issued share capital in accordance with the applicable provisions of the articles of association and Dutch law.
- 39.2 The calling of meetings must take place no later than on the forty-second day before the day of the meeting.
- 39.3 The notice calling the meeting will state the subjects to be discussed, which subjects are for discussion and which points are to be voted on, the location and time of the meeting, the procedure for participation in the meeting by a person holding a written proxy, the address of the company's website, and, if applicable, the procedure for participation in the General Meeting on the exercise of the voting rights by means of an electronic communication method as referred to in Article 43.1, as well as any other opportunities and data stipulated by law, without prejudice to the provisions in Articles 15.5 and 46.2.
- 39.4 The notice calling the meeting must state the requirements for access to the meeting as described in Articles 43.1 and 43.4.
- 39.5 Subjects which are not stated in the notice calling the meeting can be announced at a later

date, with due observance of the term applicable to the calling of meetings, in the manner referred to in Article 45.

- 39.6 Shareholders are entitled to request that the Supervisory Board or the Board of Directors place subjects on the agenda of the General Meeting of Shareholders, on condition that they represent, individually or jointly, at least one percent (1%) of the subscribed capital.
- 39.7 A subject, discussion of which has been requested in writing by one or more shareholders who are authorised to do so on the grounds of Article 39.6, will be included in the notice calling the meeting or announced in the same manner if the company has received a request or a proposal for a decision, accompanied by reasons, no later than on the sixtieth day before the day on which the General Meeting of Shareholders will be held.
- 39.8 If a shareholder has requested that a subject be placed on the agenda, he/she will explain this at the meeting and, if necessary, answer questions on it.
- 39.9 The term shareholders in this article includes the usufructuaries and pledgees who hold the voting rights on the shares.

Article 40. Meeting location.

The General Meetings of Shareholders are held in Uden, Utrecht, 's-Hertogenbosch or Amsterdam.

Article 41. Chairmanship.

- 41.1 The General Meetings of Shareholders will be chaired by the chairman of the Supervisory Board and, in his/her absence, by the deputy chairman of the Supervisory Board; in the absence of the latter, the supervisory directors present will appoint a chairman from among their members. The Supervisory Board can appoint a different chairman for a General Meeting of Shareholders. If no Supervisory Board is installed, the Board of Directors shall appoint a chairman.
- 41.2 If a chairman has not been appointed for a meeting in accordance with Article 41.1, the meeting will choose its own chairman. Up to that moment, the meeting will be chaired by a member of the Board of Directors to be appointed by the Board of Directors.

Article 42. Minutes.

- 42.1 Minutes will be taken of all that discussed in each General Meeting of Shareholders by a secretary appointed by the chairman. The draft minutes/minutes will be made available in writing to the shareholders, at the request of the shareholders, at no charge, within three months of the end of the meeting, after which the shareholders will have three months to respond to the draft minutes/minutes in writing. The minutes will then be adopted by the chairman and the secretary, and signed to show said adoption. In appropriate cases, the chairman can also adopt the minutes without application of the second sentence of this article, and/or shorten the periods referred to in said sentence. The adopted minutes will be placed on the company's website.
- 42.2 The Supervisory Board or the chairman can rule that a notarial record of proceedings must be drawn up of that discussed. The notarial record must be jointly signed by the chairman, and placed on the company's website.

Article 43. Right to attend meetings. Access.

- 43.1 Each shareholder who is entitled to vote and each usufructuary or pledgee of shares who holds the voting right is authorised to attend, speak and exercise the voting right at the General Meeting of Shareholders.
- 43.2 The Board of Directors must be notified in writing of the intention to attend a meeting. This

notification must have been received by the Board of Directors no later than on the day stated by the Board of Directors in the notice calling the meeting. The Board of Directors can decide that the notifications referred to in the first sentence of this article 43.2 can also be exercised by means of an electronic means of communication. In the event that the person entitled to attend a meeting takes part by means of an electronic means of communication, it must be possible for the person entitled to attend the meeting to be identified via the electronic means of communication, for him/her to directly take cognizance of that discussed at the meeting, and to directly exercise the voting right. The person entitled to attend the meeting must then also be able to participate in the discussion via the electronic means of communication. The Board of Directors can set conditions for the use of the electronic means of communication and the manner in which the requirements set in this article must be complied with.

- 43.3 The rights to attend meetings referred to in Article 43.1 can be exercised by a person holding a written proxy, on condition that the written proxy is received by the Board of Directors no later than on the day stated in the notice calling the meeting.
- 43.4 The day to be stated in the notice calling the meeting, as referred to in Articles 43.2 and 43.3 cannot be set earlier than on the seventh day before the day of the meeting.
- 43.5 In the event that the voting right for a share is held by the usufructuary or the pledgee rather than the shareholder, the shareholder is also authorised to attend and speak at the General Meeting of Shareholders, on condition that the Board of Directors has been notified of the intention to attend the meeting, in accordance with Article 43.2. Article 43.3 is applicable by analogy.
- 43.6 For the purposes of voting rights and/or the right to attend meetings, the company will - by analogous application of the provisions of Sections 2:88 and 2:89 of the Dutch Civil Code - also regard as a shareholder any person named in a written declaration from an affiliated institution, subject to the deposit of that declaration at the offices of the company. The notice calling the meeting will state the final day by which this must have taken place. This day cannot be set earlier than the seventh day before the day of the meeting.
- 43.7 The declaration by an affiliated institution referred to in the first sentence of Article 43.6 will only need to state that the shares referred to in the declaration belonged to the collective deposit of the affiliated institution in question at the specific time of registration and that the person referred to in the declaration was a participant in its collective deposit at the specific time of registration. The registration date is the twenty eighth day before the day of the meeting.
- 43.8 Shareholders can only attend and (as far as they hold voting rights) vote at the General Meeting of Shareholders with regard to the shares which are registered to their names on the registration date.
- 43.9 Each share entitles the holder to one vote. The Board of Directors can determine when calling the meeting that the votes cast prior to the General Meeting of Shareholders via electronic means of communication or by letter are deemed equivalent to votes cast during the meeting. The votes cannot be cast before the registration date referred to in Article 43.7. A shareholder who has voted by electronic means prior to the General Meeting of Shareholders remains entitled to participate in and speak at the General Meeting of Shareholders, in person or through a person holding a written proxy. A vote that has been cast cannot be revoked.
- 43.10 Each person entitled to vote, or his/her representative, must sign the attendance list, including by electronic means, as appropriate.
- 43.11 The members of the Supervisory Board and the members of the Board of Directors have an advisory role in the General Meeting of Shareholders. The accountant instructed to audit the annual accounts is also authorised to attend and speak at the General Meeting of

Shareholders which will decide on adoption of the annual accounts.

- 43.12 The chairman decides whether persons other than those specified in this article 43 will be admitted to the meeting.
- 43.13 Shareholders may also adopt resolutions without convening a General Meeting, provided that all persons with meeting rights consent to this decision-making process. This consent may be given by electronic means.

The votes shall be cast in writing or by use of electronic means. This requirement is also met if the resolution is recorded in writing or electronically, stating the voting method of each person entitled to vote.

Prior to the decision-making process, the directors and supervisory directors shall have the opportunity to give advice.

Article 44. Votes.

- 44.1 All decisions will be taken by an absolute majority of the valid votes cast, except where a larger majority is required by law or by the articles of association.
- 44.2 In the case of votes on persons, if no person has obtained an absolute majority, a second free vote will be held. If again no candidate has secured the absolute majority in the second vote, repeat votes will be held until one person secures the absolute majority or the votes are tied in a vote between two people. In such repeat votes - not including the second free vote - the vote will be held between the people voted on in the previous vote, except for the person who secured the least number of votes. If the lowest number of votes in the previous vote was secured by more than one person, lots will be drawn to decide which of these persons cannot take part in the new vote. In the event of a tie in a vote between two people, lots will be drawn to decide which of them is elected.
- 44.3 In the event of a tie in a vote other than an election of persons, the proposal is rejected.
- 44.4 All voting will be by a show of hands or digitally. The chairman can determine, however, that voting will take place by secret ballot. In the case of an election of persons, the holders of voting rights present can request that voting take place by written ballot. Written ballots are taken by means of sealed, unsigned ballots.
- 44.5 Blank ballots and spoiled ballots are deemed not to have been cast.
- 44.6 Voting by acclamation is possible if none of the holders of voting rights present object to it.
- 44.7 The General Meeting of Shareholders is also subject to the provisions in Sections 2:13 and 2:117 of the Dutch Civil Code.

Article 45. Notices calling meetings and notifications.

- 45.1 Notices calling General Meetings of Shareholders shall take place in accordance with the relevant provisions of law. Notifications relating to dividend and other payments and other notifications to shareholders will take place on the company's website.
- 45.2 The term shareholders in Article 45.1 includes the usufructuaries and pledgees who hold the voting rights on the shares.

CHAPTER XI. AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND CONVERSION; LEGAL

MERGER AND DEMERGER; DISSOLUTION AND LIQUIDATION.

Article 46. Amendments to the articles of association and Conversion.

- 46.1 The General Meeting is authorised to amend these articles of association.
- 46.2 If it is intended to amend the articles of association, this must be stated at all times in the notice calling a General Meeting of Shareholders. A notarial deed will be drawn up of any amendments to these articles of association.
- 46.3 The company can convert to another legal form. A conversion requires a resolution to convert, taken by the General Meeting, and a resolution to amend the articles of association. A conversion is also subject to the appropriate provisions of Book 2 of the Dutch Civil Code. Conversion does not end the existence of the legal entity.

Article 47. Legal merger and legal demerger.

- 47.1 The company can enter into a legal merger with one or more other legal entities. The decision to merge the company is taken by the General Meeting. In the cases referred to in Section 2:331 of the Dutch Civil Code, however, the decision to merge can be taken by the Board of Directors.
- 47.2 The company can be a party in a legal demerger. A legal demerger is deemed to mean both a pure demerger and a hive-off. The decision to demerge in the company is taken by the General Meeting. In the cases referred to in Section 2:334ff of the Dutch Civil Code, however, the decision to demerge can be taken by the Board of Directors.
- 47.3 Legal mergers and legal demergers are also subject to the appropriate provisions of Book 2, Title 7 of the Dutch Civil Code.

Article 48. Dissolution and liquidation.

- 48.1 The General Meeting can decide to dissolve the company. When it's proposed to dissolve the company in a General Meeting of Shareholders, this must be stated in the notice calling the meeting.
- 48.2 In the event of dissolution of the company by virtue of a decision of the General Meeting, the members of the Board of Directors are charged with liquidation of the company's affairs, and the Supervisory Board is charged with supervision thereof. The General Meeting can decide to appoint one or more other persons as liquidators.
- 48.3 During the liquidation, the provisions of the articles of association will remain in effect as much as possible.
- 48.4 That which remains after settlement of the debts of the dissolved company will be handed over to the shareholders in proportion to the total amount of each shareholder's shares.
- 48.5 The provisions of Title 1, Book 2 of the Dutch Civil Code will also apply to the liquidation by analogy.

12.2. Articles of Association following Delisting

CHAPTER I.

Article 1. Definition of terms.

The following terms are defined as follows in these articles of association:

- a. '**share**': a share in the capital of the company;
- b. '**shareholder**' a holder of one or more shares;
- c. '**accountant**': a chartered or other accountant as referred to in Section 2:393 of the Dutch Civil Code, or an organisation in which such accountants work together;
- d. '**General Meeting**': the body formed by shareholders with voting rights, and pledgees and usufructuaries with voting rights;
- e. '**the General Meeting of Shareholders**': the meeting of shareholders and other persons entitled to attend meetings;
- f. '**depository receipts**': depository receipts for shares issued by the company;
- g. '**subsidiary**': a subsidiary of the company as referred to in Section 2:24a of the Dutch Civil Code;
- h. '**group company**': a group company as referred to in Section 2:24b of the Dutch Civil Code;
- i. '**Annual General Meeting**': the General Meeting of Shareholders which discusses and adopts the annual accounts and management report;
- j. '**written**': legible and reproducible message sent by letter, fax or email, or by other electronic means, on condition that the identity of the sender can be determined with sufficient certainty;

CHAPTER II. NAME, REGISTERED OFFICE AND OBJECT.

Article 2. Name and registered office.

2.1 The company bears the name: **Beter Bed Holding B.V.**

2.2 The company has its registered office in Uden.

Article 3. Object

The object of the company is: the participation in and realisation of the trade in and manufacture of consumer durables, in particular beds, bedroom furniture and related accessories, as well as the participation in, management of and financing of other enterprises and companies and providing security for debts of others, and all that which may be related or beneficial to this, all in the broadest sense of the word.

CHAPTER III. CAPITAL AND SHARES. GLOBAL CERTIFICATE. REGISTER OF SHAREHOLDERS

Article 4. Capital.

The shares capital of the company can consist of one (1) or more shares, each of two euro cents

(EUR 0.02).

Article 5. Depositary receipts for shares.

Meeting rights are not attached to depositary receipts.

Article 6. Registered shares

The shares shall be registered shares. The shares shall be numbered consecutively from 1 onwards. No share certificates shall be issued for shares. The Board of Directors is authorised to determine the numbering of the shares.

Article 7. Shareholders' Register.

- 7.1 The Board of Directors will maintain a register listing the names and addresses of all holders of shares.
- 7.2 Each holder of one or more shares and each person with a right of usufruct or pledge on one or more of such shares is required to notify the company in writing of his/her address.
- 7.3 All entries and notes in the register will be signed by a director or a person authorised to do so by a director.
- 7.4 If a shareholder notifies the company of an electronic address to record this address in the register of shareholders, this address shall then be considered to be recorded for the purpose of receiving all notifications, announcements and statements as well as convocations for general meetings by electronic means, should the company choose to send out such notifications, announcements and statements. A notice sent by electronic means must be legible and reproducible. Shareholders cannot demand the company to send out notifications, announcements or statements, unless prescribed by Dutch law or these articles of association.
- 7.5 Extracts from the register are not tradeable.

CHAPTER IV. ISSUE OF SHARES.

Article 8. Authorised body. Payment for shares.

- 8.1 Shares shall be issued pursuant to a resolution of the General Meeting.
- 8.2 The resolution to issue shares contains the price and further terms of issue.
- 8.3 Article 8.1 shall apply mutatis mutandis to the granting of rights to subscribe for shares, but does not apply to the issue of shares to a party exercising a previously acquired right to subscribe for shares.
- 8.4 Subject to section 2:191 paragraph 1 of the Dutch Civil Code, second sentence, the nominal value of each share must be paid up upon subscription.
- 8.5 The Board of Directors is authorised, with the prior approval of the General Meeting, to perform legal acts within the meaning of section 2:204 paragraph 1 of the Dutch Civil Code.

Article 9. Conditions of issue. Preferential right.

- 9.1 When resolving to issue shares the Board of Directors shall lay down the price and further conditions of such issue. The Board of Directors may resolve to issue shares to both shareholders and third parties, entirely or partly at the expense of a freely distributable reserve of the company.
- 9.2 Subject to the provisions of section 2:206a of the Dutch Civil Code, each holder of shares

shall, have a preferential right in proportion to the aggregate value of his shares.

- 9.3 Preferential rights may at any time be limited or excluded in relation to a particular issue of shares, by a resolution adopted by the General Meeting.

CHAPTER V. SHARES HELD BY THE COMPANY IN ITS OWN CAPITAL, AND DEPOSITORY RECEIPTS FOR THEM. REDUCTION OF THE SUBSCRIBED CAPITAL.

Article 10. Shares held by the company in its own capital, and depository receipts for them.

- 10.1 Subject to Dutch law, and after prior approval of the Supervisory Board, the Board of Directors may cause the company to acquire fully paid-up shares in its own capital for consideration.
- 10.2 The company is not entitled to any distributions from shares in its own capital. In the calculation of the distribution of profits, the shares as referred to in the previous sentence shall be disregarded unless said shares are subject to a right of pledge on such shares if the pledgee is entitled to the distributions on the shares or a right of usufruct has been vested for the benefit of a party other than the company.
- 10.3 No vote may be cast at the general meeting for shares held by the company or by a subsidiary of the company. However, usufructuaries or pledgees of shares that belong to the company or a subsidiary of the company shall not be excluded from exercising their right to vote if the right of usufruct or pledge was created before the shares belonged to the company or a subsidiary of the company. The company or a subsidiary of the company cannot cast a vote for a share on which it has a right of usufruct or pledge. In determining the extent to which the shareholders vote, are present or represented, or the extent to which the share capital is provided or represented, the shares on which, by the articles of association or by Dutch law, no vote may be cast shall not be taken into account.
- 10.4 The term shares as used in this article 10 shall include depository receipts of shares.
- 10.5 After the acquisition of its own shares at least one share with voting rights shall be held by and on behalf of someone other than the company or one of the subsidiaries of the company.

Article 11. Capital reduction.

- 11.1 The General Meeting can decide to reduce the subscribed capital:
- a. by means of cancellation of shares; or
 - b. by reducing the amount of the shares by means of an amendment to the articles of association.
- 11.2 Dutch law applies to a resolution to reduce the issued capital and its implementation.
- 11.3 After the cancellation of shares at least one share with voting rights should be held by and on behalf of someone other than the company or one of the subsidiaries of the company.

CHAPTER VI. TRANSFER OF REGISTERED SHARES. RESTRICTED RIGHTS.

Article 12. Transfer. Usufruct. Right of Pledge. Joint ownership.

- 12.1 The issue and transfer of a share, or the transfer or waiver of a limited right to a share, require a deed which has been executed before a civil-law notary practising in the Netherlands and to which all persons involved are a party.
- 12.2 The transfer of a share, or the transfer or waiver of a limited right to a share, in accordance with the provisions of article 12.1 shall also, by operation of Dutch law, be legally binding on the company. Except in the event that the company itself is a party to the legal transaction, the

rights accruing to the share may not be exercised until the company has either acknowledged this legal transaction or has been served with the deed of transfer in accordance with Dutch law.

- 12.3 No restriction as referred to in section 2:195 paragraph 1 of the Dutch Civil Code is applicable on the transfer of shares.
- 12.4 A shareholder will have the right to vote in respect of shares on which a right of usufruct or a right of pledge is established, unless such has been determined otherwise upon the creation of such right. A shareholder who is not entitled to vote and a usufructuary or pledgee who is entitled to vote, will have the rights conferred by Dutch law to holders of depositary receipts.
- 12.5 A shareholder will be entitled to the rights served to acquire shares, resulting from the share.
- 12.6 If one or more shares or a usufruct in or pledge on one or more shares are jointly held by two or more persons, the Board of Directors may decide that the joint owners thereof shall only be represented vis-à-vis the company by one person jointly designated by them in writing. In the absence of such designation, all rights attached to the relevant shares shall be suspended, except the right to receive distributions, which will be made to one of the joint owners at the option of the company. The Board of Directors may grant an exemption for the requirement of the previous sentence, including but not limited regarding to shares that are kept in custody by a securities clearing or settlement institution acting as such in the ordinary course of its business. The Board of Directors may determine the conditions of such exemption.

CHAPTER VII. THE BOARD OF DIRECTORS.

Article 13. Board of Directors.

- 13.1 Management of the company will be carried out by a Board of Directors consisting of one or more members.
- 13.2 The number of members of the Board of Directors is determined by the General Meeting.

Article 14. Appointment, suspension and dismissal.

- 14.1 Directors are appointed by the General Meeting.
- 14.2 Each member of the Board of Directors is appointed or reappointed for a period of four years, unless otherwise stipulated in the decision to appoint/reappoint the member of the Board of Directors in question.
- 14.3 The General Meeting can suspend or dismiss a member of the Board of Directors. The General Meeting can only decide to suspend or dismiss a director, other than at the proposal of the Supervisory Board, by an absolute majority of the votes cast, representing more than one third of the subscribed capital.
- 14.4 The Supervisory Board can suspend a member of the Board of Directors.
- 14.5 Each suspension can be extended once or multiple times, but cannot last more than a total of three months. After the end of this period, if no decision has been taken by the General Meeting regarding withdrawal of the suspension or dismissal, the suspension will end.

Article 15. Remuneration.

The remuneration of each member of the Board of Directors shall be determined by the General Meeting.

Article 16. Responsibilities of the Board of Directors. Decision-making. Division of

Responsibilities.

- 16.1 Notwithstanding the restrictions set out in the articles of association, the Board of Directors will be charged with the management of the company. In the fulfilment of their duties, the directors will act in the interests of the company and of the company affiliated with it.
- 16.2 In all cases in which a member of the Board of Directors has a direct or indirect personal interest which conflicts with the interests of the company and the company affiliated to it, he/she will not take part in the deliberations or the decision making. In such event, the other members of the Board of Directors shall be authorized to adopt the resolution. If all members of the Board of Directors have a conflict of interest as mentioned before, the resolution shall be adopted by the Supervisory Board. If all members of the Supervisory Board have a conflict of interest as indicated, the resolution shall be adopted by the General Meeting.
- 16.3 A member of the Board of Directors who has a personal interest that may potentially conflict with the interest of the company, shall report this to the chairman of the Supervisory Board without delay. If the chairman of the Board of Directors has a conflicting interest as referred to above, he shall notify the other members of the Board of Directors without delay.
- 16.4 The Board of Directors can establish regulations to govern the decision-making of the Board of Directors. These regulations require the approval of the Supervisory Board.
- 16.5 When dividing the responsibilities, the Board of Directors can determine which responsibilities are specifically allocated to each member of the Board of Directors. The division of responsibilities requires the approval of the Supervisory Board.
- 16.6 The Board of Directors may also adopt resolutions without holding a meeting, provided that all directors have been consulted in respect thereof and none of the directors has objected to adopting resolutions in this manner.

Article 17. Representation.

- 17.1 The Board of Directors represents the company. The authorisation to represent is also granted to each member of the Board of Directors individually.
- 17.2 The Board of Directors can appoint officers with general or restricted authorisation to represent.

Each appointment can be withdrawn at any time. Each of these officers represents the company, with due observance of the limits of their authorisation. Their titles are determined by the Board of Directors. A decision of the Board of Directors as referred to in this article is subject to the approval of the Supervisory Board.

Article 18. Approval of decisions of the Board of Directors.

- 18.1 The Board of Directors requires the approval of the General Meeting for the determination of policy proposals (and changes made to them from time to time) relating to the operational and financial objectives of the company, the strategy which should result in the realisation of the objectives and the parameters applicable to the strategy - for example with regard to the financial ratios, and the social aspects of running a business which are relevant to the enterprise.
- 18.2 The General Meeting is also authorised to rule that other decisions of the Board of Directors must be subject to its approval. These decisions must be clearly described and notified to the Board of Directors in writing.
- 18.3 The lack of approval of the General Meeting for a decision as referred to in this article does

not affect the authorisation to represent of the Board of Directors or the directors.

Article 19. Absence or inability to act.

In the event of the absence or inability to act of a member of the Board of Directors, the remaining members or member of the Board of Directors is/are temporarily charged with management of the company. In the event of the absence or inability to act of all members of the Board of Directors or of the sole member, the Supervisory Board is temporarily charged with management of the company, with the authorisation to appoint one or more persons, including but not limited to members of the Supervisory Board, to manage the company temporarily.

If all members of the Board of Directors and the Supervisory Board are absent or prevented from acting, and no person has been appointed who shall temporarily be entrusted with the management of the company, or if such person is unable or unwilling to perform the management of the company temporarily, each shareholder shall be authorized to convene a general meeting for the sole purpose of the appointment of a member of the Board of Directors, or a person who is willing and able to perform the management of the company temporarily.

CHAPTER VIII. SUPERVISORY BOARD.

Article 20. Number of members. Profile.

- 20.1 The company has a Supervisory Board consisting of natural persons. The Supervisory Board consists of at least three members. The Supervisory Board may resolve to dissolve the Supervisory Board by a majority decision. As from the day such resolution is filed with the trade register, the Supervisory Board will cease to exist. If no Supervisory Board is installed, the provisions where the Supervisory Board or members of the Supervisory Board are mentioned do not apply.
- 20.2 The number of members of the Supervisory Board is determined by the Supervisory Board with due observance of the provision in Article 20.1.
- 20.3 The Supervisory Board draws up a profile of its size and composition, taking account of the nature of the business, its activities and the desired expertise and the background of the supervisory directors. The profile will be made generally available, and will be placed on the company's website.

Article 21. Appointment.

- 21.1 Supervisory Directors are appointed by the General Meeting from a list of candidates of one person (or as many more persons as is required by law in order to be binding within the meaning stated below) for each vacancy, to be drawn up by the Supervisory Board. The Supervisory Board will give the Works Council the opportunity, in good time to advise the Supervisory Board regarding the draft list of candidates drawn up by the Supervisory Board, and will not adopt said list of candidates until the Works Council has issued such advice, has given notification that it will not be issuing advice or has not issued advice within the reasonable period given it to do so.
- 21.2 The General Meeting is free in its appointment of a supervisory director in the event that the Supervisory Board has not drawn up a list of candidates within three months of the vacancy coming into being.
- 21.3 A list of candidates drawn up by the Supervisory Board in good time is binding. The General Meeting can, however, remove the binding character of a list of candidates by a decision passed by an absolute majority of the votes cast, representing more than one third of the

subscribed capital.

Article 22. Reasons for recommendation and nomination.

Each recommendation or nomination for appointment or reappointment of a supervisory director will be accompanied by reasons. In the case of reappointment, account will be taken of the manner in which the candidate fulfilled his/her responsibilities as supervisory director.

Article 23. Retirement, suspension and dismissal of supervisory directors.

23.1 The General Meeting can suspend or dismiss a member of the Supervisory Board. The General Meeting can only decide to suspend or dismiss a supervisory director, other than at the proposal of the Supervisory Board, by an absolute majority of the votes cast, representing more than one third of the subscribed capital.

23.2 Each suspension can be extended once or multiple times, but cannot last more than a total of three months. After the end of this period, if no decision has been taken by the General Meeting regarding withdrawal of the suspension or dismissal, the suspension will end.

23.3 Each supervisory director will retire no later than on the day of the first General Meeting of Shareholders held after four years have passed since his/her appointment, unless otherwise determined in the decision to appoint.

23.4 The supervisory directors retire periodically according to a retirement timetable to be drawn up by the Supervisory Board. Any change to this timetable cannot mean that a current supervisory director is forced to step down before the term for which he/she has been appointed has passed.

The retirement timetable will be made generally available, and will be placed on the company's website.

23.5 A retiring supervisory director can be reappointed, on the understanding that a supervisory director can sit on the Supervisory Board for a maximum of three four-year periods.

Article 24. Remuneration.

The remuneration of each member of the Supervisory Board is determined by the General Meeting.

Article 25. Duties and authorisations.

25.1 The Supervisory Board is charged with supervision of the policy of the Board of Directors and of the general course of affairs in the company and in the company affiliated with it. It supports the Board of Directors with advice. In the fulfilment of their duties, the supervisory directors will act in the interests of the company and of the company affiliated with it.

25.2 The Board of Directors must provide the Supervisory Board with the information necessary for the realisation of the duties of the Supervisory Board in good time.

25.3 The Board of Directors will notify the Supervisory Board in writing at least once a year of the main strands of strategic policy, the general and financial risks and the administration and control system of the company.

25.4 The Supervisory Board has access to the buildings and land of the company and is authorised to inspect the books and documentation of the company. The Supervisory Board can appoint one or more of its members or an expert to carry out these authorisations. The Supervisory

Board may also arrange to be assisted by experts.

Article 26. Working method and decision-making

26.1 The Supervisory Board appoints a chairman from among its members, and a deputy chairman, who deputises for the chairman in his/her absence. It appoints a secretary, who may or may not be one of its members, and makes arrangements regarding his/her deputisation.

26.2 In the absence of the chairman and deputy chairman at the meeting, the meeting will appoint a chairman.

26.3 The Supervisory Board meets whenever a supervisory director or the Board of Directors deem necessary.

26.4 Minutes will be taken by the secretary of that discussed in the meeting of the Supervisory Board.

The minutes will be adopted in the same meeting or in a subsequent meeting of the Supervisory Board, and signed by the chairman and the Secretary to indicate their adoption.

26.5 All decisions of the Supervisory Board are taken by an absolute majority of the votes cast. In the event of a tie, the vote of the chairman is decisive.

26.6 The Supervisory Board can only take valid decisions in a meeting if the majority of the supervisory directors are present or represented at that meeting.

26.7 In all cases in which a supervisory director has a direct or indirect interest which personally conflicts with the interests of the company and the company affiliated to it, he/she will not take part in the deliberations or the decision making. In such event, the other members of the Supervisory Board shall be authorized to adopt the resolution. If all members of the Supervisory Board have a conflict of interest as indicated, the resolution shall be adopted by the general meeting.

A member of the Supervisory Board who has a personal interest that may potentially conflict with the interest of the company, shall report this to the chairman of the Supervisory Board without delay. If the chairman of the Supervisory Board has a conflicting interest as referred to above, he shall notify the other members of the Supervisory Board without delay.

26.8 A supervisory director can be represented by another supervisory director holding a written proxy.

The term 'written proxy' is deemed to mean any authorisation transmitted and received in writing by viable means of communication. A supervisory director cannot act on behalf of more than one other supervisory director.

26.9 The Supervisory Board can also take decisions outside meetings, in writing or by another means, on condition that the proposal in question has been put before all the supervisory directors and none of them have objected to this method of decision-making. Minutes on a decision outside a meeting which is not taken in writing will be drawn up by the secretary of the Supervisory Board and signed by the chairman and the secretary of the Supervisory Board. Written decision-making takes place by means of written statements by all serving supervisory directors.

26.10 All meetings of the Supervisory Board can be held by means of a telephone or video conference, or by a comparable means of communication, on the understanding that all the participating supervisory directors can hear one another. Decisions taken in this way will be included in the minutes.

26.11 The Supervisory Board meets together with the Board of Directors as often as is deemed

necessary by the Supervisory Board or the Board of Directors.

- 26.12 The Supervisory Board draws up regulations governing the division of responsibilities of, how meetings are held by and decision-making of the Supervisory Board. The Supervisory Board will include in the regulations a passage on its dealings with the Board of Directors, the works council of the Company and the General Meeting. The regulations will be placed on the company's website.

CHAPTER IX. ANNUAL ACCOUNTS AND MANAGEMENT REPORT. PROFIT.

Article 27. Financial Year. Annual accounts and management report.

- 27.1 The financial year coincides with the calendar year.
- 27.2 Each year, within four months of the end of the financial year, the Board of Directors will draw up annual accounts and the management report, and make them available for inspection by the shareholders at the company's offices.
- 27.3 The Board of Directors submits the adopted annual accounts together with the management report to the Supervisory Board within the period referred to in Article 27.2.
- 27.4 The annual accounts will be signed by all the directors and the supervisory directors; if the signature of one or more of these is missing, a note will be added to explain this.
- 27.5 The Supervisory Board issues a preliminary advice on the annual account to the General Meeting.
- 27.6 Section 2:212 and Title 9, Book 2 of the Dutch Civil Code are also applicable by analogy to the annual accounts and the management report.

Article 28. Submission to the General Meeting

- 28.1 The company will ensure that the draft annual accounts, the management report, the preliminary advice and the data to be added pursuant to Section 2:392 paragraph 1 of the Dutch Civil Code are available for inspection at its offices from the moment the annual meeting is called. Shareholders and other persons authorised to do so by law can inspect the documents there at no charge, and can obtain copies of them at no charge.
- 28.2 The General Meeting adopts the annual accounts.

Article 29. Dividend. Reserves.

- 29.1 The General Meeting is authorized to appropriate the profits which have been determined by adopting the annual accounts, and to determine distributions, to the extent the equity of the company exceeds the reserves which must be maintained under Dutch law.
- 29.2 In calculating the profits available for distribution, the shares held by the company in its own capital are not counted, unless said shares are subject to a right of pledge on such shares if the pledgee is entitled to the distributions on the shares or a right of usufruct for the benefit of a party other than the company.
- 29.3 If losses are suffered in any year, no dividend will be distributed in that year. Distribution also cannot take place in the subsequent years until the loss has been made good by profit. However, the General Meeting can decide, on the basis of a proposal by the Board of Directors, to offset such a loss against the distributable portion of the shareholders' equity or also to set off the distribution of dividend against the distributable portion of the shareholders'

equity.

- 29.4 The General Meeting can decide to distribute an interim dividend.
- 29.5 The General Meeting is authorized to determine distributions from a share premium reserve, profit reserve or other reserve.
- 29.6 The Board of Directors may determine that a distribution on shares shall be made payable either in euro or in another currency or a distribution will be made in kind.
- 29.7 The Board of Directors may decide that a distribution on shares shall not or not entirely be made in cash but other than in cash, including, without limitation, in the form of shares, or decide that shareholders shall be given the option to receive the distribution either in cash or other than in cash. The Board of Directors may determine the conditions under which such option can be given to the shareholders.
- 29.8 Any claim a shareholder may have to a distribution shall lapse after five years, to be calculated from the date following the date on which such dividend has become payable.

CHAPTER X. GENERAL MEETINGS OF SHAREHOLDERS.

Article 30. Annual meeting.

- 30.1 The annual meeting is held annually within the time limits set thereto by Dutch law.
- 30.2 Without prejudice to the applicable statutory provisions, the agenda of this meeting shall contain, the following subjects:
- a. to discuss the written management report of the Board of Directors with regard to the company's affairs and the conducted management;
 - b. the adoption of the annual accounts;
 - c. the allocation of the profits with due observance of these articles of association;
 - d. the filling of any vacancies;
 - e. the release from liability of the Board of Directors for its management conducted during the past financial year; and
 - f. other proposals, which with due regard of these articles of association have been placed on the agenda.

Article 31. Other meetings.

Other General Meetings of Shareholders will be held as often as the Board of Directors or the Supervisory Board deem necessary.

Article 32. Calling meetings. Agenda.

- 32.1 The General Meetings of Shareholders are called by the Supervisory Board, the Board of Directors or a shareholder holding more than fifty per cent (50%) of the issued share capital in accordance with the applicable provisions of the articles of association and Dutch law.
- 32.2 The notice convening a meeting shall be given within the time limits set thereto by Dutch law.
- 32.3 The notice convening a meeting shall state the subjects to be considered and the other

information required by Dutch law and the articles of association.

- 32.4 If persons with meeting rights represent, jointly or individually, at least one percent (1%) of the issued capital, have asked in writing to add one or more items to the agenda of a general meeting, such item(s) will be incorporated in the notice convening the general meeting, provided that:
- a. the company has received the request no later than on the thirtieth (30th) day before the day of the general meeting; and
 - b. addressing the items at the general meeting will not be contrary to the substantial interests of the company.

Article 33. Meeting location.

The General Meetings of Shareholders are held in Uden, Utrecht, 's-Hertogenbosch or Amsterdam.

Article 34. Chairmanship.

- 34.1 The General Meetings of Shareholders will be chaired by the chairman of the Supervisory Board and, in his/her absence, by the deputy chairman of the Supervisory Board; in the absence of the latter, the supervisory directors present will appoint a chairman from among their members. The Supervisory Board can appoint a different chairman for a General Meeting of Shareholders. If no Supervisory Board is installed, the Board of Directors shall appoint a chairman.
- 34.2 If a chairman has not been appointed for a meeting in accordance with Article 34.1, the meeting will choose its own chairman. Up to that moment, the meeting will be chaired by a member of the Board of Directors to be appointed by the Board of Directors.

Article 35. Minutes.

- 35.1 Minutes will be taken of all that discussed in each General Meeting of Shareholders by a secretary appointed by the chairman. The draft minutes/minutes will be made available in writing to the shareholders, at the request of the shareholders, at no charge, within three months of the end of the meeting, after which the shareholders will have three months to respond to the draft minutes/minutes in writing. The minutes will then be adopted by the chairman and the secretary, and signed to show said adoption. In appropriate cases, the chairman can also adopt the minutes without application of the second sentence of this article, and/or shorten the periods referred to in said sentence. The adopted minutes will be placed on the company's website.
- 35.2 The Supervisory Board or the chairman can rule that a notarial record of proceedings must be drawn up of that discussed. The notarial record must be jointly signed by the chairman, and placed on the company's website.

Article 36. Right to attend meetings. Access.

- 36.1 Each shareholder who is entitled to vote and each usufructuary or pledgee of shares who holds the voting right is authorised to attend, speak and exercise the voting right at the General Meeting of Shareholders.
- 36.2 The Board of Directors must be notified in writing of the intention to attend a meeting. This notification must have been received by the Board of Directors no later than on the day stated by the Board of Directors in the notice calling the meeting. The Board of Directors can decide that the notifications referred to in the first sentence of this article 36.2 can also be exercised by means of an electronic means of communication. In the event that the person entitled to attend a meeting takes part by means of an electronic means of communication, it must be possible for the person entitled to attend the meeting to be identified via the electronic means

of communication, for him/her to directly take cognizance of that discussed at the meeting, and to directly exercise the voting right. The person entitled to attend the meeting must then also be able to participate in the discussion via the electronic means of communication. The Board of Directors can set conditions for the use of the electronic means of communication and the manner in which the requirements set in this article must be complied with.

- 36.3 The rights to attend meetings referred to in Article 36.1 can be exercised by a person holding a written proxy, on condition that the written proxy is received by the Board of Directors no later than on the day stated in the notice calling the meeting.
- 36.4 The day to be stated in the notice calling the meeting, as referred to in Articles 36.2 and 36.3 cannot be set earlier than on the seventh day before the day of the meeting.
- 36.5 In the event that the voting right for a share is held by the usufructuary or the pledgee rather than the shareholder, the shareholder is also authorised to attend and speak at the General Meeting of Shareholders, on condition that the Board of Directors has been notified of the intention to attend the meeting, in accordance with Article 36.2. Article 36.3 is applicable by analogy.
- 36.6 Each share entitles the holder to one vote. The Board of Directors can determine when calling the meeting that the votes cast prior to the General Meeting of Shareholders via electronic means of communication or by letter are deemed equivalent to votes cast during the meeting. A shareholder who has voted by electronic means prior to the General Meeting of Shareholders remains entitled to participate in and speak at the General Meeting of Shareholders, in person or through a person holding a written proxy. A vote that has been cast cannot be revoked.
- 36.7 Each person entitled to vote, or his/her representative, must sign the attendance list, including by electronic means, as appropriate.
- 36.8 The members of the Supervisory Board and the members of the Board of Directors have an advisory role in the General Meeting of Shareholders. The accountant instructed to audit the annual accounts is also authorised to attend and speak at the General Meeting of Shareholders which will decide on adoption of the annual accounts.
- 36.9 The chairman decides whether persons other than those specified in this article 36 will be admitted to the meeting.
- 36.10 Shareholders may also adopt resolutions without convening a General Meeting, provided that all persons with meeting rights consent to this decision-making process. This consent may be given by electronic means.

The votes shall be cast in writing or by use of electronic means. This requirement is also met if the resolution is recorded in writing or electronically, stating the voting method of each person entitled to vote.

Prior to the decision-making process, the directors and supervisory directors shall have the opportunity to give advice.

Article 37. Votes.

- 37.1 All decisions will be taken by an absolute majority of the valid votes cast, except where a larger majority is required by law or by the articles of association.
- 37.2 In the case of votes on persons, if no person has obtained an absolute majority, a second free vote will be held. If again no candidate has secured the absolute majority in the second vote, repeat votes will be held until one person secures the absolute majority or the votes are tied in a vote between two people. In such repeat votes - not including the second free vote - the vote will be held between the people voted on in the previous vote, except for the person who

secured the least number of votes. If the lowest number of votes in the previous vote was secured by more than one person, lots will be drawn to decide which of these persons cannot take part in the new vote. In the event of a tie in a vote between two people, lots will be drawn to decide which of them is elected.

- 37.3 In the event of a tie in a vote other than an election of persons, the proposal is rejected.
- 37.4 All voting will be by a show of hands or digitally. The chairman can determine, however, that voting will take place by secret ballot. In the case of an election of persons, the holders of voting rights present can request that voting take place by written ballot. Written ballots are taken by means of sealed, unsigned ballots.
- 37.5 Blank ballots and spoiled ballots are deemed not to have been cast.
- 37.6 Voting by acclamation is possible if none of the holders of voting rights present object to it.
- 37.7 The General Meeting of Shareholders is also subject to the provisions in Sections 2:13 and 2:227 of the Dutch Civil Code.

Article 38. Notices calling meetings and notifications.

- 38.1 Notices calling General Meetings of Shareholders shall take place in accordance with the relevant provisions of law. Notifications relating to dividend and other payments and other notifications to shareholders will take place on the company's website.
- 38.2 The term shareholders in Article 38.1 includes the usufructuaries and pledgees who hold the voting rights on the shares.

CHAPTER XI. AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND CONVERSION; LEGAL MERGER AND DEMERGER; DISSOLUTION AND LIQUIDATION.

Article 39. Amendments to the articles of association and Conversion.

- 39.1 The General Meeting is authorised to amend these articles of association.
- 39.2 The full proposal to amend the articles of association shall be stated in the convocation for the General Meeting of Shareholders. A notarial deed will be drawn up of any amendments to these articles of association.
- 39.3 The company can convert to another legal form. A conversion requires a resolution to convert, taken by the General Meeting, and a resolution to amend the articles of association. A conversion is also subject to the appropriate provisions of Book 2 of the Dutch Civil Code. Conversion does not end the existence of the legal entity.

Article 40. Legal merger and legal demerger.

- 40.1 The company can enter into a legal merger with one or more other legal entities. The decision to merge the company is taken by the General Meeting. In the cases referred to in Section 2:331 of the Dutch Civil Code, however, the decision to merge can be taken by the Board of Directors.
- 40.2 The company can be a party in a legal demerger. A legal demerger is deemed to mean both a pure demerger and a hive-off. The decision to demerge in the company is taken by the General Meeting. In the cases referred to in Section 2:334ff of the Dutch Civil Code, however, the decision to demerge can be taken by the Board of Directors.
- 40.3 Legal mergers and legal demergers are also subject to the appropriate provisions of Book 2,

Title 7 of the Dutch Civil Code.

Article 41. Dissolution and liquidation.

- 41.1 The General Meeting can decide to dissolve the company.
- 41.2 In the event of dissolution of the company by virtue of a decision of the General Meeting, the members of the Board of Directors are charged with liquidation of the company's affairs, and the Supervisory Board is charged with supervision thereof. The General Meeting can decide to appoint one or more other persons as liquidators.
- 41.3 During the liquidation, the provisions of the articles of association will remain in effect as much as possible.
- 41.4 That which remains after settlement of the debts of the dissolved company will be handed over to the shareholders in proportion to the total amount of each shareholder's shares.
- 41.5 The provisions of Title 1, Book 2 of the Dutch Civil Code will also apply to the liquidation by analogy.

13. ADVISERS

13.1. Advisers to the Offeror

Legal adviser

Stibbe N.V.
Beethovenplein 10
1077 WM Amsterdam
The Netherlands

Financial adviser

OXEYE Advisors B.V.
Concertgebouwplein 14
1071 LN Amsterdam
The Netherlands

Communication adviser

Confidant Partners B.V.
De Boelelaan 7
1083 HJ Amsterdam
The Netherlands

13.2. Advisers Co-Investors

Legal adviser to Navitas

Allen & Overy LLP
Apollolaan 15
1077 AB Amsterdam
The Netherlands

Legal adviser to Teslin and
Teslin HoldCo

Clifford Chance LLP
Droogbak 1A
1013 GE Amsterdam
The Netherlands

Legal adviser to De Engh
and Hoogh Blarick

Clifford Chance LLP
Droogbak 1A
1013 GE Amsterdam
The Netherlands

13.3. Advisers to Beter Bed Holding

Legal adviser

De Brauw Blackstone Westbroek
N.V.
Claude Debussylaan 80
1082 MD Amsterdam
The Netherlands

Financial adviser

Coöperatieve Rabobank U.A.
Croeselaan 18
3521 CB Utrecht
The Netherlands

Communication adviser

CFF Communications B.V.
James Wattstraat 100
1097 DM Amsterdam
The Netherlands

Financial adviser to the
Supervisory Board

ABN AMRO Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

14. FINANCIAL INFORMATION BETER BED HOLDING

14.1. Basis for preparation

The selected consolidated financial information of Beter Bed Holding included in Section 14.2 (*Selected consolidated financial information*), comprises summaries of the consolidated balance sheets as at 31 December 2022, 31 December 2021 and 31 December 2020 and summaries of the consolidated profit and loss accounts and consolidated cash flow statements for the financial years then ended. This selected consolidated financial information has been derived from:

- a. the consolidated financial statements of Beter Bed Holding for the financial year ended 31 December 2022, audited by EY.
- b. the consolidated financial statements of Beter Bed Holding for the financial year ended 31 December 2021 (including comparative financial information for the financial year ended 31 December 2020), audited by PwC.

The consolidated financial statements from which the selected consolidated financial information have been derived were prepared in accordance with IFRS and Part 9 of Book 2 DCC.

Reading the selected consolidated financial information is not a substitute for reading the audited consolidated financial statements of Beter Bed Holding for the financial years ended 31 December 2022, 31 December 2021 and 31 December 2020.

Reference is made to the notes to the consolidated financial statements for the financial year ended 31 December 2022 included in 14.5 (*Annual Report 2022 including independent auditor's report of EY*) for a summary of the significant accounting policies of Beter Bed Holding. Refer to "Changes in accounting policies and disclosures" on page 113 of the Annual Report 2022.

The selected consolidated financial information set out in section 14.2 (*Selected consolidated financial information*) is excluding related note disclosures and a description of significant accounting policies. For a better understanding of Beter Bed Holding's financial position, income and cash flows, the selected consolidated financial information should be read in conjunction with the audited consolidated financial statements for the financial years ended 31 December 2022, 31 December 2021 and 31 December 2020, which are available on the website of Beter Bed Holding at <https://www.beterbedholding.com/investor-relations/financial-news/annual-report> and the AFM register of financial reporting.

The financial information included in Section 14.5 (*Annual Report 2022 including independent auditor's report of EY*) includes the financial statements for the financial year 2022, including the independent auditor's report of EY, Beter Bed Holding's independent auditor for the financial year 2022, as published by Beter Bed Holding on 10 March 2023. The financial information included in Section 14.6 (*Unaudited interim financial information for the first half year of the financial year 2023 including independent auditor's review report of EY*) includes the interim financial information regarding the half-year report for the financial year 2023, including the independent auditor's review report of EY, Beter Bed Holding's independent auditor for the financial year 2023.

14.2. Selected consolidated financial information

Comparative overview of consolidated balance sheets as at 31 December 2022, 31 December 2021 and 31 December 2020

Consolidated balance sheet

in thousand €

31-12-2022

31-12-2021

31-12-2020

Non-current assets

Intangible assets	6,792	8,269	10,391
Property, plant and equipment	6,048	3,590	5,512
Right-of-use assets	43,038	49,584	39,613
Deferred tax assets	144	4,456	1,986
Other non-current financial assets	81	117	1,454
Total non-current assets	56,103	66,016	58,956

Current assets

Inventories	27,594	29,998	25,846
Trade receivables	1,851	1,943	2,180
Income tax receivable	1,035	-	284
Other receivables	6,292	5,969	6,673
Cash and cash equivalents	37,695	38,005	21,627
Total current assets	74,467	75,915	56,610
Total assets	130,570	141,931	115,566

in thousand €

31-12-2022

31-12-2021

31-12-2020

Equity

Issued share capital	544	544	525
Share premium	34,401	34,401	27,967
Equity instruments	-	-	3,814
Revaluation reserve	-	-	386
Foreign currency translation reserve	-	-	304
Legal reserves	786	-	-
Other reserves	(6,661)	(17,303)	(25,211)
Retained earnings	5,271	13,897	7,938
Total equity attributable to equity holders of the parent	34,341	31,539	15,723

Liabilities

Non-current liabilities

Lease liabilities	29,819	37,002	28,913
Provisions ¹	553	-	-
Deferred tax liabilities	-	776	841
	30,372	37,778	29,754

Current liabilities

Borrowings	-	-	2,285
Lease liabilities	15,936	15,986	14,859
Trade payables	20,803	24,240	20,604
Income tax payable	-	3,549	3,544
Other taxes and social security contributions	10,421	10,944	11,155
Other liabilities ¹	18,697	17,895	17,642
	65,857	72,614	70,089

Total liabilities

96,229 110,392 99,843

Total equity and liabilities

130,570 141,931 115,566

¹ In the consolidated financial statements for the financial year ended 31 December 2022 provisions are presented separately under non-current liabilities. Up to the financial year ended 31 December 2021 these were presented in other liabilities and not presented separately due to its immaterial amount in relation to the total financial position.

Comparative overview of consolidated profit and loss accounts for the financial years ended 31 December 2022, 31 December 2021 and 31 December 2020

Consolidated profit and loss account

in thousand €	2022 ¹	2021	2020 ²
Continuing operations			
Revenue	229,434	214,222	207,464
Materials and services from third parties	(103,035)	(96,140)	(93,052)
Gross profit	126,399	118,082	114,412
Other income	-	896	-
Personnel expenses	(49,532)	(43,893)	(43,601)
Depreciation, amortisation and impairment	(20,131)	(18,390)	(18,109)
Other operating expenses	(48,052)	(41,894)	(38,762)
Total operating expenses	(117,715)	(104,177)	(100,472)
Operating profit (EBIT)	8,684	14,801	13,940
Finance costs	(882)	(527)	(920)
Profit before tax	7,802	14,274	13,020
Income tax	(2,531)	(1,726)	(3,761)
Net profit from continuing operations	5,271	12,548	9,259
Discontinued operations			
Profit/(loss) after tax from discontinued operations	-	1,349	(1,321)
Net profit	5,271	13,897	7,938
Earnings per share from all operations			
Earnings per share in €	0.19	0.52	0.32
Diluted earnings per share in €	0.19	0.50	0.31
Earnings per share from continuing operations			
Earnings per share in €	0.19	0.47	0.37
Diluted earnings per share in €	0.19	0.45	0.36

¹ The earnings per share from all operations and the earnings per share from continuing operations for the financial year ended 31 December 2022 have been derived from the consolidated statement of comprehensive income in the consolidated financial statements for the financial year ended 31 December 2022.

² The financial information for the financial year ended 31 December 2020 is derived from the comparative financial information as included in the consolidated financial statements for the financial year ended 31 December 2021. In the consolidated financial statements for the financial year ended 31 December 2021, the comparative financial information for financial year ended 31 December 2020 represent the continuing business operations and the discontinued business operations are presented as a single line in line with IFRS 5. The discontinued business operations relate to the Swedish business operations that were disposed per 30 June 2021.

Comparative overview of consolidated cash flow statements for the financial years ended 31 December 2022, 31 December 2021 and 31 December 2020

Consolidated cash flow statement

in thousand €	2022	2021 ¹	2020 ^{1, 2}
Operating activities			
Profit before tax	7,802	14,274	13,020
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
- Net finance costs	882	527	1,762
- Change in provisions	203	-	-
- Income taxes	-	(702)	-
- Cost of share-based compensation	1,609	(207)	341
- Depreciation and impairment of right-of-use assets	14,783	13,223	12,036
- Depreciation and impairment of property, plant and equipment	1,705	2,019	2,943
- Amortisation and impairment of intangible assets	3,643	3,148	3,130
- Book profit on sale-and-leaseback	-	(896)	-
Adjusted operating result for the period	30,627	31,386	33,232
<i>Working capital adjustments:</i>			
- Decrease / (increase) in inventories	2,404	(6,190)	(3,238)
- Decrease / (increase) in trade and other receivables	(231)	(113)	1,600
- Increase / (decrease) in trade and other liabilities	(2,808)	6,360	9,492
Change in working capital	(635)	57	7,854
Guarantees	(29)	128	(162)
Income tax received / (paid)	(3,570)	(3,270)	1,185
Discontinued operations	-	(418)	991
Cash flow from operating activities	26,393	27,883	43,100
Investing activities			
Capital expenditure on purchase of intangible assets	(2,166)	(2,316)	(2,169)
Capital expenditure on purchase of property, plant and equipment	(4,163)	(1,925)	(1,141)
Disposals in fixed assets	-	-	(19)
Proceeds from sale and leaseback	-	3,000	-
Divestment of Swedish operations	-	4,240	-
Other	-	-	(113)
Discontinued operations	-	(87)	(63)
Cash flow from investing activities	(6,329)	2,912	(3,505)

¹ In the consolidated financial statements for the financial year ended 31 December 2022, the cash flow statement starts with profit before tax and has costs of share-based compensation as an adjustment on the operating result for the period. The amounts included in the table above for the financial years ended 31 December 2021 and 31 December 2020 are derived from the consolidated financial statements for the financial year ended 31 December 2021 and aligned with the presentation as included in the consolidated financial statements for the financial year ended 31 December 2022.

² The financial information for financial year ended 31 December 2020 is derived from the comparative financial information as included in the consolidated financial statements for the financial year ended 31 December 2021. In the consolidated financial statements for the financial year ended 31 December 2021, the comparative financial information for financial year ended 31 December 2020 represent the continuing business operations and the discontinued business operations are presented as a single line in line with IFRS 5. The discontinued business operations relate to the Swedish business operations that were disposed per 30 June 2021.

in thousand €	2022	2021 ¹	2020 ^{1, 2}
Financing activities			
Contribution of equity	-	6,453	-
Repayment of equity instruments	-	(4,023)	-
Repayment of borrowings	-	(2,285)	(4,209)
Dividends paid	(4,078)	-	-
Interest paid	(437)	(373)	(448)
Payment lease liabilities	(15,859)	(13,673)	(13,047)
Discontinued operations	-	(535)	(2,110)
Cash flow from financing activities	(20,374)	(14,436)	(19,814)
Movement in cash and cash equivalents	(310)	16,359	19,781
Net foreign exchange difference	-	19	(269)
Opening balance	38,005	21,627	2,115
Closing balance	37,695	38,005	21,627

¹ In the consolidated financial statements for the financial year ended 31 December 2022, the cash flow statement starts with profit before tax and has costs of share-based compensation as an adjustment on the operating result for the period. The amounts included in the table above for the financial years ended 31 December 2021 and 31 December 2020 are derived from the consolidated financial statements for the financial year ended 31 December 2021 and aligned with the presentation as included in the consolidated financial statements for the financial year ended 31 December 2022.

² The financial information for financial year ended 31 December 2020 is derived from the comparative financial information as included in the consolidated financial statements for the financial year ended 31 December 2021. In the consolidated financial statements for the financial year ended 31 December 2021, the comparative financial information for financial year ended 31 December 2020 represent the continuing business operations and the discontinued business operations are presented as a single line in line with IFRS 5. The discontinued business operations relate to the Swedish business operations that were disposed per 30 June 2021.

14.3. Independent auditor's report of EY on the selected consolidated financial information for the financial year ended 31 December 2022

Independent auditor's report on the selected consolidated financial information for the year ended 31 December 2022

To: the shareholders and supervisory board of Beter Bed Holding N.V.

Our opinion

The selected consolidated financial information for the year ended 31 December 2022 of Beter Bed Holding N.V., based in Uden (hereafter the selected consolidated financial information), included in Section 14.2 "Selected consolidated financial information" of this offer memorandum, is derived from the audited consolidated financial statements for the year ended 31 December 2022 of Beter Bed Holding N.V. (hereafter audited consolidated financial statements).

In our opinion, the accompanying selected consolidated financial information is consistent, in all material respects, with the audited consolidated financial statements, on the basis described in Section 14.1 "Basis for preparation" of this offer memorandum.

The selected consolidated financial information comprises summaries of the:

- Consolidated balance sheet as at 31 December 2022
- Consolidated profit and loss account for the year ended 31 December 2022
- Consolidated cash flow statement for the year ended 31 December 2022

Summary financial statements

The selected consolidated financial information does not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union and Part 9 of Book 2 of the Dutch Civil Code. Reading the selected consolidated financial information and our independent auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements of Beter Bed Holding N.V. and our independent auditor's report thereon.

The selected consolidated financial information and the audited consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our independent auditor's report on those financial statements of 9 March 2023.

The audited financial statements and our independent auditor's report thereon

We expressed an unqualified audit opinion on the consolidated financial statements for the year ended 31 December 2022 in our independent auditor's report dated 9 March 2023. Our independent auditor's report also includes communication of materiality, scope of the group audit and key audit matters.

Responsibilities of the management board and the supervisory board for the selected consolidated financial information

The management board is responsible for the preparation of the selected consolidated financial information on the basis as described in Section 14.1 "Basis for preparation" of this offer memorandum.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities

Our responsibility is to express an opinion on whether the selected consolidated financial information is consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which we conducted in accordance with Dutch law, including the Dutch Standard on Auditing 810, “Opdrachten om te rapporteren betreffende samengevatte financiële overzichten” (Engagements to report on summary financial statements).

Rotterdam, 4 October 2023

Ernst & Young Accountants LLP

signed by I.H.G. Hengefeld

14.4. Independent auditor's report of PwC on the selected consolidated financial information for the financial years ended 31 December 2021 and 31 December 2020



Independent auditor's report

To: the shareholders and supervisory board of Beter Bed Holding N.V.

Report on the selected consolidated financial information for 2021 and 2020

Our opinion

In our opinion, the accompanying selected consolidated financial information for the years ended 2021 and 2020 of Beter Bed Holding N.V., Uden (hereafter the selected consolidated financial information) as included in Section 14.2 of this offer memorandum, are consistent, in all material respects, with the audited consolidated financial statements for the years 2021, including comparative financial information for the financial year ended 31 December 2020, in accordance with the basis described in Section 14.1 'Basis for preparation' of this offer memorandum.

The selected consolidated financial information

The selected consolidated financial information, derived from the audited consolidated financial statements for 2021 (including comparative financial information for the financial year ended 31 December 2020), comprise:

- the comparative overview of consolidated balance sheets as at 31 December 2021 and 31 December 2020;
- the comparative overview of consolidated profit and loss accounts for the financial years ended 31 December 2021 and 31 December 2020; and
- the comparative overview of consolidated cash flow statements for the financial years ended 31 December 2021 and 31 December 2020.

The selected consolidated financial information does not contain all the disclosures required by International Financial Reporting Standards, as adopted by the European Union and Part 9 of Book 2 of the Dutch Civil Code. Reading the selected consolidated financial information, therefore, is not a substitute for reading the audited financial statements of Beter Bed Holding N.V. and the auditor's report thereon.

The selected consolidated financial information and the audited consolidated financial statements do not reflect the events that occurred subsequent to the date of our reports on the audited consolidated financial statements.

NLE00027944.1.1

PricewaterhouseCoopers Accountants N.V., Fascinatio Boulevard 350, 3065 WB Rotterdam, Postbus 8800, 3009 AV Rotterdam

T: 088 792 00 10, F: 088 792 95 33, www.pwc.nl

'PwC' is the brand under which PricewaterhouseCoopers Accountants N.V. (Chamber of Commerce 34180285), PricewaterhouseCoopers Belastingadviseurs N.V. (Chamber of Commerce 34180284), PricewaterhouseCoopers Advisory N.V. (Chamber of Commerce 34180287), PricewaterhouseCoopers Compliance Services B.V. (Chamber of Commerce 51414406), PricewaterhouseCoopers Pensions, Actuarial & Insurance Services B.V. (Chamber of Commerce 54226368), PricewaterhouseCoopers B.V. (Chamber of Commerce 34180289) and other companies operate and provide services. These services are governed by General Terms and Conditions ('algemene voorwaarden'), which include provisions regarding our liability. Purchases by these companies are governed by General Terms and Conditions of Purchase ('algemene inkoopvoorwaarden'). At www.pwc.nl more detailed information on these companies is available, including these General Terms and Conditions and the General Terms and Conditions of Purchase, which have also been filed at the Amsterdam Chamber of Commerce.



The audited financial statements and our auditor's reports thereon

We expressed an unqualified audit opinion on the audited consolidated financial statements 2021 in our report dated 10 March 2022, and on the audited consolidated financial statements 2020 in our report dated 11 March 2021. These reports also include the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were most significant in our audit of the audited financial statements of that period.

Responsibilities of the Management Board for the selected consolidated financial information

The Management Board is responsible for the preparation of the selected consolidated financial information on the basis as described in Section 14.1 'Basis for preparation' of this offer memorandum.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Auditor's responsibility

Our responsibility is to express an opinion on whether the selected consolidated financial information is consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which we conducted in accordance with Dutch Law, including the Dutch Standard on Auditing 810, 'Engagements to report on selected financial statements'.

Rotterdam, 4 October 2023
PricewaterhouseCoopers Accountants N.V.

P.J.R.M. Wijffels RA

14.5. Annual Report 2022 including independent auditor's report of EY



BetterBed
holding

Sleep better, live better.

In focus

2022 Annual Report



BBH at a glance

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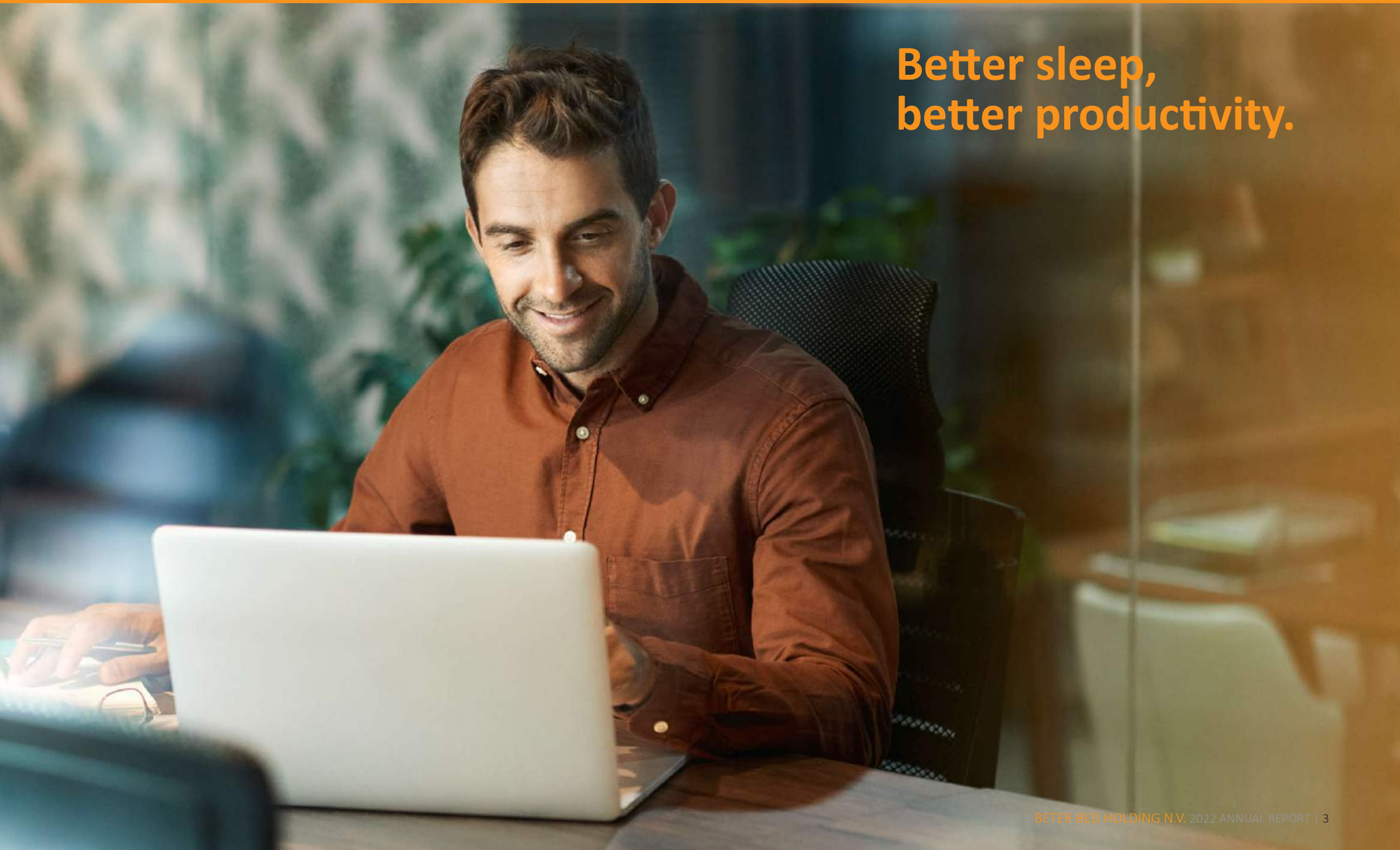
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Beter Bed Holding at a glance (part of the Management report)

**Better sleep,
better productivity.**



Financial key figures



Revenue (in € million)

2022	229.4
2021	214.2

Gross margin

2022	55.1%
2021	55.1%

Online channel share

2022	18.3%
2021	23.4%

EBITDA¹ (In € million)

2022	28.8
2021	33.2

Free Cash Flow² (In € million)

2022	3.8
2021	16.2

Net cash (/debt)³ (In € million)

2022	37.7
2021	38.0

¹ EBITDA is defined as operating profit (EBIT) adjusted for depreciation, amortisation and impairments.

² Free Cash Flow is defined as cash from operating activities less capital expenditures, less payments of lease liabilities and less interest paid.

³ Net cash (/debt) is defined as cash and cash equivalents less interest-bearing debt.

Sustainability key figures



People key figures



Number of employees

2022	1,047
2021	1,084

Number of FTEs

2022	911
2021	937

Age diversity

	<30	30-50	>50
2022	29%	39%	32%
2021	32%	38%	30%

Gender diversity

	♀	♂
2022	44%	56%
2021	44%	56%

Gender diversity Supervisory Board¹

	♀	♂
2022	50%	50%
2021	40%	60%

Gender diversity Management Board²

	♀	♂
2022	50%	50%
2021	50%	50%

¹ Our goal is that the Supervisory Board exists of a minimum of 33% of either gender. In 2022, the Supervisory Board consisted of 2 women and 2 men.

² Our goal is that the Management Board exists of a minimum of 33% of either gender. In 2022, the Management Board consisted of 1 woman and 1 man.

CEO's statement



John Kruijssen, CEO

“In 2022 we ramped up our activities to promote healthy living through better sleep”

Over the last year, our team has made considerable progress in building our businesses, demonstrating resilience, responsibility and resourcefulness at a time marked by challenging macroeconomic circumstances. While the year began with a complete lockdown in the Netherlands, our strategic change in positioning from bedding retailer to sleep specialist continued unabated, which was recognised by customers, and reflected in an increase in market share. We can be pleased that the strength of this strategic transformation translated into solid financial results despite the volatile and challenging global landscape.

From bedding retailer to sleep expert

At Beter Bed Holding (BBH), we have a simple yet highly significant mission: *we believe the better people sleep, the happier, healthier and more productive they are. And we won't rest until everyone gets the high-quality sleep they deserve.* The spirit of this mission is encapsulated in four words – *Sleep better, live better* – which are not only a strategic compass for all that we do, but also a message that connects with and inspires our customers and employees.

From our advertising campaigns to events such as the launch of our Sleep Manifesto, 2022 saw us ramp up our activities to promote healthy living through better sleep. This work gained real public attention and traction, underlining why thought leadership is today so central to our work as a sleep specialist. Customers value the level of in-store expertise they receive, while new members of our team are inspired to work for an organisation that strives to improve people's lives.

Our financial performance

2022 saw a very challenging macro-economic climate, with the war in Ukraine and the after-effects of COVID-19 leading to high inflation and low consumer confidence, which impacted all our businesses. While we did not meet our net profit aspirations for the year, our company nevertheless performed well and continued to achieve solid financial results.

CEO's statement

As a result of management actions, order intake, sales and gross margin all increased in the second half of the year. We also took action on a number of operating cost drivers, and expect the positive effect of which to materialise in 2023.

I am pleased that our strategic decisions are continuing to lead to top line growth, with revenue of € 229.4 million and organic revenue growth of 7.1%. EBITDA margin amounted to 12.6%, while we recorded a net profit of € 5.3 million. Order intake is a particularly important indicator of future growth in our sector, and this increased by a solid 5.0% over the year. Our market-leading omni-channel approach, which is key to establishing broader and deeper relationships with our customers, is continuing to prove successful. Online channel share remained high at 18.3%, demonstrating that we are on track to achieve our 25% channel share goal in 2025.

Leading in transforming the market for sleep

One year into the growth strategy that we communicated in 2021, we remain committed to the ambitious targets we set ourselves: doubling our business in the next five years; accelerating online sales to at least 25% of Group revenue; and securing an EBITDA margin of between 16% and 19%. In the meantime, we have taken significant steps to limit the impact on the environment of our own operations, contributed to a better sleeping community, and improved the working place for all staff involved in our supply chain, as part of 2025 sustainable strategy.

During the last 12 months, we took a number of important steps in the execution of our strategy, introducing new and innovative store formats as we continue to transform our customers' experience. Following the huge success of our first experience store in Groningen, we opened the doors to our Eindhoven Ekkersrijt experience store in December, and more such stores will be rolled out in the future. In addition, we also began piloting a new 'Beter Bed City' format store to examine how we can offer the key elements of our collection in a high-traffic location with a small store footprint.

Beter Slapen ID has proven to be a game changer in bringing our *Sleep better, live better* purpose alive, and a significant commercial success. First introduced in our experience stores, the technology represents a key differentiating tool between us and the market. All stores where Beter Slapen ID has been introduced have seen a significant uplift in customer satisfaction (NPS), ticket value and conversion rate. Full roll-out across our entire Beter Bed store network is set to be completed in the first half year of 2023.

Innovation was not limited to new technology alone. 2022 saw us update our box spring and bedding collections to meet changing demands, in addition to sharpening how we position our different brands to make it simpler for customers to choose a sleep solution that meets their individual needs and budget.

“Our strategy is lived by our 1,000-strong team of Beter Bed ambassadors”

Our leading online presence enables us to connect with and serve customers how and where they wish to shop, in addition to fuelling innovation elsewhere across our business. Online sales in 2022 were once again strong, amounting to € 42.1 million. While the figure for the year was lower than that of 2021 (€ 50.1 million), online sales last year were inflated due to the effect of longer lockdowns in 2021 than in 2022. Indeed, the second half of 2022 saw consecutive quarters of growth in online sales compared with 2021, indicating that we are on track to grow towards our ambitious online channel share target by 2025. What is more, initiatives to enhance the online customer journey, such as the introduction of new online advise tools, led to a significant improvement in online NPS, which increased by 33% compared with 2021.

Excellence online continues to drive excellence offline across our wider business. Embracing data analytics, for instance, has been particularly insightful for our stores, which are today more data driven and knowledgeable about our customers evolving demands than ever before. Moreover, the addition of our team of digital experts has helped create a new culture of experimentation, learning and innovation in a traditional retail environment.

Empowering our people

Beter Bed is to its very core a people business. We exist to help people, and the continued progress that we as a company have made over the last year is a tribute to our entire team, to whom I would like to express my thanks and appreciation for their commitment and hard work.

CEO's statement

Through events, trainings, onboardings and internal communications, we have placed a tremendous emphasis on ensuring that everyone at Beter Bed understands our strategy and how it is relevant to them individually and collectively. I am proud not only that our *Sleep better, live better* purpose today truly resonates across our organisation, but also that we have moved from having a strategy that is understood by employees, to one that is lived by our 1,000-strong team of Beter Bed ambassadors. This, for me, is the definition of being a purpose-driven organisation.

“We have taken significant steps to limit the impact on the environment of our own operations”

We continue to focus on creating a more diverse and inclusive workforce so that our business reflects the society it serves. This enhances our business in multiple ways, as we benefit from a balance of voices and diversity of thought, we become a more creative and innovative organisation, and we are able to attract the top talent to work with us. To this end, I am pleased that 2022 saw BBH achieve the Social Entrepreneurship Performance Ladder (PSO) certificate in recognition of our focus on supporting people who are in a vulnerable position in the labour market.

Our commitment to a better tomorrow

Focusing on becoming a truly sustainable organisation is driving change across our three sustainable pillars: promise, people and product. In line with our promise to enable everyone to have the best quality sleep, and to do so in a sustainable way, 2022 saw us transition to 100% green electricity and become more energy efficient for all our in-house operations. This resulted in a saving of 3,985 tonnes of CO₂ or 64% of our own operations' carbon emissions over the year, which represents an important step towards our goal to be carbon neutral by 2030.

Through our activities we touch many people's lives both within and beyond our organisation. The safety and well-being of our team is of particular importance, and we have made significant investments to enhance safety across our company. Furthermore, we secured the commitment of 100% of our suppliers to our Code of Conduct, which outlines how we expect them to conduct business. We will continue to engage with suppliers to ensure that these high standards are met. Any identified as being 'high risk' against 13 ESG factors will be audited by an independent service provider, with relations terminated if they do not share our strong commitment to human rights and a more sustainable world.

We are striving to become an ever more circular business. During 2022, we adopted four sustainable product categories – circular, modular, certified natural, and certified recycled – which now form part of our tender criteria for the development of new products, in addition to enabling us to report the percentage of sustainable products as a KPI. In particular, we announced our intention to triple the number of our sustainable products from 15% to 45% of our entire offering across our company by 2025.

Our confidence in the future

Reflecting on the last year, I believe we can look to the future with real confidence. 2022 demonstrated that our business is built on strong and sustainable foundations, and that our strategy to forge deep and meaningful relationships with our customers is proving successful.

In a world in which the importance of sleep is understood and valued like never before, consumer demand for the combination of sleep solutions and expertise that we provide is only set to rise. As we journey to 2025 and beyond, I am confident that this increased demand from an ever more sleep-savvy public will be matched by our ambition to make good on our purpose, by our commitment to innovate, and by our focus on growing the market for sleep, extending our leadership position and creating long term shareholder value.

John Kruijssen,
CEO Beter Bed Holding N.V.

Uden, the Netherlands, 9 March 2023

Our mission

Our mission describes the very essence of our business:

We believe that the better we sleep, the **happier, healthier and more productive** we are. And we won't rest until everyone gets the high-quality sleep they deserve.

This goes to the very heart of what we do, and is the lens through which we examine challenges and opportunities, and make strategic decisions about the future.



Our purpose



As part of our strategy, we developed **our purpose**, which encapsulates the spirit of our mission in a simple and customer-friendly way:

Sleep better, live better.

Quality of sleep is under pressure

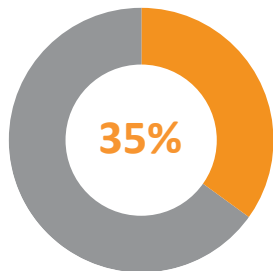


Importance of sleep



In today's world, quality of sleep is under pressure

Hours of sleep



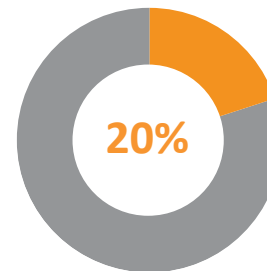
While adults need an average of seven or more hours of sleep a night for optimum health and well-being, **35% of people** get less than six hours of sleep a night.

Health



Insufficient sleep leads to **chronic health problems** such as diabetes, obesity, heart disease and strokes, which increase mortality rates by 13%.

Fatigue



Fatigue is the cause of driver error in 20% of road accidents. Getting sufficient sleep helps to **enhance cognitive functioning and performance**.

Productivity



Quality of sleep has a significant **impact on productivity**. In the Netherlands, productivity loss is estimated to equate to 1.5% to 3% of GDP per year. That's between € 15 and € 30 billion!

The sleep domain is more relevant than ever

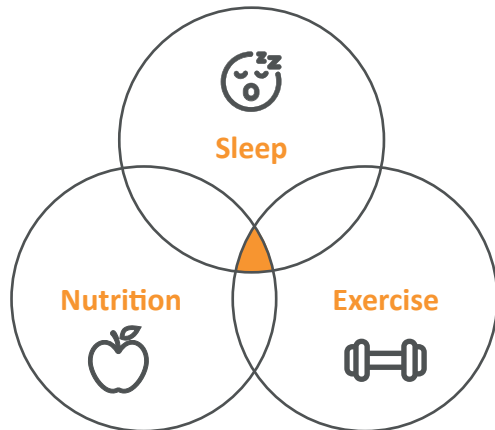


Relevance
sleep domain



Sleep as the 'third pillar of health'...

Pillars of health



...is currently significantly undervalued by consumers...

Average EUR spent and time allocated



...and is increasingly targeted by non-traditional tech-oriented sleep businesses.

Expected annual growth of sleep devices and health trackers



New tech-entrants in sleep, multiple tech-giants stepping in



Trends



Trends shaping our business

As a market leader in sleep we are helping millions of people sleep better and with that we are helping them to improve their quality of life. To make sure we continue doing so the best way possible, we have identified seven trends that are impacting the way we do business today as well as in the future.

1

Omni-channel

Customer journeys are changing with transactions done anywhere anytime. Traffic numbers are decreasing, but we do see that people visit physical stores rather for experience or convenience. Therefore bricks-and-mortar retailers are rationalising their store footprint and online players seek physical presence. The format of physical stores does change along with this changing customer journey. More diverse store formats arise, for example focused on providing a richer experience or smaller stores with a more focused assortment at high-traffic locations.

2

Doubling down on digital

Companies are boosting investments in online marketing, extending digital presence and engagement. We see in the sleep market that online is there to stay, yet online-only specialists with a narrow assortment are struggling to keep up growth. They miss the assortment width and omni-channel journey required to offer a rich and complete experience and are overly dependent on costly growth drivers, like performance marketing and price while coping with higher return rates. Therefore, we believe omni-channel retailers that offer the full domain of sleep will flourish.

3

From ownership to service

Across industries, consumers shift away from traditional product ownership and one-off transactions. Consumers are rather looking for pay-per-use and subscription models. In the sleep market, subscription models allow consumers to choose a sleep solution truly right for them which they otherwise could not afford. Moreover, it enables for complementary services focused on further improving sleep. For retailers through such subscription models they can maintain lifetime relations with their customers and gain real-time insights in customer preferences and behaviours.

Trends



4

Health awareness

Across all levels in society the focus on health has been increasing. The COVID-19 pandemic has further underlined that our health is not always a given. Nutrition and exercise have already been recognised for a long time as key drivers for health. In the last ten years, however, sleep has taken its place as a 'third pillar of health'. This is illustrated by the yearly amount of published scientific articles with 'sleep' as keyword doubling in the past ten years. Despite the importance of sleep being recognised more and more, the quality of sleep is under pressure. In 2019, multiple brain researchers warned about the lack of sleep becoming a public health crisis. Improving sleep is also mentioned as one of the top priorities in research conducted by Trimbos Institute in the Netherlands, advising the government to increase public awareness about the effects of insufficient qualitative sleep.

5

Sustainability

Sustainability is a prerequisite for any company to be successful on the long term. It has grown into a license to operate in consumer as well as wholesale and B2B markets. Considering in the Netherlands alone already an approximate amount of 1.6 million mattresses are disposed annually, the bedding market will specifically need to take its responsibility in reducing waste and increase circularity. This includes shifting among others to eco-friendly textiles and to box springs that are designed for disassembly and moving towards the use of recycled materials.

6

Vertical integration

Product brands are increasingly seeking direct access to consumers to build direct customer relations, acquire first-party customer data and realise cost efficiencies by eliminating the middleman. We see this happening by either producers acquiring retailers or product brands opening own stores. At the same time retailers are getting involved in manufacturing to increase control on product quality, sustainability and innovation. In this changing dynamic the retailers have the edge as they are having the relationship with the end consumer. To stay ahead it will be key to build up and increasingly leverage customer data.

7

Geographic expansion

The European retail bedding market is highly fragmented. In each country a different player is the biggest. Most retailers that tried to cross borders under their own banner did not succeed as they enjoyed little brand value outside the home country and creating cross-border synergies proved challenging. Product brands allow for more focused and distinctive marketing than retail brands.

Our strategic objectives

Our strategic objectives

To continue helping millions of people sleep better, live better, we have formulated three strategic objectives:



Raise awareness about sleep as the third pillar of health

There is a clear scientific consensus about the importance of sleep. Our priority is to help increase awareness of this in society as a whole. This will result in customers investing more time and energy into finding the best sleep solutions for them. Our aim is to be the trusted sleep partner that they choose again and again for their sleep products and services.

Become a brand of choice

As the leading sleep retailer in the Netherlands, we enjoy high brand awareness. As a result, Beter Bed has already established a leading role and strong relationship based on trust with customers in this domain.

In recent years, we have further strengthened our position as the value-for-money retailer of choice. A cornerstone of our growth strategy towards 2025 to build on this with our purpose *Sleep better, live better*.

The more specialist domain of sleep also offers significant growth opportunities. This is because a high-quality sleep solution represents the largest part of anyone's investment in sleep. This means higher margins, which in turn create more value. As a sleep specialist retailer, Beter Bed is uniquely positioned to claim its position in this market due to its ability to provide data-driven sleep advice and high-quality products with sustainable choices and services to all customers.

Become an employer of choice

We are in the business of taking care of people, and that starts with our employees. This means aiming to become an employer of choice with a mission and purpose that resonates with everyone at our company. It means being able to learn and develop through our award-winning academy. And it means providing a safe, secure and above all fun workplace for all.

Our profile



About Beter Bed Holding

Beter Bed Holding (BBH) is a leading sleep specialist in retail, wholesale and B2B.

“Our mission is simple. We believe that the better we sleep, the happier, healthier and more productive we are. And we won’t rest until everyone gets the high-quality sleep they deserve.”

Listed on Euronext Amsterdam, BBH operates the successful retail brands Beter Bed, Beddenreus, the new subscription brand Leazzy and the digital organisation LUNEXT. In addition, through its subsidiary DBC International, BBH has a wholesale business in branded products in the bedroom furnishings sector, which includes the well-known international brands M line and Simmons.

With **4 distribution centres**, a fleet of **80 vehicles**, **131 stores**, a fast-growing online presence and a wholesale company, our team of over **1,000 dedicated employees** served over **300,000 customers** and generated **€ 229.4 million** in revenue in 2022.

Providing expert sleep advice is at the very heart of our strategy, and thanks to our revolutionary ‘Beter Slapen ID’ tool, our sleep consultants help customers to get the perfect night’s sleep. BBH is proud that M line is the official sleep supplier of AFC Ajax, TeamNL, Jumbo-Visma, NOC*NSF and the KNVB.

4 distribution centres

80 vehicles

131 stores

1,000+ dedicated employees

300,000+ customers

€ 229.4 million in revenue

Our operations



Beter Bed

The market leading sleep specialist in the Benelux, Beter Bed is a full-service omni-channel retailer offering everything from beds and mattresses to bedding, providing outstanding value for money. Beter Bed stores are located across the Benelux, often in close proximity to other furniture chains and stores. It delivers beds, box springs and mattresses directly to our customers' homes where they are assembled.



www.beterbed.nl
www.beterbed.be

Beddenreus

Beddenreus is a retailer that serves the discount sleep market. By offering high-quality sleep at the lowest possible price, it helps all those who wish to sleep well on a limited budget. Its stores are located exclusively in the Netherlands, close to other furniture retailers. As well as cash & carry, beds, box springs and mattresses can all be delivered to customers' homes at an additional charge.



www.beddenreus.nl

DBC International

DBC (Dutch Bedding Company) International markets a range of high-quality sleeping systems and brands developed in-house. DBC supplies M line, Wave, Iconic, and Simmons products through an international wholesale network and growing B2C, B2B and B2B2C channels. As a result, its success extends beyond the Netherlands and Belgium. DBC also directly serves customers through its brand store in the Netherlands, in addition to M line and Wave's own websites.



www.mline.nl
www.wavebymline.nl

LUNEXT

Digital is often the starting point for an omni-channel customer journey. LUNEXT is a brand under which all of BBH's current and future e-commerce propositions is ran with an innovative scale-up mentality. On top of Beter Bed and Beddenreus' own websites, several third-party platforms generate additional revenue in the Benelux and abroad. In 2022, our online channel share grew to 18.3% of our revenue.



www.leazzzy.nl

Selection of our own brands



With **B Bright**, customers can define exactly how they want to sleep, by endlessly combining comfort and style, until it matches their preference. The wide range consists of box springs, beds, storage boxes and beds and (top) mattresses. Mix, match and sleep well.



Element offers sustainable sleeping products made with natural and recyclable modular components for care-free sleeping.



Karlsson offers Scandinavian sleeping at its very best. Care, attention and high-quality materials give each Karlsson bed unprecedented level of comfort that can be tailored to individual needs.



Maxi only wants one thing: to let everyone sleep better than yesterday. Preferably tonight! With comfortable mattresses, beds and matching bed sheets, that sleep well, but also looks good and always at a mini price.



M-concept mattresses mean waking up feeling refreshed. Every single day.



M line products guarantee excellent support and optimum ventilation, helping to contribute to a faster recovery of body and mind. That is why M line is the first choice and official sleep supplier for top athletes. Sleep well. Move better.



Topcare memory foam mattresses mold to the body. They offer excellent support and feel wonderfully comfortable.



Wave offers a tranquil night's sleep, partnering with the trusted top quality of our M line brand for a surprisingly low price and amazingly high-quality.



Leazzzy is the unique sleep subscription service. An easy and hassle-free way to experience high-quality sleep and services at a clear monthly fee.

Our physical footprint

The Netherlands

Drenthe

Assen
Emmen
Hoogeveen
Meppel

Flevoland

Almere
Emmeloord

Friesland

Drachten
Heerenveen
Leeuwarden
Sneek

Gelderland

Apeldoorn
Culemborg
Doetinchem
Duiven
Elst
Nijmegen
Zutphen

Groningen

Groningen
Hoogezand
Leek
Stadskanaal

Limburg

Geleen
Heerlen
Maastricht
Roermond
Venlo
Venray
Weert

North Brabant

Bergen op Zoom
Breda
Den Bosch
Eindhoven
Helmond
Oosterhout
Oss
Roosendaal
Tilburg
Uden

North Holland

Alkmaar
Amsterdam
Beverwijk
Cruquius
Den Helder
Heerhugowaard
Hoorn
Schagen
Zaandam

Overijssel

Almelo
Deventer
Enschede
Hengelo
Zwolle

Utrecht

Amersfoort
Utrecht
Veenendaal
Woerden

Zeeland

Goes
Hulst
Middelburg

South Holland

Barendrecht
Capelle aan den IJssel
Delft
Dordrecht
Gorinchem
Gouda
Hazerswoude/Rijndijk
Katwijk
Leiderdorp
Leidschendam
Naaldwijk
Rotterdam
Sliedrecht
Spijkenisse
The Hague
Vlaardingen
Zoetermeer
Zoeterwoude

Belgium

Aartselaar
Brugge
Dendermonde
Genk
Kampenhout
Lommel
Merksem
Olen
Oostende
Roeselare
Sint-Niklaas
Sint-Pieters-Leeuw
Sint-Stevens-Woluwe
Tielt-Winge
Waregem
Wevelgem

Beter Bed Experience Stores



Beter Bed City Store



Our Group Leadership Team



1. **John Kruijssen**
CEO



2. **Gabrielle Reijnen**
CFO



3. **Perijn Hoefsloot**
Strategic Business Development,
Marketing & Customer Experience



4. **Thijs Nootenboom**
E-commerce



5. **Martijn Akkermans**
Operations

6. **Jaap Westland**
Sustainability & Innovation

7. **Lineke Bernhard**
Human Resources

8. **Bertus Janssen**
Real Estate, Formula &
Facility Management

9. **Cyril van Seumeren**
Category Management &
Supply Chain



10. **Pieter-Bas Stehmann**
DBC International

11. **Ehtasham Akram**
Information Technology



Kårlsson

Scandinavian sleeping.





Management report

A photograph of a man with a beard and a young child with brown hair, both smiling warmly. The man is wearing a dark blue button-down shirt, and the child is wearing a light blue denim dress. They are outdoors, with a blurred background of green foliage and a clear sky. The lighting is soft and natural, suggesting a sunny day.

**Better sleep,
better family life.**

Integrated value creation model

Input



Human capital

1,047 employees
784 learning modules offered



Omni-channel network capital

131 retail stores
3 owned webshops + market places presence
4 own distribution centres



Financial capital

Maintain sustainable mix of debt and equity and sound financial position
 Net cash **€ 37.7 million**



Natural capital

Aim to make it easier for customers to buy sustainably-sourced products while we continue to build a more sustainable business:

- fossil and renewable energies
- the use of different materials



Intellectual and social capital

Our knowledge, experience and leading product & retail brands ensure that our customers get the high-quality sleep they deserve.

Added value



Output



Human capital

44% women and **56%** men in our workforce, and **20,516** modules completed in the Beter Bed academy



Omni-channel network capital

Seamless omni-channel customer experience
 Online sales **€ 42.1 million**
 Online channel share of **18.3%**



Financial capital

Revenue **€ 229.4 million**
 EBITDA **€ 28.8 million**
 Free Cash Flow **€ 3.8 million**



Natural capital

% of mattresses returned for recycling **13%**
 Recycled waste **89%**
 Energy consumption **73 Tj**
 CO₂ emissions **2,252 tonnes**



Intellectual and social capital

300,000+ customers
 Net Promoter Score **64**

Outcome



Promise

Innovation for better sleep
 Accessibility & affordability
 Customer awareness
 Community engagement
 Sustainable operations



People

Human rights & supply chain
 Diversity & inclusion
 Training & development
 Employee safety & well-being
 Talent attraction



Product

Durable product development
 Collaboration for reuse & recycling
 Certified materials
 Sustainable packaging

Impact



Responsible and innovative sleeping solutions for millions of people



Positive social impact for everyone across the BBH value chain



All products launched are circular by design

Sleep better, live better.

2022 Timeline



February 2022

BBH speeds up transition to climate-neutral operations
Going forward, our head office, distribution centres, and more than 100 stores will all only use electricity generated by wind power from European wind farms.



June 2022

Beter Bed launches online box spring configurator that allows customers to configure their new box spring to their liking. Thanks to the latest real-time 3D rendering techniques, every choice the customer makes is instantly visible, down to the smallest detail.



June 2022

BBH announces plans for new distribution centre & head office
BBH presents its supply chain network strategy, including plans for a new sustainable and modern central distribution centre and headquarter.



May 2022

M line continues partnership KNVB, Ajax, Jumbo-Visma and announces new brand ambassadors Cody Gakpo and Vivianne Miedema

A good night's sleep is essential for top-class performance. That is why M line, Official Supplier of TeamNL, ensures that top athletes can sleep on their own M line mattress and pillow.



June 2022

M line wins the Shopping Award for the second year in a row

During the 20th annual Shopping Awards Gala M line won a golden award for the best webshop in the category Sleep.



July 2022

Beter Bed modernises its assortment with the rebranding of B Bright & Kårlsson

Beter Bed introduces an updated collection of B Bright and Kårlsson beds and box springs. The collection was designed in house with the popular mix-and-match philosophy in mind, resulting in more options and sustainable choices for customers at lower inventory levels.



2022 Timeline



September 2022

Beter Bed launches a manifesto to improve sleep awareness and help people sleep better

Professor Dr. Matthew Walker, an internationally renowned sleep scientist and author of 'Why We Sleep', supports our campaign to highlight the lack of sleep awareness by signing BBH's sleep manifesto.



September 2022

Beter Bed wins the awards for Best Retail Chain and Best Webshop Award in the Netherlands for the 5th time

Both prizes were public awards in the 'Bedroom Furnishings' category. From 19 May until 28 July, over 300,000 consumers voted for their favourite webshop and retail chain.



December 2022

Beter Bed strengthens sleep expertise and enhances its expert network

BBH offers its own employees and sleep manifesto supporters trainings and courses in cooperation with sleep expert Dr. Aline Kruit. In addition, to help people in the Netherlands and Belgium to sleep better on a daily basis, Beter Bed expands its expert network by working with sleep expert Dr. Merijn van der Laar.

September 2022

Adova Benelux appoints DBC International as exclusive distributor

DBC International signed a partnership agreement to represent the international Simmons brand. The distribution agreement enables DBC International to distribute the Simmons collection in the Netherlands and Flanders. Simmons distinguishes itself in its products by using natural raw materials and recycled materials only.



September 2022

Launch of Beter Bed city & Beddenreus new concept

Thanks to creative use of space (130 m²), and the adoption of new technologies, customers get a complete picture of Beter Bed's assortment and services, with plenty of sustainable options available in Beter Bed city. Beddenreus will continue to be a sleep discount formula, as it has been for 25 years, and its philosophy has been much more sharply defined with the focus on its customers.



Our strategy

We have translated our mission into three strategic avenues for growth:



Bricks-and-Mortar

Our physical stores remain crucially important to offer our customers a unique experience through an omni-channel journey. As we see customer journeys and therefore the role of stores continuing to change, we are adapting the format of our stores on a continuous basis. A key element of our strategic roadmap towards 2025 is to refit our existing stores and create a new look & feel by providing innovative new technology and easy-to-shop tooling such as in-store kiosks for self service, in addition to improving energy efficiency.

In addition, we have started to add new formats, such as our experience stores and city store format. Following the launch of the first Beter Bed Experience store in Groningen, we opened our second Beter Bed Experience store in Eindhoven. In 2022, the limited size Beter Bed city store format was launched at a high-traffic location. This store format offers a more focused assortment, including a number of cash & carry products for convenience. Technological innovations provide a totally different experience, enabling customers to better understand how to select the very best sleep solution for them based on their unique needs.

Scalable backbone

While pursuing these growth avenues, we continue to ensure that we have a scalable and efficient backbone, and operate as sustainably as possible.

Sustainability as a key enabler

Our strategy



Online

Our main online sales priority is to further drive business in our own webshops such as [beterbed.nl](#), [beddenreus.nl](#) and [mline.nl](#). Through these channels, we are also able to tap into the online growth potential of customers increasingly purchasing online. In addition to this, we aim to inform customers and non-customers alike about the importance of sleep and facilitate their omni-channel journey. What is more, this channel enables us to learn more about consumer behaviour, continuously develop innovative products and services, and engage with our customers on a personal level.

Different customer groups are today increasingly shopping online in different ways. For this reason, we are also continuing to raise our brand presence on third-party platforms to further extend our online market position in our existing and new markets.

In September 2021, we launched our digital LUNEXT organisation to further professionalise our e-commerce department and established a data & analytics team dedicated to improving an omni-channel customer journey, gaining data-driven insights to drive efficiency across our organisation and developing our predictive data analytics.



New business

We are expanding our reach both in existing markets and new geographies via our wholesale channel through DBC International. The M line brand is our strongest brand in this channel. It continues to strengthen its position in the sleep retail domain – in part thanks to the positive brand exposure resulting from high-profile athletes and sports teams that choose M line as their preferred sleep supplier. To increase our relevance in international wholesale, we are expanding our assortment to include more brands such as Simmons, which was added to the portfolio in September 2022. As well as additional brands, we are introducing innovative and sustainable sleep solutions to the market.

We are continuing to launch new subscription-based propositions across all our B2B and B2C channels. These sleep subscriptions offer customers high-quality sleep products through monthly instalments, and help to lower possible one-time high-purchase price barriers. In addition, we are able to offer a combination of free and fee-based services to help our customers get a better night's sleep. Services include reminders to flip, rotate or deep clean their mattress to prolong its lifespan, product care services, pillow replacement, and returns for reuse or recycling. After successfully launching a box spring lease subscription model through Leazzzy, we have added additional services to our subscription propositions. Looking ahead, we see potential for data-driven services to leverage the Internet of Things (IoT) to provide more advanced and personalised sleep advice.

Scalable backbone

While pursuing these growth avenues, we continue to ensure that we have a scalable and efficient backbone, and operate as sustainably as possible.

Our Sleep Manifesto promise

The Science of Sleep

To mark the launch of Beter Bed's manifesto for better sleep, BBH invited Matthew Walker, one of the world's most renowned and respected sleep experts, to a special event on the first of September 2022. The event, which was organised in cooperation with our supplier Veldeman, was livestreamed on YouTube and Beterbed.nl, with the audience learning from Walker's insights from his ground-breaking work as Professor of Neuroscience and Psychology at the University of California, Berkeley, and as Director of the Center for Human Sleep Science, and sign Beter Bed's manifesto for better sleep.

The importance of sleep

As new discoveries continue to inform sleep scientists' understanding of sleep, Walker stressed how fundamental it is to our mental and physical health and well-being, and why he is so passionate about encouraging others to take sleep seriously. "We now have to ask, is there any major operation of your brain, or is there any physiological system in your body that isn't wonderfully enhanced when you get sleep or demonstrably impaired when you don't get enough."

"If we just focus on the brain. Sleep is important for learning and memory, for creativity and we've discovered that it's remarkable at stabilising your emotional and mental health. The past 20 years, we've not been able to discover a single major psychiatric condition in which sleep is normal and did not have an effect. We used to think it was a symptom. Now what we've realised is that it's also a cause."

Sleep is also proven to inspire creativity and problem solving, with Walker citing famous examples such as Paul McCartney, who wrote Let It Be, and Dmitri Mendeleev, who invented the periodic table, immediately after waking up. "So, in some ways, sleep is almost like informational alchemy. No one has ever said you should stay awake on a problem. Instead, they say you should sleep on a problem."

Sleep debt

Despite this, Walker explained that society has developed a major sleep debt – something that has been made worse as tablets, phones and TVs have encroached into the bedroom. Paying off this debt is not as easy as many people think. "Your sleep debt is your natural sleep need

minus the amount of sleep that you're actually getting. And the difference between those two creates a debt. But the problem with that debt is that for most people it's not just a debt once. It's a debt every single night of the week. And then you try to sleep a little bit more at the weekend, but you can never get back what you lost. And so, you keep developing this debt.

It's a little bit like compounding interest on a loan with the bank. It just keeps building and building and getting exponentially worse."

A lack of sleep is therefore often caused by a lack of awareness of the importance of sleep. "One of the big issues with a lack of sleep is that for the most part, you don't know that you're sleep deprived when you're sleep deprived. It's a little bit like a drunk driver at a bar. They pick up their car keys and they say to you, 'I'm fine to drive home'." This difference between sleep perception and reality is often stark, he says: "We overestimate how well we're doing mentally and emotionally, and we overestimate how well we're doing physically."



"We define good sleep in a number of different ways. It's not just about quantity. It's also about quality. And you need both"

Our Sleep Manifesto promise

If the importance of sleep and the effects of undervaluing it were in any doubt, Walker underlined the causal link between sleep disorders and Alzheimer’s disease. “If you sleep deprive a human being for one night, or if you just selectively deprive them of their deep sleep for one night, the next day we see an immediate accumulation of the toxic proteins associated with Alzheimer’s disease.”

“One of the big issues with a lack of sleep is that for the most part, you don’t know that you’re sleep deprived when you’re sleep deprived”

It is therefore wrong for society to celebrate or try to emulate the sleeping habits of high-profile figures famous for getting by on very limited sleep, he added: “Ronald Reagan was very chest beating about how little sleep he needed. Margaret Thatcher suggested that she only needed four hours of sleep. I don’t think its coincidental that both Reagan and Thatcher went on to develop Alzheimer’s disease, and it took both of their lives.”

Ingredients for good quality sleep

As to what he defines as good quality sleep, Walker is clear that it is all about getting the right mix. “We define good sleep in a number of different ways. It’s not just about quantity. It’s also about quality. And you need both. So, you can’t just get four hours of sleep, and that it’s really good quality sleep, and be okay. But you also can’t get nine hours of sleep of really bad quality and be okay. When it comes to quantity, right now the recommendation is somewhere between seven and nine hours is essential for most adults.”

Getting those seven to nine hours of high-quality sleep is sometimes easier said than done, which is why Walker shared his top tips with the audience. The first is all about establishing a routine. “Regularity is king. Go to bed at the same time and wake up at the same time. No matter if it’s the weekend or the weekday.”

His second tip concerns light, or rather a healthy lack thereof. “We are a dark deprived society in this modern era. And we need darkness at night to trigger the release of a hormone called melatonin, which helps with the timing of our sleep.” The solution? “In the last hour before you go to bed, turn down half the lights in your house or even 75 percent of all the lights, and you will be surprised about how sleepy that makes you feel.”

Temperature also plays an important role. “Keep it cool. Your brain and your body need to drop their core temperature by about one degree Celsius for you to fall asleep and stay asleep. So, aim for a bedroom temperature of about 18.5°C.”

Simply trying to sleep is not the solution for those unable to fall asleep. “Walk it out. Don’t stay in bed awake for long periods of time. If it’s been 20-25 minutes, get up and get out of bed. Go and do something else. In a dim room, listen to a podcast or read a book. Only return to bed when you’re sleepy. You would never sit at a dinner table waiting to get hungry. So, why would you lie in bed, waiting to get sleepy?”

Sleep awareness

With the world facing what he described as a “global sleep loss epidemic,” Walker was delighted to sign Beter Bed’s Manifesto, concluding the event with a call to action. “Sleep is still the neglected stepsister in the health conversation of today. We speak about exercise and diet, and we always have. Sleep has been out in the cold for so long. I think it’s finally starting to have its voice.”



Matthew Walker, a British scientist, earned his PhD in neuroscience from the Medical Research Council in the UK, and subsequently became a Professor of Psychiatry at Harvard Medical School. He is currently Professor of Neuroscience and Psychology at the University of California, Berkeley, and Director of the Center for Human Sleep Science. Walker has published more than 100 scientific research studies and has received numerous funding awards. His book ‘Why We Sleep’ is a New York Times bestseller and he has given a main-stage TED Talk that has been viewed over 14 million times.

Financial key figures



Revenue (In € million)		Gross Margin		EBIT (In € million)		EBITDA ¹ (in € million)	
2022	229.4	2022	55.1%	2022	8.7	2022	28.8
2021	214.2	2021	55.1%	2021	14.8	2021	33.2

Free Cash Flow ² (in € million)		Net cash (/debt) ³ (in € million)		Net profit ⁴ (in € million)		Online channel share	
2022	3.8	2022	37.7	2022	5.3	2022	18.3%
2021	16.2	2021	38.0	2021	12.5	2021	23.4%

¹ EBITDA is defined as operating profit (EBIT) adjusted for depreciation, amortisation and impairments.

² Free Cash Flow is defined as cash from operating activities less capital expenditures, less payments of lease liabilities and less interest paid.

³ Net cash (/debt) is defined as cash and cash equivalents less interest-bearing debt.

⁴ Net profit from continuing operations.

Financial results

Financial results

Revenue

Revenue from continuing operations in 2022 was € 229.4 million, which is 7.1% higher compared with € 214.2 million in 2021. This revenue growth was driven by the Benelux operations, as the New Business operations showed a slight decrease compared with the prior year. The Benelux reported year-on-year revenue growth of 8.0%, whereas New Business, which includes the DBC wholesale business, had a 6.3% decrease in revenue growth. The Group's online revenues amounted to € 42.1 million, with a full-year online channel share of 18.3%. From a geographical perspective, 93% of revenue in 2022 was generated in the Netherlands (2021: 93%) and 7% in Belgium (2021: 7%).

Gross profit

Gross profit as a percentage of revenue remained stable at 55.1%. As a result of higher revenue at a stable gross margin, gross profit for the year increased by 7.0% to € 126.4 million, compared with € 118.1 million in 2021.

Other income

No other income was recognised in 2022. In 2021, Beter Bed Holding closed sale-and-leaseback agreements for three stores for a cash consideration of € 3.0 million. From these transactions, BBH recorded a one-time gain of € 0.9 million in 2021.

Operating expenses

Total operating expenses for 2022 were € 117.7 million, compared with € 104.2 million in 2021. Personnel expenses of € 49.5 million were higher compared with € 43.9 million in 2021. This increase is mainly driven by the comparison base in 2021 as a result of the lockdown period, higher temporary labor cost, and non-cash share-based compensation expenses in 2022. Depreciation, amortisation and impairment expenses were € 20.1 million in 2022, compared with € 18.4 million in 2021. This increase was mainly driven by higher depreciation charges related to the right-of-use assets. Other operating expenses increased from € 41.9 million in 2021 to € 48.1 million in 2022. This was mainly driven by higher warehouse and logistic expenses associated with the higher revenue volume and following the opening of our e-DC in Veghel in November 2021, further marketing investments to grow our online and offline order intake, and general costs associated with the further implementation of our strategy.

Results

Operating profit (EBIT) was EUR € 8.7 million in 2022 compared with € 14.8 million in 2021. This was driven by revenue volume increase, maintaining a stable gross margin, and offset by the realised other income in 2021 and increased operating expenses in 2022. Net profit in 2022 amounted to € 5.3 million (2021: € 13.9 million). The total net result for the year 2021 included a profit from discontinued operations of € 1.3 million and a tax gain of € 3.5 million following the divestment of our Swedish operations.

Non-GAAP measures

Underlying EBIT. Underlying EBIT is defined as operating profit (EBIT) adjusted for acquisition and divestment related costs, incremental operating costs, restructuring costs, share-based compensation costs, and other income, and was € 10.6 million in 2022 (2021: €14.5 million). Reported IFRS EBIT was adjusted for the following items, gains on sale-and-leaseback transactions of nil in 2022 (2021: € -0.9 million), acquisition and divestment related costs of € 0.3 million in 2022 (2021: € 0.2 million), and share-based compensation costs of € 1.6 million in 2022 (2021: € 0.4 million).

EBITDA. EBITDA is defined as operating profit (EBIT) adjusted for depreciation, amortisation and impairments. In 2022, depreciation, amortisation and impairments was € 20.1 million (2021: € 18.4 million) resulting in an EBITDA of € 28.8 million in 2022 compared with € 33.2 million in 2021.

Underlying EBITDA. Underlying EBITDA is defined as underlying EBIT adjusted for depreciation, amortisation and impairments. In 2022, depreciation, amortisation and impairments was € 20.1 million (2021: € 18.4 million) resulting in an underlying EBITDA of € 30.7 million in 2022 compared with € 32.8 million in 2021.

Underlying net profit. Underlying net profit is defined as net profit adjusted net for tax for significant one-offs and special items and was € 5.3 million in 2022 (2021: € 9.4 million). In 2022, no one-offs and special items occurred whereas in 2021 net profit from continuing operations (€ 12.5 million) was adjusted for gains on sale-and-leaseback transactions (€ 0.9 million), realisation of currency translation reserves (€ 0.3 million), and tax gains on divestments (€ 1.9 million).

Financial results

Return on Capital Employed. Return on Capital Employed (ROCE) is defined as operating profit for continuing operations (EBIT) divided by average capital employed with capital employed being defined as total assets minus current liabilities. In 2022, ROCE was 13.3% (2021: 25.7%) with a 2020-2022 average of 24.8%.

Financial instruments

Financial instruments held by BBH are limited to primary financial instruments. The Company has a policy not to actively secure or hedge financial risks, for example interest rate and currency risks, and consequently does not use derivative financial instruments. The primary financial instruments mainly relate to cash and cash equivalents, including positions from credit institutions and trade receivables/payables. Per year-end, BBH's currency risk is very limited and relates mainly to the US Dollar. Interest risks regarding the credit facility are not considered to be material on balance sheet date. For a more in-depth analysis of BBH's risk exposure, please see the risk management paragraph.

Cash and liquidity

Total cash flow generated from continuing business operating activities in 2022 was € 26.4 million (2021: € 28.3 million).

Total cash flow from continuing business investing activities in 2022 was an outflow of € 6.3 million, compared with an inflow of € 3.0 million in 2021. The 2022 outflow related entirely to investments in tangible and intangible fixed assets, amounting to € 6.3 million in 2022, compared with € 4.2 million in 2021. The majority of these investments related to investments in IT and e-commerce platforms, new stores, including the second Beter Bed Experience store in Eindhoven, the roll-out of our independence sleep advice tool, Beter Slapen ID, in our store network, and required maintenance in existing stores. In 2022, no cash inflow events related to investing activities occurred, whereas in 2021 there were three sale-and-leaseback transactions, which totalled € 3.0 million, and cash proceeds of the divestment of the Swedish operations, which totalled € 4.2 million.

The cash flow from continuing business financing activities for the year was an outflow of € 20.4 million (2021: outflow of € 13.9 million). The financing cash flow consists of the payment of lease liabilities of € 15.9 million (2021: € 13.7 million), payment of the 2021 dividend of € 4.1 million (2021: nil), and interest payments of € 0.4 million (2021: € 0.4 million). The 2021 financing cash flow was also impacted by several deleveraging events.

The cash position as at 31 December 2022 was € 37.7 million (2021: € 38.0 million).

Financing

In August 2022, BBH increased its credit facility from € 15 million to € 30 million, with Rabobank joining the current financing agreement alongside ABN AMRO Bank N.V. This increase was made to support further implementation of the strategic plan and pursue potential opportunities. The duration and interest percentages applicable regarding the credit facility were not changed. The credit facility, entered into in July 2021 and increased in August 2022, is effective until July 2024 with the possibility to extend for another two years.

Highlights of our operations

Benelux

Revenue of Beter Bed and Beddenreus in the Benelux was € 216.1 million in 2022, which is 8.0% higher compared with € 200.0 million in 2021. This growth underlines the strong business performance, as the stores were closed in the first two weeks of 2022 and the last two weeks of 2021 which impacted revenue in 2022. Despite the challenging macroeconomic environment, we noted a strong order intake and revenue performance in the fourth quarter, with record sales during the Black Friday period. Online sales normalised compared with 2021 as a result of the shorter lockdown period in 2022. The online channel share for the Benelux was 18.9%. In 2022, costs increased compared with the previous year, mainly related to increased housing costs, marketing activities, and incremental supply chain costs to further enable the omnichannel proposition.

New Business

The New Business operations comprise the DBC wholesale business and our subscription model Leazzy. In 2022, total revenues amounted to € 30.5 million, including intercompany sales of € 17.2 million, compared with € 26.3 million, including intercompany sales of € 12.1 million, in 2021. This represents a total growth of 16.0%. The DBC wholesale business showed strong revenue growth for the internal Beter Bed channel in 2022, with a slight decrease to external dealers, due to the challenging macroeconomic climate. BBH continued to add new B2B customers, including dealers that sell the new Simmons brand and B2B clients in the leisure business. For DBC, this included further investments in additional sales force, which will enable us to drive the M line and Simmons brands in existing markets and a number of carefully selected new markets. Going forward, we continue to see significant opportunities for further acceleration of these activities.

Beter Slapen ID

Bringing the latest sleep technology to our stores

One year on from its in-store launch, Beter Slapen ID is today used in over 40 Beter Bed stores across the Netherlands and Belgium, helping customers get the perfect night's sleep using the latest developments in sleep science. Jeffrey Gans, store manager at Beter Bed's Experience store in Groningen, explains how this device is truly innovative, with special sensors providing data and measurements to advise customers. "Beter Slapen ID really is the future of sleep technology, today. Thanks to this innovation we're able to provide our customers with the highest-quality personalised advice, backed by science and the expertise of our sleep advisers in store."

A new instore experience

Beter Slapen ID is central to our *Sleep better, live better* purpose. "The reason we're so excited by this technology is because it is all about improving people's lives by improving the quality of their sleep. We first ask customers a few important personal questions about their sleep habits."

"This includes their height; whether they prefer lying on their side, back or stomach; how they turn, to identify pressure points; and whether they experience any nagging pains, such as backache. After this we ask customers to lie down on the measurement mattress and watch a short explanatory video about the science behind Beter Slapen ID. Whilst customers are lying down in a relaxing environment, we use the technology to take key measurements to find out which mattress is the best for them. The whole process only takes about six minutes, during which time the computer makes thousands of calculations before recommending the five best supporting mattresses in store – which are normally from different brands at different price points."

Customer feedback about the new service has been very positive, with trust being crucial to this success. This is reflected in a higher customer Net Promoter Score (NPS), which is used to measure customer loyalty, satisfaction and enthusiasm. "We're really pleased to see just how popular Beter Slapen ID is proving to be. One of the reasons that customers trust buying a mattress in this way is that their decisions are informed by science, which is a direct result of us embracing sleep science technology in line with our strategy."

"We want everyone to sleep better. Rather than focus on selling the technical elements of different mattresses, we want to offer better sleep for better health and better living." This focus is an important differentiating factor for the Company. "Beter Bed is a sleep specialist, not just a store that sells beds. That's something our customers recognise. And it's a key difference between us and our competitors."

Combining science with personal service

The introduction of new innovations does not mean that the whole shopping experience is defined by technology alone. "It's all about combining the science of Beter Slapen ID with the best personal service. As well as taking customers through this latest technology, our store teams are there to enhance the experience by sharing their expertise. For example, on personal preference for comfort, such as choosing a slightly softer or harder mattress within the range of mattresses recommended by Beter Slapen ID."

What's more, getting a good night's sleep does not start and stop at buying a new mattress. "Our sleep better, live better purpose has really resonated with people. Customers don't just want the perfect mattress. They want the perfect night's sleep. That's why after choosing a mattress, the next question our store teams are invariably asked is 'what should I do if I'm too hot or cold in bed?' Our teams can



Beter Slapen ID

then provide their expertise to advise on other products, such as duvets and pillows, which leads to higher average order values.”

“We were immediately served by a member of staff and in addition to discussing our sleeping needs, we did a test to quickly find the right mattress - Pieter”

Customer benefits

From a commercial perspective, the introduction of Beter Slapen ID has been very positive in other ways too. “Another reflection of the popularity of this innovation is the high conversion rate among people who have used Beter Slapen ID. Moreover, all customers benefit, whether or not they choose to buy a new mattress. This is because everyone who’s tried it leaves our stores with a greater awareness of the importance of sleep and how to achieve it. That’s what being a sleep specialist is all about.”

Speed and efficiency are two other big wins that Jeffrey cites. “Beter Slapen ID helps to speed up the whole process of choosing a mattress, which saves time for both our customers and our store teams. In the past, customers would often try ten mattresses before deciding which to buy. Now, equipped with the very best information, they are more confident and know that they can make a decision based on science. For us as a business, this is particularly useful during busy periods such as Easter, Black Friday, or the Holiday Season.”

“We also get real-time insights into what customers want and need – for instance whether we have too many or too few of a certain type of mattress. This enables us to optimise our collection and make the right adjustments to our stock and range.”

“We were helped in a very professional way, with a test showing the right mattress profile for us - Marianne”

In addition, Beter Slapen ID has proven valuable in terms of becoming a more sustainable business. “We now get far fewer mattresses returned. This reduces our carbon footprint and leads to considerable savings, such as lower transportation costs thanks to customers getting the right mattress first time.”

Jeffrey is enthusiastic about the roll-out of this technology across the Beter Bed’s store network. “We plan to introduce Beter Slapen ID in all our stores in the Netherlands and Belgium by the end of the first half year of 2023. Sleep science means that we, and our customers, are looking at sleep in a whole new way. Many couples, for instance, now choose to have individual mattresses that match their individual needs. New technology is only set to accelerate this trend, and real potential exists for further growth.”



Jeffrey Gans (1983) is responsible for the first Beter Bed Experience Store in Groningen, the Netherlands. Jeffrey has been working at Beter Bed since 2014. He is an ambassador of the new strategy and Beter Slapen ID.

Sustainability strategy

Our sustainable focus

Beter Bed was founded 40 years ago with the purpose of providing a good night's sleep at a price that everyone can afford. By offering good-quality mattresses, beds and pillows at a reasonable price, we have helped to make a good night's sleep possible for millions of people across Europe and beyond. While our company has evolved over the years, the essence of what we do has remained the same, and this is reflected in our purpose: *Sleep better, live better.*

The world around us is changing fast, and we continue to change to meet new customer needs. The pace of life, in particular, has accelerated. With that has come added pressure for many people, which has impacted on their quality of life. As demand for what we do has grown, so too has our business and our supply chain, which is today larger and more complex than when our company was founded. Legislation has also changed, bringing with it an ever-greater responsibility as to how we as a company must act at all times, whether it be our impact on the lives of our customers, the environment, or society as a whole.

For many years, this responsibility was manifest in developing high-quality products available to all that added value for a good night's sleep, in addition to striving to minimise our environmental impact, and participating in activities that contributed to improve society. More recently, awareness of the impact of sleep as an enabler for a better life has grown among our customers, the market for raw materials has changed, and the demand for transparency and accountability has risen – both from stakeholders and in terms of legislation.

Last year, we launched a new corporate strategy that incorporated our sustainable goals. Having conducted a materiality assessment with our key stakeholders we determined three focus areas for 2025.

Promise

We will enable everyone to have the best quality sleep, improving their health and well-being, by offering innovative solutions and stimulating sustainable choices.

People

We will deliver social impact by always focusing on employees' safety and well-being, striving to become an employer of choice, and working together with our suppliers to ensure that they align with our goals and standards.

Product

We will minimise our environmental impact by using ever more sustainably sourced materials, and by collaborating with our suppliers to increase the reuse and recycling of our products and packaging, thereby driving the transition towards more circular product propositions.



Sustainability progress

Implementing our renewed sustainable strategy

Our progress to date

To ensure that our sustainability strategy is fully integrated across our company, clear goals are set for all responsible departments involved so as to gain company-wide commitment and set realistic goals. These goals were translated into KPIs as part of the long-term incentive scheme for the Management Board and into personal goals for every employee to secure commitment and create momentum. The KPIs are supported by quarterly reports across the company to secure progress. During monthly meetings, the Group Leadership Team discusses developments and actions required to achieve positive outcomes.

Sustainability criteria are embedded in Beter Bed Holding's strategy and organisational structure. Sustainability themes are defined and approved by the Management Board. The senior lead for Sustainability & Innovation chairs various committees, which are made up of departmental managers who oversee work relevant to a given theme. The senior lead for Sustainability & Innovation updates the Management Board on progress, approach and planning on a monthly basis, and reports directly to the CEO. On a quarterly basis, sustainability data is included in the overall set of business KPIs that is reported to and discussed with the Group Leadership team. To ensure that external perspectives are fully taken into account, stakeholder dialogues are held with external experts to advise BBH both on its approach to sustainability in general, and in greater depth on its sustainability themes. Climate-related risks and opportunities are considered integral to the governance of operations and sustainability themes. Further details on governance and risk can be found in the chapter 'Risk Management' (see page 80).

In addition to focusing on our KPIs, we also examined wider developments, as the world around us is constantly evolving in terms of new technologies, the availability of sustainable raw materials, and new legislation. We closely monitor these changes with further information about our approach outlined later in this chapter, and encourage our employees to share any ideas they have to make us a more sustainable company.

Report structure

Information about our performance in terms of sustainability is structured in line with our three focus areas: Promise, People and Product. We report on our most material topics, which are identified during our materiality and stakeholder engagement process. In this annual report and in our 2021 annual report, we used GRI's definition of materiality based on the 2016 GRI standards, whereas in the 2023 annual report we will perform a double materiality analysis so that this part of the report is also in line with the GRI 2021 standards. We also report on progress made on the related KPIs, and highlight the United Nations Sustainable Development Goals (SDGs) on which we have had the greatest impact.



Interview with Lisa Proenings

A revolution in sustainable reporting

With ever more investors, customers and other stakeholders wanting to be able to examine the sustainability credentials of companies, the reporting of non-financial information has fast become the norm for large, stock-listed companies such as Beter Bed Holding. This trend is only set to accelerate with the advent of the new EU Corporate Sustainability Reporting Directive (CSRD) over financial year 2024 explains Lisa Proenings, Business Controller Sustainability, at BBH: “The new regulatory framework is both a challenge and an opportunity. A challenge because we will need to introduce new processes and collect new data. An opportunity because we all benefit from a more transparent business ecosystem in which we share the most material information about our operations”.

The regulation, which is part of the European Green Deal and the Sustainable Finance agenda, will require all large and listed companies to disclose a broad range of qualitative and quantitative environmental, social and governance information. “This really is a revolution in the regulatory landscape as the non-financial part of reporting will effectively be equal in importance and integrated with the financial information”.

The impact of CSRD legislation

This spells change for organisations like BBH, which will be in the first wave of companies to report in compliance with the CSRD. “While sustainability considerations and the reporting of non-financial information have been central to BBH’s strategy and operations for a number of years, this directive is

nonetheless hugely significant for us. It will not only change how we compile data and what we report, but also make us look at our business and our impact in a new way.”

The new directive requires companies to conduct a so-called ‘double materiality’ assessment, meaning that they will both have to report on financial materiality – how sustainability issues might create financial risks and opportunities for the company – and impact materiality – the company’s own impacts on people and the environment.

“CSRD represents a big shift as the double materiality analysis will mean companies will be required to report on a host of material information – such as their impact on biodiversity, climate change and human rights – that is of interest to everyone from investors to NGOs and civil society organisations. But the new directive isn’t about transparency alone. It is about creating positive, tangible change by encouraging organisations to make their operations more sustainable.”



Interview with Lisa Proenings

“This is something that really strikes a chord at BBH, as our existing sustainability approach is about far more than simply reporting, as we’re focused on value creation and impact through our business and value chain operations. What’s more, the new directive will ultimately reduce the risk of organisations ‘greenwashing’, which is obviously a very positive development.”

“The new regulatory framework is both a challenge and an opportunity”

“We have an ambitious sustainability strategy. Any regulatory change that leads to a company’s employees taking the effects of their day-to-day work on colleagues, the environment and society into account is something hugely positive, as it will help to change behaviour and culture for the better.”

A sustainable reporting revolution

Going forward, the comparability of data will become ever more important. “Investors will be better placed to make informed investment decisions, and to actively challenge companies on their record – such as their Scope 3 emissions or their adherence to human rights principles. At present this sort of challenge is often limited, and information is either not shared or not comparable given that different companies report in different ways.”

Investors will not be the only interested parties. “It will also be easier for customers to make informed choices – both directly themselves and indirectly through consumer organisations that will be able to highlight both those companies that perform well and those companies for whom there is a gap between their rhetoric and the reality when it comes to their sustainability performance. This is an area that is already of real importance to many people who apply to work at Beter Bed, as they want to know that they are working for a purpose-driven organisation that understands its wider responsibility – such as on emissions and in its supply chain.”

As BBH gears up for this reporting revolution, the new directive is already the subject of significant focus and attention at the company. “Getting ready for CSRD requires a lot of preparatory work across our entire organisation. The fact that the directive is more wide ranging than how we currently report means that more people need to be involved.”

In preparation for financial year 2024

“In my role, I’m helping to ensure we report correctly and in a timely manner, and to see how we can improve data collection. Among other things, we’re performing a gap analysis to give us insight into any topics that will take a lot of work, and to identify any quick wins. In 2023, we aim to conduct the double materiality assessment as one of the first stepping stones to reach full alignment.

Our sustainability team will then outline requirements for different departments, and will measure our impacts. This will enable us to have a dry run to collect data for CSRD in 2023, which will include getting limited external assurance, so we’re able to collect all the required data completely and correctly in 2024.”

While this will initially lead to a considerable amount of work, BBH is focused on the opportunities that this will bring. “Above all, we see this directive as a means to really dig deep into the different areas covered. In this sense it’s a chance to make our sustainability outcome more mature and more professional. What’s more, we have to make sure we are not only focused on reporting but also developing the business in a sustainable way with new ideas, initiatives and innovations.”



Lisa Proenings (2000) has been responsible for reporting and analysing on sustainability topics at BBH since June 2022, having graduated in business administration and completed her internship at the Company. In her role she ensures that information is reported correctly, in addition to improving data collection.

Our sustainable goals

Materiality and stakeholder engagement

Our materiality process drives how we engage internally and externally, how we invest our resources, and how we adapt our strategy on environmental, social, economic and governance topics across our value chain.

Since 2021, we have performed a materiality assessment on an annual basis to identify how important specific issues are to our organisation. The relevant topics are determined by extensive desk research that examines both our organisation's activities, and topics where peer organisations have the most significant impact. A shortlist is then established from this list of topics, with relevance determined through a series of interviews, questionnaires and online surveys with our key stakeholders. The final step, is to create a materiality matrix (see page 155) by determining the maturity level of the relevant topics at a management level, and the extent to which we as an organisation are able to influence the material topics.

In the chapter 'Other information' (see page 156) we provide a matrix that shows our management approach on the material topics. We also describe the impact of our organisation on these topics, what our goals are, and how we plan to achieve them. In addition, we report on our progress and how we involve our stakeholders in the relevant topics.

From 2023, our materiality assessment will be expanded to a double materiality process and include useful information about the financial impact of material topics due to the upcoming Corporate Sustainability Reporting Directive (CSRD) regulation.

In recent years, we have witnessed dramatic changes across the world. This means continually adapting how we as a business operate to meet new challenges and drive meaningful progress on our social and environmental priorities.

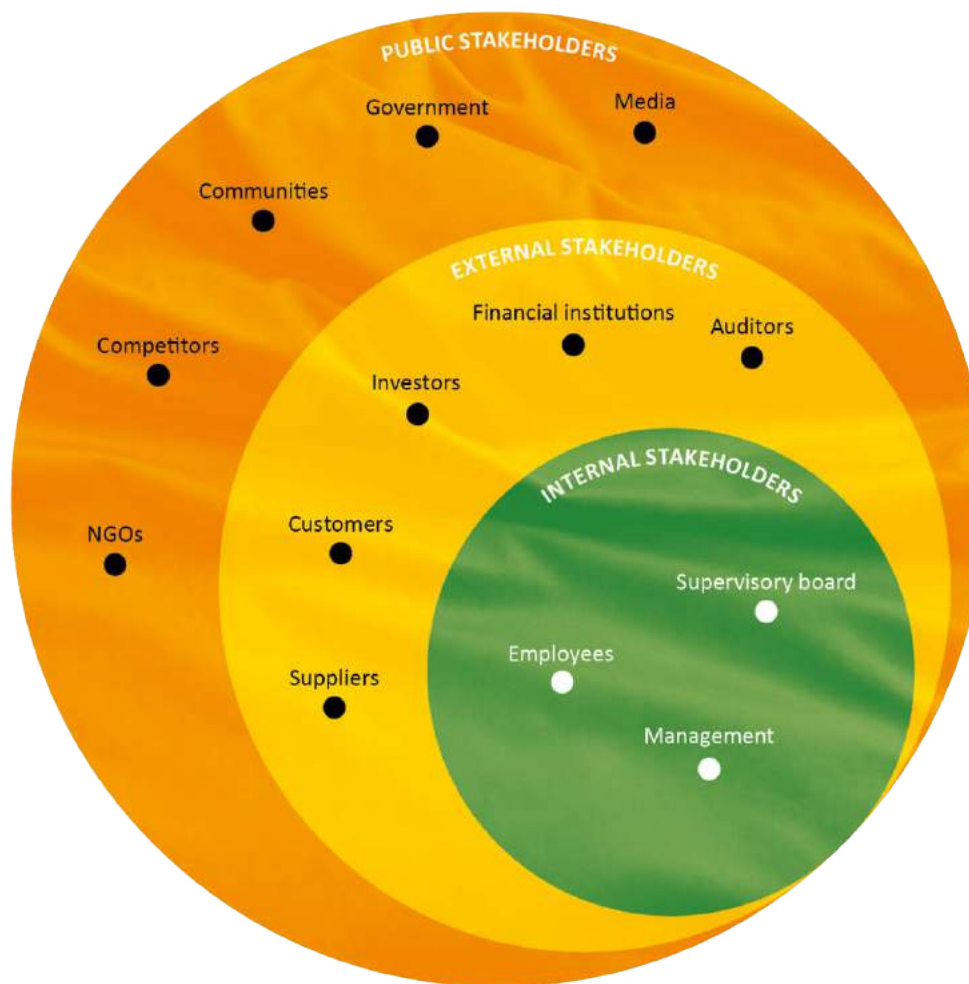
We believe that solutions are only possible through collaboration, and that systemic change is built on deep, ongoing engagement with the people that our operations impacts. From those who manufacture the products we sell and the team members who deliver the products to our customers, to the communities in which we work, we engage with a diverse group of stakeholders and use their valued perspectives to inform our approach to systemic change. Through these partnerships, we are able to build a more sustainable future together.

Our sustainable goals

Our proactive approach to stakeholder management

We map our various stakeholders and proactively involve them in developments that relate to our strategic vision, work in the community, workforce and organisation, together with product development and risk management.

To achieve our sustainable and responsible commitments, we believe it is essential to proactively inform, and engage with our stakeholders. Through active stakeholder engagement and management, we are able to consider the diverse range of opinions and values of our different stakeholders. In doing so, we aim to build valuable long-term partnerships on the basis of transparency and trust. This is important as trust is fundamental to people working efficiently and effectively together, which in turn helps to minimise uncertainty and leads to better-informed decision-making. We have, for example, involved our stakeholders extensively in the formation of our strategic risk assessment and our new sustainability strategy. In this strategy, we set a number of ambitious targets to become a sustainability leader in the bed and mattress industry.



Our sustainable goals

Our main stakeholders are:

Our customers

How we make choices within our company and how we shape our strategy are largely determined by the wishes of our customers. This also applies to the sustainable development of our products and services that we offer. Over the past decade, many customers have increasingly started to give greater consideration to the impact their behaviour and the products they purchase has on the environment. This change in behaviour is influenced by the visible changes in the climate that they have observed with their own eyes and in the media, through education, and as a result of public debates. We believe that it is important to include customers' points of view in our sustainability strategy, and therefore take customer reviews into account.

Our employees

Our team plays a vital role in our company achieving its sustainability objectives. We are convinced that an effective sustainability strategy will also contribute to the well-being of our employees, and it therefore also contributes to retention. Through surveys and internal interviews, employees are regularly asked for their opinion about various sustainability topics.

Our suppliers

Many sustainable product developments can only be achieved through intensive collaboration with our suppliers. In addition, suppliers are often aware of international developments in materials, and are required to work together to ensure compliance with international regulations with regards to human rights and emissions both within their own organisation and also their subcontractors. For several years, we have discussed our sustainability strategy and developments as part of our regular and annual meetings with all suppliers.

Our investors

Sustainable organisations are attractive to investors as they are more likely to generate long-term returns. Such organisations typically have strong environmental, social and governance practices, and are more transparent, which makes it easier to assess the company's future performance and stability. In addition, being sustainable can lead to a better reputation, cost savings, improved customer loyalty, and enhanced access to capital, which can all contribute to long-term returns. Furthermore, sustainable organisations are more attractive to a growing number of investors who are looking to make investments that align with their own values. We communicate and discuss our sustainability strategy during meetings with investors on a quarterly and ad hoc basis. Information from other stakeholders – such as government, competitors, financial institutions and auditors – is collected through desk research and through various discussions with the relevant organisations.

Our Management Board and Supervisory Board

Our Management Board and Supervisory Board are informed about the views and opinions expressed by stakeholders with regards to BBH's sustainability-related impacts through regular meetings, reports and communication with our sustainability team. This ensures that stakeholders' concerns are addressed in a timely and appropriate manner. The Management Board is also informed about the progress and outcomes of initiatives taken to reduce the company's sustainability-related impacts, and the sustainability team provides it with regular reports and updates on the company's progress in achieving its sustainability goals.

All information with regards to sustainability is made available to all employees in Dutch, and at the corporate level in English, so that the information is accessible and available to all. Language, cultural barriers and privacy are all taken into account.

Our sustainable goals

Customers

How we engage	Top 5 topics	How we respond
<ul style="list-style-type: none"> • Customer reviews • Sales interviews • Market research • Brand websites 	<ul style="list-style-type: none"> • Accessibility & affordability • Innovation for better sleep • Collaboration for reuse & recycling • Circular product development • Customer awareness 	<ul style="list-style-type: none"> • Introduce Beter Slapen ID to improve our customers' quality of sleep • Collaborate with mattress recycler Matras Retour to prevent mattress incineration • Establish and participate in a sector-wide group to increase mattress recycling • Introduce a range of circular and more durable products • Enhance the online visibility of our more durable product range

Employees

How we engage	Top 5 topics	How we respond
<ul style="list-style-type: none"> • Job interviews • One-on-one conversations • Personal training & development • Internal communications / the BBH app • Durability ambassador programme 	<ul style="list-style-type: none"> • Employee well-being • Circular product development • Innovation for better sleep • Sustainable operations • Collaboration for reuse & recycling 	<ul style="list-style-type: none"> • Provide our employees with opportunities to grow professionally in their careers • Introduce a range of circular and more durable products • Introduce Beter Slapen ID to improve our customers' quality of sleep • Increase the use of renewable energy and further reduce CO₂ emissions • Collaborate with mattress recycler Matras Retour to prevent mattress incineration • Establish and participate in a sector-wide group to increase mattress recycling

Suppliers

How we engage	Top 5 topics	How we respond
<ul style="list-style-type: none"> • Online surveys • Annual meetings • Supplier Code of Conduct • BBH brand websites 	<ul style="list-style-type: none"> • Circular product development • Collaboration for reuse & recycling • Sustainable operations • Training & development • Innovation for better sleep 	<ul style="list-style-type: none"> • Introduce a range of circular and more durable products • Collaborate with mattress recycler Matras Retour to prevent mattress incineration • Establish and participate in a sector-wide group to increase mattress recycling • Increase the use of renewable energy and further reduce CO₂ emissions • Offer Beter Bed Academy training to all employees • Introduce Beter Slapen ID to improve our customers' quality of sleep

Investors

How we engage	Top 5 topics	How we respond
<ul style="list-style-type: none"> • Online surveys • Annual meetings • One-on-one conversations • Corporate website 	<ul style="list-style-type: none"> • Innovation for better sleep • Accessibility & affordability • Human rights & supply chain • Sustainable operations • Customer awareness 	<ul style="list-style-type: none"> • Introduce Beter Slapen ID to improve our customers' quality of sleep • Ensure the Beter Bed Supplier Code of Conduct is signed by 100% of our suppliers • Increase the use of renewable energy and further reduce CO₂ emissions • Create a more durable choice in every product category • Enhance the online visibility of our more durable product range

Our sustainable goals



Promise

We will enable everyone to have the best quality sleep, improving their health and well-being by offering innovative solutions and stimulating sustainable choices.

Our approach

Providing a good night's sleep to live a better and healthier life has always been at the core of who we are as a company and what we do. For this reason, our primary focus is creating awareness and making better sleep solutions available to our customers, potential customers and wider society.

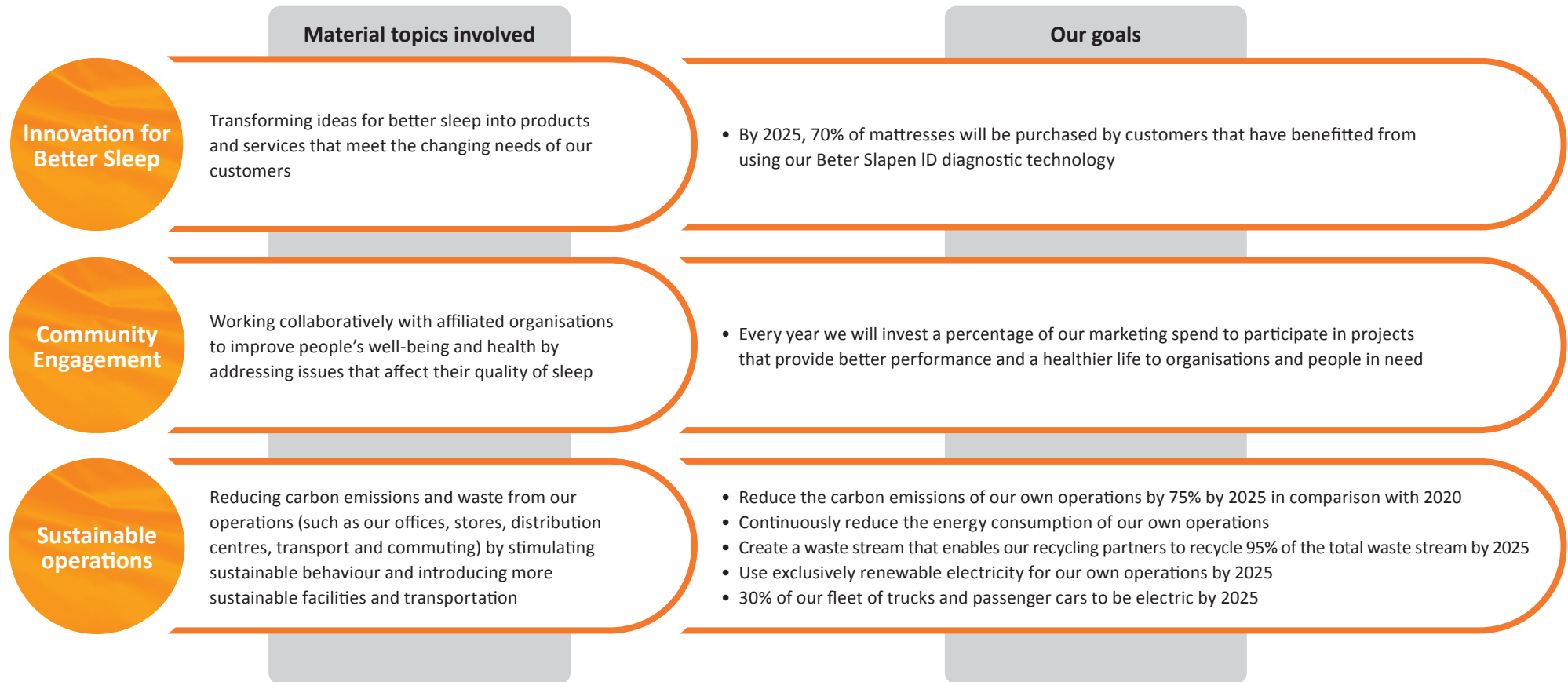
As a company, we also deepen our knowledge about the extent to which a good night's sleep contributes to a happier and healthier life by drawing on research from experts such as sleep scientists and physiotherapists. By utilising data and new technology, we are able to improve sleep solutions for every individual customer. The introduction of the Beter Slapen ID in our stores is a good example. Thanks to this diagnostic technology, we have successfully eliminated those elements of the selection criteria that are not relevant when choosing the right sleeping solution, which contributes to a higher quality of sleep for our customers.

We believe we have a special responsibility to help the most vulnerable, for whom having a good night's sleep is especially important. For this reason, we participate in projects to provide better health and care, such as at the Princess Máxima Center for pediatric oncology and refugee shelters throughout Europe, including Ukraine.

In addition, we engage with sports clubs, and national and Olympic teams to learn more about the relationship between sleep and performance. We ensure the knowledge we gain through these partnerships is made available to everyone who wants to sleep better and live better.

We place considerable emphasis on ensuring that we operate in line with sustainable business practices and that we use resources responsibly. Key to our efforts are the valuable partnerships, such as within our supply chain, that we nurture to enable us to create impact at scale.

Our sustainable goals



Our sustainable goals

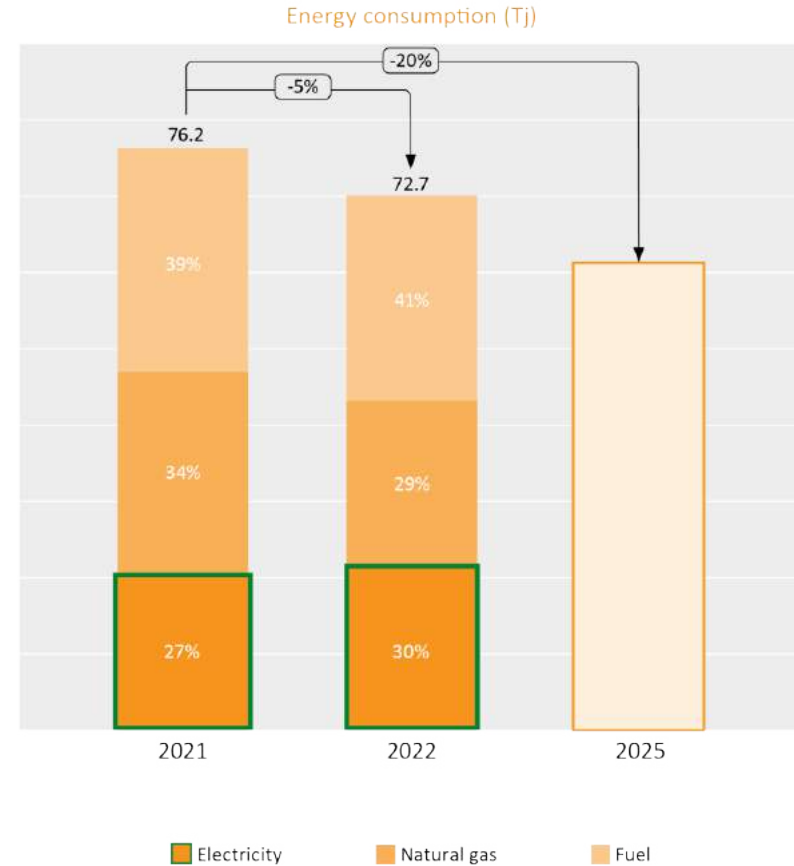
Where are we now

Following a phased pilot, the full roll-out of Beter Slapen ID across our entire Beter Bed store network is set to be completed in the first half year of 2023. This diagnostic tool has proven to be very popular, leading to higher customer satisfaction levels, lower returns, and better in-store conversion rates.

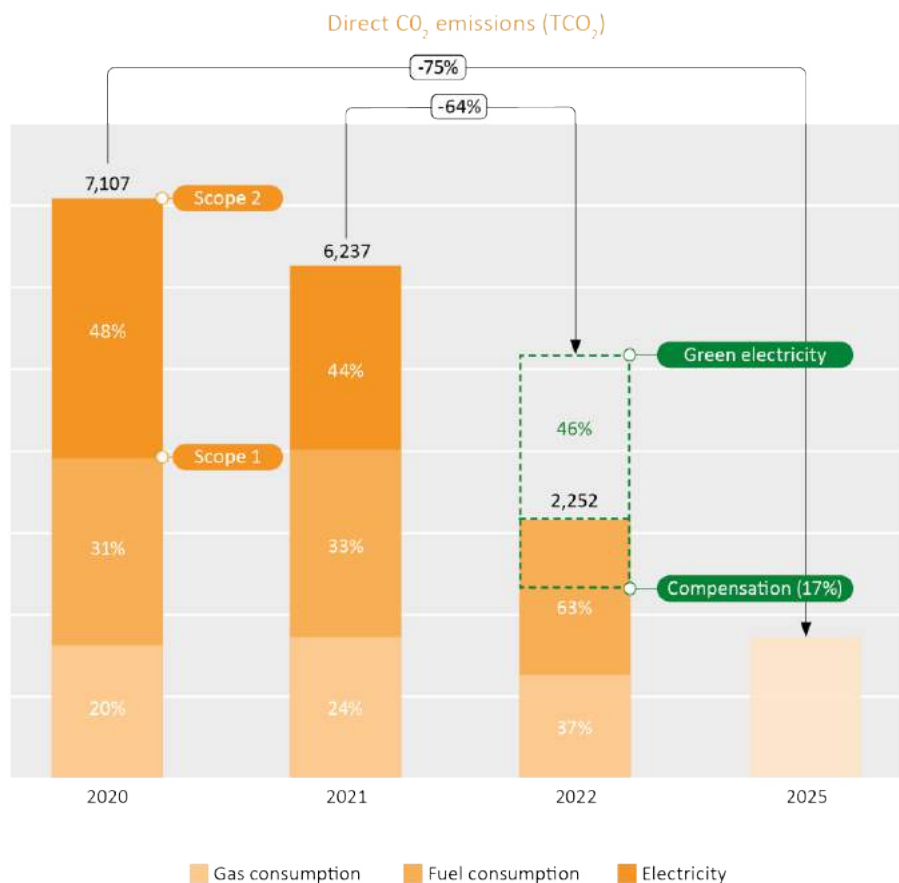
The next step is to reach our 2025 goal that 70% of mattresses will be purchased by customers that have benefitted from using this diagnostic technology. As part of our overarching strategy, we intend to measure and report actual improvement in quality of sleep going forward.

We share information and insights about sleep with our elite sports partners, and also learn from their experiences and research. This is beneficial not only to the athletes involved, but also helps us to better support our social partners, such as the Princess Máxima Center for pediatric oncology, through the development of sleep solutions.

“We are proud to report significant progress against a number of our goals”



Our sustainable goals



We promise to provide the best possible night's sleep for our customers while also minimising our impact on the environment. To this end, we transitioned to 100% green electricity in 2022 for all of our in-house operations. In terms of carbon emissions from our operations, this resulted saving of 2,760 tonnes of CO₂ over 2022 (which represents 46% of our total carbon emissions). In addition, we are also implementing changes to make our vehicle fleet more environmentally friendly in the coming years. Our lease scheme provides flexibility, enabling our employees to choose between a lease car or a mobility allowance. Moreover, we now only offer electric company cars, and we have also started the first pilots for electrically powered commercial vehicles for our truck fleet.

Our company will continue to invest in making our operations fully climate-neutral. Until this has been achieved, we will also participate in various projects to offset CO₂ emissions, for example the Afforestation Project in Qianbei in the east of China. In 2022, our participation in this project led to the offsetting of 1,000 tonnes of CO₂ emissions. This resulted in a total CO₂ reduction of 64% compared with 2021.

Our sustainable goals

What's next

In support of our overarching company strategy, in 2023 we intend to measure and report the actual improvement of quality of sleep as a result of our Beter Slapen ID, while also continue to fine-tune this innovative diagnostic technology.

One of the most important aspects of BBH's sustainability strategy is to reduce CO₂ emissions to help combat climate change. In the coming years, we will continue investing in energy-efficient measures in our branches and other buildings, in addition to reducing emissions through the electrification of our fleet of vehicles and by transitioning to renewable energy.

We aim to reduce the CO₂ emissions of our activities by 75% by 2025 compared with 2020, with the ultimate goal being to operate completely carbon neutrally by 2030. To achieve this, we are both significantly reducing our own CO₂ emissions and developing sustainable products and services for our customers.

At present, 26% of our operations' CO₂ emissions are related to transportation. In 2023, we will continue to focus on reducing the impact of our operations through increasing the proportion of electric vehicles within our fleet. In addition, we will continue to invest more in energy-saving measures through the renovation of branches and distribution centres, and the wider use of renewable energy.

In waste management, while we have already achieved a high level of waste reuse, together with our partners we are examining how we can reuse materials to the highest possible degree by processing recycled waste streams in our packaging and products. By doing so, we will be able to close the loop, reusing materials recycled from our products, thereby minimising the impact of our organisation.



Our sustainable goals



People

We will deliver social impact by always focusing on our employees' safety and well-being striving to become an employer of choice, and working together with our suppliers to ensure that they align with our goals and standards.

Our approach

From our supply chain to our stores, we believe everyone deserves to be treated with dignity and respect, and we use our scale to protect individual human rights across our business.

Through our (predominantly European) supply chain we are able to exercise influence to help protect and uphold the human rights of people across our value chain. While we care deeply about human rights everywhere, we recognise that we can have the most impact on the lives our team members.

The need for companies to improve visibility in their production and - where possible - implement start-ups in their supply chains is today greater than ever before. In 2022, we took another important step in our human rights journey by joining the amfori BSCI (Business Social Compliance Initiative) platform, which helps companies to commit to better working conditions in their global supply chain. It does this through offering a common code of conduct and a step-by-step plan to companies that applies to all sectors and production countries.

We also have an ongoing commitment to monitor for any indication of forced labour throughout our supply chain, and to take swift action to address any such problems. We work to enhance worker well-being on a continuous basis, often through high-impact partnerships that seek to address issues that are locally relevant.

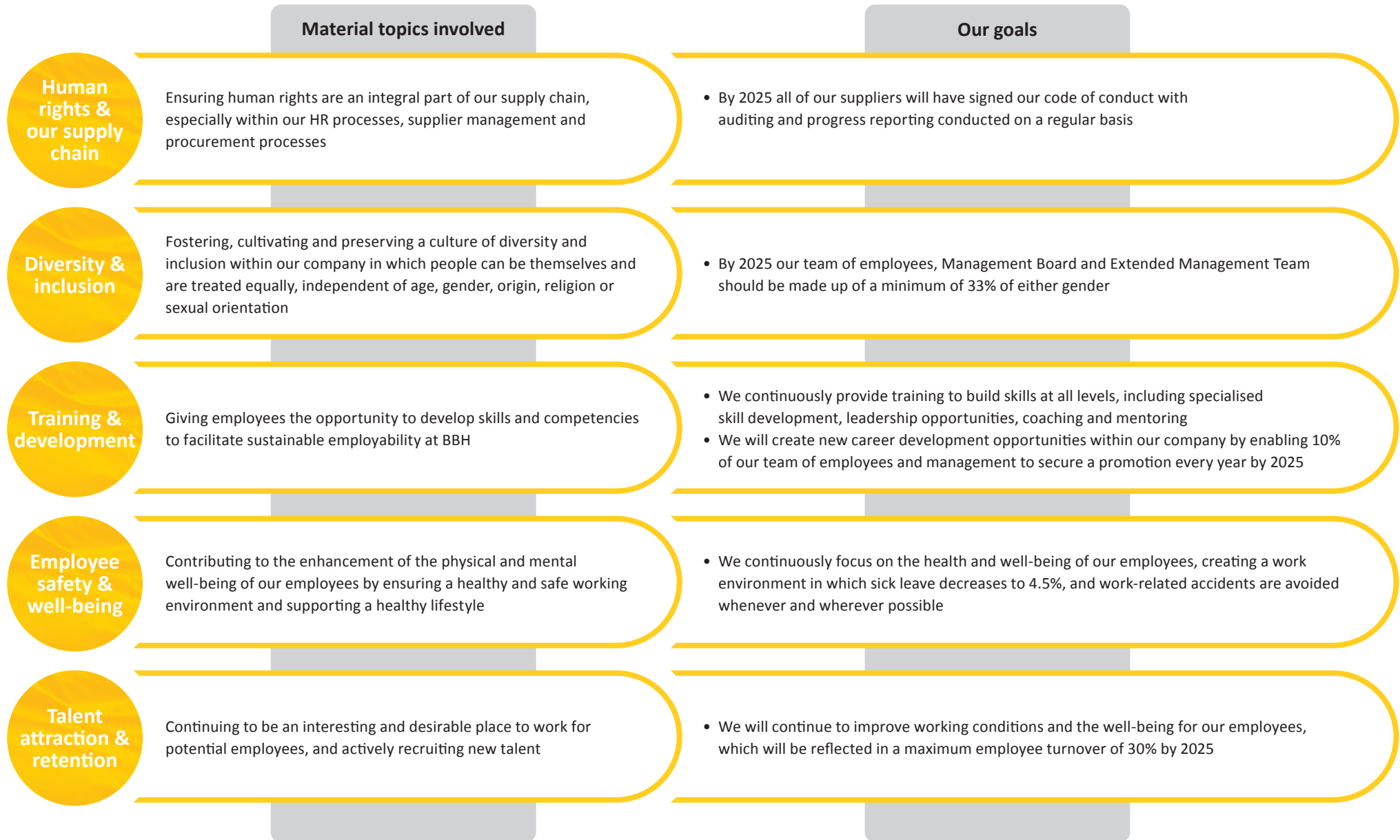
Furthermore, we aim to improve workplace safety for BBH's logistic workers and support enhanced overall well-being for everyone in our supply chain. To this end, we engage with strategic partners that have the knowledge and reach to address the issues that matter most to supply chain workers.

Beter Bed is committed to creating a diverse, equitable and inclusive workplace. We value the unique perspectives and experiences that each individual brings to our business, and strive to create an environment in which everyone feels respected and supported.

We are committed to providing training and development opportunities tailored to our employees' individual needs. For this purpose, we use the Beter Bed Academy, which features almost 800 training modules. We actively seek candidates from a diverse range of backgrounds and ensure that our recruitment processes are fair and equitable.

We also recognise the importance of creating an environment that is attractive to potential employees. We actively promote the benefits of working at Beter Bed and emphasise our commitment to creating a positive and supportive workplace. We also strive to ensure that our benefits and compensation packages remain competitive so that we can attract and retain top talent.

Our sustainable goals



Our sustainable goals

Where are we now

We verify compliance with our policies through factory vetting, on-site assessments, corrective action plan development, capability building, and training in collaboration with the BSCI platform. In the event of a problem related to human rights violations, we commit to working with third-party experts to develop, execute and oversee appropriate remediation programmes.

The Beter Bed Supplier Code of Conduct supports key suppliers in evolving their approach towards continuous improvement. This Code of Conduct, which has to date led to us engaging with 57 suppliers in 15 countries, should lead to an increase in worker satisfaction at these organisations with respect to working conditions, in addition to an increase in worker engagement. In 2022, we achieved our 2025 target as we were successful in ensuring all our suppliers (100%) signed the code of conduct. As a result, we will start the risk inventory and audit of the suppliers faster than planned.

During the year, we carried out a safety assessment in all our distribution centres, which led to an update in our safety protocols and changes to the distribution centre layout. This should contribute to a reduction in the number of accidents and near-accidents going forward. All company emergency plans were also revised, and an extensive training programme established to ensure our team of first responders is adequately trained. In addition, a safety team was created that discusses progress and incidents on a monthly basis, and takes actions to enhance safety across all disciplines and locations within our company. We offer a compelling work environment with meaningful experiences and abundant growth and career development opportunities. We have developed a culture of learning and invest almost 12,000 payroll hours into training our team members each year. This includes extensive programmes that help our team build skills at all levels, including specialised skill development, leadership opportunities, coaching and mentoring.

What's next

We believe that the two most powerful accelerators of change in our industry are collaboration and alignment. We will continue to use the BSCI platform as well as collaborating with our suppliers to measure supply chain performance and drive continuous improvement across our global manufacturing footprint.

In today's fast-changing global marketplace, companies have to address a growing number of challenges and concerns in operations and supply chain. At the same time, demands for greater transparency and accountability from wider society have grown. For this reason, in 2023 we will also join the amfori BEPI (Business Environmental Performance Initiative) network. Amfori BEPI covers a wide variety of 11 environmental performance areas, which range from energy consumption and greenhouse gases to chemical management. This service includes a five-step approach to drive continuous improvement through supply chain mapping and analysis, improvement work and progress monitoring.

More information about our Human Resource efforts and plans can be found in the chapter People (see page 67).

Our sustainable goals



Product

We will minimise our environmental impact by using ever more sustainably sourced materials, and by collaborating with our suppliers to increase the reuse and recycling of our products and packaging, thereby driving the transition towards more circular product propositions.

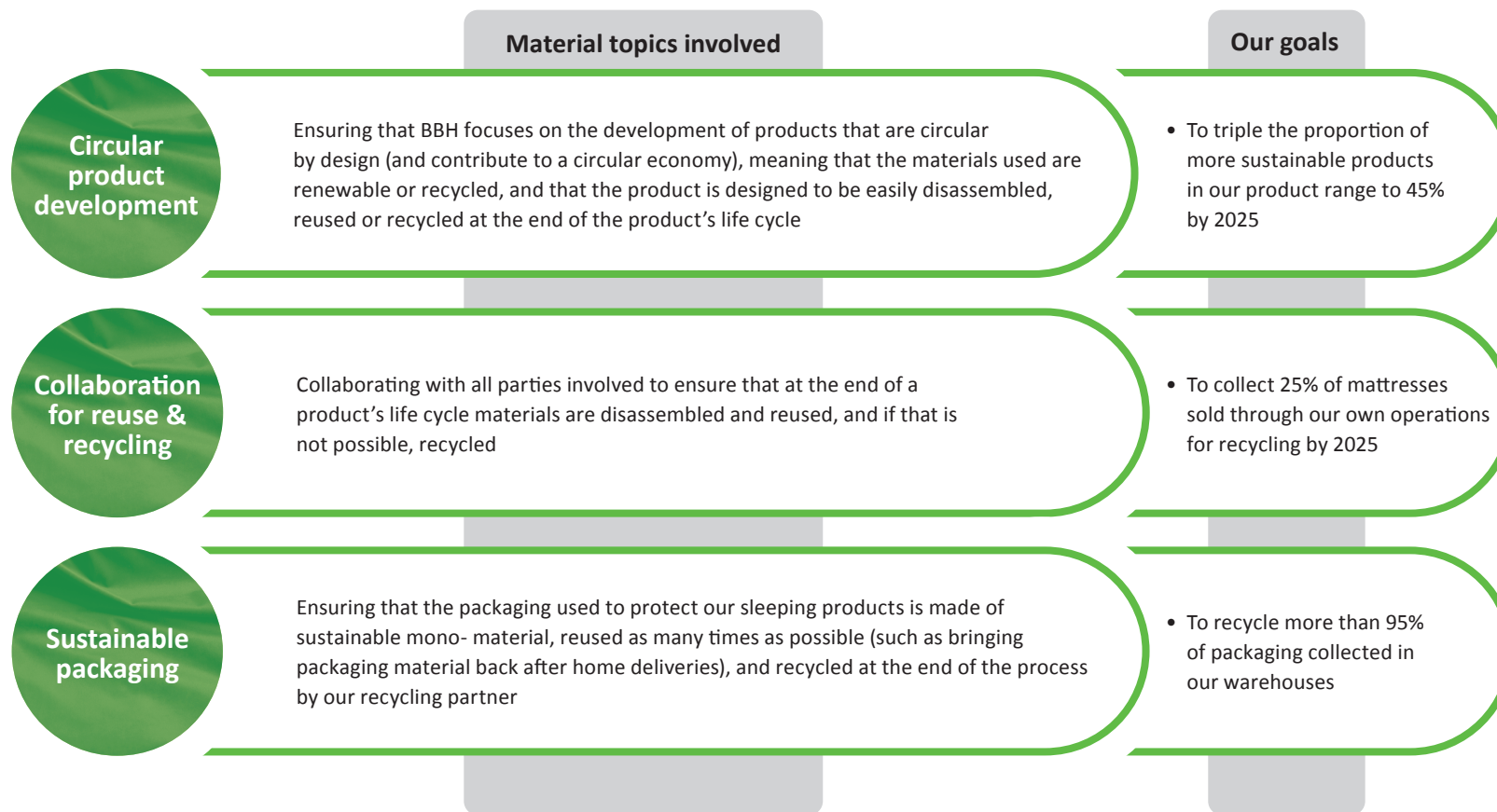
Our approach

To achieve a fully circular economy, many steps still need to be taken by individuals, companies and other organisations - the precise nature of some of which is still yet unknown. We do know, however, what our eventual goal is, and it is for this reason that we are taking the steps described. Moreover, as we continue our journey towards becoming a circular business, we are examining the market for new materials and developments that would help ensure that our products can be reused even more effectively.

To help us reach our goal of fully circular products, we have defined four sustainable product categories: circular, modular, certified natural and certified recycled. We have adopted these categories in our tender criteria for the development of new products, and we report the percentage of sustainable products as a KPI.

We believe that becoming fully circular is only achievable if we engage in effective collaborations both in and outside our usual supply chain. To close the chain completely, we will also have to manage product materials at the end of their life cycle, which will also contribute to our suppliers using fewer raw materials. For this reason, we are actively involved in innovative projects to reuse more of our products in new products or packaging.

Our sustainable goals



Our sustainable goals



Our sustainable goals

Where are we now

BBH today offers sustainable options across all product categories. These range from products that are designed to be modular, fully circular, and use certified natural raw materials or recycled raw materials. In pursuit of our ultimate goal of offering fully circular products in all product categories to all of our customers, we engage with all our suppliers and encourage them to develop and offer more sustainable products, in addition to searching for more sustainable options beyond our sector.

In 2022, we introduced several new more sustainable products:

- M line circular: a mattress consisting exclusively of materials that can only be used in a circular way, and which are visible in a digital product passport.
- M line modular: a mattress designed for easy disassembly, due to its modular construction, made exclusively from materials that can be used in a circular way.
- Karlsson box spring: a new box spring range that uses upholstery fabrics produced from recycled textile raw materials.
- Element mattress range: a mattress collection consisting of predominantly naturally sourced (and therefore renewable and biodegradable) raw materials.
- Simmons Generation mattress collection: a mattress collection consisting of 70% reused materials that is fully recyclable at its end-of-life.

For our customers, the most noticeable change has been the increasing number of more sustainable products added to our range and the visibility of these online. So that we can fulfil our sustainability promise to our customers and wider stakeholders alike, we will closely follow all developments in our sector and other sectors that could help us make our products and services more sustainable.

We are an active participant on the board of the Dutch foundation Matrassen Recycling Nederland (MRN), a group initiated by BBH and four other large bedding companies. This foundation oversees the execution of the Extended Producer Responsibility (EPR) for mattresses, the objective of which is to collect as many used mattresses as possible and recycle them to the highest possible degree. By doing so, we are able to limit the impact at the end of the product life of our mattresses. We aim to extend this responsibility for recycling to all of our other product categories.

For packaging materials, we have introduced a mono-material strategy in combination with using less packaging whenever possible. This has resulted in the use of less packaging material for our products, and a higher quality of recycling of our packaging waste.

What's next

In the coming years, our main focus will be on the use of mono-materials in our products, and the modular design of our products. This will enable us to extend the life cycle of our products, and reuse the materials to the highest possible degree at the end of the life cycle. Looking ahead, while the phasing out of traditional and non-circular materials in our products is our priority, we will in the meantime ensure that traditional and non-circular materials are reused to the best possible degree.

Product considerations include equivalent comfort of circular materials and their affordability for the consumer. Ultimately, we want to ensure a good night's sleep is available at a price that everyone can afford.

In terms of the recycling of our products at the end of the user phase, our strategy is to limit the residual flow of materials and to use a higher proportion of mono-materials. This means they can either be reused at a higher quality level or new products can be manufactured for our own collection.

Our value chain

Our value chain

Our materiality process drives how we engage internally and externally, how we invest our resources, and how we adapt our strategy on environmental, social and governance topics across our value chain.

BBH is part of a number of upstream and downstream value chains. The main upstream value chain consists of our suppliers and partners, which provide us with products, services, and IT support. The main downstream value chain consists of our customers, who choose to purchase our products. Our position in the value chain is that of a retailer, and through DBC International as a wholesale company, offering a wide range of products, services, and experiences to our customers. BBH also has a presence in the e-commerce market, which enables our customers to purchase products online. Across all markets, we work closely with our suppliers and partners to ensure the quality and safety of our products.

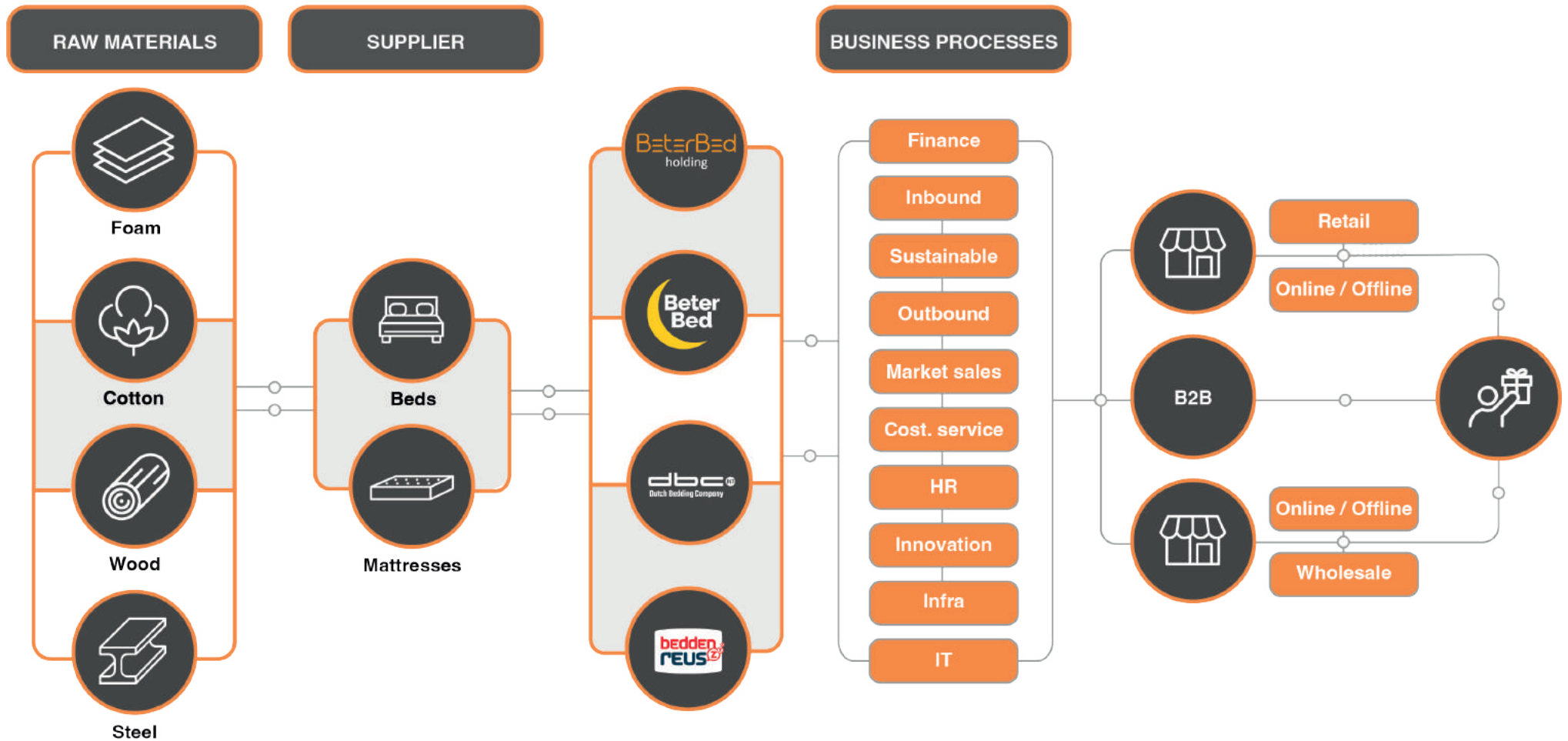
Our input and approach to gathering, developing, and securing these inputs of the supply chain is based on a combination of both internal and external sources. Internally, we leverage our extensive network of retail stores and e-commerce platforms to gather customer feedback and develop innovative products. Externally, we source complete products from suppliers, and maintain relationships with a range of partners to provide services such as logistics and IT support.

Downstream from BBH, a variety of entities are involved in the value chain. These include delivery companies, lease companies, and service providers. These entities provide a range of services to BBH, such as the leasing of box springs and mattresses, the delivery and assembly, installation of mattresses, and the removal and recycling of old mattresses and box springs. They also provide services direct to customers, such as the delivery and installation of products. Further downstream, our supply chain includes suppliers of raw materials, such as wood, foam, and fabrics, as well as manufacturers of furniture and bedding.

BBH also provides services such as leasing, delivery, and assembly of furniture, beds and box springs. Moreover, we offer a wide variety of bedroom furniture, bedding, and related products, including beds, mattresses, bed frames, headboards, bedding sets, and pillows.

The outputs of our supply chain are focused on providing our customers with quality products, services, and experiences. By leveraging our retail stores, e-commerce platforms, and close relationships with suppliers and partners, we are able to provide customers with a wide range of products at competitive prices. To ensure customer satisfaction, we also offer a range of services, such as delivery, installation and after-sales services. For investors, we aim to offer long-term shareholder value, as well as the potential for long-term capital appreciation. Furthermore, we also seek to create value by providing employment opportunities and contributing to the local communities in which we operate.

Our value chain



Our supply chain

Our supply chain

Selecting suppliers and procurement policy

The sustainability of our suppliers is an integral part of our circular business operations, as their activities have an influence on the communities and environment in which they operate. To ensure our suppliers meet our ESG standards, we have implemented a procurement policy that guides us in sourcing, contracting, and managing our relationships with suppliers. This enables us to take their performance in relation to sustainability into consideration when making decisions. At the heart of our procurement process is the comparison of suppliers based on economic and technical criteria, in addition to the following ESG criteria for products, which forms part of the decision-making in our sourcing process:

- Complying with the Beter Bed Supplier Code of Conduct;
- Adopting the Business Social Compliance Initiative (BSCI), which is described in more detail below;
- Promoting the reuse and recycling of Beter Bed products to reduce landfill and help us shift to a circular business model;
- Promoting the reduction of the use of virgin raw materials and glue;
- Our suppliers must undertake reasonable due diligence within their supply chains to ensure that raw materials used in their products are sourced with the utmost care, for instance excluding sanctioned regions, complying with timber regulations, and respecting human rights and animal welfare;
- Extending the life cycle of products.

Having selected a supplier, we require them to comply with the Beter Bed Supplier Code of Conduct. As a large company that purchases many sleep-related products, we only do business with suppliers that comply with our supplier code of conduct. This code, which forms part of our general purchasing conditions, sets out social and environmental requirements for suppliers, with provisions related to human rights, labour conditions, privacy, timber regulations, safety, environment, bribery, and corruption. We work with strategic suppliers on an ongoing basis, setting out specific terms and conditions for products and services so as to improve their sustainable performance.

Supplier risk management

We classify suppliers that we have selected according to the impact they may have on the environment and the communities in which they operate, in addition to the working conditions of their employees.

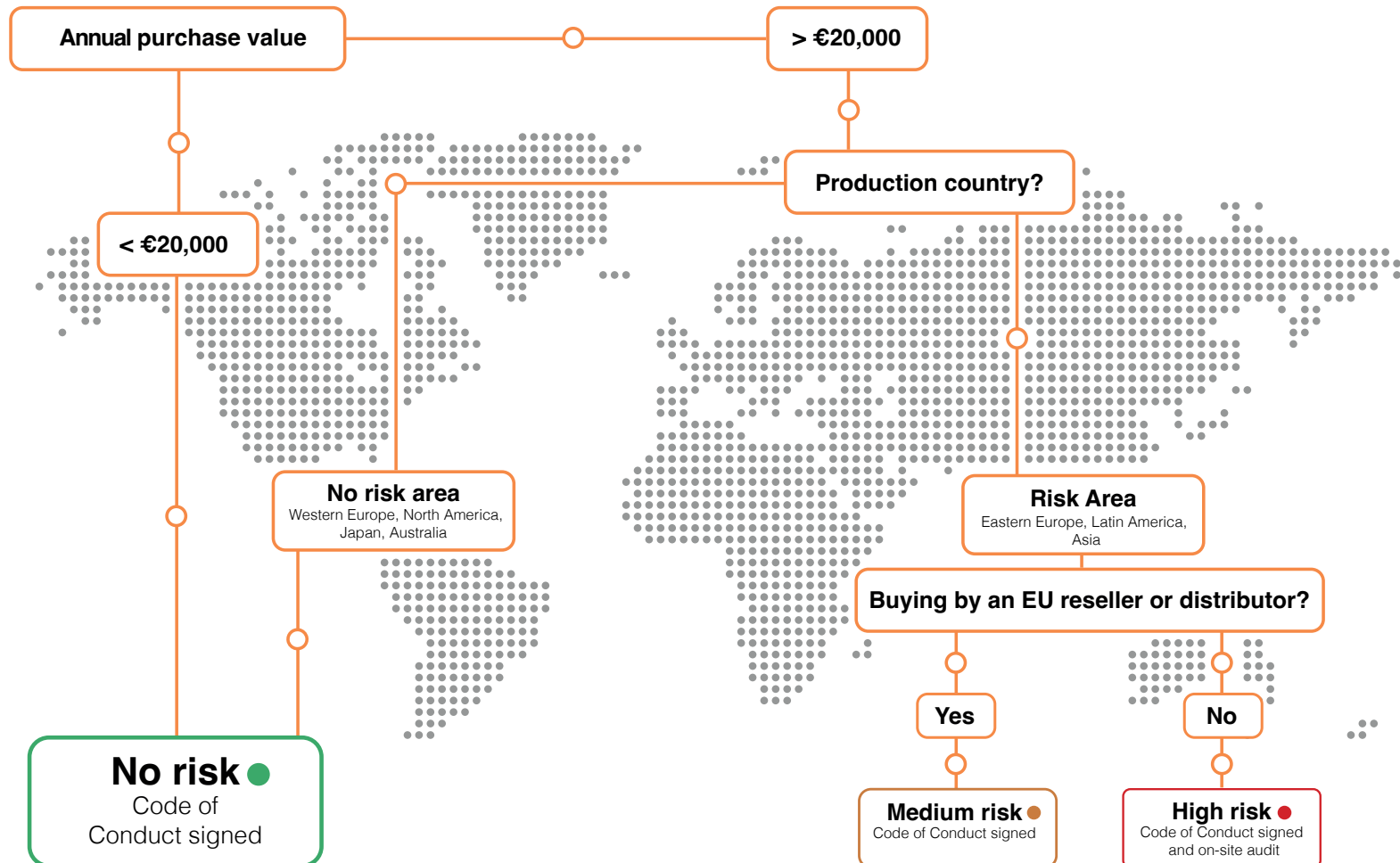
We assess this risk based on three factors:

- Production country;
- Annual purchase value;
- Potential environmental or social impact of a supplier's operation, product or service.

We use this assessment to determine the frequency with which we check the annual purchase value of the sustainability of their operations. In 2022, we had a total of 57 unique Tier 1 suppliers with a spend of more than € 20,000, of which we classified 13 as high-risk.

Suppliers classified as high-risk are subject to social audits carried out by an independent third-party auditor. These audits are repeated periodically to monitor whether suppliers and subcontractors comply with the sustainable guidelines set in our supplier code of conduct and the Business Social Compliance Initiative (BSCI).

Our supply chain



EU taxonomy

EU taxonomy

Reporting framework

The European Green Deal has been developed to tackle and overcome the massive challenges associated with climate change. To mitigate the risk of greenwashing, create clarity as to what being ‘sustainable’ entails, and determine what activities contribute towards a climate-neutral future, the European commission developed the EU taxonomy, a classification system for sustainable activities. This criteria determines whether an organisation makes a substantial contribution towards a sustainable economy, and aims to encourage and increase the understanding of sustainable finance and investment.

In order to classify an activity as sustainable using the EU taxonomy, it is necessary to make a distinction between being taxonomy eligible and taxonomy aligned. If the activity is covered under the delegated act, it has the potential to have a significant impact on one of the environmental objectives, and is therefore considered eligible. For an activity to be considered as taxonomy aligned, the eligible activity must meet three criteria. First, it must meet the ‘substantial contribution’ criteria in the delegated act. Second, it must ‘do no significant harm’ to the remaining environmental objectives. Third, we as a group are required to meet the minimum social safeguards in relation to the OECD guidelines for multinational enterprises and the UN Guiding Principles on business and human rights. If the eligible activity meets the previously stated performance requirements, it is sustainable according to the delegated act.

For the financial year 2022, we are required to not only report on taxonomy-non-eligible and taxonomy-eligible activities, but also on taxonomy-eligible activities that are not aligned, and those activities that are aligned.

Results

At year end, our sustainability team conducted a review of Beter Bed Holding’s turnover, capital expenditure and operating expenses to identify the extent to which any activities within BBH’s business should be considered eligible. The eligible activities were then screened and examined in line with the criteria to determine whether the activities made a substantial contribution, and are therefore considered aligned or not. A full reconciliation was then made to the total reported sales, capital expenditure and operating expenses information so as to avoid double counting in the allocation of the numerators.

Revenue

None of our revenue generating activities are described in the delegated acts on climate change mitigation and climate change adaptation. They are therefore not currently considered to be ‘eligible’, and for this reason there is no alignment analysis on the turnover KPI in this year’s report.

Capital expenditure

Our capital expenditures are detailed in the consolidated cash flow statement Notes 1 and 2 (see page 111). A reconciliation of the additions included in the denominator of capital expenditure under the EU taxonomy is provided below.

in thousand €	2022
Additions to intangible assets	2,166
Additions to property, plant, and equipment	4,163
Total capital expenditure for EU Taxonomy purposes	6,329

EU taxonomy

The following expenditures are covered under the delegated acts, and are therefore eligible in accordance with the environmental objective 'climate change mitigation'.

Activity number	in thousand €	2022
7.3	Installation of energy efficient light sources	606
7.3	Installation of heating, ventilation, and air-conditioning (HVAC)	105
Total eligible capital expenditures		711

11% of BBH's capital expenditure in 2022 was eligible but not aligned. We analysed these investments to determine whether they met the technical screening criteria and do no significant harm to one of the remaining objectives.

On the basis of information obtained by BBH's facilities department and suppliers of light sources and air conditioning systems, we can confirm that none of our eligible capital expenditure complies with all the criteria. This is due to the lack of information collected with regards to Directive 2010/31/EU, which concerns meeting the minimum requirements set for individual components and systems. In addition, light sources and air conditioning systems are not rated in the highest two populated classes in energy efficiency according to Regulation (EU)2017/1369, partly due to the new scale adjustments of the energy label. For this reason, we aim to conduct a climate risk analysis in 2023 so as to meet the 'do no significant harm' criteria. Nonetheless, to date, we are not aware of any climate risks within the scope of our eligible investments. Furthermore, we are continuing to enhance our human rights due diligence processes so that we can make a more positive impact within our supply chain.

The full EU taxonomy capital expenditure table is shown in the section 'Other information' (see page 159).

Operational expenditure

The delegated act uses a narrower definition of Operating Expenses than used in accounting definitions. A reconciliation of the denominator operating expenses under the EU taxonomy is provided below, and represents 0.5% compared with the accounting operating expenses.

Activity number (in thousand €)	2022	%
Maintenance and repair costs	645	
Total operating expenses for EU Taxonomy purposes	645	0.5%
Total operating expenses	117,715	100%

No research and development expenses were incurred in 2022, and we had no lease contracts shorter than 12 months. The following expenses are covered under the delegated acts, and are therefore eligible in accordance with the environmental objective 'climate change mitigation'.

Activity number	in thousand €	2022
7.3	Maintenance and repair of energy efficient light sources	24
7.3	Maintenance and repair of energy efficient equipment (heating, ventilation, and airconditioning)	78
7.4	Installation, maintenance and repair of charging stations for electric vehicles	15
Total eligible operating expenses		117

18% of BBH's operating expenses in 2022 were eligible but not aligned. The activity 7.3 'installation, maintenance and repair of energy efficiency equipment' does not meet the technical screening criteria due to the equipment having the same characteristics as the capital expenditure. The activity 7.4 'installation, maintenance and repair of charging station' satisfied the criteria 'substantial contribution'.

The full EU taxonomy operating expenses table is shown in the section 'Other information' (see page 159)

EU taxonomy

Change during the reporting period (Capex & Opex)

In 2021, less than 1% of EU taxonomy capital expenditures and operating expenses qualified as eligible. Due to internal decisions such as the installation of energy efficient light sources and charging stations for electrical vehicles, different interpretations of the KPIs and criteria by means of analysing annual reports from peer organisations, and advice obtained from advisory parties, the analysis was performed according to the reporting requirements and with higher reliability than previous reporting year.

Disclaimer

We note that while the EU taxonomy regulation entered into force in August, 2021, common practices are still being identified that affect its application. Our findings are based on known practices and the most recently updated taxonomy.

Looking forward

In the future, it is likely that the taxonomy will continue to evolve and be refined to better meet the needs of investors, businesses and other stakeholders. The four remaining climate objectives will be added and existing activities will be more precisely defined to ensure that the taxonomy is an effective tool for driving sustainable investment. Based on these factors, our eligible activities could change, and through new innovations and developments we hope to make as positive an impact as we can.

	Revenue ¹	Capital Expenditure ²	Operating Expenses ³
Total scope of activities	Net turnover accounted for in the Consolidated Income Statement under IFRS derived from the sale of products and the provision of services.	Additions to tangible and intangible assets accounted for in the Consolidated Financial Statements under IFRS during the financial year, considered before depreciation, amortization and any re-measurements, excluding Goodwill.	Direct non-capitalized costs recorded in the Consolidated Income Statement under IFRS that relate to research and development, building renovation measures, short-term lease, maintenance and repair (excluding expenses reported as raw materials and consumables used), and any other direct expenses relating to the day-to-day servicing of assets or Property, Plant, and Equipment (PPE).
Total scope of activity	€ 229,434 thousand	€ 6,329 thousand	€ 645 thousand
Taxonomy eligible activities	Turnover derived from products or services that are associated with taxonomy eligible activities.	The part of the Capital Expenditure that is any of the following: <ul style="list-style-type: none"> • Related to assets or processes that are associated with taxonomy eligible activities • Part of a plan to expand taxonomy eligible activities • Related to the output of Taxonomy aligned, enabling or transitional activities as well as activities related to the installation, renovation and repair of building or renewable energy solutions 	The part of the Operating Expenses that is any of the following: <ul style="list-style-type: none"> • Related to assets or processes that are associated with Taxonomy-aligned economic activities • Part of a plan to expand taxonomy eligible activities • Related to the output of Taxonomy aligned, enabling or transitional activities as well as renovating activities.
Taxonomy-eligible percentage	N/A	11%	18%
Aligned activities	Turnover generating activities that are eligible and make a substantial contribution to one of the environmental objectives by meeting the technical screening criteria of that activity and objective.	Capital Expenditure that are eligible and make a substantial contribution to one of the environmental objectives by meeting the technical screening criteria of that activity and objective.	Operating Expenses that are eligible that make a substantial contribution to one of the environmental objectives by meeting the technical screening criteria of that activity and objective.
Taxonomy-aligned percentage	N/A	0%	0%

KPI scorecard

KPI scorecard highlights

To ensure the successful execution of our strategy, we established at least one KPI for every material topic to monitor progress over time. In 2022, we focused on those material topics identified in our materiality analysis as having the highest priority. In addition, we report on the KPIs that we will continue to report on in the future, in addition to those required by specific laws and regulations.

Promise

Innovation for better sleep

To improve our customers' quality of sleep, we introduced Beter Slapen ID. This began in 2021 with a pilot in our new sleep experience store in Groningen in which we tested, optimised and assessed the popularity and effectiveness of the new technology. In 2022, we started the system's roll-out across our network of Beter Bed stores in Belgium and the Netherlands, with the full roll-out is set to be completed in the first half year of 2023.

This year, we also introduced a KPI to measure the use of Beter Slapen ID in the stores in which it is available. Feedback to date is very positive, and we expect 70% of in-store customers will use the system to choose the right sleep solution for them by 2025.

CO₂ emissions

One of the most important aspects of our sustainability strategy is to contribute to a better climate by reducing our CO₂ emissions.

In 2022, we invested in energy-efficient measures in our stores and other buildings, and reduced emissions through the electrification of our fleet and the transition to renewable energy for our own operations.

We also began a pilot for the use of electric transport vehicles in our service fleet, and changed the lease regulation for staff cars so that all future cars will be electric, with the goal being a fleet that is at least 30% electric by 2025.

In addition to these investments, which resulted in a year-on-year reduction in CO₂ emissions of our own operations of 50.7%, we invested to offset a further 1,000 tons of CO₂ emissions by participating in the Qianbei Afforestation Project in the east of China. This resulted in a total reduction in CO₂ emissions of 64% compared with 2021.

People

Human rights & supply chain

In 2022, we achieved our 2025 target, as we were successful in ensuring that all our suppliers (100%) signed our supplier code of conduct. As a result, we will start the risk inventory and audit of the suppliers earlier than planned. In our supplier code of conduct we also make agreements with our suppliers to prevent corruption and bribery: suppliers may not pay or accept any bribes, including gifts, in order to obtain services, assignments or other benefits (including financial benefits) and may not otherwise be engaged in corruption within the meaning of the OECD guidelines.

KPI scorecard

Employer safety & well-being

We consider safety & well-being to be of paramount importance, and therefore provide central guidance to ensure a clear and consistent approach is taken across our Group. This includes creating a central point of contact to which responsibilities by department are defined and recorded.

In 2022, to ensure that safety is given the highest priority at BBH, our cross-departmental safety organisation was restructured. Central safety contacts were appointed and procedures redefined. Furthermore, all distribution centres were reviewed and required to meet new safety standards. Among other things, this has improved how any accidents or incidents are recorded.

Product

Circular product development

2022 was the first year in which we applied our new definitions for our more sustainable products. These were determined on a product group basis by our sustainability team and category management department. In total, there are four categories of more sustainable products: circular, modular, certified natural and certified recycled. These categories have been adopted in our tender criteria for the development of new products. By year-end, this had resulted in 16% more sustainable products across our product range.

KPI scorecard

Material topic	KPI's	Unit	KPI score 2021	KPI score 2022	Target year 2025 ⁴	Status
Promise						
Innovation for better sleep	% of mattresses purchased after using Beter slapen ID	%	n.a.	58%	70%	●
Community engagement	% investment in sponsoring (of marketing budget)	%	3.9%	2.8%	no target applicable	●
Sustainable operations	% waste recycled	%	93%	89%	>95%	●
	CO ₂ emissions	Tonnes	6,237	2,252	-75%	●
	Energy consumption (TJ)	TJ	76	73	-20%	●
	% renewable energy	%	0%	100%	>75%	●
	% electrical fleet	%	3.4%	5.1%	>30%	●
People						
Human rights & supply chain	% suppliers who signed the code of conduct ²	%	81%	100%	100%	●
	% suppliers audited	%	n.a.	n.a.	100% ³	●
Diversity & inclusion	Gender diversity staff	%	43%	43%	>40%	●
	Gender diversity extended management team	%	29%	30%	>33%	●
	Gender diversity Management Board	%	50%	50%	>33%	●
Training & development	# hours training per employee	h	16h ¹	14h	no target applicable	●
	Number of employees to have received a promotion	#	68	53	10% of total FTE	●
Employee safety & wellbeing	Sick leave	%	5.5%	5.3%	5.3%	●
	Accidents	#	9*	12	0	●
	Near misses	#	0	0	0	●
Product						
Circular product development	More sustainable products	%	15%	16%	45-52%	●
Collaboration for reuse and recycling	% of mattresses returned for recycling	%	11%	13%	25%	●
Sustainable packaging	% of packaging recycled	%	96%	96%	>95%	●

1) Definition changed

2) Suppliers with >20k purchase value in reporting year

3) High risk suppliers

4) Base year: 2021

● New
 ● Maintained
 ● Work to be done & Maintained

People key figures



Number of employees and FTEs

	Employees	FTEs
2022	1,047	911
2021	1,084	937

Age diversity

	<30	30-50	>50
2022	29%	39%	32%
2021	32%	38%	30%

Training modules completed

2022	20,516
2021	13,918

Gender diversity

	♀	♂
2022	44%	56%
2021	44%	56%

Gender diversity Supervisory Board¹

	♀	♂
2022	50%	50%
2021	40%	60%

Gender diversity Management Board²

	♀	♂
2022	50%	50%
2021	50%	50%

¹ Our goal is that the Supervisory Board exists of a minimum of 33% in either gender. In 2022, the Supervisory Board consisted of 2 women and 2 men.

² Our goal is that the Management Board exists of a minimum of 33% of either gender. In 2022, the Management Board consisted of 1 woman and 1 man.

People

Being an employer of choice

How we create ambassadors by focusing on happiness at work

Having a clear sense of purpose at work has become ever more important to employees in today's working environment. How we as a company articulate our *Sleep better, live better* purpose internally with our team of employees, is therefore every bit as important as how we communicate it externally. Each and every member of our team plays a vital contribution in helping people to have a better life by getting a better night's sleep. We believe this mission is something our employees can be proud of and passionate about, and something that can help them make the right choices for our customers at work.

We are striving to be an 'employer of choice'. Our company has already taken considerable steps to become more attractive to our existing employees, helping to make them proud and engaged ambassadors in what remains a competitive employee market. Central to this is our work to make BBH an inspiring place to work. We challenge our employees to discover, use and enhance their talents in a pleasant, respectful and safe working environment. To this end, we as a company place a real focus on learning and development, helping to improve our team's knowledge and competences, and ultimately their ability to deliver for our customers.

We are proud that our teams live and breathe our *Sleep better, live better* purpose, exhibit a shared passion for the products and services we offer, and provide the very best possible sleep advice to our customers.

Employee engagement

Engagement survey

Happiness at work is pivotal to everything from employee commitment to productivity. It all starts with listening to our employees so that we understand their wants, needs and expectations, together with any causes of dissatisfaction.



To ensure their commitment and happiness, we require the right data and insights to respond appropriately to how they feel. This is why in 2022 we launched our new employee engagement survey: Happy@work.

At 70%, the response rate for the 2022 survey was good, indicating high levels of engagement. The results were also positive, demonstrating that BBH performed significantly better on almost every topic compared with the average benchmark score, which included a large number of comparable employers.

People

Overall, based on results from the survey, our employees are more positive and significantly happier compared with the benchmark scores about levels of cooperation and working together within their own team, the willingness to embrace change across our company, and feeling appreciated and recognised. Further progress is, however, required to improve internal communication within our company.

One way in which we have worked to enhance internal communication has been through the introduction of our new custom-designed and easy-to-use employee app called Happy@work. The app fulfils the needs of our employees by providing access to a wide range of information, such as updates about HR, safety, our commercial performance and new colleagues joining our company. The app is proving popular with employees, as evidenced by the numbers of dedicated users, which has increased from 65% on the old app to almost 75%. It is also helping us to strengthen both employee engagement and internal branding. We understand that the commitment and engagement of our employees must continue to be a focus area if we are to achieve our ambition of becoming an employer of choice.

A safe, happy and respectful working environment

As an employer, we do all we can to foster a safe, happy and respectful working environment. During 2022, we took a number of actions in the warehouses to improve safety, such as training programmes about physical strain, a training programme on emergency response, and new signage to highlight safety instructions. As a result of these improvements, safety incidents are detected and signalled earlier. Over the course of the year, a total of 12 work-related accidents were reported. These accidents were not the result of an unsafe working environment, but nevertheless occurred during office hours and were therefore reported as such. In all cases, appropriate action was taken immediately.

In terms of creating a respectful workplace, we believe that any incident of inappropriate behaviour that is inconsistent with our values and affects an individual's dignity at work is one too many. We have communicated our zero-tolerance statement – which outlines what employees should do in the event of them experiencing or observing any such behaviour – to all employees through various channels, emphasising that all employees must feel safe at BBH and be treated with respect at all times.

BBH's Code of Conduct (COC) includes the key principles on how BBH conducts its business, and how it expects its employees to act. The COC is compulsory for our employees and includes various topics, including fair competition, corruption, improper advantages, and anti-fraud. Awareness about the COC is raised through our employee onboarding programme and our company whistleblowers policy. The COC applies to members of our Supervisory Board, Management Board and all employees, with anyone at BBH able to report potential violations of our COC through the procedures stated in our whistleblowers policy. Regardless as to how an issue is reported, our whistleblowers policy includes a non-retaliation policy that applies to any individual that reports a concern or incidence of inappropriate behavior. In 2022, no concerns were reported through our whistleblowers policy.

Recruiting in a competitive market

Given that the significant number of vacancies in our sector has occurred at a time of low unemployment, our company has experienced how challenging it can be to fill vacancies in the current market. For this reason, we have sought to continuously improve both our online and offline visibility. An important element of this work was the launch of our state-of-the-art new recruitment website in March 2022. This showcases BBH by giving potential employees an insight into our company and culture, together with promoting opportunities across our organisation. In addition, we are putting greater emphasis on our social media channels to better target the right people.

Working in a performance- and development-oriented environment

Employee development is not only key to an individual's future prospects, but also to the future success of BBH. We therefore strongly believe in the importance of employees having clear career paths in which they can grow, discover their talents, follow their ambitions, and have opportunity to get promoted. During the year, 53 BBH employees received a promotion as a direct result of this focus on development.

This year, 53 employees from different levels of our organisation – drawn from our head office, and regional and store management – followed a training programme to strengthen their management skills. We also held a series of management offsites during which almost 60 of our senior leaders and executives focused on their personal leadership style, together with learning more about the best way to translate our strategy to their teams in an engaging, inspiring and practical way. Another interesting development initiative involved 150 employees further improving their teambuilding skills by taking part in our new 'talent check programme'.

People

This programme is undertaken at team level and helps to provide insights about the respective talents of the different members of the team. This helps to better understand one another, particularly in terms of getting the very most out of one another's talents.

In 2022, we developed a senior leadership programme for high potential senior leaders set to take on greater responsibility within the next two years. This blended programme will begin in 2023, and includes knowledge modules, skills training in personal effectiveness, strategic leadership, team development, and active participation in several projects. Learning takes place both 'on the job', with coaching provided internally by GLT members to whom they do they not report, and 'off' the job, with coaching provided by external learning and development specialists.

Talent review

As part of the strategic HR planning, a talent review was undertaken in 2022 of the GLT members and senior leaders reporting directly to them. This talent review was also discussed with the Supervisory Board. The talent review provides not only a review of performance with respect to other senior colleagues but also a picture of the possible development opportunities for the succession of the Management Board members and GLT members. This review is a regular subject of discussion at BBH with respect to talent recognition and career development.

From product sale to sleep advisor

Our new special sales programme, launched in January 2022, will see traditional sales conversations transformed from being product-oriented to truly sleep advice-oriented. Our sales advisors are today sleep specialists, and equipped with expert knowledge are able to advise customers about the best sleep solutions for them as individuals. All our stores' teams now receive specialist training so that they are fully able to provide expert sleep advice, in line with our company's shift in approach from focusing on product sales to sleep advice. This is supported by our Beter Bed Academy (our online learning platform with almost 800 training modules), which has a number of newly created product modules that enable our teams to be up-to-date with the latest sleep products and technologies.

Diversity & inclusion

Our company strongly believes in the importance of having a diverse and inclusive workforce in terms of education and experience, nationality and cultural background, gender, age, and also in people with a distance to the labour market. Moreover, it is vital that everyone at BBH feels welcome and respected.

As an organisation that is working hard to foster a more inclusive workplace, we were pleased to achieve the Performance Ladder Social Entrepreneurship (PSO) certificate in February 2022, as a result of our focus on supporting individuals who find themselves in a vulnerable labour market position. We believe our work and commitment in this area is an important element of our social responsibility as a company. As a result of this change in focus, we successfully increased the percentages of employees in this specific target group.

While we reached our goal for gender diversity of at least 33% of either gender across our company in 2022, female representation in our extended management team amounted to 30%. Through our senior leadership programme for high-potential senior leaders, we hope to strengthen the experience of future leaders at BBH, thereby creating a more balanced extended management team in the future.

Representing our employees

A new works council was chosen at the beginning of 2022, with 12 positions split across our organisation's different disciplines and functions. The works council represents all different business units and meets on a monthly basis to discuss topics related to employees and business operations.

BBH values having an effective, open, and transparent working relationship with BBH's works council, which represents all employees in our organisation in a highly professional way. We are very pleased that our working relationship with the works council is honest, transparent and cooperative, and would like to thank them for their constructive collaboration over the past year.

People

The development of the number of employees is as follows:

	2022	2021	2020	2019 ¹	2018 ¹
Diversity					
Women	457	471	492	535	500
Men	590	613	632	651	596
Total	1,047	1,084	1,124	1,186	1,096
Age					
<30	306	345	399	421	340
30-50	402	417	448	491	512
>50	339	322	277	274	244
Total	1,047	1,084	1,124	1,186	1,096
Diversity in extended management team					
Women	15	15	12	10	9
Men	35	36	35	35	31
Total	50	51	47	45	40
Diversity in extended management team (in %)					
Women	30%	29%	26%	22%	22%
Men	70%	71%	74%	78%	78%
Total	100%	100%	100%	100%	100%

	2022	2021	2020	2019 ¹	2018 ¹
Full-time/part-time					
Full-time - women	73	72	86	92	71
Full-time - men	360	380	371	416	401
Part-time - women	384	399	405	470	429
Part-time - men	230	233	262	208	195
Total	1,047	1,084	1,124	1,186	1,096
Fixed-term/temporary contracts					
Fixed - women	308	339	353	353	352
Fixed - men	416	420	404	386	385
Temporary - women	149	132	138	172	148
Temporary - men	174	193	229	275	211
Total	1,047	1,084	1,124	1,186	1,096
By region					
The Netherlands	991	1,029	1,073	1,028	908
Sweden	-	-	-	120	156
Belgium	56	55	51	38	32
Total	1,047	1,084	1,124	1,186	1,096
Parental leave					
Women	7	8	5	15	17
Men	16	2	9	4	10
Total	23	10	14	19	27

¹ The years 2018 and 2019 include Swedish employees.

Interview with Cody Gakpo

Sleeping for success

With the margin between winning and losing incredibly small in the world of sport, the difference between success and failure is not just about how hard you train, but also how well you sleep. For the Netherlands' centre forward Cody Gakpo, who starred at the 2022 World Cup in Qatar, the link between high-quality sleep and high performance makes getting a good night's sleep crucial: *"It doesn't matter whether you're playing in the World Cup, training at your local club or working in an office, sleep is vital for your physical health and mental well-being."*

The right state of mind

Sleep was not always, however, at the forefront of Cody's mind. "When I was a kid, and then as I progressed through the youth ranks of PSV, I was aware that sleep was important. But as I grew older, and broke through in to the first team at PSV, I learned just how important it is for everything. Especially for recovering from injuries and of course for match preparations, so that you're in the right state of mind ahead of, and during, big games."

Big games are certainly something that Cody has experienced his fair share of in recent months, having scored in each of the Netherlands' group games in the World Cup and made his debut for Liverpool: "To play at a World Cup and follow in the footsteps of so many great players like Bergkamp, Seedorf and Van Basten was a dream come true. Although we didn't bring the trophy home, the only team that beat us was the eventual champion Argentina, and we can be proud of how we performed."



Interview with Cody Gakpo

“Sleep is even more important in the run-up to important matches like in Qatar or on my debut at Liverpool. From the constant travel to the press conferences and other commitments, there’s so much going on. But come game time, you really must be able to make split-second decisions under pressure and to be on the top of your game, as you don’t get a second chance.”

“Sleep is even more important in the run-up to important matches”

Winning with qualitative sleep

Sport scientists would certainly agree, with evidence showing that improved sleep quality and increased sleep duration have a tangible effect on competitive success. From a physical perspective, quality of sleep has a significant effect on the body’s ability to recover from injuries and fatigue after gruelling training sessions. Moreover, sleep also impacts our cognitive functioning, affecting our ability to concentrate, process information, make decisions and perform in stressful situations. “Performing at the highest level is not something that happens by accident. It’s all about getting the very most out of yourself and thriving under pressure. To give yourself the best chance of doing that you need to train right, eat right, and sleep right. There’s no point in turning up for a big game unless you’ve prepared properly. From friends and family to fans, there’s a lot of people depending on you. I always want to step on the pitch knowing that I’ve done everything I can to give me, and my teammates, the best chance of winning.”

With the eyes of the sporting world on him in Qatar, Cody was not fazed by the added attention. “As an attacker, at the end of the day, the reality is that you’re judged on how many goals you score. That means a certain amount of pressure that you’ve got to be able to process. And doing that is much harder if you’re anxious after a bad nights’ sleep.”

“I always want to step on the pitch knowing that I’ve done everything I can to give me the best chance of winning”

The message behind M line’s campaign ‘Voor topsporters, en voor jou!’ (For elite athletes, and also for you), in which Cody featured in a commercial together with Vivianne Miedema, from the Netherlands women’s football team, really resonated with him. “Sports scientists say sleep is an investment in tomorrow, rather than time lost from today. Beginning your day well rested is important whether your workplace is an office, school or Anfield. Everyone benefits from a healthy sleep routine to get a good night’s sleep and the max out of their day.”

Cody’s own sleep routine is all about regularity. “You must listen to your own body. I always try to sleep a minimum of 8 hours a night. If we have a big match in the evening, I sometimes take a short nap in the afternoon so that I’m feeling fully fresh, relaxed and ready to play.”

“Beginning your day well rested is important whether your workplace is an office, school or Anfield”



Cody Gakpo (1999) is a professional football player and plays for Liverpool FC in the English Premier League. He is also a leading player for the Dutch national team, having made his international debut in 2020. He has been an ambassador for M line since 2022.

Management Board biographies



A.J.G.P.M. Kruijssen (1965) – Chief Executive Officer

John joined BBH in 2018, having held a number of leadership roles in large international companies.

From 1984 to 1997, John gained experience in a diverse range of managerial positions at companies such as Halfords Nederland B.V. and Unigro N.V., The Netherlands. This was followed by various management and executive positions at Royal Dutch Shell in both the Netherlands and the United Kingdom. From 2010 to 2015, he served as CEO of Markeur Holding B.V., and from 2015 to 2018 as CEO of Detailresult Group N.V. He also serves as an advisor to a Dutch family office, and is a Supervisory Board member at SPAR Holding B.V.

In addition to completing a course in Small Business & Retail Management in 1984, John completed the Advanced Food Retailing Programme at Nyenrode Business University in 1996 and completed a programme for Royal Dutch Shell management at INSEAD in 2005.

John joined Beter Bed Holding N.V. in the position of CEO on 1 April 2018, and was reappointed as a Statutory Director in the position of CEO at the EGM of 16 December 2021.

John is a Dutch citizen.

G.E.A. Reijnen (1967) – Chief Financial Officer

Gabrielle joined BBH in 2019, having held a number of senior international finance positions.

Previously Managing Director at ABN AMRO and Alvarez & Marsal, Gabrielle was also Head of Corporate Coverage and member of the Management Team with RBS in the Netherlands. Alongside her work at BBH, she serves as a Supervisory Board member at Bouwinvest Real Estate Investors B.V., and is a board member of Stichting Continuïteit Merus.

Gabrielle earned a master's degree in Business Economics from Erasmus University Rotterdam, and is an Advanced Management Programme (AMP) graduate of Harvard Business School.

She was appointed as CFO on 12 December 2019, and subsequently as a Statutory Director in the position of CFO at the AGM on 13 May 2020.

Gabrielle is a Dutch citizen.



Supervisory Board biographies



B.E. Karis (1958) - Chair

Mr Karis studied tourism before joining Dorint Group in Germany as Sales Manager for the Benelux region in 1983. After three years of executive training at Vroom & Dreesmann, he subsequently fulfilled several positions at Vroom & Dreesmann and Ikea. From 2000 until 2004 he was Vice President Ikea Retail Europe, and from 2004 until 2007 he was Senior Vice President General Merchandise for Ahold. He acted as Chief Executive Officer and Chairman of the Board at Zeeman Group B.V. until 2017. Mr Karis is a Dutch citizen and does not hold shares in Beter Bed Holding N.V.

Responsibilities

Mr Karis is Chair of the Selection and Appointment Committee and a member of the Remuneration Committee.



B.M.A. van Hussen (1971) - Vice Chair

Mrs Van Hussen (1971) earned a Law degree at the Erasmus University Rotterdam and followed postgraduate programmes in corporate law at Radboud University Nijmegen and strategic leadership at Harvard Business School. Until 2017, she worked as an M&A partner at DLA Piper, where she was a board member on the International Executive Board from 2014 to 2016. Since 2018, Mrs Van Hussen has been a M&A partner at JB Law. Mrs Van Hussen holds various executive and supervisory positions at, among others, Koninklijke Vezet and Stichting Continuïteit Ahold Delhaize. She is also regularly appointed as an operating officer by the Enterprise Chamber of the Amsterdam Court of Appeal. Mrs Van Hussen is a Dutch citizen and does not hold shares in Beter Bed Holding N.V.

Responsibilities

Mrs Van Hussen is Chair of the Remuneration Committee and member of the Selection and Appointment Committee and the Audit Committee.



A. Beyens (1961)

Mr Beyens earned a Master of Science in Commercial Engineering at Brussels University in 1984 and an MBA degree at the University of Antwerp in 1991. Since 1987, Mr Beyens has worked for Ab-Inbev in various international management and executive positions. In 2012, as CEO at Starbev he oversaw the sale to MCBC, and was CEO at Pelican Rouge until 2017. Mr Beyens is currently Operation Partner at MidEuropa. In addition, he is a non-executive management board member at Duvel Moortgat and Spadel. Mr Beyens is a Belgian citizen and does not hold shares in Beter Bed Holding N.V.

Responsibilities

Mr Beyens is a member of the Audit Committee.



M.C. Schipperheijn (1975)

Mrs Schipperheijn holds a Master of Science in Business Economics from Maastricht University, and subsequently studied to become a registered accountant (NBA) at Tilburg University in 2002. She also undertook a Presidents Programme at Singularity University. Until 2002, Mrs Schipperheijn worked as a Chartered Accountant at KPMG, after which she held various international financial management and board positions at Shell and joint ventures of Shell until 2017. Until September 2019, she was CFO and a member of the board at Euroports. On 1 November 2020, she was appointed CFO at Royal Reesink B.V. Mrs Schipperheijn is a Dutch citizen and does not hold shares in Beter Bed Holding N.V.

Responsibilities

Mrs Schipperheijn is Chair of the Audit Committee and member of Remuneration Committee and the Selection and Appointment Committee.

Corporate Governance

Corporate Governance

Beter Bed Holding N.V. is a public limited liability company incorporated under Dutch law and listed on Euronext Amsterdam in the Netherlands. The Company has a two-tier board structure, consisting of a Management Board and a Supervisory Board, both of which are accountable to the General Meeting for the performance of their duties.

The corporate governance structure is based on the articles of association, the Dutch Civil Code requirements, the revised 2016 Dutch Corporate Governance Code (hereafter referred to in this report as 'the Code'), applicable securities laws, and Euronext Amsterdam's respective rules and regulations.

BBH monitors and assesses the corporate governance structure to ensure compliance with the Code, applicable laws and regulations, and relevant developments. In the event of a substantial change to the corporate governance structure that affects compliance with the Code, shareholders will be informed at a General Meeting.

Management Board

BBH's Management Board represents the Company. The authorisation to do so is also granted to each member of the Management Board on an individual basis. Biographies of members of the Management Board can be found in Management Board biographies (see page 73)

Role and responsibilities

The Management Board is responsible for the day-to-day management of BBH's operations, in addition to the continuity of the Company and for achieving the Company's goals, objectives, long-term value creation strategy, policy and results. In fulfilling its duties, the Management Board is guided by the Company's interests, and considers the interests of the stakeholders as a whole. The Management Board is accountable for its actions to the Supervisory Board and the General Meeting. The Management Board consults with the Supervisory Board on important matters. Decisions on such matters are then submitted to the Supervisory Board for its preapproval, as further described in the Company's articles of association, which are available on the Company's corporate website.

Composition and appointment

BBH's articles of association state that the Management Board must consist of one or more members. Each member of the Management Board is appointed for a maximum period of four years, with the possibility of reappointment for consecutive four-year terms in accordance with the Code. The General Meeting appoints the members of the Management Board, subject to the right of the Supervisory Board to make a binding nomination. The General Meeting may at all times, by a resolution passed with an absolute majority of the votes cast, representing more than one third of the issued share capital, resolve that the nomination submitted by the Supervisory Board is not binding. In such an event, the appointment of a member of the Management Board in contravention of the Supervisory Board's nomination requires a resolution of the General Meeting adopted with an absolute majority of the votes cast, representing more than one third of the issued share capital. A resolution of the General Meeting to suspend or dismiss members of the Management Board, other than by following a proposal from the Supervisory Board, requires an absolute majority of the votes cast, representing more than one third of the issued share capital. The Supervisory Board can suspend a member of the Management Board.

Management Board remuneration

The Supervisory Board determines each member of the Management Board's remuneration, following a proposal by the Remuneration Committee. This proposal is based on BBH's remuneration policy for the Management Board, which was most recently approved at the Annual General Meeting in 2020. The remuneration policy is subject to a binding vote of the General Meeting once every four years. The application of the remuneration policy is described in the remuneration report as part of the annual report, and is subject to an advisory vote at the General Meeting. Further information about the application of the remuneration policy and how it is applied can be found in the remuneration report (see page 96).

Conflict of interest

Members of the Management Board must report any potential or actual conflict of interest to the Chair of the Supervisory Board. The Supervisory Board shall decide whether a conflict of interest exists. The member of the Management Board who has a potential or actual conflict of interest shall neither participate in discussions nor decision-making about any subject or transaction about which the member in question has a conflict of interest. Decisions to enter into transactions under which members of the Management Board have conflicts of interest that are of material significance to the Company and/or to the relevant member(s) of the Management Board, require the approval of the Supervisory Board. In 2022, no conflicts of interest were reported (for further information we refer to the note 'Related party transactions' (see page 139)).

Corporate Governance

Supervisory Board

During 2022, the Supervisory Board consisted of four members. All members are independent under the terms of best practice provision 2.1.7, 2.1.8 and 2.1.9 of the Code. Biographies of members of the Supervisory Board can be found in Supervisory Board biographies (see page 74).

Role and responsibilities

The Supervisory Board supervises the Management Board and BBH's general affairs, and supports the Management Board by providing advice. The Supervisory Board works constructively to support and advise the Management Board, and regularly discusses the Company's strategy, the implementation of the strategy, and the principal associated risks. In performing its duties, the Supervisory Board acts in the best interests of the Company and its stakeholders.

BBH's articles of association require that certain decisions taken by the Management Board be subject to the approval of the Supervisory Board. For further information on the Supervisory Board's activities in the area of corporate governance, please see the Report of the Supervisory Board (see page 93).

Composition and appointment

BBH's articles of association state that the Supervisory Board shall consist of a minimum of three members. Members of the Supervisory Board may be appointed for a maximum period of 12 years in accordance with the Code. The Supervisory Board appoints a Chair and a Vice Chair from among its members. The Supervisory Board members retire periodically in accordance with a rotation plan, which can be downloaded from BBH's corporate website. The Supervisory Board has the right to make a binding nomination to the General Meeting, which then votes to appoint the member(s) in question. The Supervisory Board provides BBH's works council with the opportunity, in good time, to advise the Supervisory Board about the draft list of candidates drawn up by the Supervisory Board, and does not adopt the list of candidates until the works council has issued such advice or indicated that it will not be issuing advice, or has not issued advice within a reasonable period of time. The full procedure of appointment and dismissal of members is outlined in articles 25-27 of BBH's articles of association.

The General Meeting may at all times, by a resolution passed with an absolute majority of the votes cast, representing more than one third of the issued share capital, resolve that the nomination submitted by the Supervisory Board is not binding. In such instances, the appointment of a member of the Supervisory Board in contravention of the Supervisory Board's nomination requires a resolution of the General Meeting adopted with an absolute majority of the votes cast, representing more than one third of the issued share capital. A resolution of the General Meeting to suspend or dismiss members of the Supervisory Board also requires an absolute majority of the votes cast, representing more than one third of the issued share capital.

Supervisory Board Committees

The Supervisory Board has three committees: the Audit Committee, Remuneration Committee, and Selection and Appointment Committee. Each of these committees is composed of members of the Supervisory Board. Their role is to assist and advise the Supervisory Board in fulfilling its responsibilities. For an overview of all activities performed by the committees, please refer to the Report of the Supervisory Board (see page 93). The tasks and procedures of each committee are outlined in the Supervisory Board regulations, which can be found on BBH's corporate website.

Supervisory Board remuneration

The remuneration of members of the Supervisory Board, together with the additional remuneration of the Chair, is determined by the General Meeting, and was most recently approved by the Annual General Meeting in 2020. The remuneration policy for the Supervisory Board must be submitted to the General Meeting every four years, the first time of which was in 2020. The remuneration (see page 93) of individual members of the Supervisory Board can be found in the Remuneration report. The Remuneration Policy can be found on the BBH's website.

Conflict of interest

Members of the Supervisory Board (excluding the Chair) must report any potential or actual conflict of interest to the Chair of the Supervisory Board. If the potential or actual conflict of interest involves the Chair of the Supervisory Board, it must be reported to the Vice Chair of the Supervisory Board. The Supervisory Board shall decide whether a conflict of interest exists. A member of the Supervisory Board who has a potential or actual conflict of interest shall neither participate in discussions nor decision-making about any subject or transaction about which the member in question has a conflict of interest.

Corporate Governance

Decisions to enter into transactions under which members of the Supervisory Board have conflicts of interest that are of material significance to the Company and/or to the relevant member(s) of the Supervisory Board, require the approval of the Supervisory Board. In 2022, no conflicts of interest were reported.

Diversity and inclusion

Beter Bed Holding N.V. strongly believes in creating an inclusive workplace that supports and promotes diversity. The Company seeks to achieve this across the organisation by creating a more diverse and inclusive organisation. Beter Bed Holding N.V.'s diversity strategy is focused on a comprehensive inclusion and equality approach throughout the organisation. Gender diversity is one of the key elements of this strategy. To improve the diversity of the Supervisory Board and the Management Board, the Company has the following specific diversity objectives: (i) maintain a sound balance of nationality and cultural background within the Supervisory Board and the Management Board; (ii) maintain the gender diversity within the Supervisory Board and the Management Board, such that at least 33% of the Supervisory Board and the Management Board will consist of either gender; and (iii) increase the age diversity within the Supervisory Board and the Management Board.

Diversity in the Management Board and Supervisory Board

The Management Board's composition is based on diversity of experience, background, skills, knowledge and insights. Following the appointment of Mrs Gabrielle Reijnen as Statutory Director of the Company at the 2020 Annual General Meeting, Beter Bed Holding N.V. has a 50% female representation on the Management Board.

The Supervisory Board established a profile regarding its own size and composition, taking into account the nature of BBH's business, its activities, and the desired experience and expertise. In addition to the profile, the goals for diversity and inclusion include aiming to have a minimum of 33% of either gender representation on the Supervisory Board. The Supervisory Board currently has an equal balance between members. Since the appointment of Mrs Barbara van Hussen and Mrs Maaike Schipperheijn in 2020, age diversity, as defined in the Company's corporate governance code diversity policy, has increased.

External independent auditor

Before being presented to the Annual General Meeting for adoption, the annual financial statements prepared by the Management Board must be examined by an external independent auditor. The General Meeting has the authority to appoint the external independent auditor. The Supervisory Board nominates the external independent auditor for appointment or reappointment by the Annual General Meeting, taking the Audit Committee's advice into account. The role and scope of the external independent auditor, together with the auditor's fee, are decided upon by the Supervisory Board on the recommendation of the Audit Committee. Prior to publication, the half-year results and reports, in addition to the annual financial statements, are discussed with the Audit Committee in the presence of the external independent auditor, and subsequently with the Supervisory Board.

The external independent auditor attends all Audit Committee meetings, in addition to Supervisory Board meetings during which the annual financial statements are to be approved and the year-end audit of the external independent auditor is discussed. The Audit Committee monitors the performance of the external independent auditor and the effectiveness of the external audit process, in addition to its independence. The Audit Committee reports on an annual basis to the Supervisory Board with regards to the functioning of the external independent auditor, and the relationship with the external independent auditor, while also giving due consideration to the Management Board's observations. Ernst & Young Accountants LLP was appointed as the external independent auditor at the 2022 Annual General Meeting, replacing PricewaterhouseCoopers Accountants N.V.

Internal Audit Function

BBH has an Internal Audit Function established by the Management Board that reports functionally to the Chair of the Audit Committee. The role of the internal audit function is to assess the design and operation of the internal risk management and control systems. The scope of work of the internal audit function is regulated by an Internal Audit Charter. In line with the Code, both the appointment and dismissal of the internal auditor must be submitted to the Chair of the Audit Committee for approval, with a recommendation issued by the Management Board. Furthermore, in line with the Code, the Management Board, senior management and the Audit Committee are involved in the preparation and approval of the annual internal audit plan. The annual internal audit plan is submitted to the Management Board and Audit Committee for approval.

Corporate Governance

General Meeting

The General Meeting is held at least once a year and takes place in Uden, Utrecht, 's-Hertogenbosch or Amsterdam, the Netherlands. General Meetings are convened by public notice on BBH's website. Recurring agenda items are: the compilation of the annual report, the adoption of the annual accounts, the release from liability of Management Board and Supervisory Board members, and the advisory vote on the execution of the remuneration policy during the present year. When deemed necessary in the interests of the Company, an Extraordinary General Meeting may be convened by resolution of the Management Board or the Supervisory Board. The minutes and the resolutions of the General Meeting are recorded in writing. The minutes are available to the shareholders on the Company's website no later than three months after the meeting. During 2022, one General Meeting was held: the Annual General Meeting on 11 May 2022. Further details of this meeting can be found on BBH's website.

Voting rights

Ordinary shares in Beter Bed Holding N.V. carry one vote per share. Neither the voting rights attached to the shares in the Company, nor the terms in which voting rights may be exercised, are restricted. The voting rights attached to any shares held by the Company are suspended as long as they are held in treasury. General Meeting resolutions are adopted by an absolute majority of the votes cast, unless a special majority exists under Dutch law or the Company's articles of association.

Special controlling rights

No special controlling rights are attached to the shares in the Company.

Agreements on limitations on the transfer of shares

Beter Bed Holding N.V. is not aware of any agreements with a shareholder that could give rise to any restriction on voting rights.

Significant agreements and changes in the control of the Company

Beter Bed Holding N.V. is not party to any major agreements that have been concluded, amended or dissolved subject to the condition of a change of control of the Company after a public bid under the terms of Article 5:70 of the Financial Supervision Act.

Amendment of the articles of association

The General Meeting may resolve to amend BBH's articles of association if it acts on a proposal by the Management Board that has also been approved by the Supervisory Board. Before making such a proposal to amend the articles of association, the Company will consult with Euronext Amsterdam N.V. regarding the content of the proposed amendment. The full procedure of amending the articles of association is explained in article 46 of the BBH's articles of association. A resolution of the General Meeting to amend the articles of association requires an absolute majority of the votes cast, irrespective of the share capital represented at the General Meeting.

Capital structure

The authorised share capital of Beter Bed Holding N.V. amounts to € 2,000,000 and is divided into 100,000,000 ordinary shares with a nominal value of € 0.02 each. On 31 December 2022, a total of 27,186,564 ordinary shares were issued and are outstanding. On 14 July 2022 it was registered with the Dutch Chamber of Commerce that Beter Bed Holding N.V. Meets the criteria mentioned in article 2:263 section 2 DCC (structuurregime). The Beter Bed Holding N.V. Group consists of Beter Bed B.V., Bedden en Matrassen B.V., Beter Bed Financial Services B.V., European Bedding Participations B.V., Nordic Bedding Company (NBC) B.V., DBC International B.V., and DBC Nederland B.V.

Issue of shares

The Management Board may issue shares or grant rights to subscribe for shares if so designated by the General Meeting or the articles of association. This Management Board resolution is subject to the prior approval of the Supervisory Board. No resolution of the General Meeting or the Management Board is required for the issuance of shares pursuant to the exercise of a previously granted right to issue shares or to subscribe for shares.

On 11 May 2022, the Annual General Meeting passed a resolution extending the Management Board's authorisation to resolve to issue ordinary shares or grant rights to subscribe for such shares. The authorisation was granted for a period of 18 months from the date of the Annual General Meeting, and will be in effect until 11 November 2023. This authority is limited to 10% of the number of issued ordinary shares for general purposes, and authorises the restriction or exclusion of the pre-emption rights for existing shareholders for such issue or grant of rights.

Corporate Governance

Repurchase by the Company of its own shares

The 2022 Annual General Meeting resolved to authorise the Management Board to acquire shares in the capital of the Company up to 10% of the number of issued ordinary shares, subject to certain conditions. The authorisation was granted for a period of 18 months from the date of the General Meeting, and will be in effect until 11 November 2023.

Cancellation by the Company of its own shares

The 2022 Annual General Meeting resolved to authorise the Management Board to cancel acquired shares in the capital of the Company up to 10% of the number of issued ordinary shares, subject to certain conditions. The authorisation was granted for a period of 18 months from the date of the Annual General Meeting, and will be in effect until 11 November 2023.

Substantial holdings and short positions

Shareholders owning 3% or more of the issued capital and/or voting rights of a listed Company (a substantial holding or short position) are required to report this to the Netherlands Authority for Financial Markets (AFM) as soon as this threshold is reached or exceeded. The thresholds for substantial shareholding notifications are: 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95% of the Company's issued share capital and/or voting rights. Shareholders that directly or indirectly own 3% or more of the Company's issued capital and/or voting rights were registered with the AFM as of 31 December 2022, and are listed in Substantial holdings under section Shareholder information (see page 87).

Compliance with the Code

Insofar as applicable, Beter Bed Holding N.V. complies with all the relevant provisions of the Code with the exception of provision 3.1.2. vi, which states that shares should be held for at least five years after they are awarded. Following shareholder approval at the Extraordinary General Meeting (EGM) of 16 December 2021, a one-time equity performance award with a holding period of less than five years was granted to Mr Kruijssen. The rationale for the holding period is to align the one-time award with Mr Kruijssen's extended term as Chief Executive Officer and member of the Management Board. For more information, please see the Remuneration report (see page 96).

The provisions of the Code relating to 4.4 ('Issuing depositary receipts for shares') and 5 ('One-tier governance structure') are not applicable to the Company.

Risk Management

Risk management

General

Beter Bed Holding N.V.'s operations, which are based on the Group's strategic objectives, are affected by the management of a number of opportunities and risks. For this reason, we have implemented a risk management system to monitor and control the Group's most important risks, which was updated to its current monitoring format in 2021. This involves applying a matrix that describes the risks, their financial and non-financial impact, the probability that they will occur, control measures, and the actions to be taken. This matrix is updated and discussed internally in the Audit Committee twice a year, and the key points are reported to the Supervisory Board.

Risk appetite

Beter Bed Holding N.V. operates in the bed and mattress segment. Beter Bed Holding N.V.'s risk appetite is based on our Company's operational results, financial position, and carefully considered financial management. Although our daily operations involve taking risks, Beter Bed Holding N.V. adopts a prudent and balanced approach to risk.

The opportunities and threats identified by Beter Bed Holding N.V. for both the Group as a whole and for the individual companies are determined during the annual budget cycle in economic, strategic and commercial terms. Beter Bed Holding N.V. is prepared to take strategic risks in a responsible way that takes stakeholders' interests into account and is consistent with the growth strategy. Furthermore, the Company is maintaining a very cautious approach to financial and compliance risks. The budget is drawn up by Beter Bed Holding N.V.'s Management Board, and is discussed with and approved by the Supervisory Board.

All business units report their financial results (revenue, margin, expenses and operating profit) and financial position to the Group on a monthly basis. These reports are discussed in monthly meetings held with the respective and responsible member of the Group Leadership Team, which ensures close monitoring of the various operations. The consolidated group reports are shared with the Supervisory Board on a monthly basis. To enhance the effectiveness of the various reports, we endeavour to achieve a high degree of uniformity in the various reports. The administrative and accounting records of the operations are maintained in the SAP (ERP) environment across the organisation.

Beter Bed Holding N.V. has also established an Internal Audit Function (IAF). The IAF has been placed externally, and is an independent and objective body that aims to contribute to the further professionalisation of the entire organisation (in accordance with the Internal Audit Charter). From a risk management perspective, the IAF is qualified as the '3rd line of defence', after the '1st line of defence' of operational management and the '2nd line of defence' of the internal control structure. The IAF's findings are discussed with both the Management Board and the Audit Committee.

The external independent auditor or '4th line of defence' obtains an understanding with respect to the Administrative Organisation and Internal Control (AO/IC) during the annual audit of the financial statements. The audit findings are discussed by the external independent auditor with both the Management Board and the Supervisory Board, including not in the presence of the Management Board.

Risk analysis

Our company's success depends on its ability to achieve its strategic and financial objectives. Like any business, Beter Bed Holding N.V. could be impacted by or subject to the effect of different strategic, operational, and financial and compliance risks that are beyond, or partly beyond, the Company's control or influence.

Twice a year, and more often if necessary, potential risks including fraud risks are discussed within the Group Leadership Team (and subsequently with the Audit Committee and Supervisory Board). The objective of this self-assessment is to gain a deeper understanding into the (fraud) risks and the effectiveness of mitigating controls. Furthermore, the assessment increases the awareness of possible (fraud) risks. Finally, if needed, updates are for example made to the code of conduct, whistleblowers policy and the internal code on inside information.

The risks outlined on the next pages reflect the risks we believe to be most relevant to the successful execution of our strategy, with a time horizon of at least 12 months. The sequence of risks does not reflect their relative importance, vulnerability or materiality. This overview is not exhaustive as there may be risks as yet unknown to us or that are currently not deemed to be material. The overview should be considered together with the forward-looking statements.

Risk Management

Strategic risks

1. Customer risk

Risk description: Customers are key to the success of our company. Changes in customer behaviours and expectations, in addition to the entry of pure players in the online market, could - without a distinct response by BBH - result in a loss of market leadership and competitive advantage, decrease in sales, erosion of margins, and an inability to deliver on our strategic objectives.

Opportunity/response: In 2021, BBH launched our new 2025 Strategy that focuses on an omnichannel proposition which adapts closely to customer needs. The increased attention in 2022 on the importance of sleep, with BBH sharpening its offering, strengthening its brand, optimising its store network, and improving its online offering enabled us to continue to meet the changing needs of our customers. We have observed that customers recognise the steps we are taking, and appreciate the *Sleep better, live better* philosophy, as evidenced by a significant increase in market share, improved NPS, and the winning of a number of awards.

2. Corporate Social Responsibility

Risk description: CSR performance is a key enabler in our 2025 Strategy, and we have set both short- and long-term sustainability targets. Failure to meet them may lead to reputational damage, and impact sales and support from consumers, investors and other key stakeholders.

Opportunity/response: The CSR elements of our company's business activities are discussed regularly within the Group Leadership Team. This includes the way that sustainability is integrated into the business strategy. Furthermore, a KPI scorecard was developed in 2022, which going forward will be discussed on a monthly basis with each Group Leadership Team member. This includes the establishment of sustainability targets, and preparations are fully on track for CSR reporting and the auditing thereof so as to be fully compliant with the EU taxonomy and the Corporate Sustainability Reporting Directive (CSRD) in the future. Sustainability targets are incorporated in the performance scorecards (STI and LTI) of senior management. We expect that sustainability measures may have strategic implications (among others on category management, external stakeholders and public opinion), and are expected to result in a higher cost base.

Operational risks

3. Key individuals

Risk description: Our company is, in addition to the process and system elements, reliant on a number of key individuals at various positions throughout the organisation. Ineffective succession planning, insufficient investment in training and development opportunities, or a lack of investment in the automation of processes, could impact BBH's ability to conduct efficient and effective operations, and for external partnerships to deliver goods and services at/or below cost levels incurred by competition, potentially leading to a disruption of processes in the organisation and reputational damage.

Opportunity/response: Our company focuses, as part of its 2025 Strategy, on investing in processes and system elements to further reduce reliance on key individuals. A training programme for the next generation leaders was established to generate a flow of new talented people within the organisation. In addition, the availability of online and in person trainings is further enhancing the capabilities of our workforce.

4. Catastrophe

Risk description: Breakdowns or disruptions in our systems, of our strategic suppliers, online platforms and logistics may result in store closures, problems accessing our webshops, and non-availability of products for customers, and may have a significant adverse impact on our business operations, financial performance, reputation and customer satisfaction.

Opportunity/response: We have further enhanced our preventive plans and measures with respect to catastrophic events to enable us to adapt quickly to changing situations. Our business continuity program includes insurance coverage in key areas and the monitoring of vendors and third-party service providers. In addition, protocols are in place, with back-up scenarios, to minimise any supply chain disruption as much as possible. Resilience in terms of behaviour and mindset is now more important than ever before as our operations, the execution of our strategy and financial performance are subject to the effects of global macro-economic and geopolitical circumstances, which may also impact many of our customers and suppliers.

Risk Management

5. Talent

Risk description: Our success depends, in significant part, on our ability to attract, motivate, develop and retain a sufficient number of key employees with the specific knowledge and skillset to execute and achieve long-term strategies. The growing importance of our online proposition and changing customer demands mean that the necessary skillset of our employees is continuing to evolve. To remain a market leader in our industry, we need to have a diverse group of talented people with the right skills to work effectively together. In addition, availability of labour within each of our businesses may not be sufficient to meet in-store and online demand.

Opportunity/response: To attract people with the best skills, we are striving to be an 'employer of choice' in our industry. Our company has already taken considerable steps to become more attractive to our existing employees, helping to make them proud and engaged ambassadors in what remains a competitive employee market. In 2022, we conducted an employee engagement survey so that we are better able to understand our employees' needs. Given that a significant number of vacancies in our sector have opened up at a time of low unemployment, our company has experienced how challenging it can be to fill vacancies. Furthermore, the growing awareness and appreciation of our purpose has had a significant effect on attracting new employees.

Financial and Compliance risks

6. Information technology and data management

Risk description: Our business operations are substantially dependent on the uninterrupted operation of IT systems and our ability to maintain confidentiality, integrity and availability of information regarding customers, employees, suppliers, proprietary technologies, and business processes. Furthermore, the number of information security ('cybersecurity') threats continues to grow and is becoming more sophisticated in nature. These threats could adversely affect our business and reputation, in addition to having a significant legal, financial or reputational impact.

Opportunity/response: Our global information security policy includes a control framework to monitor adherence to this policy and mitigate the risk with regards to information systems. All key employees in the IT organisation are trained based on ISO standards on information security, and we continue to invest in our cyber-defence capabilities so that we are protected from evolving cybersecurity threats.

7. Liquidity

Risk description: Macroeconomic conditions may lead to a slowdown in economic activity, lower traffic both on and offline, and lower consumer spending. This could negatively impact revenue and cash flow generation, which could potentially impact our financial condition and result in a less effective execution of our strategy. In addition, higher inflation could impact the cash flow generating capacity of our Company due to increased costs and the nature of our business, which is characterised by a high operational leverage.

Opportunity/response: BBH ended the financial year with a strong net cash position. To further strengthen the financial position of the Company and to ensure that there is sufficient financial headroom to execute the strategy, the Company increased its credit facility to € 30 million. We also maintain a strict working capital management, have limited operations in non-euro currencies, and have limited interest risks due to our net cash position.

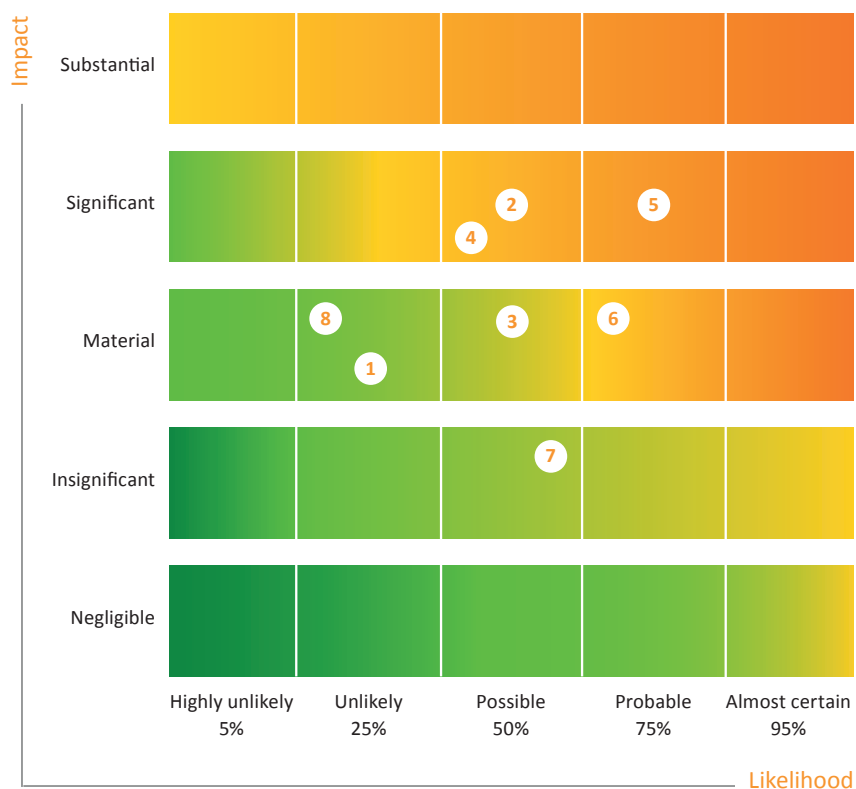
8. Fraud

Risk description: Fraudulent activities by employees and the bypassing of internal control procedures could result in an adverse impact on commercial operations, reputational damage, and customer satisfaction.

Opportunity/response: We have further improved our internal control framework, which includes a strict Code of Conduct. In addition, we maintain a zero-tolerance policy with regard to fraudulent behaviour and maintain a strong 'tone-at-the-top' so as to serve as an example across the organisation. With the further automation of administrative processes, we continue to mitigate risks in manual processes. Furthermore, a whistleblower hotline is in place for which any incidents are closely monitored and independently followed up. Fraud cases, if any, are reported to the Audit Committee.

Risk Management

The risks described on the prior pages, that we believe are the most relevant to our company, are shown in the following grid, and are based on our assessment of impact likelihood:



Additional risks and uncertainties

Other financial risks. Other financial risks include foreign currency translation risk, credit risk, interest risk, liquidity risk, tax-related risks, contingent liabilities, and risks related to the legislative and regulatory environment, including litigation. For further information on these other financial risks, refer to notes Financial results (see page 32), Capital and financial risk management (see page 122), and Borrowings (see page 130).

Other legal risks. Other legal risks relate to non-compliance with legislation and regulations in various fields, including product liability, customer protection and reporting. These risks are mitigated by systematically requesting advice from experts with the requisite knowledge, including legal specialists, tax specialists and accountants. In addition, audits are conducted on a regular basis. Beter Bed Holding N.V. does not take risks relating to non-compliance with legislation and regulations.

Other social risks. Other social risks primarily relate to damage to the Group's image and reputation as a result of defective products or irresponsible actions in a broader sense. It should be noted that the Group does not manufacture products for its product range. Appropriate control systems ensure that our products meet the applicable requirements, and Beter Bed Holding N.V. accepts no risks related to safety. To this end, we have adopted codes of conduct in various fields to ensure responsible conduct. Our corporate culture, in which integrity and ethical business conduct are core values, makes a significant contribution in mitigating such risks. Furthermore, the Company has also adopted a whistleblowers policy.

Risk Management

Financial reporting

Financial reporting at Beter Bed Holding N.V. is structured within a tight framework of budgeting, reporting and forecasting. A distinction is made between reports for internal and external use. External reporting at group level consists of the annual report, which includes financial statements audited by the external independent auditor, as well as a half-year report, which contains summarised financial information. External reports are based on the internal financial reporting, in accordance with IFRS standards adopted by the European Union. Our internal control framework is designed to maintain integrated management control over the company's operations with a primary aim of ensuring the integrity of our financial reporting and compliance with laws and regulations. The financial reporting is prepared on a going concern basis.

Tax

Beter Bed Holding N.V. has adopted tax principles. The main principles are that Beter Bed Holding N.V. maintains an open relationship with the tax authorities in the countries in which it operates, agrees on tax rulings solely to confirm the correct interpretation (and application) of the tax rules and tax laws, and does not adopt tax arrangements, be it normal or not, focused exclusively on tax avoidance. Beter Bed Holding N.V. has signed a compliance agreement with the Dutch Tax and Customs Administration with regards to 'horizontal monitoring'. This ensures that any tax issues are discussed openly and on the basis of full transparency. The Management Board reports on relevant tax issues to the Audit Committee.

Independent auditor's report

The external independent auditor assesses the internal control measures relating to the financial statements to the extent required for an efficient and effective audit approach. It reports its findings to the Management Board and the Supervisory Board in its management letter and independent auditor's report (see page 147), respectively.

Risk Management

Management Board Statement

The Management Board states, in accordance with best practice provision 1.4.3 of the Code, that:

- The management report provides sufficient insight into any important deficiencies in the effectiveness of the internal risk management and control systems that may have been detected during the 2022 financial year, and that no major failings have been detected;
- The risk management and control systems provide a reasonable assurance that the 2022 financial statements do not contain any errors of material importance. Details with regards to this are outlined in the risk management section;
- In view of Beter Bed Holding N.V.'s current state of affairs, it is justified that the financial reporting is prepared on a going concern basis. This is based on the Company's strong cash position, and the available credit facility versus the risks facing the Company. Commentary on the Company's cash flow, liquidity and financial position is outlined in the financial results and risk management paragraphs. The capital and financial risk management is outlined in the consolidated financial statements; and
- The management report discloses all material risks and uncertainties that are relevant regarding expectations as to the continuity of Beter Bed Holding N.V. for the 12-month period after the date of issue of this management report. The risk management section of the management report provides a clear substantiation of the above-mentioned statement.

With reference to section 5:25c sub 2c of the Financial Markets Supervision Act, the Management Board states that, to the best of its knowledge:

- The annual financial statements give a true and fair view of the assets, liabilities, financial position and profit of the Company, and the undertakings included in the consolidation taken as a whole; and
- The management report provides a fair view of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the Company faces.

Outlook statement

Outlook statement

With our strong execution capabilities, our strong store network, and a growing online presence, we remain confident that we can weather the current challenges driven by the war in Ukraine, elevated inflation, consumer confidence, high commodity prices, and a tight labour market. Moreover, as a result of continuing to adjust and strengthen our proposition – and our continued strong strategic progress – we remain confident in our ability to increase revenues in the coming years. This confidence is underpinned by growing public awareness of the importance of sleep for physical and mental health, the successful rollout of our new shop format, featuring the popular Beter Slapen ID tool, and the national and international growth of DBC. By offsetting of the current increases in commodity prices through continued improvements in category management, we have been able to offer a consistent value-for-money proposition to our customers. Despite the current challenging environment, this is expected to deliver a stable gross margin towards the end of the year compared with 2022. Furthermore, 2023 will see us stabilise our capital expenditures to update the look & feel of our existing stores and finalise the roll out of Beter Slapen ID throughout our network – all while continuing to build our front- and back-end digital capabilities as we continue our company’s investments to support accelerated omni-channel revenue growth in line with our 2025 Strategy.

Uden, the Netherlands, 9 March 2023

A.J.G.P.M. Kruijssen,
CEO

G.E.A. Reijnen,
CFO

Shareholder information

Shareholder information

Investor Relations policy

Beter Bed Holding N.V. aims to keep private and institutional investors informed by providing them with equal and simultaneous information on the Company's performance and prospects. In doing so, BBH engages with shareholders and other investors (both referred to here as 'investors') and analysts in formal meetings as well as outside such meetings. Events organised by BBH that are open to analysts and investors are announced in advance on our corporate website. Analysts and investors that are invited are given the opportunity to follow the meetings by telephone or virtually. Any presentations given during these meetings are posted on our website. The Investor Relations policy is also available on our website.

If inside information is disclosed during a meeting or conference call, this information shall be made public without delay. BBH shall not disclose inside information during bilateral contacts with analysts or investors. BBH considers each and every reasonable request for contact seriously, and will determine – at its sole discretion – whether it will accept invitations from its shareholders, or parties representing shareholders, to engage in a dialogue. BBH is committed to a corporate governance structure that best suits its business and stakeholders.

Financial calendar

10 March 2023	2022 Full-year results, publication of the 2022 Annual Report
21 April 2023	Q1 2023 Trading update
10 May 2023	2023 Annual General Meeting
21 July 2023	Q2 2023 Trading update / 2023 Half-year results
20 October 2023	Q3 2023 Trading update
19 January 2024	Q4 2023 Trading update

The most recent financial calendar is available on www.beterbedholding.com.

Dividend policy

On 10 March 2022, the Management Board, with the approval of the Supervisory Board, adopted a dividend policy that is to be applied on any profits over the financial year 2021 and subsequent years thereafter (until adjusted). The Policy was discussed during the Annual General Meeting of Shareholders (AGM) held on 11 May 2022. The policy is available on BBH's corporate website.

BBH's dividend policy focuses on maximising shareholder value while maintaining a healthy capital position. On an annual basis, the Supervisory Board, on proposal of the Management Board, will assess the amount of dividend that will be proposed to the AGM. There are two main elements of the dividend policy:

- Determination of the dividend is based on the Company's assessment of its underlying cash flow position and the profit that it has to retain in order to carry out its plans for the medium to long term, while maintaining solvency of at least 30% and net interest-bearing debt / EBITDA below 2.0x.
- Subject to stable financial conditions BBH's policy is to target a dividend payout of at least 30% of normalised net profit from continuing operations.

Definition of normalised net profit in relation to dividend policy

Normalised net profit from continuing operations is defined as profit attributable to equity holders adjusted net for tax for significant one-offs and special items.

Definition of solvency in relation to dividend policy

Solvency is defined as equity, divided by total assets adjusted for non-current and current lease liabilities.

Definition of net debt / EBITDA in relation to dividend policy

Leverage is defined as net interest bearing debt, divided by EBITDA adjusted for depreciation and amortisation of right-of-use assets relating to leases.

As a result of its financial position and its financial performance in 2022, BBH proposes a cash dividend of €0.15 per ordinary share for the financial year 2022 (2021: €0.15), reflecting the Company's ambition of a sustainable dividend per share. This will be proposed to the AGM to be held on 10 May 2023.

Shareholder information

Substantial Holdings

In compliance with chapter 5.3 of the Dutch Financial Supervision Act the following holdings have been included in the Substantial Holdings register of the Netherlands Authority for the Financial Markets (AFM) as per 31 December 2022.

Shareholder	Date of notification	Share
Navitas B.V.	30-12-2021	16.81%
"De Engh" B.V.	24-07-2020	10.99%
Teslin Participaties Coöperatief U.A.	24-07-2020	10.18%
ASR Nederland N.V.	06-10-2008	6.64%
Ameriprise Financial Inc.	08-09-2011	4.72%
Harris Associates L.P.	19-02-2010	4.58%

General

Beter Bed Holding N.V. shares are quoted on Euronext Amsterdam in the Netherlands under the ticker symbol BBED and security code NL0000339703. The number of shares outstanding at the end of 2022 totalled 27,186,564. Shares repurchased and not yet cancelled totalled zero at the end of the year. BBH did not hold any treasury shares as at 31 December 2022.

Share price

The graph below shows BBH's share price development during 2022.



Earnings per share

During 2022, BBH realised a total basic earnings per share of € 0.19 (€ 0.52 in 2021) and a total diluted earnings per share of € 0.19 (€ 0.50 in 2021). The average number of shares used to calculate earnings per share is 27,186,564 (2021: 26,660,340). The number of shares used to calculate the diluted earnings per share is 28,290,573 (2021: 27,693,110). The earnings per share from continuing operations are € 0.19 (€ 0.47 in 2021) and diluted earnings per share from continuing operations of € 0.19 (€ 0.45 in 2021).



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Report of the Supervisory Board

**Better sleep,
better social life.**



Chair of the Supervisory Board's statement

As Chair of the Supervisory Board, I am happy with the significant strides that Beter Bed Holding made during 2022 in terms of delivering on its mission, executing its strategy and delivering solid results.

Over the last twelve months, BBH once again showed itself to be both commercially and financially adaptable, agile and resilient. The Management Board of CEO John Kruijssen and CFO Gabriëlle Reijnen, in close collaboration with the Group Leadership Team, successfully focused on delivering for customers and building to capture future opportunities at a time when external events – from the COVID-19 pandemic to the war in Ukraine – brought volatility and uncertainty to the market.

Despite the challenging macroeconomic landscape, BBH continues to hold a strong financial position, with a net cash position. We as a board are pleased that the Company again achieved solid results, and is continuing to focus on the future and invest in sustainable growth. In addition, we believe that the decision to increase the company's credit facility to € 30 million will support the further implementation of the strategic plan, and create the space for other opportunities.

The Supervisory Board is particularly pleased to see the pace increase in which BBH is taking the lead, with a successful omnichannel business model to serve the ever more customers that choose to combine shopping online and in store. Moreover, BBH is continuing to innovate, with the Beter Slapen ID tool a stand-out addition to the Beter Bed's store network, following the first experience store in Groningen, and the second one with an equally exciting development. This culture of innovation is also mirrored in the company's approach to becoming more sustainable, and we welcome the introduction of more sustainable products to reduce BBH's environmental footprint in line with its sustainability strategy, and further investments to make its operations more environmentally friendly.

Our board continues to be involved at all key stages in the development and implementation of both BBH's business and sustainability strategies. The company will continue to transform its operations to meet its ambitious sustainability goals, and we welcome how the newly introduced sustainability KPIs are helping to drive change across the business. Furthermore, from a people perspective, it is positive to observe senior management's focus on development, and recruiting and retaining the best talent across the business.



Bart Karls, Chair

“The Supervisory Board is particularly pleased to see the pace increase in which BBH is taking the lead”

Chair of the Supervisory Board's statement

I would also like to express my sincere appreciation and gratitude to everyone at Beter Bed Holding for their contributions during 2022, particularly during lockdown when their spirit, resolve and hard work showed the company at its very best. The strength of any organisation big or small lies in its people and its culture, and it is no exaggeration to say that the team at BBH is extremely dedicated and purpose driven. As a board, we also continue to enjoy a positive relationship with BBH's works council, which provide us with valuable insights about the company and represents the interests of BBH employees in a professional and constructive way.

“On behalf of the Supervisory Board, I would like to express my sincere appreciation and gratitude to everyone at Beter Bed Holding for their contributions during 2022”

Looking to the future, we are confident that Beter Bed Holding remains on the right trajectory to take advantage of opportunities in the market and serve many new customers as it delivers on its mission and purpose.

Bart Karis,
Chair of the Supervisory Board

Uden, the Netherlands, 9 March 2023

Report of the Supervisory Board

General

As of 1 January 2022, the Supervisory Board consisted of Mr B.E. Karis (Chair), Mrs B.M.A. van Hussen (Vice Chair), Mr A. Beyens and Mrs M.C. Schipperheijn. Biographies of the respective members of the Supervisory Board are included on the Supervisory Board biographies page (see page 74). All Supervisory Board members are independent in accordance with and with respect to the Dutch Corporate Governance Code.

Supervisory Directors are appointed for a period up to and including the day of the first Annual General Meeting that is held four years after their appointment. Supervisory Directors retire periodically in accordance with a schedule drawn up by the Supervisory Board. The current retirement by rotation schedule is as follows:

Supervisory Director	Appointed	Retirement/ reappointment
B.E. Karis	03-12-2018	2023 AGM
B.M.A. van Hussen	13-05-2020	2024 AGM
A. Beyens	03-12-2018	2023 AGM
M.C. Schipperheijn	13-05-2020	2024 AGM

Mr B. Karis and Mr A. Beyens were nominated for reappointment for a four-year term, and these reappointments will be submitted for approval at the Annual General Meeting of Shareholders to be held on 10 May 2023.

2022 Results

The Supervisory Board closely monitored the development of Beter Bed Holding N.V. and, more specifically, the execution of its strategy for long-term value creation and the risks associated therewith, and progress on meeting its sustainability goals.

The development of revenue and order intake in the Benelux and in New Business were solid despite the impact on sales of the COVID-19 lockdown in the Netherlands, an unusually long and hot summer, and the changing economic conditions as a result of the war in Ukraine. The increase in market share and the sales growth in 2022 demonstrate that the Group's strategy is delivering results. Our new supply chain network strategy is an important instrument for growth within our wider strategy, and will lead to greater efficiencies in our e-commerce proposition going forward.

The Supervisory Board remains convinced that despite the challenging economic conditions as a result of the war in Ukraine, the Group will continue to be successful in the coming years. Further investments in the digitalisation of the Group, roll-out of enhancements to the company's store formats, and the streamlining of logistic operations are all expected to help to further grow the business and improve profitability. This will require time, dedication and the right investments. For this reason, sound strategic thinking, operational excellence and secure financial management are required to ensure that this journey is undertaken successfully.

Financial statements and discharge

The 2022 financial statements were prepared by the Management Board and approved by the Supervisory Board. The external independent auditor, Ernst & Young Accountants LLP, subsequently issued an unqualified auditor's report on these financial statements. This report is included in the independent auditor's report in the section 'Other information' (see page 146). The Supervisory Board discussed the financial statements in detail in the presence of the Management Board and Ernst & Young Accountants LLP.

The Management Board, with the approval of the Supervisory Board, proposes to adopt these financial statements at the Annual General Meeting to be held on 10 May 2023, and to discharge the members of the Management Board in respect of their management, and the members of the Supervisory Board in respect of their supervision, with regard to the financial year 2022.

Composition of the Supervisory Board

Supervisory Board members are appointed at the General Meeting. The Supervisory Board aims for an appropriate balance in terms of knowledge of, and experience with, the Group's operations. The Supervisory Board has established three committees: the Audit Committee; the Remuneration Committee; and the Selection and Appointment Committee. Information about the responsibilities of the respective Supervisory Board members can be found in their biographies (see page 74).

Report of the Supervisory Board

Activities of the Supervisory Board

In 2022, the Supervisory Board was closely involved and actively participated in developments related to Beter Bed Holding N.V. and its subsidiaries. During the reporting year, the Chair frequently liaised with the Management Board in preparation for the meetings between the Supervisory Board and the Management Board. Ten meetings took place between the Management Board and the Supervisory Board in 2022. Frequent calls were also held to ensure the Supervisory Board was fully up to date with respect to the macroeconomic challenges and developments stemming from both the COVID-19 pandemic and the war in Ukraine.

The table below shows the attendance of Supervisory Board members at Supervisory Board meetings, conference calls and committee meetings. In the event of not being able to attend a meeting, Supervisory Board members provided comments and views on the meeting documents in writing in advance.

	SB meetings	AC meetings	RC meetings	SAC meetings
B.E. Karis	100% (10/10)	-	100% (4/4)	100% (2/2)
B.M.A. van Hussen	90% (9/10)	100% (4/4)	75% (3/4)	50% (1/2)
A. Beyens	100% (10/10)	100% (4/4)	-	-
M.C. Schipperheijn	90% (9/10)	75% (3/4)	100% (4/4)	100% (2/2)

On an annual basis, Supervisory Board members perform an assessment of the functioning of the Supervisory Board, the Supervisory Board Committees, and the individual Supervisory Board members. The evaluation of the functioning of the Supervisory Board as a whole over the year 2022 – which consists of an evaluation of the corporate body, the respective Supervisory Board committees, and the functioning of the members of the Supervisory Board – was performed by an external adviser. Outcome of the evaluation will be presented to the Supervisory Board and Management Board mid-March 2023. This included an assessment of the interaction between Supervisory Board members, and the interaction between Supervisory Board members and the Management Board, together with an assessment of the profile, composition, competences, and expertise of the Supervisory Board in line with section 2.2.6. of the Corporate Governance Code.

The Supervisory Board monitored the performance of the Management Board members in a Supervisory Board-only meeting. Following the discussions during the year and the assessment, the Supervisory Board provided feedback to the Management Board. The Supervisory Board concluded that the relationship between Management Board and Supervisory Board was effective and constructive.

The performance of the Management Board and the implementation of the remuneration policy for the Management Board were discussed in meetings without members of the Management Board being present. Consultation also took place in individual interviews about the performance of the members of the Management Board.

Throughout the year, the Supervisory Board received regular, timely and detailed verbal and written updates from the Management Board. Extensive attention was paid to the operating results of the various formats, in particular in light of governmental measures introduced in response to the COVID-19 pandemic, and the economic consequences of the war in Ukraine on the Group.

The Management Board informed the Supervisory Board about important developments in the business, such as the continued safety of employees and customers alike, customer traffic, order intake, sales, effect on gross margin, cost initiatives, employee sickness, inventory management, and liquidity scenarios. Risk management, strategy and sustainability were recurring topics on the agenda of the Supervisory Board.

The Supervisory Board also met with Beter Bed's works council and members of the Group Leadership Team, in addition to the independent external auditor Ernst & Young Accountants LLP and their predecessor PricewaterhouseCoopers N.V., on a number of occasions. The budget for 2023, which was approved by the Supervisory Board in December 2022, sets out the Company's operational and financial objectives, together with the policies that should ensure that these objectives are achieved. The Supervisory Board regulations can be found on BBH's website.

Report of the Supervisory Board

Audit Committee

In 2022, the Audit Committee was comprised of Mrs Schipperheijn (Chair), Mr Beyens and Mrs Van Hussen. The composition of the Audit Committee is in accordance with the provisions of the Dutch Corporate Governance Code, with Mrs Schipperheijn serving as financial expert.

The Audit Committee's duty is to advise the Supervisory Board on, and to assist it in, its responsibility to monitor the Company's compliance with reporting and corporate governance requirements.

The Audit Committee convened on four occasions in the financial year 2022. During one of these meetings, the Audit Committee conducted a meeting with the external independent auditor without the Management Board being present.

The Audit Committee discussed the financial statements, the report of the Management Board, and the management letter with the Management Board and the external independent auditor. The Audit Committee also focused on the annual audit plan, compliance with previous recommendations, tax positions, liquidity and funding, the Group's risk management and control system, and the Group's (fraud) risk assessment. Furthermore, the Audit Committee made a recommendation to the Supervisory Board with respect to the appointment of Ernst & Young Accountants LLP as the external independent auditor of the Company. In addition, discussions took place between the Internal Auditor and the Chair of the Audit Committee. The Audit Committee regulations can be found on the BBH's website.

Remuneration Committee

In 2022, the Remuneration Committee was comprised of Mrs Van Hussen (Chair), Mr Karis and Mrs Schipperheijn. In 2022, four committee meetings were held during which the performance and remuneration of senior management were discussed. For more information, please see the Remuneration report (see page 96). The Remuneration Committee regulations can be found on BBH's website.

Selection and Appointment Committee

The Selection and Appointment Committee informs the Supervisory Board with regard to decision-making on selection and appointment and reappointment of members of the Management Board and the Supervisory Board, and shares its deliberations and findings to the Supervisory Board. In 2022, the Selection and Appointment Committee was comprised of Mr Karis (Chair), Mrs Schipperheijn and Mrs Van Hussen. In 2022, two committee meetings were held, during which the respective reappointments of Mr Karis and Mr Beyens were discussed, which resulted in the nominations for reappointment. The Selection and Appointment Committee regulations can be found on BBH's website.

Conclusion

In 2022, the Group was able, despite the continued effects of the COVID-19 pandemic and the impact of the war in Ukraine, to secure a healthy and significant performance in sales, gross margin and cash, resulting in solid financial results. The Company successfully continued the implementation of both the company strategy and BBH's sustainability strategy. While the economic climate remains uncertain, we are confident that the Group will continue to make good progress in the execution of its strategy.

In conclusion, I would like to thank the Management Board, the Global Leadership Team, the Company's stakeholders, and most of all, BBH's team of employees, who contribute immensely to the Company's continued success through their hard work, resilience and dedication.

Uden, the Netherlands, 9 March 2023

B.E. Karis, Chair
B.M.A. van Hussen, Vice Chair
A. Beyens
M.C. Schipperheijn

Remuneration report

Remuneration report

This report provides an overview of the remuneration policy as approved by the Annual General Meeting of Beter Bed Holding N.V. in 2020 (remuneration policy) and explains how this policy has been put into practice over the past financial year. The first section details remuneration of the individual members of the Management Board. The second section describes the remuneration of the Supervisory Board. This is followed by an outlook for 2023.

This remuneration report is intended to reflect the reporting requirements as stated in article 2:135b of the Dutch Civil Code (DCC), which came into effect on 1 December 2019, and implements the EU Shareholder Rights Directive II (SRD II), which came into effect on 3 April 2017. One of the key objectives of SRD II is to provide greater transparency for company stakeholders, which is something BBH fully supports and strives to achieve at all times.

Key considerations

This section describes the key considerations that the Remuneration Committee takes into account when designing pay programmes and making compensation decisions.

2022 was yet another extraordinary year during which nearly all sectors, including retail, faced considerable challenges. Overall company results being impacted by a lockdown and the war in Ukraine resulting in higher inflation, lower consumer confidence and macro-economic volatility, our management team continued to focus on cost control, disciplined capital spend and strict cash flow management. By deliberately maintaining high stock levels, we were able to ensure that any disruption to customer deliveries was minimised. While market conditions during 2022 were uncertain and challenging, our Management Board has shown decisive and proactive leadership by taking actions to carefully navigate through these circumstances. We continued to execute our strategic agenda and focused on sharpening our offering, strengthening our brand, optimising our store network and improving our online offering. At the same time, we see that our customers recognise the steps we are taking and appreciate our *Sleep better, live better* purpose, which is evidenced by an increase in our market share and double digit NPS growth compared with last year.

To support further the implementation of our strategic plans and pursue potential opportunities, we increased our financing facility to € 30 million (with Rabobank joining ABN AMRO), and continued to ramp up our sustainability activities – both in terms of preparations ahead of forthcoming regulations, and executing our sustainability strategy to become a more sustainable organisation.

Primary remuneration elements for 2022

The table below outlines the primary elements of our Management Board remuneration programme.

	When granted	Reviewed every 12 months	Annually for reported financial year
Who receives	Management Board members		
When granted	Reviewed every 12 months	Annually for reported financial year	In general on an annual basis in Q1
Form of delivery	Cash		Equity
Type of performance	Short-term emphasis		Long-term emphasis
Performance period	Ongoing	1 year	3 years + 2 years additional holding period
How payout is determined	Committee judgement	Formulaic & Committee judgement	Formulaic; Committee verifies performance before payout
Most recent performance measures	N/A	Financial KPIs: revenue growth (30%), gross margin (20%), EBITDA (30%), Free Cash Flow (20%), and qualitative objectives not driven by financial KPIs	ROCE (33%), customer satisfaction-NPS (33%), and sustainability objective (33%)

Remuneration report

Peer group

In principle, the remuneration level is validated by a benchmark comparison, which is conducted once every three years, and reviewed annually. This helps to determine the overall competitiveness of the Management Board's remuneration. The selection of the peer group is discussed and approved by the Supervisory Board. For those years during which no benchmark is performed, the Supervisory Board considers the appropriateness of any changes to the base salary based on the market environment, in addition to the average salary adjustments of the Company's employees in the Netherlands. In 2020, assisted by the external strategic advisory firm Focus Orange, the Remuneration Committee adopted a peer group for compensation benchmarking purposes. This resulted in a benchmark comparison of Beter Bed Holding N.V.'s remuneration with that of a peer group of other Dutch small-cap companies.

Summary of Management Board's remuneration

During 2022, the Management Board was composed of Mr John Kruijssen - CEO, and Mrs Gabrielle Reijnen - CFO. The table below provides a summary of the Management Board's remuneration.

Base salary

Base salaries for members of the Management Board depend on the scope of their responsibilities, and are based on the knowledge, insight and experience of the individual. The Supervisory Board sets a market competitive base salary for each member of the Management Board. Salary levels are reviewed annually, taking the market environment and average salary adjustments for employees in the Netherlands into account, without any commitment to increase. The remuneration is validated by a benchmark comparison every three years.

Other benefits

Benefits include social security charges and remuneration for items such as medical insurance, death and disability insurance, and car allowances. Members of the Management Board also benefit from directors' and officers' liability insurance coverage. These benefits are in line with market practice.

Pension

Members of the Management Board receive a contribution to their pension plan. The contribution is defined as a percentage of base salary, and is capped at 30% of base salary for the CEO and 25% of base salary for the CFO.

Variable remuneration

The variable income part of Management Board members' remuneration consists of short-term incentives (STIs) and long-term incentives (LTIs). The distribution between STIs and LTIs for on-target performance aims to achieve a proper balance between short-term results and long-term value creation. The parameters relating to the various elements of the variable income part of the remuneration are established and – where necessary – adjusted at the discretion of the Supervisory Board, taking into consideration the general rules and principles of the Remuneration Policy itself. The STIs and LTIs relate to the performance in the respective year.

Short-term variable remuneration

Amounts earned under the annual STI plan are paid out in cash.

In thousand €	Base salary		Other benefits		Pension		Total fixed		Short-term		Long-term		Total variable		Total remuneration		Fixed vs variable	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
John Kruijssen																		
Costs (IFRS)	493	472	87	79	148	142	728	693	384	368	1,208	232	1,592	600	2,320	1,293	31%-69%	54%-46%
Grant date fair value	493	472	87	79	148	142	728	693	384	368	246	2,593	630	2,961	1,358	3,654	54%-46%	19%-81%
Gabrielle Reijnen																		
Costs (IFRS)	313	300	81	94	78	75	472	469	203	195	235	123	438	318	910	787	52%-48%	60%-40%
Grant date fair value	313	300	81	94	78	75	472	469	203	195	156	150	359	345	831	814	57%-43%	58%-42%

Remuneration report

Long-term variable remuneration

The amounts reported in the table on the previous page represent both the costs recognised during the year and the aggregate grant date fair value of share awards in the form of PSUs granted in the year shown. In general, the aggregate grant date fair value is the amount that the Company expects to expense for accounting purposes over the award's vesting schedule, and does not correspond to the actual value that the members of the Management Board will realise from the award. In particular, the actual value of PSUs and stock options received is different from the accounting expense as it is dependent on performance.

Implementation of remuneration policy in 2022

This section provides an overview of the application of the Remuneration Policy in 2022, additional remuneration information to ensure reporting transparency, and important contract terms of the members of the Management Board.

Base salary

Management Board members' salaries were assessed against the market environment and the adjustments in the salaries of the Company's employees in the Netherlands, and were adjusted by 4.32% in line with the market movement for BBH employees in the Netherlands.

Short-term variable remuneration

Members of the Management Board participate in the short-term annual incentive plan, which rewards achievement of predefined operational objectives considered crucial to achieving the strategic goals of the Company over a one-year period. At the beginning of each year, the Supervisory Board selects specific performance indicators, reflecting current operational priorities, and assigns a weighting and a target level to each indicator.

Performance targets must be realistic and sufficiently challenging. In addition to a specific target level for each performance indicator, the Supervisory Board sets a threshold performance level below which no payout is granted, and a maximum performance level where maximum payout is reached. Specific short-term target levels are not published ex-ante, as they are considered commercially sensitive. These targets are, however, reviewed appropriately and accounted for ex-post.

Performance at the predefined target levels on all indicators results in target payout in cash of 60% of base salary for the CEO and 50% for the CFO. Depending on performance, the actual payout may range from a threshold level of 80% to a maximum of 130% of target payout. Performance below threshold level is not rewarded. The benchmark conducted in 2020 indicated that the target STI levels as a percentage of base salary provided to members of the Management Board were in line with the market median.

2022 Performance criteria and outcomes

On an annual basis, the Supervisory Board determines the most relevant performance criteria for the Management Board with regards to the STI plan. In addition, the Supervisory Board sets realistic and sufficiently challenging target levels for each performance criteria. For 2022, the performance criteria selected reflected the challenging economic circumstances that the Company experienced as a result of the war in Ukraine and the COVID-19 pandemic, while maintaining the focus on executing the Company's strategy, overseeing day-to-day business operations and optimising profitability. These criteria were: revenue growth and EBITDA, each weighted at 30%, and gross margin and free cash flow, each weighted at 20%. To improve the quality and predictability of the organisation, two additional qualitative targets were also applied.

	Performance Period	Threshold (80%)	Target (100%)	Maximum (130%)	Weighting	Result	Variable pay-out
QUANTITATIVE PERFORMANCE CRITERIA							
Sales growth	FY 2022			7.1%	30%	Above Maximum	
Operating margin	FY 2022			55.1%	20%	Above Maximum	
EBITDA	FY 2022			€ 28.8 mln	30%	Above Maximum	130%
Free Cash Flow	FY 2022			€ 3.8 mln	20%	Above Maximum	
QUALITATIVE PERFORMANCE CRITERIA							
Source 100% renewable energy for our operations by the end of 2022				✓		Discretionary	
Implementing >20 BeterBed ID-configurations at strategic locations in store network				✓		Discretionary	

Remuneration report

The performance of each member of the Management Board was determined against these criteria. The assessment of performance under the STI plan is undertaken by the Remuneration Committee. A proposal is then made to the Supervisory Board. This proposal for approval includes an assessment of the coherence between the proposed payment and overall business performance. For members of the Management Board, the STIs were evaluated based upon the achievement of performance goals for the Company. The Supervisory Board applies an element of judgement in assessing alignment between calculated payout and overall business performance.

In light of the continuation of the challenges from 2021 that the Company faced in 2022, the uncertain macroeconomic circumstances, and the fact that the Company exceeded its annual targets for all performance metrics, the bonus pool was funded at 130% of the target. The Supervisory Board deemed the payout fair and reflective of the Company's overall performance.

Long-term variable remuneration

Annual PSUs

Beter Bed Holding N.V.'s LTI plan is based on performance share units (PSUs). This LTI rewards members of the Management Board and senior leadership team for achieving the Company's strategic objectives over a three-year period. The incentive is awarded in both PSUs and facilitates share ownership. Participation aligns management performance with sustainability objectives and the long-term interests of the Company, together with value creation for shareholders.

Members of the Management Board receive a conditional granting of shares on an annual basis to a value equivalent to 50% of base salary. The award is conditional, and is based on:

- Performance delivered on predefined targets over a three-year period; and
- Continued employment until the vesting date.

Each year when granting shares, the Supervisory Board sets performance conditions that reflect the intended long-term value creation and targets for the required performance levels. The performance conditions selected and their weighting in performance assessments is published in the remuneration report for the respective year that the conditional award is made.

At vesting, the performance delivered on each of the performance targets is assessed. If the targets are fully met, 100% of the conditionally granted number of shares will vest. Depending on the actual performance delivered, vesting may range from 60% of the conditional award at threshold level to a maximum of 140%. Vested shares are entitled to dividends in shares during the performance period. Shares are not awarded in the event that performance is under the threshold level.

After vesting of the shares, a further two-year holding period applies. Board members may sell shares to cover applicable taxes due at vesting ('sell to cover'). In the event of a member of the Management Board leaving the Company before vesting due to retirement, permanent disability or death, all unvested performance shares are vested in full. In the event of a change in control of the Company, all unvested performance shares are vested in full. In the event that the term of appointment as Management Board member terminates, the vesting is prorated for the period between award and termination date. In the event of a resignation due to business disposition, collective dismissal or compromise agreement, the vesting is prorated for the period between award and termination date. In the event of voluntary resignation, all conditional shares are forfeited.

Long-term incentives in 2022

Annual PSUs

The annual grants are set as a percentage of the base salary of the members of the Management Board. The number of awarded PSUs are determined by dividing this grant value by the average volume weighted average price (VWAP) of the Company's shares for all trading days in the calendar quarter immediately preceding the award date. Members of the Management Board were granted PSUs in 2022 that are converted into Beter Bed Holding N.V. shares at the end of the three-year performance period 2022-2024, subject to meeting the performance criteria. For the 2022 long-term incentive scheme, in addition to return on capital employed (ROCE) and net promoter score (NPS), the Supervisory Board introduced a key performance indicator (KPI) related to sustainability: "Reduction of BBH's absolute Scope 1 and 2 GHG emissions below 2020 baseline levels by 2024". Each of these awards was approved under the Remuneration Policy, which was approved at the 2020 AGM.

Name	Year of Grant	Award type	Estimated Future Payouts Under Performance Share Units (#)			Grant Date Fair Value of Awards	Subject to 2-year holding period
			Threshold	Target	Maximum		
John Kruijssen	2022	Annual equity	28,825	48,041	67,258	246,383	✓
Gabrielle Reijnen	2022	Annual equity	18,307	30,511	42,715	156,479	✓

Remuneration report

Dividend equivalents

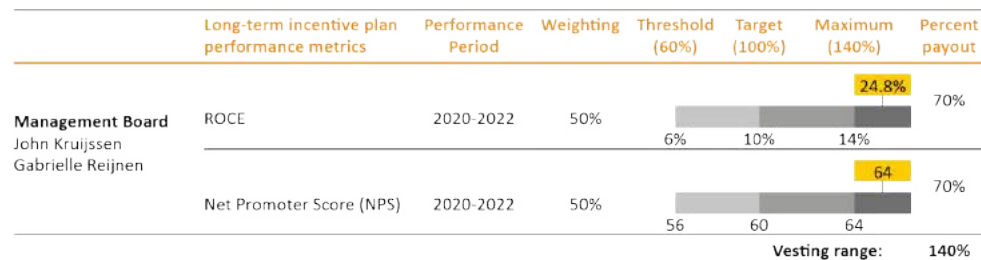
With respect to PSUs, whenever dividends are paid in cash by the Company to shareholders during the performance period, corresponding dividend equivalents are accrued on the PSUs awarded in that performance period.

2019 management options

Under the option programme, a number of options were granted to members of the Management Board in 2019 and 2020. In terms of the 2019 management options the Total Shareholder Return (TSR) of Beter Bed Holding N.V. after three years is compared with the TSR of nine relevant nationally and internationally listed companies that jointly form a peer group. The Company ranked five out of nine and, as a result, these options are vested at the 75% threshold, and accordingly the Remuneration Committee, in April 2022, confirmed the vesting of 75% of the 2019 Management Options.

2020 PSUs

The annual PSUs granted to the Management Board in 2020 are converted into Beter Bed Holding N.V. shares at the end of the performance period, based on ROCE and NPS at the beginning of the performance period of 1 January 2020 to 31 December 2022. For the calculation of the ROCE we refer to Financial results (see page 32). The Company exceeded these performance goals, and the Remuneration Committee therefore awarded all 2020 PSUs at a 140% vesting range in January 2023.



Outstanding equity awards

The following table summarises the information about outstanding options and PSUs awards as of year-end. It includes unexercised stock options (vested and unvested) and PSUs for which vesting conditions were not yet satisfied as at 31 December 2022.

Name	Year of grant	Award type	Outstanding	Exercisable	Exercise Price	Expiration Date	Market Value ¹	Vesting Schedule
John Kruijssen	2019	Options	37,500	37,500	4.34	24-04-2024	0	Not applicable
	2020	PSUs	209,395	-	-	-	592,587	100% in 2023, subject to performance
	2021	PSUs	44,237	-	-	-	125,191	100% in 2024, subject to performance
	2022	PSUs	48,041	-	-	-	135,956	100% in 2025, subject to performance
Gabrielle Reijnen	2020	Options	100,000	-	1.66	01-01-2024	117,000	100% on 1-1-2023
	2020	PSUs	132,987	-	-	-	376,355	100% in 2023, subject to performance
	2021	PSUs	28,095	-	-	-	79,509	100% in 2024, subject to performance
	2022	PSUs	30,511	-	-	-	86,346	100% in 2025, subject to performance

¹ The market value of PSUs is calculated by multiplying the closing price of BBH stock as of 31 December 2022 (€ 2.83) (the last trading day of the year) by the number of shares underlying each award and assuming satisfaction of the target performance conditions. For options, the market value is calculated by multiplying the number of shares underlying each award by the spread between the award's exercise price and the closing price of BBH stock as of 31 December 2022.

Remuneration report

The following table shows the number of PSUs outstanding with members of the Management Board:

Name	Specification of plan	Performance Period	Award date	Vesting date	End of holding period	Opening		Movement during the year			Closing	
						PSUs at beginning of year	Applicable performance conditions and dividend equivalents	PSUs awarded in 2022	PSUs vested	PSUs subject to performance condition	PSUs awarded and unvested at year end	PSUs subject to holding period
John Kruijssen	PSUs	2020-2022	01-01-2020	31-12-2022	31-12-2024	142,039	67,356	-	-	209,395	209,395	209,395
	PSUs	2021-2023	01-01-2021	31-12-2023	31-12-2025	44,237				44,237	44,237	44,237
	PSUs - one-time performance grant	2021-2023	16-12-2021	31-12-2023	31-12-2025	240,261				240,261	240,261	240,261
	PSUs - one-time performance grant	2021-2025	16-12-2021	31-12-2025	31-12-2025	240,261				240,261	240,261	-
	PSUs	2022-2024	01-01-2022	31-12-2024	31-12-2026			48,041	-	48,041	48,041	48,041
Gabrielle Reijnen	PSUs	2020-2022	01-01-2020	31-12-2022	31-12-2024	90,209	42,778	-	-	132,987	132,987	132,987
	PSUs	2021-2023	01-01-2021	31-12-2023	31-12-2025	28,095				28,095	28,095	28,095
	PSUs	2022-2024	01-01-2022	31-12-2024	31-12-2026			30,511	-	30,511	30,511	30,511

Remuneration report

Other information

Pay ratio

Both the Supervisory Board and the Management Board are committed to balanced internal pay ratios. An overall ratio compares the average pay of members of the Management Board with the average pay of all Beter Bed Holding N.V.'s employees. The average pay of employees is calculated on a full-time basis and encompasses the total remuneration, comprising base salary, benefits including social security paid, pension expenses, variable remuneration, PSUs and share options. The table below shows the pay ratio over the last five years and how it is calculated:

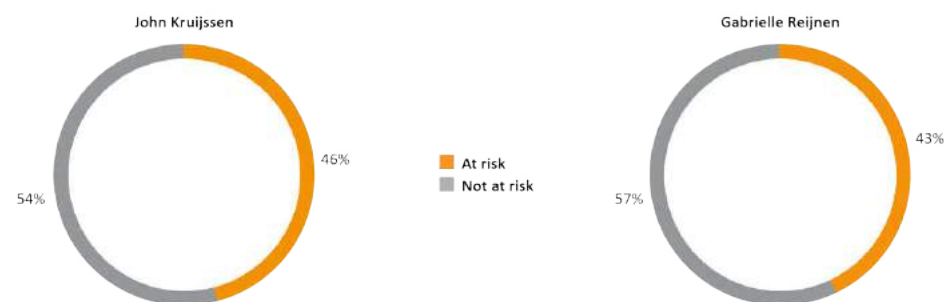
in thousand €	2022	2021	2020	2019	2018
Management Board					
Average number of FTE	2.0	2.0	2.0	2.0	1.7
Remuneration for individual MB members					
- A.J.G.P.M. Kruijssen	2,320	1,293	1,265	1,081	597
- G.E.A. Reijnen	910	787	721	-	-
- H.G. van den Ochtend	-	-	-	351	152
- B.F. Koops	-	-	-	-	216
Total MB remuneration	3,230	2,080	1,986	1,432	965
Average remuneration (A)	1,615	1,040	993	716	579
Other employees					
Average number of FTE	922	935	1,025	1,003	2,805
Personnel expenses ¹	41,774	38,568	45,767	45,632	109,290
Average remuneration (B)	45	41	45	45	39
Total					
Average number of FTE	924	937	1,027	1,005	2,807
Personnel expenses ¹	45,004	40,648	47,753	47,064	110,255
Average remuneration	49	43	47	47	39
A/B pay ratio	35.6	25.2	22.2	15.3	14.9

¹ Personnel expenses less external staffing expenses.

The increase in the pay ratio in 2022 is caused by the one-time performance grant of the CEO following his reappointment in December 2021. In the period 2018-2019, the Company's pay ratio was effected by divestments resulting in changes in our employee mix.

Target compensation mix

The Remuneration Committee believes that the target compensation mix for members of the Management Board aligns with the long-term interests of the shareholders. The charts below illustrate the percentage of the target pay that is at risk for the respective members of the Management Board.



Scenario analysis

A scenario analysis of the possible outcomes of the variable components, together with the impact these have on the Management Board members' remuneration, is conducted annually to minimise the risk that the performance criteria lead to inappropriate outcomes. The effect of different performance scenarios on the level and composition of remuneration for the year 2022 was analysed and the outcome taken into consideration by the Supervisory Board when reviewing the Management Board members' remuneration.

Remuneration report

Share participation

The remuneration structure promotes the long-term ownership of shares by executives. The Supervisory Board encourages members of the Management Board to retain vested shares, and encourages investment in the Company's shares. As at 31 December 2022, the Management Board holds the following number of shares:

Management Board

A.J.G.P.M. Kruijssen	10,000
G.E.A. Reijnen	-
Total	10,000

Other policy information and contract terms

Any use of right to reclaim

The Supervisory Board has the authority to adjust the payout or vesting of variable remuneration of the Management Board if the result, as calculated under the Policy, is not reasonable or fair under the prevailing circumstances. In the event of force majeure, serious illness, long-term absence or incapacity to work, the Supervisory Board decides how the STI and the LTI are applied.

The Supervisory Board can reclaim in full, or in part, any variable remuneration that has vested or has been paid out on the basis of incorrect information on the underlying performance achievement. Any such value adjustment or claw back is at the discretion of the Supervisory Board, and is accounted for in the remuneration report submitted to the AGM. No variable remuneration was clawed back in 2022.

Deviation and derogation from remuneration policy

Under Dutch law and the Dutch Corporate Governance Code, the Supervisory Board has the discretionary power to determine the remuneration of the members of the Management Board in accordance with the Remuneration Policy, and to temporarily derogate from the Company's Remuneration Policy for the Management Board in exceptional circumstances. The Remuneration Policy for the Management Board of BBH, as adopted in 2020, also includes such discretionary power.

The Remuneration Committee did not deviate from its decision-making process in relation to the implementation of the Remuneration Policy.

Change of control

In the event of a change of control, any variable remuneration granted to a member of the Management Board, shall be (deemed to be) vested, regardless as to the status of the realisation of the objectives, and exercisable, if applicable, upon such change of control.

Term of appointment

The term of appointment for all members of the Management Board is four years. Members of the Management Board are employed under management services agreement for the duration of their appointment, after which time the agreement terminates automatically. Members of the Management Board may be reappointed for additional term(s) of four years.

Notice period

All members of the Management Board have a notice period of three months. For the Company, the notice period is six months for termination without cause under the applicable management services agreements with the respective members of the Management Board.

Severance compensation

In the event that a member of the Management Board's agreement is terminated by, or at the initiative of, the Company, the member of the Management Board in question is entitled to a severance payment that will not exceed one year's base salary.

Governance

The Remuneration Committee prepares the Supervisory Board's decisions regarding the remuneration of individual members of the Management Board, within the scope of the applicable Remuneration Policy. In accordance with article 2:135a sub 2 DCC, the Supervisory Board proposes the Beter Bed Holding N.V.'s Management Board Remuneration Policy for adoption to the General Meeting once every four years, the next time being at the AGM in the first half of 2024 at the latest. The decision for adoption of the Remuneration Policy requires at least 75% of the cast votes in favour.

The remuneration report describes the process that has been followed by the Remuneration Committee in relation to the implementation of the Remuneration Policy over the given financial year, and, if applicable, any proposed revision of the Remuneration Policy. Every year, the implementation of the Remuneration Policy, through the remuneration report, is put to an advisory vote at the AGM (in line with article 2:135b sub 2 DCC).

Remuneration report

Alignment with long-term value creation

The remuneration of members of the Management Board is intended to encourage behaviours that focus on performance. This is to ensure that the Management Board reaches the annual expected level of performance, while also taking long-term sustainable value creation into consideration. These include continuing to build a scalable and data-driven backbone to support customer relationships, enhance the customer offering, increase efficiency and create new business models.

The introduction of PSUs in 2020 further promotes share ownership and alignment with the Company's long-term value creation and shareholder interests. The Remuneration Policy is also aligned internally, following remuneration principles that apply more broadly within the Company.

This provides a shared sense of purpose and direction at the different management levels, together with a shared reward, if the agreed targets have been met. Internal consistency is assured by assessing internal pay ratios to reflect the required competencies and responsibilities at each level.

Stakeholder engagement and feedback

The Remuneration programme for the Management Board focuses leadership on key areas that drive the business forward and align with the interests of the Company's stakeholders. The Remuneration Committee considers many factors when evolving the remuneration programmes, including alignment with the company's strategy, market practice and trends, and shareholder feedback.

The Remuneration Committee continued to incorporate tailored performance criteria into the remuneration programme to align with growing investor interest in both operational and CSR metrics.

In addition, the Remuneration Committee considered shareholders' feedback during the 2022 AGM in relation to the Remuneration Policy and remuneration report. This included the Supervisory Board's rationale regarding: (i) the disclosure of the company-specific STI targets, and whether the STI targets for 2022 were sufficiently ambitious and challenging; and (ii) the reappointment of the CEO in December 2021, and the award mechanics of the related one-time equity performance grant.

With regards to (i), the Supervisory Board is of the view that the Company should not disclose the precise targets as they qualify as commercially sensitive information. Given the challenging macroeconomic uncertainty, the Supervisory Board considered that the criteria met were properly weighted, and that expectations with regards to the performance of the members of the Management Board were sufficiently ambitious and challenging. On the basis of this information, the Supervisory Board concluded that performance was very high. With regards to (ii), the Supervisory Board is of the view that management continuity is important for the successful execution of BBH's strategy for growth. To avoid uncertainty about the reappointment, the Supervisory Board considered it important to submit this to the shareholders on 16 December 2021. The Supervisory Board considered reappointment and a related incentive in the shape of performance shares to be connected. So as to ensure shareholders were fully informed and in the interests of full transparency, this was included in the explanatory notes to the agenda.

The implementation of the Remuneration Policy, through the Remuneration Report, was put forward for an advisory vote to the AGM (in line with article 2:135b sub 2 of DCC). At our 2022 AGM, approximately 92.1% votes cast in favor of and 7.9% against our 2021 Remuneration Report.

Both the Management Board and the Supervisory Board have a transparent relationship with BBH's works council in the Netherlands, which rendered a positive advice on the Remuneration Policy in 2020.

Remuneration of the Supervisory Board

This section provides an overview of the Remuneration Policy for the Supervisory Board of Beter Bed Holding N.V., which was last amended at the 2020 AGM. The objective of the Remuneration Policy for the Supervisory Board is to attract, motivate and retain qualified people as Supervisory Board members who can supervise and support Beter Bed Holding N.V. in the achievement of its strategic objectives, and in doing so realise the sustainable value creation for which the Company strives. To this end, the Policy offers Supervisory Board members a remuneration package that reflects the time spent and the responsibility of the role. A reference point for an adequate remuneration level and fitting remuneration structure is derived from a benchmark of Dutch listed companies of comparable size and complexity with a two-tier board structure. In preparing the 2020 Remuneration Policy for the Supervisory Board, a benchmark comparison was performed using a reference group of fifteen Dutch small cap companies with a two-tier board structure. This indicated that an increase in the remuneration levels was warranted.

Remuneration report

Composition of the remuneration package

Remuneration of the Supervisory Board is not dependent on the results of the Company. The policy offers fixed annual fees in cash only. Members of the Supervisory Board receive an annual base fee as shown in the table below, and there are no additional meeting attendance fees. The Chair of the Supervisory Board receives an additional base fee due to the workload and broad responsibilities of this position. Travel expenses and facilities for members of the Supervisory Board are borne by the Company and reviewed by the Audit Committee. The Company does not provide loans, advance payments or guarantees to members of the Supervisory Board.

All members of the Supervisory Board	€ 40,000
Additional fee Chair	€ 10,000

Members of the Supervisory Board also benefit from directors' and officers' liability insurance coverage. These benefits are in line with market practice.

Summary compensation

The table below shows the remuneration for each member of the Supervisory Board during the financial year 2022.

in thousand €

Supervisory Board member	2022	2021	2020	2019	2018
B.E. Karis	50	50	50	37	3
B.M.A. van Hussen	40	40	25	-	-
A. Beyens	40	40	40	30	3
M.C. Schipperheijn	40	40	25	-	-
Previous members	-	40	40	61	106
Total	170	210	180	128	112

Outlook 2023

The salaries of members of the Management Board were assessed against the market environment and the adjustments for other employees, and will be adjusted by 4.0% in line with the market movement for employees in the Netherlands. For the 2023 STI scheme, the Supervisory Board believes that the following four quantitative KPIs are appropriate: revenue growth and EBITDA, both of which weighted at 30%; and gross margin and free cash flow, both of which weighted at 20%. To improve the quality and predictability of the organisation, two additional qualitative targets will also apply: the auditing of medium- and high-risk suppliers in line with the 'Business Social Compliance Initiative' standards by the end of 2023 (given that all our suppliers signed our Code of Conduct in 2022); and the implementation of the new OMS and POS, which should be functioning by the end of 2023.

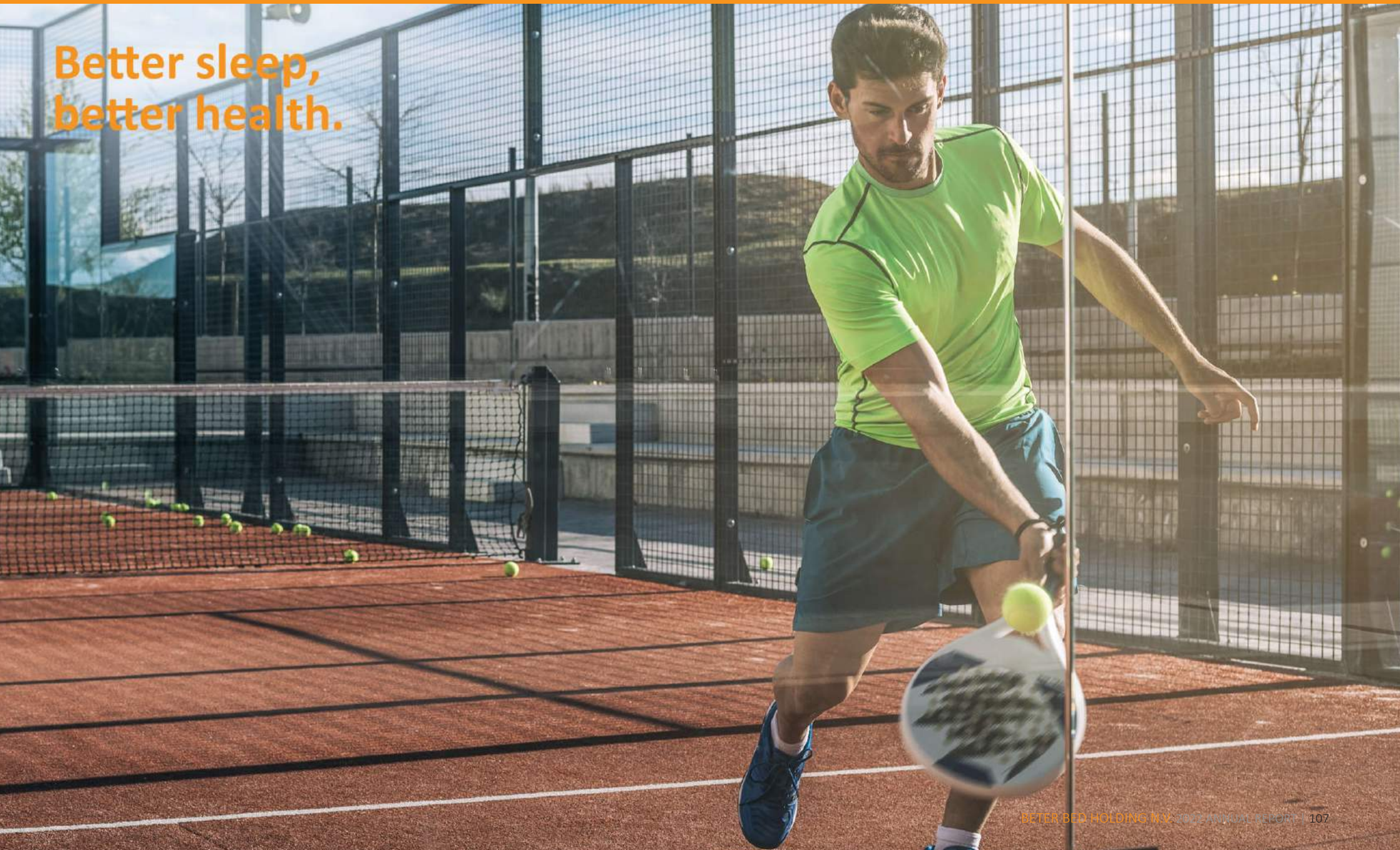
While the Company does not disclose the exact targets as they qualify as commercially sensitive information, these targets and the performance related to them will be accounted for in the 2023 remuneration report. For the 2023 long-term incentive scheme, in addition to NPS, the Supervisory Board introduced a KPI related to underlying EBITDA and sustainability: 'By the end of 2025, sustainability to be integrated into the business strategy, and CSRD reporting and the auditing thereof to be in place'.

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Consolidated financial statements

Consolidated balance sheet

As at 31 December and before result appropriation

in thousand €	Notes	2022	2021
Non-current assets			
Intangible assets	1.	6,792	8,269
Property, plant and equipment	2.	6,048	3,590
Right-of-use assets	3.	43,038	49,584
Deferred tax assets	4.	144	4,456
Other non-current financial assets	5.	81	117
Total non-current assets		56,103	66,016
Current assets			
Inventories	6.	27,594	29,998
Trade receivables	7.	1,851	1,943
Income tax receivable	7.	1,035	-
Other receivables	7.	6,292	5,969
Cash and cash equivalents	8.	37,695	38,005
Total current assets		74,467	75,915
Total assets		130,570	141,931

in thousand €	Notes	2022	2021 ¹
Equity			
Issued share capital	9.	544	544
Share premium	9.	34,401	34,401
Legal reserves		786	-
Other reserves		(6,661)	(17,303)
Retained earnings		5,271	13,897
Total equity attributable to equity holders of the parent		34,341	31,539
Liabilities			
Non-current liabilities			
Lease liabilities	10.	29,819	37,002
Provisions	11.	553	350
Deferred tax liabilities	4.	-	776
		30,372	38,128
Current liabilities			
Lease liabilities	10.	15,936	15,986
Trade payables	13.	20,803	24,240
Income tax payable	13.	-	3,549
Other taxes and social security contributions	13.	10,421	10,944
Other liabilities	13.	18,697	17,545
		65,857	72,264
Total liabilities		96,229	110,392
Total equity and liabilities		130,570	141,931

¹ In the comparative figures, €350k has been reclassified from other liabilities to provisions for comparison purposes.

Consolidated financial statements

Consolidated profit and loss account

For the year ended 31 December

in thousand €, unless otherwise stated	Notes	2022	2021
Continuing operations			
Revenue	14.	229,434	214,222
Materials and services from third parties		(103,035)	(96,140)
Gross profit		126,399	118,082
Other income	17.	-	896
Personnel expenses	15.	(49,532)	(43,893)
Depreciation, amortisation and impairment	18.	(20,131)	(18,390)
Other operating expenses	19.	(48,052)	(41,894)
Total operating expenses		(117,715)	(104,177)
Operating profit (EBIT)		8,684	14,801
Finance costs	20.	(882)	(527)
Profit before tax		7,802	14,274
Income tax	21.	(2,531)	(1,726)
Net profit from continuing operations		5,271	12,548
Discontinued operations			
Profit/(loss) after tax from discontinued operations		-	1,349
Net profit		5,271	13,897

Consolidated statement of comprehensive income

For the year ended 31 December

in thousand €	Notes	2022	2021
Profit for the year		5,271	13,897
Other comprehensive income			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		-	(304)
Other comprehensive income for the year, net of tax		-	(304)
Total comprehensive income for the year, net of tax		5,271	13,593
Total comprehensive income/(loss) for the year, net of tax			
Continuing operations		5,271	12,244
Discontinued operations		-	1,349
Total comprehensive income for the year, net of tax		5,271	13,593
Earnings per share from all operations			
Earnings per share in €	22.	0.19	0.52
Diluted earnings per share in €		0.19	0.50
Earnings per share from continuing operations			
Earnings per share in €	22.	0.19	0.47
Diluted earnings per share in €		0.19	0.45

Consolidated financial statements

Consolidated cash flow statement

For the year ended 31 December

in thousand €

	Notes	2022	2021
Operating activities			
Profit before tax		7,802	14,274
<i>Adjustments to reconcile profit before tax to net cash flows:</i>			
- Net finance costs	20.	882	527
- Change in provisions	11.	203	-
- Income taxes		-	(702)
- Cost of share-based compensation	16.	1,609	(207)
- Depreciation and impairment of right-of-use assets	18.	14,783	13,223
- Depreciation and impairment of property, plant and equipment	18.	1,705	2,019
- Amortisation and impairment of intangible assets	18.	3,643	3,148
- Book profit on sale-and-leaseback		-	(896)
<i>Adjusted operating result for the period</i>		30,627	31,386
Working capital adjustments:			
- Decrease / (Increase) in inventories	6.	2,404	(6,190)
- Decrease / (Increase) in trade and other receivables	7.	(231)	(113)
- Increase / (Decrease) in trade and other liabilities	13.	(2,808)	6,360
<i>Change in working capital</i>		(635)	57
Guarantees		(29)	128
Income tax (paid) / received		(3,570)	(3,270)
Discontinued operations		-	(418)
Cash flow from operating activities		26,393	27,883

in thousand €

	Notes	2022	2021
Investing activities			
Capital expenditure on purchase of intangible assets	1.	(2,166)	(2,316)
Capital expenditure on purchase of PP&E	2.	(4,163)	(1,925)
Proceeds from sale and leaseback		-	3,000
Divestment of Swedish operations		-	4,240
Discontinued operations		-	(87)
Cash flow from investing activities		(6,329)	2,912
Financing activities			
Proceeds from issuance of new shares	9.	-	6,453
Repayment of equity instruments		-	(4,023)
Repayment of borrowings	12.	-	(2,285)
Dividends paid		(4,078)	-
Interest paid	20.	(437)	(373)
Payment lease liabilities	12.	(15,859)	(13,673)
Discontinued operations		-	(535)
Cash flow from financing activities		(20,374)	(14,436)
Movement in cash and cash equivalents			
Net foreign exchange difference		-	19
Opening balance	8.	38,005	21,627
Closing balance		37,695	38,005

Consolidated financial statements

Consolidated statement of changes in equity

in thousand €

	Notes	Issued share capital	Share premium	Equity instruments ¹	Revaluation reserve ¹	Currency translation reserve ²	Legal reserves ³	Other reserves	Retained earnings	Total
Balance at 1 January 2021		525	27,967	3,814	386	304	-	(25,211)	7,938	15,723
Net profit 2021		-	-	-	-	-	-	-	13,897	13,897
Other components of comprehensive income 2021		-	-	-	-	(304)	-	-	-	(304)
Total comprehensive income		-	-	-	-	(304)	-	-	13,897	13,593
Profit appropriation 2020		-	-	-	-	-	-	7,938	(7,938)	-
Contributions of equity		19	6,434	-	-	-	-	-	-	6,453
Interest on equity instruments		-	-	209	-	-	-	(209)	-	-
Repayment of equity instruments		-	-	(4,023)	-	-	-	-	-	(4,023)
Realisation of revaluation reserve		-	-	-	(386)	-	-	386	-	-
Cost of share-based compensation	16.	-	-	-	-	-	-	(207)	-	(207)
Balance at 31 December 2021		544	34,401	-	-	-	-	(17,303)	13,897	31,539
Net profit 2022		-	-	-	-	-	-	-	5,271	5,271
Other components of comprehensive income 2022		-	-	-	-	-	-	-	-	-
Total comprehensive income		-	-	-	-	-	-	-	5,271	5,271
Profit appropriation 2021		-	-	-	-	-	-	13,897	(13,897)	-
Addition to legal reserves		-	-	-	-	-	786	(786)	-	-
Dividend payment		-	-	-	-	-	-	(4,078)	-	(4,078)
Cost of share-based compensation	16.	-	-	-	-	-	-	1,609	-	1,609
Balance at 31 December 2022		544	34,401	-	-	-	786	(6,661)	5,271	34,341

1 Concerns restricted equity.

2 In the comparative figures, the release of the currency translation reserve is reclassified to other comprehensive income in both the consolidated statement of changes in equity and the consolidated statement of comprehensive income for comparison purposes. Concerns restricted equity.

3 Applies to internally developed intangible assets. Concerns restricted equity.

Notes to the consolidated financial statements

General information

Beter Bed Holding N.V. operates in the European bedroom furnishings market. Its activities include retail trade through the Beter Bed and Beddenreus brands. Beter Bed Holding N.V. is also active in the field of developing and wholesaling branded products in the bedroom furnishing sector through its subsidiary DBC International B.V. Beter Bed Holding N.V. is incorporated in the Netherlands, with its headquarters in Uden the Netherlands. The registered office of Beter Bed Holding N.V. is Linie 27, 5405 AR, in Uden the Netherlands, trade register number 16040335. Beter Bed Holding N.V.'s shares are listed on Euronext Amsterdam.

The consolidated financial statements comprise the financial information of the Company itself and that of its subsidiaries (referred to together as the Group). The list of subsidiaries is presented in the note Principles of consolidation (see page 114).

The 2022 consolidated financial statements of Beter Bed Holding N.V. have been prepared by the Management Board and were authorised by both the Management Board and the Supervisory Board for issuing on 9 March 2023. The financial statements will be submitted for approval to the General Meeting on 10 May 2023.

Basis of preparation of financial statements

The consolidated financial statements of Beter Bed Holding N.V. have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs, hereafter referred to as IFRS). The company financial statements have been prepared according to article 2:362-8 of the Dutch Civil Code, meaning that the accounting principles used are the same as for the consolidated financial statements.

Going concern

In preparing the financial statements, management has applied going concern assumption based on its assessment of the company's ability to continue as a going concern. In making such assessment management has considered amongst higher inflation and lower consumer confidence, challenges regarding the global supply chain and in broader perspective the world economy. We expect to remain within the Group's financial covenants, with a strong cash position, while maintaining headroom under the existing credit facility.

Basis of measurement of financial statements & significant accounting policies

The consolidated financial statements have been prepared on a historical cost basis, except for debt and equity financial assets that have been measured at fair value. Unless explicitly stated otherwise, the amounts stated in these notes refer to the consolidated figures. The financial statements are presented in euros and have been rounded to thousands of euros, unless otherwise stated.

Changes in accounting policies and disclosures

New standards, amendments and interpretations to existing IFRS standards became effective in 2022. These new standards, amendments and interpretations, as far as they are relevant to the Group, have no impact on the valuation and classification of assets and liabilities of the Group, nor on its income statement or cash flows.

New standards, amendments and interpretations to existing IFRS standards have been published that only need to be applied to accounting periods beginning on or after 1 January 2023. As far as these standards, amendments and interpretations are applicable to the Group, they are expected to have no material effect on the valuation and classification of assets and liabilities. The Group has decided not to opt for early adoption.

Notes to the consolidated financial position

Foreign currency translation

The consolidated financial statements have been prepared in euros. The euro is the functional currency of Beter Bed Holding N.V. and is the Group's reporting currency. Monetary assets and liabilities in foreign currencies are converted at the exchange rate on the balance sheet date, whereas profit and loss account items are converted at the exchange rate at the time of the transaction. Non-monetary assets and liabilities in foreign currencies, which are measured at fair value, are converted at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

Exchange differences in the financial statements of foreign group companies included in the consolidation are taken directly to equity through other comprehensive income. The results and assets and liabilities of consolidated foreign participations are translated into euros at the average exchange rate per month and the closing rate for the year under review respectively. Upon disposal of a foreign entity, the deferred accumulated amount recognised in equity of that foreign entity concerned is taken to the profit and loss account.

The table below shows the currency rates applied in 2021 and 2022 respectively.

	EUR/SEK	EUR/USD
Year-end exchange rates		
31-12-2021	10.2503	1.1326
31-12-2022	11.1218	1.0666
Average exchange rates		
2021	10.1479	1.1838
2022	10.6274	1.0539

Principles of consolidation

The consolidated financial statements comprise the financial statements of Beter Bed Holding N.V. and its Group entities. Group entities are defined as entities controlled by the Company. This means the Company is exposed to, or is entitled to, the variable results following the Company's involvement and ability to influence these results in its power to steer on the activities of that entity.

In general, the Group assumes that it has control if it holds the majority of the voting rights. Factors that are relevant to support this assumption are, however, considered in all cases. These include contractual arrangements with any other vote holders of the investee, voting rights from other arrangements, and the potential voting rights of the Group. When there are changes in circumstances or facts that could impact if the Group controls an investee, a reassessment will be made to conclude whether an investee still needs to be consolidated. Group entities are included in the consolidation at the date at which the entities gain control. As of the date an entity does not meet the aforementioned criteria of an investee, the entity is no longer included in the consolidation.

For consolidation purposes, the Group has applied the full consolidation method. All financial relations and results between consolidated companies are eliminated in full. If the Group loses control over an investee, it derecognises the related assets (including goodwill), liabilities, and equity, while a gain or loss is recognised in profit or loss. In the event that an investee is retained but the Group ceases control, it is recognised at fair value.

Notes to the consolidated financial position

Interests in subsidiaries

The Group's subsidiaries at 31 December 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name	Registered Office	Ownership interest held by the Group in %	
		2022	2021
Bedden & Matrassen B.V.	Uden, The Netherlands	100	100
Beter Bed B.V.	Uden, The Netherlands	100	100
Beter Bed Financial Services B.V.	Uden, The Netherlands	100	100
DBC International B.V.	Uden, The Netherlands	100	100
DBC Nederland B.V.	Uden, The Netherlands	100	100
European Bedding Participations B.V. ¹	Uden, The Netherlands	100	-
Nordic Bedding Company (NBC) B.V.	Uden, The Netherlands	100	100
Swedish Company Bedding 1 AB ²	Gothenburg, Sweden	-	100
Swedish Company Bedding 2 AB ³	Gothenburg, Sweden	-	100

¹ The entity was established on 6 July 2022.

² The entity went into voluntary liquidation on 30 November 2021 and was dissolved on 1 November 2022.

³ The entity went into voluntary liquidation on 30 November 2021 and was dissolved on 19 October 2022.

Use of estimates

Estimates and judgements

In preparing the financial statements, the Management Board is required to exercise judgement, and make assumptions and estimates that affect the application of the accounting standards and the valuation of the recognised assets and liabilities and income and expenses. Following those judgements, assumptions and estimates, the actual valuation may subsequently differ materially from the reported valuation.

Judgements, assumptions and estimates are continually reviewed, and are based on historical experience and other factors, including future expectations. These future expectations are based on reasonable expectations concerning the relevant factors affecting the financial statement item concerned.

Adjustments of estimates are recognised in the period in which those adjustments are made and, where relevant, in the future periods concerned.

The following notes contain the most significant estimates and judgements:

- **Significant judgement:**
 - Assessment of the recoverability of past tax losses (Deferred tax balances (see page 127)).
 - Recognition of extension options in property lease contracts (Right-of-use assets (see page 126)).
- **Significant estimates:**
 - Assumptions used in impairment testing (Intangible Assets (see page 125), PP&E (see page 125), Right-of-use assets (see page 126)).
 - Assumptions used in share-based compensation expenses (Share-based compensation (see page 133)).
 - Estimates in the valuation of stock (Inventories (see page 128)).

Notes to the consolidated financial position

Segment reporting

IFRS 8 requires the financial statements to present segment information that is in accordance with the internal information used by the directors to assess performance and allocate resources. The Management Board of Beter Bed Holding N.V. assesses the Company's performance on a monthly basis as a whole, mainly focusing on margin developments. Based on this, decisions are taken, employees are deployed accordingly, and resources are made available.

Although several lines of business have been identified within the Group, all of these result in the sale of mattresses, bedroom furnishings (including box springs), bed bases and bed textiles.

BBH's different sales channels - such as B2C versus B2B, and online sales versus offline sales - have similar economic characteristics, for instance in terms of revenue, gross profit and inventory turnover rate. In view of the comparability of these characteristics, all lines of business are aggregated into a single reportable segment. For this reason, the Company does not have separate segments as referred to in IFRS 8. Information by geographical area is disclosed in note 14 (see page 132).

2022 events

Financing events

In August 2022, BBH increased its credit facility from € 15 million to € 30 million with Rabobank joining the current financing agreement alongside ABN AMRO Bank N.V. The increase was made to support further implementation of the strategic plan and pursue potential opportunities. The duration and interest percentages applicable regarding the credit facility were not changed. The credit facility, entered into in July 2021 and increased in August 2022, is effective until July 2024 with the possibility to extend for another two years. Under the covenants of the credit facility, Beter Bed Holding N.V. is required to meet certain performance indicators - which are tested quarterly - with regard to a total net debt to EBITDA, adjusted for exceptional items, (leverage) ratio of 2.5 and a total net worth to total adjusted assets (solvency) of 15% at inception, which is increased to 17.5% for periods ending after 30 September 2022, and will be increased to 20% for periods ending after 30 September 2023. No other credit facilities were in place on 31 December 2022. Information regarding the credit facility is disclosed in note 12 (see page 130).

2021 events

Sale of Swedish operations

On 9 July 2021, Beter Bed completed the sale of its Swedish operations with an effective date at 30 June 2021. The divestment was executed in the form of an asset-liability transfer. The assets were transferred to SengeSpecialisten, a Danish subsidiary of the Lars Larsen Group. The legal entities in Sweden remained under control of Beter Bed Holding N.V. and were in liquidation as of 30 November 2021, with the liquidation completed in the fourth quarter of 2022 in accordance with Swedish law. As a result, the business and the results of the Swedish entities are presented as discontinued operations in the comparative figures. However, the remaining assets and liabilities in the legal entities in Sweden still held by BBH were consolidated on 31 December 2021. Since the Swedish entities were liquidated in 2022, no financial positions related to the Swedish entities were held as at 31 December 2022.

The net result of the Swedish business activities in 2021 amounted to € 1.3 million, and is included in the consolidated profit and loss account as 'profit/ (loss) after tax from discontinued operations'. This result includes the positive book result on the net asset deal, offset by the operational results for the first half year of 2021. There was a nihil tax expense related to the sale of the Swedish operations as the Company had unrecognised cumulative operating losses from the past exceeding the net result of the Swedish business activities in 2021.

Upon completion of the sale of the Swedish operations on 9 July 2021, Beter Bed received a net cash consideration of € 4.2 million, which is included in the cash flow generated from investing activities in the comparative figures.

Significant accounting policies relating to balance sheet

Financial instruments

Non-derived financial instruments

Non-derived financial instruments include other financial fixed assets, trade and other accounts receivables, cash and cash equivalents, liabilities to credit institutions including related transaction costs, trade and other payables. Initial recognition of non-derived financial instruments is at fair value. Thereafter, these non-derived financial instruments are valued at amortised cost.

Notes to the consolidated financial position

Impairment of financial assets

Beter Bed Holding N.V. applies a model for the impairment of financial assets against amortised cost. In order to determine the provision, Beter Bed Holding N.V. applies a general or simplified method.

For the general method, the following is applied:

- A 12-month expected credit loss; or
- Lifetime expected credit losses for financial assets in the event that the credit risk increases significantly due to certain circumstances. All credit losses for the expected lifetime are accounted for; or
- Lifetime expected credit losses for financial assets, whereby interest is calculated based on the net receivable less impairment loss.

Loans granted to subsidiaries and receivables against suppliers following the supplier model, as well as all other receivables, go through the process of impairment testing based on the aforementioned general method.

The simplified method is applied to trade receivables. For these, at inception, lifetime expected credit losses are processed, which are determined following a historical set of average irrecoverable amounts (based on historical debt collection details).

Trade and other receivables

Trade and other receivables represent the Group's right to an amount of consideration that is unconditional. Trade and other receivables are carried at amortised cost, less impairment losses.

Trade and other payables

Trade and other payables are carried at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and other call deposits payable on demand. Bank overdrafts that are repayable on demand, and form an integral part of the Group's cash management, are included as a component of cash and cash equivalents in the cash flow statement. They are measured at amortised cost.

Offsetting financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position if, and only if, the Group currently has a legally enforceable right to set off the amounts, and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset (or, if applicable, part of a financial asset or part of a group of similar financial assets) is derecognised if the Group is no longer entitled to the cash flow from that asset or if substantially all risks and rewards of the asset have been transferred or – if substantially all risks and rewards of the asset have not been transferred – the entity has transferred 'control' of the asset.

A financial liability is derecognised when the obligation has been discharged or cancelled, or has expired. If an existing financial liability is replaced by another from the same lender under substantially different terms, or if substantial modifications are made to the terms of the existing liability, the replacement or modification is accounted for through recognition of the new liability in the balance sheet and derecognition of the original liability. The difference between the relevant carrying amounts is accounted for through profit and loss.

Intangible assets

Intangible assets mainly relate to software and until 2021 the brand name *Sängjätten*. For each category, the applicable finite useful life has been determined and applied.

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over their useful life and tested for impairment if there are indications that the intangible asset might be impaired. The amortisation period and method for an intangible asset with a finite useful life are assessed at least at the end of each period under review, with the applied amortisation percentages varying between 20% and 33%. For the previously owned brand name an amortisation percentage of 5% was applied. Any changes in the expected useful life or expected pattern of the future economic benefits from the asset are recognised by means of a change in the amortisation period or method, and should be treated as a change in the accounting estimate. Amortisation charges on intangible assets with a finite useful life are recognised in the profit and loss account.

Notes to the consolidated financial position

Development costs for IT infrastructure applications are recognised as an intangible asset if, and only if, all of the following conditions have been met:

- The technical feasibility to complete the project;
- The intention to complete the intangible asset, and use it;
- The ability to use the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate resources to complete the project; and
- The cost of developing the asset can be measured reliably.

Applications are capitalised until practical applicability is reached and ongoing activities focus on maintenance.

The amount initially recognised for intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. All expenditures on research activities are expensed in the income statement as incurred.

Any gains or losses arising from the derecognition of intangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the profit and loss account when the asset is derecognised.

Property, plant and equipment

Tangible fixed assets are measured at cost, less any accumulated depreciation and accumulated impairment losses. Tangible fixed assets under construction are not depreciated.

The depreciation period is assessed at least at the end of each period under review, with the applied depreciation percentages varying between 20% and 33%. Any changes in the expected useful life or expected pattern of the future economic benefits from the asset are recognised by means of a change in the depreciation period or method, and must be treated as a change in accounting estimate.

Depreciation, amortisation and impairment are presented together in the profit and loss and detailed in its notes.

Tangible fixed assets are derecognised in the event of disposal or if no future economic benefits are expected from its use or disposal. Any gains or losses arising from its derecognition (calculated as the difference between the net proceeds on disposal and the carrying amount of the asset) are taken to the profit and loss account for the year in which the asset is derecognised. Any residual value of an asset, its useful life, and valuation methods are reviewed, and if deemed necessary, adapted at the end of the financial year.

The tangible fixed assets are intended for own use.

Leases

The Group has various lease arrangements for offices, warehouses, retail stores, equipment and vehicles. Lease terms are negotiated on an individual basis and subject to domestic rules and regulations. This results in a wide range of different terms and conditions. At the inception of a lease contract, the Group assesses whether the contract conveys the right to control the use of an identified asset for a certain period in exchange for a consideration, in which case it is identified as a lease. The Group then recognises a right-of-use asset and a lease liability at the lease commencement date. The Group has chosen to apply the exemptions regarding practical expedients as mentioned in IFRS 16 'Leases' such as portfolio approach, exemption for low value leases, and exemption for short-term leases.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and accumulated impairment losses and any remeasurement of lease liabilities. The cost of right-of-use assets includes the initial measurement amount of lease liabilities recognised, initial costs incurred, and lease payments made at or before the commencement date less any lease incentives received. 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. The depreciation percentage depends on the remaining lifetime of the underlying contract as of adoption and is varying between 10% and 100%. At the end of a lease contract, when the asset is fully depreciated, the value at cost is reversed against accumulated depreciation. In the event of lease abandonment, the carrying amount of the related right-of-use asset is impaired to the recoverable amounts.

Notes to the consolidated financial position

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

Lease contracts will be capitalised for the duration of non-cancellable periods (mostly fixed periods of three to eight years) and renewal periods are only taken into account if deemed reasonably certain. To flexibly adapt to market developments in the real estate sector and manage business operations effectively, property contracts contain a relatively short-term duration with an option to extend. As the extension options are not considered reasonably certain, these are not recognised. Once an extension option becomes effective, the extension is recognised as a modification in the right-of-use assets.

For several leases, the Group has renewal/extension options. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include fixed payments less any lease incentive receivable. The lease payments also include payments of penalties for terminating a lease in the event that the option to terminate early is reasonably certain to be exercised. Non-lease components related to the leased asset and variable lease payments that do not depend on an index or a rate are recognised as an expense in the profit and loss.

In calculating the present value of lease payments, if the interest rate implicit in the lease is not readily determinable, the Group uses the incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, or a change in the in-substance fixed lease payments.

The lessee's incremental borrowing rate is the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The incremental borrowing rate applied is periodically determined by an external valuator. A specific discount rate is applied to a portfolio of leases with reasonably similar characteristics, depending on their duration and associated country, varying between 0% and 3.0%.

Inventories

Inventories are valued at the lower of cost and net realisable value. The cost consists of the latest purchase price less purchase discounts plus additional direct costs using first in first out. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost for settling the sale. Unrealised intercompany gains and losses are eliminated from the inventory valuation.

Impairment of assets

The Group reviews at each reporting date whether there are indications that an asset has been impaired. If there is any such indication or if the annual impairment testing of an asset is required, the Group estimates the asset's recoverable amount. Impairment losses are recognised in profit or loss.

An asset's recoverable amount is the higher of the fair value of an asset less costs of disposal or the cash-generating unit and the value in use. If an asset's carrying amount exceeds the recoverable amount, the asset is deemed to have been impaired and its value is written down to the level of the recoverable amount. When assessing the value in use, the present value of the estimated future cash flow is determined, applying a discount rate before tax that takes into account the current market assessment of the time value of money, and the specific risks associated with the asset.

On each reporting date an assessment is made whether there are indications that an impairment loss recognised in prior periods no longer exists or has decreased. If there is any such indication, the recoverable amount is estimated. An impairment loss recognised in prior periods is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. In that case, the carrying amount of the asset is increased to the recoverable amount. This increased amount cannot exceed the carrying amount that would have been determined (net of amortisation and depreciation) if no impairment loss had been recognised for the asset in prior years. Any such reversal is recognised in profit or loss.

Notes to the consolidated financial position

Legal reserves

The legal reserve represents the amount to be held against the intangible assets. The reserve is not free at disposal to shareholders.

Dividend

The holders of ordinary shares are entitled to receive dividend as determined from time to time by the Annual General Meeting.

The Management Board has the authority to decide, with the approval of the Supervisory Board, what portion of the profit will be allocated to the reserves. If applicable, the declared but unpaid dividends are recognised as a liability.

Provisions

Provisions are recognised for legal or constructive obligations existing at the balance sheet date for which it is probable that an outflow of resources will be required and the amount can be reliably estimated. Provisions are carried at the best estimate of the amounts required to settle the obligation at the balance sheet date, being the nominal value of the expected expenditures, unless otherwise stated.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense.

Warranty provision

The warranty provision is for claims made by customers under agreed warranties. The term during which a customer can exercise this right varies between products. The measurement is determined based on estimated costs that are expected to ensue from current warranty obligations as at the balance sheet date.

Jubilee provision

Based on the collective labour agreement, a provision for jubilee benefits for employees is recognised. The provision has been determined based on historical data available on retention of employees.

The Company's liability under other long-term employee benefits (the 12.5-year, 25-year and 40-year employment anniversaries) concerns the amount of entitlements accrued by employees in exchange for their services over the reporting period and preceding periods. These entitlements are discounted against a 2.95% (2021: 2%) discount rate to determine the present value. Revaluations are incorporated into the profit/loss for the period in which they occur.

Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

This pension scheme is a collective defined contribution (multi-employer) plan. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to make further contributions when the fund would not have sufficient assets to cover all employee benefits relating to employee service in the current and prior periods. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit and loss, when incurred. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments will occur.

Retirement benefits are provided through a limited number of defined contribution plans within the Group. The most significant one is described below and is applicable to the employees in the Netherlands.

The Company has a pension scheme with Retail Industrial Pension Fund (Pensioenfond Detailhandel). The provision of the Dutch Pension Act applies to this pension scheme and premiums are paid on a compulsory or contractual basis. Pensioenfond Detailhandel uses January salary as a pensionable salary basis. Pensioenfond Detailhandel increases the pensions partly in line with the consumer price index when the coverage ratio is 110% or higher. When the coverage ratio is 123% or higher, the pensions are increased in conformity with the consumer price index. The coverage ratio of Pensioenfond Detailhandel was 117.3% at the end of 2022 (2021: 119.2%).

Notes to the consolidated financial position

Defined benefit plans

The Group does not have any defined benefit plans.

Taxes

Current income tax assets and liabilities are valued at the amount that is expected to be recovered from or paid to the tax authorities. The amount is calculated on the basis of the tax rates set by law and enacted tax laws, which are reviewed periodically. Current income tax items directly related to items in equity are also recognised in equity.

Deferred tax liabilities are formed based on the temporary differences on the balance sheet date between the tax base of assets and liabilities, and the carrying amount in these financial statements. Deferred tax liabilities are recognised for all taxable temporary differences. The deferred tax liabilities are valued at nominal value.

Deferred tax assets are recognised for available tax loss carry forwards and deferred tax assets that arise from temporary differences at the balance sheet date between the tax base of assets and liabilities, and the carrying amount in the financial statements. Deferred tax assets are valued at nominal value. Deferred tax assets that arise from future tax loss carry forwards are only recognised to the extent that it is probable that sufficient future taxable profits will be available against which these can be utilised.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on enacted tax laws. Deferred tax items are recognised in correlation to the underlying transaction either in the overview of comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset by the Group if it has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes, levied by the same taxation authority on either the same taxable entity or different taxable entities, which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Significant accounting policies relating to the profit or loss account

Presentation

The presentation of the profit and loss account is based on the categorical classification. Gross profit is the result of revenue less cost of materials and services from third parties. Personnel expenses, depreciation, amortisation and impairments of fixed assets and other operating expenses are presented immediately after gross profit due to short-term influenceability and the fact that these costs do not directly relate to the level of revenue.

Revenue

Revenue is understood as the proceeds of the sale of goods and services to third parties less discounts and similar rebates, and sales taxes. Revenue is recognised when mutual contractual performance obligations are met. Revenue is based on transaction prices allocated to individual performance obligations, being either a distinct good or service or a series of distinct goods or services that are largely the same, and showing the same pattern of transfer to a customer. Revenue from sales of goods is recognised in the profit and loss upon transfer of the right of disposal of the goods by the Group. In the circumstances when goods are instantly taken by customers, this is at the time of payment at the cash register. In the circumstances when goods are assembled and/or delivered, the sales are recognised at the moment when the transfer has led to a physical delivery of the goods to the customer.

Cash & carry sales are paid directly at purchase in the stores. Payment terms for store purchases (B2C) consist of a down payment upon purchase and a final payment upon delivery. Payment terms for wholesale activities are set at 30 days.

Materials and services from third parties

This comprises the cost and associated services of the goods sold, after deduction of any payment discounts and purchase bonuses received, added with directly attributable purchase and supply costs.

Expenses

Expenses are determined in accordance with the aforementioned accounting policies, and are allocated to the financial year to which they relate. Interest is recognised as an expense in the period to which it relates.

Notes to the consolidated financial position

Depreciation, amortisation and impairment

Depreciation and amortisation are calculated using the straight-line method based on the expected economic life of the underlying assets. Additions in the year under review are depreciated and amortised from the date of purchase onwards. Right-of-use assets are depreciated as of inception date.

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.

Significant accounting policies to the cash flow statement

The cash flow statement is prepared using the indirect method.

Capital and financial risk management

Financial risk management

The main financial risk consists of failing to achieve the budgeted revenue, and therefore the planned cash margins, mainly as a result of changes in consumer behaviour in response to changing economic conditions. Revenue and order intakes for each format are reported on a daily basis to manage this risk. On a weekly basis, data on realised margins, numbers of visitors, conversion, and average order values are provided to senior management and commented on.

Based on the analyses, adjustments are made in the marketing mix, including pricing policy and the use of advertising. In addition, cost budgets are periodically reviewed and adjusted, if necessary. Economic and macroeconomic information from the market, including sector-specific reports, is also utilised.

Currency risk

Currency risk, arising mainly from purchases in dollars, is not hedged. A 5% change in the average dollar exchange rate would, on the basis of the purchasing volumes in the financial year, result in an effect of approximately €0.3 million (2021: €0.3 million) on the operating profit (EBIT), if sales prices remain the same. There are virtually no financial instruments in foreign currencies.

Interest rate risk

The maximum interest rate risk on the credit facility would be €0.1 million before taxation at an increase of 100 basis points (2021: €0.1 million). The carrying amount of the financial liabilities approximates their fair value.

Credit risk

Credit risk is limited to the wholesale operations and trade receivables under bonus agreements.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for the relevant trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of revenue over a period of 36 months before 31 December 2022 or 1 January 2022 respectively, and the corresponding historical credit losses experienced within this period.

Due to the nature of the business and the non-significant position of the trade receivables, the credit risk is deemed to be immaterial.

Liquidity risk

The approach of managing liquidity is to ensure that sufficient funds are available to meet financial obligations when they fall due under both normal and stressed conditions, without incurring unacceptable losses or damage to the reputation of Beter Bed Holding N.V. To ensure there is sufficient cash to meet expected operational expenses, including financial obligations, actual and future cash flow requirements are regularly monitored, taking into account all expected cash inflows and cash outflows, and the rolling forecast of Beter Bed Holding N.V. liquidity reserve, which comprises cash and cash equivalents and a credit facility.

Notes to the consolidated financial position

Capital management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

In July 2021, a new credit facility was entered into which was increased to € 30 million in August 2022. For more information on the main conditions and the securities provided related to the credit facility at year-end, reference is made to note 12, 'Borrowings' (see page 130).

Daily management of the cash positions and the banks' headroom is part of the standard checks and balances of the Group and is continuously monitored.

Notes to the consolidated financial position

Fair value of financial instruments

All categories in scope of IFRS 9 are measured at amortised cost. The following table provides insight into the recognition of the respective financial instruments per IFRS 9 category:

in thousand € 2022	Carrying amount	Out of scope IFRS 7	Carrying value IFRS 9 Amortised cost	Fair value through profit and loss	Fair value ¹
Other non-current financial assets	81	-	81	-	81
Trade receivables	1,851	-	1,874	(23)	1,851
Other receivables	6,292	1,976	4,316	-	4,316
Cash and cash equivalents	37,695	-	37,695	-	37,695
Trade payables	20,803	-	20,803	-	20,803
Other liabilities	18,697	11,036	7,661	-	7,661

¹ The total carrying amount of the financial assets and liabilities equal the fair value.

in thousand € 2021	Carrying amount	Out of scope IFRS 7	Carrying value IFRS 9 Amortised cost	Fair value through profit and loss	Fair value ¹
Other non-current financial assets	117	-	117	-	117
Trade receivables	1,943	-	2,004	(61)	1,943
Other receivables	5,969	1,927	4,042	-	4,042
Cash and cash equivalents	38,005	-	38,005	-	38,005
Trade payables	24,240	-	24,240	-	24,240
Other liabilities	17,545	11,290	6,255	-	6,255

¹ The total carrying amount of the financial assets and liabilities equal the fair value.

Notes to the consolidated financial position

1 Intangible assets

in thousand €	Software	Brand	Total
Cost	18,123	1,644	19,767
Accumulated amortisation and impairment	(9,006)	(370)	(9,376)
At 1 January 2021	9,117	1,274	10,391
Additions	2,317	-	2,317
Amortisation charges	(3,148)	-	(3,148)
Discontinued operations	(17)	(1,274)	(1,291)
Movement 2021	(848)	(1,274)	(2,122)
Cost	20,368	-	20,368
Accumulated amortisation and impairment	(12,099)	-	(12,099)
At 31 December 2021	8,269	-	8,269
Additions	2,166	-	2,166
Disposals	(4,599)	-	(4,599)
Accumulated amortisation disposals	4,599	-	4,599
Amortisation charges	(3,643)	-	(3,643)
Movement 2022	(1,477)	-	(1,477)
Cost	17,935	-	17,935
Accumulated amortisation and impairment	(11,143)	-	(11,143)
At 31 December 2022	6,792	-	6,792

In the purchased software, an amount of € 0.7 million is included, which is related to assets under construction (2021: € 1.0 million). A total of € 0.8 million (2021: nil) of internally generated software is included in the category software.

2 Property, plant and equipment

in thousand €	Land	Buildings	Other fixed operating assets	Total
Cost	915	2,012	27,974	30,901
Accumulated depreciation and impairment	-	(1,572)	(23,817)	(25,389)
At 1 January 2021	915	440	4,157	5,512
Additions	-	-	1,923	1,923
Disposals	(915)	(2,012)	(198)	(3,125)
Accumulated depreciation disposals	-	1,630	199	1,829
Depreciation charges	-	(58)	(1,961)	(2,019)
Discontinued operations	-	-	(530)	(530)
Movement 2021	(915)	(440)	(567)	(1,922)
Cost	-	-	28,032	28,032
Accumulated depreciation and impairment	-	-	(24,442)	(24,442)
At 31 December 2021	-	-	3,590	3,590
Additions	-	-	4,163	4,163
Disposals	-	-	(3,783)	(3,783)
Accumulated depreciation disposals	-	-	3,783	3,783
Depreciation charges	-	-	(1,705)	(1,705)
Movement 2022	-	-	2,458	2,458
Cost	-	-	28,412	28,412
Accumulated depreciation	-	-	(22,364)	(22,364)
At 31 December 2022	-	-	6,048	6,048

The other fixed operating assets include, among others, equipment, furniture and leasehold improvements. In the purchased other fixed operating assets, an amount of € 1.1 million is included, which is related to assets under construction (2021: € 0.4 million).

Notes to the consolidated financial position

3 Right-of-use assets

in thousand €

	Right-of- use assets: Property	Right-of- use assets: Fleet	Total
At 1 January 2021	35,377	4,236	39,613
Additions	3,160	2,689	5,849
Modifications	20,544	14	20,558
Depreciation charges	(11,419)	(1,804)	(13,223)
Discontinued operations	(3,330)	(35)	(3,365)
Transfer to other non-current financial assets	152	-	152
Movement 2021	9,107	864	9,971
At 31 December 2021	44,484	5,100	49,584
Additions	117	1,034	1,151
Modifications	6,829	201	7,030
Depreciation charges	(12,853)	(1,930)	(14,783)
Transfer to other non-current financial assets	56	-	56
Movement 2022	(5,851)	(695)	(6,546)
At 31 December 2022	38,633	4,405	43,038

No impairments were recognised in 2022 and 2021. Please see note 10 for the respective lease liability amounts related to the right-of-use assets (see page 130).

Leases

The total cash outflow for leases relating to continuing operations in 2022 was € 15.9 million (2021: € 13.7 million).

Lease amounts recognised in the statement of profit or loss

in thousand €	2022	2021
Depreciation charge of right-of-use assets		
Property lease	12,853	11,419
Fleet lease	1,930	1,804
Total depreciation charges	14,783	13,223
Interest expense (included in finance cost)	445	459
Total amount recognised in the statement of profit or loss	15,228	13,682

Expenses resulting from short-term leases, low-value assets and/or variable lease payments are not included in the aforementioned lease amounts as they were not significant.

Notes to the consolidated financial position

4 Deferred tax balances

in thousand €	Assets		Liabilities		Net	
	2022	2021	2022	2021	2022	2021
The balance comprises temporary differences attributable to:						
- Tax credits	-	3,500	-	-	-	3,500
- Valuation due to lease accounting (IFRS 16)	667	830	-	-	667	830
- Valuation of property, plant and equipment	158	126	-	-	158	126
- Valuation of inventories	-	-	(681)	(776)	(681)	(776)
Total assets / (liabilities)	825	4,456	(681)	(776)	144	3,680

Deferred tax assets and liabilities relate to temporary tax differences regarding lease accounting, valuation of tangible assets, and valuation of inventories. The vast majority of the deferred tax assets and liabilities will be recovered after more than one year.

Movement in deferred tax balances

The movement in deferred tax assets and liabilities during the year is as follows:

in thousand €	Tax credits	Leases	PP&E	Inventories	Total
At 1 January 2021	-	715	253	(598)	370
(Charged)/credited					
- to profit or loss	3,605	90	(131)	(154)	3,410
- transferred from valuation of (in)tangible assets	(105)	-	-	-	(105)
- change in applied tax rate	-	25	4	(24)	5
At 31 December 2021	3,500	830	126	(776)	3,680
(Charged)/credited					
- to profit or loss	84	(163)	32	95	48
- to current income tax	(3,584)	-	-	-	(3,584)
At 31 December 2022	-	667	158	(681)	144

Recoverability of operating losses

Beter Bed Holding N.V. has concluded that the deferred assets will be recoverable using the estimated future taxable income based on the business plans and strategy executed. The tax losses have been capitalised to the extent to which tax profits are expected in the coming years.

The liquidation of the Swedish legal entities was completed in 2022 and the tax credit of € 3.5 million, that was recognised at year-end 2021 in relation to the anticipated liquidation of the Swedish legal entities, is fully utilised in financial year 2022.

An amount of € 8.2 million (2021: € 7.6 million) in loss carry-forwards with respect to the Belgium operations has not been recognised. Beter Bed Holding N.V.'s policy is that tax losses available for carry-forward are capitalised only if reasonable possibilities for set-off are expected within five years on the basis of a substantiated forecast of the results for tax purposes. Set-off of these losses is insufficiently probable on the basis of the information currently available. All tax losses have an indefinite term for carry-forward.

Notes to the consolidated financial position

5 Other non-current financial assets

Other non-current financial assets are composed as follows:

in thousand €	2022	2021
Sublease receivables	56	117
Guarantees	25	-
Balance at 31 December	81	117

The sublease receivables relate to stores that are partly subleased to third parties.

The measured amounts at amortised cost equal the carrying amounts at year-end 2022 and 2021.

6 Inventories

in thousand €	2022	2021
Distribution centres	14,269	16,893
Retail stores	13,325	13,105
Balance at 31 December	27,594	29,998

As a result of the write-down of inventories, among others related to, damaged products, write-down of inventories to their net realisable value, and donated products, Beter Bed Holding N.V. recognised a cost of € 2.5 million (2021: € 1.7 million). These costs are included in the cost of materials and services of third parties. The net inventories include a provision for obsolescence of € 0.4 million (2021: € 0.2 million).

7 Receivables

Trade receivables

in thousand €	2022	2021
Trade receivables	1,874	2,004
Allowance for expected credit losses	(23)	(61)
Balance at 31 December	1,851	1,943

The movement in the allowance for expected credit losses is as follows:

in thousand €	2022	2021
Balance at 1 January	(61)	(55)
Write-offs against provision	26	46
Additions	-	(52)
Release	12	-
Balance at 31 December	(23)	(61)

Information about the impairment of trade receivables and the Group's exposure to credit risk

The impairment of trade receivables is based on the expected credit losses model following the simplified approach. Reference is made to Credit risks as described under Capital and financial risk management (see page 122).

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make a contractual payment for a period longer than 120 days past due. In determining the expected credit loss allowance, Beter Bed Holding N.V. considered any change in the risk profile of our debtors as a result of macroeconomic circumstances.

The carrying amounts of trade and other receivables are considered to be the same as their fair values due to their short-term nature.

Notes to the consolidated financial position

Income tax receivable

The income tax receivable as at 31 December 2022 relates to the 2022 fiscal result and realisation of deferred tax assets. The income tax position is with the Dutch tax authorities.

Other receivables

in thousand €	2022	2021
Credit invoices to be received	4,263	3,996
Prepayments	1,380	1,513
Other receivables	649	460
Balance at 31 December	6,292	5,969

The credit invoices to be received consist of purchase bonuses to be received from suppliers. The other receivables are predominantly expected to be realised within one year.

8 Cash and cash equivalents

in thousand €	2022	2021
Bank balances	35,483	37,067
Bank in transit	1,818	756
Cash	394	182
Balance at 31 December	37,695	38,005

All cash and cash equivalents at reporting date are at the free disposal of the Group.

The bank in transit amount includes € 1.7 million (2021: € 0.8 million) of cash receipt subsequent to balance sheet date from our payment service provider.

9 Equity

Issued share capital and share premium

	2022 Number	2021 Number	2022 €'000	2021 €'000
Issued share capital and share premium				
Ordinary shares:				
- Fully paid and share premium	27,186,564	26,240,397	34,945	28,492
- Issued for cash	-	946,167	-	6,453
Total as at 31 December	27,186,564	27,186,564	34,945	34,945

The authorised share capital of Beter Bed Holding N.V. amounts to € 2 million and is divided into 100 million ordinary shares with a nominal value of € 0.02 each. On 31 December 2022, a total of 27,186,564 ordinary shares were issued and outstanding.

All shares rank equally with regard to the Company's residual assets.

In 2022, no shares (2021: none) were repurchased neither were cancelled.

Notes to the consolidated financial position

10 Lease liabilities

The Group leases various offices, distribution centres, retail stores, equipment and vehicles from third parties under non-cancellable lease agreements. The lease agreements vary in duration, termination clauses and renewal options. The average incremental borrowing rate applied for new contracts and extensions during 2022 was 0.94% (2021: 0.35%).

Amounts recognised in the balance sheet

The balances at year-end relating to leases are presented below:

in thousand €	2022	2021
Right-of-use assets		
Property lease	38,633	44,484
Fleet lease	4,405	5,100
At 31 December	43,038	49,584
Lease liabilities		
Non-current	29,819	37,002
Current	15,936	15,986
At 31 December	45,755	52,988

The total interest expense on lease liabilities in 2022 was € 0.4 million (2021: € 0.5 million).

The average term of the lease liabilities is approximately 3 to 5 years, of which the first year is represented under the current lease liabilities. The remaining part is presented as non-current lease liabilities. An amount of € 2.0 million is expected to be paid in more than 5 years. On average the lease payments to be paid after the balance sheet date amount to approximately € 15.9 million per year.

11 Provisions

in thousand €	Warranty		Jubilee		Total	
	2022	2021	2022	2021	2022	2021
Balance at 1 January	116	-	234	-	350	-
Utilisation	(116)	-	(47)	-	(163)	-
Additions	320	-	46	-	366	-
Reclass from other liabilities	-	116	-	234	-	350
Balance at 31 December	320	116	233	234	553	350

The provisions relate to warranty obligations to customers and to expected benefits payable to current employees. These were presented in the other liabilities up to 31 December 2021 and not presented separately due to its amount in relation to the total financial position. The warranty provision predominantly has a short-term nature.

12 Borrowings

Credit facility

In August 2022, BBH increased its credit facility from € 15 million to € 30 million, with Rabobank joining the current financing agreement alongside ABN AMRO Bank N.V. This increase was made to support further implementation of the strategic plan and pursue potential opportunities. The duration and interest percentages applicable regarding the credit facility were not changed. The credit facility, entered into in July 2021 and increased in August 2022, is effective until July 2024 with the possibility to extend for another two years.

The facility is also used for providing bank guarantees, amounting to € 0.9 million as at 31 December 2022 (€ 0.7 million as at 31 December 2021).

Under the covenants of the credit facility, Beter Bed Holding N.V. is required to meet certain performance indicators - which are tested quarterly - with regard to a total net debt to EBITDA, adjusted for exceptional items, (leverage) ratio of 2.5 and a total net worth to total adjusted assets (solvency) of 15% at inception, which is increased to 17.5% for periods ending after 30 September 2022, and will be

Notes to the consolidated financial position

increased to 20% for periods ending after 30 September 2023. No other credit facilities were in place on 31 December 2022.

Total net worth is defined as equity minus any subordinated loans from third parties or shareholders of the Company. Total adjusted assets are defined as total assets less current lease liabilities less non-current lease liabilities. Additionally, each quarter the guarantor coverage rate is required to be at least 85%.

At balance sheet date, no amounts were drawn under the credit facility. A commitment fee of 35% of the applicable interest rate over the undrawn credit facility is paid to the lenders and recognised as interest expense.

In the event of a breach of the covenants, the bank is contractually entitled to request early repayment of the outstanding amount. At balance sheet date, Beter Bed Holding N.V. complied with all bank covenants. Under the credit facility, Beter Bed Holding N.V. has provided pledges to the lenders on its receivables, intellectual property, trade securities, and inventory.

Changes in liabilities arising from financing activities

in thousand €	Liabilities from financing activities		
	Borrowings	Leases	Total
Financial liabilities at 1 January 2021	(2,285)	(43,772)	(46,057)
Repayment of borrowings	2,285	-	2,285
Additions	-	(27,219)	(27,219)
Payment lease liabilities	-	13,673	13,673
Discounting impact of recognised lease liabilities	-	(459)	(459)
Discontinued operations	-	4,789	4,789
Financial liabilities at 31 December 2021	-	(52,988)	(52,988)
Repayment of borrowings	-	-	-
Additions	-	(8,181)	(8,181)
Payment lease liabilities	-	15,859	15,859
Discounting impact of recognised lease liabilities	-	(445)	(445)
Financial liabilities at 31 December 2022	-	(45,755)	(45,755)

13 Trade payables, taxes and other liabilities

Trade payables are unsecured and are usually paid within 30 days of recognition.

The income tax payable as at 31 December 2021 relates to the 2021 fiscal result. The income tax position fully related to the Dutch tax authorities.

Other taxes and social security contributions, composed of VAT, labour tax, pension liabilities and social security premiums, are valued at nominal value. The other taxes and social contributions include € 1.2 million (2021: € 1.1 million) payable to the Retail Industrial Pension Fund.

The Company had no other contingent liabilities or commitments as at 31 December 2022, except for trade purchase commitments of € 7.3 million (2021: € 6.5 million).

Other liabilities

Other liabilities are composed as follows:

in thousand €	2022	2021
Prepayments from customers	9,045	9,469
Employee benefits accrual	4,857	3,791
Other liabilities	4,795	4,285
At 31 December	18,697	17,545

The prepayments from customers, reflecting the entity's obligation to transfer goods or services to customers subsequent to balance sheet date, are usually settled between four to eight weeks and fall due, as well as the rest of the other liabilities, within one year. The other liabilities include, among others, invoices to be received for goods or services already received per balance sheet date. The carrying amounts of other liabilities are considered to be the same as their fair values, due to their short-term nature.

Notes to the consolidated income statement

14 Information by geographical area

Revenue by country, in thousand €	2022	%	2021	%
The Netherlands	213,189	92.9	198,535	92.7
Belgium	16,245	7.1	15,687	7.3
Total	229,434	100.0	214,222	100.0

Total assets by country, in thousand € ¹	2022	%	2021	%
The Netherlands	48,079	92.5	57,297	93.3
Belgium	3,916	7.5	4,146	6.7
Total	51,995	100.0	61,443	100.0

1 Total assets include intangible assets, property, plant and equipment, and right-of-use assets.

15 Personnel expenses

in thousand €	2022	2021
Wages and salaries	33,850	31,355
Social security costs	6,168	5,700
Pension costs	3,377	3,182
External staffing	4,528	3,245
Share-based compensation	1,609	411
Total	49,532	43,893

The pension contributions relate to defined contribution schemes or schemes designated as such.

Full-Time Equivalent (FTE) at year-end

FTE	2022	2021
The Netherlands	871	895
Belgium	40	42
Total	911	937

Notes to the consolidated income statement

16 Share-based compensation

Beter Bed Holding N.V. has share-based compensation plans for members of the Management Board and certain employees as part of their remuneration. Beter Bed Holding N.V. currently operates stock option programmes and performance share units (PSUs) plans. Since 2020, Beter Bed Holding N.V. has no longer granted stock options, and only grants PSUs. The stock option plan continues to be served until the expiry date. Total charges recognised in the 2022 statement of income for both programmes amounted to € 1.6 million (2021: € 0.4 million), and are included in personnel expenses. Both programmes are considered equity settled programmes.

PSUs

The long-term incentive rewards members of the Management Board and senior management for the achievement of the Company's strategic objectives over a three-year period. At year-end 2022, there were 15 participants of the PSU plan (2021: 14).

Under the PSU plan, an annual conditional grant of shares is awarded to the members of the Management Board and senior management. PSU plan conditions deviate between members of the Management Board and senior management. On an annual basis, members of the Management Board receive a conditional grant in shares to a value equivalent to 50% of their base salary. The grant is conditional, based on:

- Performance delivered on predefined targets over a three-year period; and
- Continued employment until vesting date.

Every year the Supervisory Board sets performance conditions, that reflect the intended long-term value creation and targets for the required performance levels when granting shares. The performance conditions selected and their weighting in performance assessments is published in the remuneration report for the respective year that the conditional award is made. The fair value of the PSUs is based on the share price on grant date.

At vesting, the performance delivered on each of the performance targets is assessed. If the targets are fully met, 100% of the conditionally granted number of shares will vest. Depending on the actual performance delivered, vesting may range from 60% of the conditional grant at threshold level to a maximum of 140% for the Management Board. Vested shares are entitled to dividends in shares during the performance period. Shares are not awarded in the event that performance is under the threshold level. After vesting of the shares, a further two-year holding period applies to the 2020 Management Board PSUs, 2021 Management Board PSUs, the first tranche of the 2021 one-time performance grant, and the 2022 Management Board PSUs.

The table at the bottom summarises information about the PSU's outstanding at year-end:

Year of grant	Outstanding at 31-12-2021	Granted ¹	Applicable performance conditions and dividend equivalents	Vested	Forfeited/expired	Outstanding at 31-12-2022 ²	Vesting date	End of holding period ³
2020 Management Board	232,248	-	110,134	-	-	342,382	31-12-22 ⁴	31-12-24
2020 Management	20,334	-	2,376	-	(5,333)	17,377	31-12-22 ⁴	-
2021 Management Board	72,332	-	-	-	-	72,332	31-12-23	31-12-25
2021 Management	32,334	-	-	-	(5,333)	27,001	31-12-23	-
2021 One-time performance grant tranche 1	240,261	-	-	-	-	240,261	31-12-23	31-12-25
2021 One-time performance grant tranche 2	240,261	-	-	-	-	240,261	31-12-25	-
2022 Management Board	-	78,552	-	-	-	78,552	31-12-24	31-12-26
2022 Management	-	44,500	-	-	-	44,500	31-12-24	-

¹ At target performance level.

² All PSUs outstanding with a vesting date in the immediate future have € 0.15 dividend (equivalent) accrued.

³ The management PSUs and tranche 2 of the one-time performance grant are not subject to a two-year holding period.

⁴ The performance period ended on 31 December 2022. In January 2023 the Remuneration Committee concluded that the applicable performance conditions were met. Therefore, these PSUs, including its dividend equivalents, vested in January 2023.

Notes to the consolidated income statement

Stock option programme

Under the option programme, a number of options are granted to members of the Management Board and senior management each year. At year-end 2022, there were 6 participants of the option programme (2021: 7).

On being appointed as CFO, and in line with the Remuneration Policy of the Company, Mrs Reijnen was awarded a single grant of 100,000 signing options as approved by the AGM in 2020. The 2020 signing options may only be exercised after the completion of a three-year vesting period. Vesting of the options is independent of performance indicators.

Options are exercised at the discretion of the holder. These may, however, only be exercised after the completion of a three-year vesting period. In terms of the CEO and management options 2019, the TSR ('Total Shareholder Return') of Beter Bed Holding N.V. achieved after three years, is compared with the TSR of nine comparable nationally and internationally listed companies that jointly form a peer group. The Company ranked five out of nine and, as a result, these options are vested at the 75% threshold.

The table below summarises information about the stock options outstanding at year-end.

Year of grant	Outstanding at 31-12-2021	Granted	Exercised	Forfeited/expired	Outstanding at 31-12-2022	Exercisable at 31-12-2022	Exercise price (€)	Vesting date	Expiry date
2019 Management options	45,000	-	-	(18,750)	26,250	26,250	4.34	24-04-22	24-04-24
2019 Options (CEO)	50,000	-	-	(12,500)	37,500	37,500	4.34	24-04-22	24-04-24
2020 Signing options (CFO)	100,000	-	-	-	100,000	-	1.66	01-01-23	01-01-24

The fair value of the options is determined using the Monte Carlo simulation models (applicable for the management options) and the binomial tree model (applicable for signing options of the CFO). These models contain input variables that can be highly subjective in nature, including the risk-free interest rate, exercise price, share price at date of the grant, and expected share price volatility. Volatility is determined using the historical volatility of the Beter Bed Holding N.V. share price. BBH's employee stock options have characteristics that are significantly different from those of traded options, and changes in the subjective input assumptions can affect the fair value estimate. There are no market conditions applicable to the grant.

The inputs used are summarised in the following table:

	2020 Signing options	2019 Options ¹
Share price at grant date (€)	1.62	4.41
Exercise price (€)	1.66	4.34
Expected volatility	58.51%	28.55%
Expected average option life in years	4 years	5 years
Weighted average risk-free rate	(0.61)	(0.34)
Dividend yield	0.00%	0.36%
Fair value of option granted (€)	0.69	0.91

¹ 2019 Options contain both Management Board members and management options.

Notes to the consolidated income statement

17 Other income

Other income was nil in 2022 (2021: € 0.9 million). The 2021 other income represents the realised gain on the sale-and-leaseback transactions related to the stores and land in Uden, Elst and Den Helder.

18 Depreciation, amortisation and impairment

in thousand €	2022	2021
Depreciation charges right-of-use assets	14,783	13,223
Depreciation and impairment charges property, plant and equipment	1,705	2,019
Amortisation and impairment charges intangible assets	3,643	3,148
Total	20,131	18,390

19 Other operating expenses

The other operating expenses are comprised as follows:

in thousand €	2022	2021
Housing expenses	4,668	4,020
Sales and marketing expenses	20,478	18,210
Warehouse and logistic expenses	8,867	8,273
General expenses	10,365	8,700
Other personnel expenses	3,023	2,225
Other costs	651	466
Total	48,052	41,894

20 Finance costs

in thousand €	2022	2021
Finance costs	437	372
Interest expenses on recognised lease liabilities	445	459
Realisation of currency translation reserve	-	(304)
Total	882	527

Finance costs relate to commitment fees paid over the credit facility, negative interest and amortised costs.

Notes to the consolidated income statement

21 Income tax

The reconciliation between the effective tax rate and the results of the calculation of the profit before taxes, multiplied by the local tax rate in the Netherlands on 31 December, was as follows:

in thousand €	2022	%	2021	%
Profit before tax from continuing operations	7,802	100.0	14,274	100.0
Tax using the Company's domestic tax rate: 25.8% (2021: 25.0%)	2,013	25.8	3,569	25.0
Step-up rate the Netherlands	(43)	(0.5)	(37)	(0.3)
Non-deductible expenses	449	5.8	19	0.1
Unrecognised operating losses	139	1.8	-	-
Sweden recoverable tax	(84)	(1.1)	(3,500)	(24.5)
Previously recognised deferred taxes related to Swedish NOL's not realisable	-	-	913	6.4
Adjustment profit tax previous years	21	0.3	710	5.0
Other changes in deferred taxes	36	0.5	52	0.4
At an effective tax rate of 32.4% (2021: 12.1%)	2,531	32.4	1,726	12.1

The effective tax rate in the 2022 profit and loss account is 32.4% (2021: 12.1%). In 2022, the effective tax rate was mainly impacted by non-deductible share-based compensation expenses that result in a permanent difference. In 2021, the effective tax rate was mainly impacted by the tax credit recognised in relation to the divestment of the Swedish operations.

The item tax in the profit and loss account comprises the following:

in thousand €	2022	2021
Current tax expenses		
Current tax on fiscal profits for the year	2,558	3,551
Adjustment of current tax of previous periods	21	710
Realisation deferred tax assets	(3,584)	-
Total current tax expense/(benefit)	(1,005)	4,261
Deferred income tax		
Decrease/(increase) in deferred tax assets	3,631	(2,441)
Increase/(decrease) in deferred tax liabilities	(95)	(89)
Tax rate adjustment in deferred positions	-	(5)
Total deferred tax expense/(income)	3,536	(2,535)
Income tax expense	2,531	1,726

Notes to the consolidated income statement

22 Earnings per share

in €	2022	2021
Basic earnings per share		
From continuing operations attributable to the ordinary equity holders of the Company	0.19	0.47
From discontinued operations	-	0.05
Total basic earnings per share attributable to the ordinary equity holders of the Company	0.19	0.52
Diluted earnings per share		
From continuing operations attributable to the ordinary equity holders of the Company	0.19	0.45
From discontinued operations	-	0.05
Total diluted earnings per share attributable to the ordinary equity holders of the Company	0.19	0.50

Reconciliation of earnings used in calculating earnings per share

in thousand €	2022	2021
Basic earnings per share (numerator)		
Result attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:		
- From continuing operations	5,271	12,548
- From discontinued operations	-	1,349
Total result used in calculating basic earnings per share	5,271	13,897

Weighted average number of shares used as the denominator

Number	2022	2021
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	27,186,564	26,660,340
Adjustments for calculation of diluted earnings per share: ¹		
- Stock options	41,343	195,000
- PSUs	1,062,666	837,770
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	28,290,573	27,693,110

¹ Based upon closing price of BBH stock as at 31 December 2022 and as at 31 December 2021.

Notes to the consolidated income statement

23 Remuneration of the Management and Supervisory Board

A full overview of the remuneration of the members of the Management Board and the Supervisory Board is included in the Remuneration report.

The remuneration expenses of members of the Management Board in 2022 and 2021 were as follows:

in thousand €	A.J.G.P.M. Kruijssen		G.E.A. Reijnen		Total	
	2022	2021	2022	2021	2022	2021
Salary	493	472	313	300	806	772
Other employee benefits	87	79	81	94	168	173
Post-employment benefits	148	142	78	75	226	217
Variable remuneration	1,592	600	438	318	2,030	918
Total	2,320	1,293	910	787	3,230	2,080

The costs listed under variable remuneration relate to the year in which the costs are classified, and is recognised in the expenses of that year. The variable remuneration includes share-based compensation costs of € 1.2 million (2021: € 0.2 million) for A.J.G.P.M. Kruijssen and € 0.2 million (2021: € 0.2 million) for G.E.A. Reijnen.

At the end of the financial year, Mr Kruijssen held 10,000 shares in Beter Bed Holding N.V.

The remuneration of the members of the Supervisory Board in 2022 and 2021 was as follows:

in thousand €	2022	2021
B.E. Karis	50	50
B.M.A. van Hussen	40	40
A. Beyens	40	40
M.C. Schipperheijn	40	40
P.C. Boone ¹	-	40
Total	170	210

¹ Stepped down as Supervisory Board member on 31 December 2021.

The members of the Supervisory Board hold no shares nor exercisable options on shares in Beter Bed Holding N.V.

The Company complies with, among other regulations, the Dutch Corporate Governance Code of 8 December 2016 (the 'Code'). Deviations from the Code, regarding the Board's remuneration and its adjustments thereof, are explained in this report in accordance with the Code's 'comply or explain' principle.

24 Events after the balance sheet date

Subsequent to the date of the balance sheet, there are no events material to the Group as a whole that require disclosure in this note.

Notes to the consolidated income statement

25 Related party transactions

The companies listed in principles of consolidation (see page 114) are included in the consolidation of Beter Bed Holding N.V. and its participating interests.

Beter Bed Holding N.V. has issued declarations of joint and several liability for all Dutch group companies in relation to financial year 2022, with the exception of European Bedding Participations B.V., for the obligations arising from legal transactions entered into by these group companies. Pursuant to these letters of guarantees, the Dutch group companies have made use of the exemption options laid down in Section 403, paragraphs 1 and 3, of Part 9, Book 2 of the Dutch Civil Code. The declaration of joint and several liability for Nordic Bedding Company (NBC) B.V., for the obligations arising from legal transactions entered into by this entity, was withdrawn by Beter Bed Holding N.V. on 25 January 2023.

The financial relationships between Beter Bed Holding N.V. and its participating interests consist almost exclusively of fundings through the issuance of new shares, interest on loans provided, and the repayment of the perpetual shareholder loan. Besides this, and as per stated in the table below, there were no transactions in 2022 between the Company and natural or legal persons holding at least 10% of the shares in the Company that were of material significance to the Company and/or the persons concerned.

Key management personnel compensation

in thousand €	2022	2021
Management Board employee benefits	3,230	2,080
Total	3,230	2,080

Key management personnel compensation relates to the Management Board. Detailed remuneration disclosures are provided in note 23 (see page 138). In 2022, there were no other relevant transactions with key management personnel.

Transactions with other related parties

in thousand €	2022	2021
Interest on equity instruments	-	209
Repayment perpetual shareholder loan	-	(4,023)
Newly issued shares to existing shareholders	-	6,453

Company financial statements

Company balance sheet

At 31 December and before result appropriation

in thousand €	Notes	2022	2021 ¹
Non-current assets			
Intangible assets		187	202
Financial assets	26.	18,594	22,699
Total non-current assets		18,781	22,901
Current assets			
Other receivables	27.	2,228	1,130
Cash and cash equivalents	28.	34,722	35,921
Total current assets		36,950	37,051
Total assets		55,731	59,952

in thousand €	Notes	2022	2021 ¹
Equity			
Issued share capital		544	544
Share premium		34,401	34,401
Legal reserves		786	-
Other reserves		(6,661)	(17,303)
Result of the year		5,271	13,897
Total equity	29.	34,341	31,539
Liabilities			
Current liabilities			
Other liabilities	30.	21,390	28,413
		21,390	28,413
Total liabilities		21,390	28,413
Total equity and liabilities		55,731	59,952

¹ In the comparative figures, € 311k has been reclassified from financial assets to other liabilities for comparison purposes.

Company financial statements

Company profit and loss account

For the year ended 31 December

in thousand €	2022	2021
Intercompany recharges	241	210
Personnel expenses	(3,963)	(2,876)
Depreciation, amortisation and impairment	(69)	(74)
Other operating expenses	(1,755)	(1,923)
Total operating expenses	(5,787)	(4,873)
Finance income	33	333
Finance costs	(426)	(331)
Loss before taxation	(5,939)	(4,661)
Income tax	32.	1,153
Result participations	10,057	3,897
Net profit	5,271	14,661

Notes to the company financial statements

General information

Beter Bed Holding N.V. operates in the European bedroom furnishings market. Its activities include retail trade through the Beter Bed and Beddenreus brands. Beter Bed Holding N.V. is also active in the field of developing and wholesaling branded products in the bedroom furnishing sector through its subsidiary DBC International. The registered office of Beter Bed Holding N.V. is Linie 27 in Uden, the Netherlands, trade register number 16040335. Beter Bed Holding N.V.'s shares are listed on Euronext Amsterdam.

The company financial statements have been compiled on the basis of Title 9, Book 2 of the Dutch Civil Code. Beter Bed Holding N.V. uses the option of article 362.8 Title 9, Book 2 of the Dutch Civil Code to prepare the company financial statements, using the same accounting policies as in the consolidated financial statements (IFRS as adopted for use in the European Union). These policies also include the classification and presentation of financial instruments, being equity instruments or financial liabilities.

Consolidated subsidiaries are all entities (including intermediate subsidiaries) over which the Company has control. The Company controls an entity when it is exposed, or has rights, to variable returns from its involvement with the subsidiary, and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are recognised from the date on which control is transferred to the Company or its intermediate holding entities. They are derecognised from the date that control ceases.

The participating interests in group companies are valued at the net asset value calculated in accordance with Beter Bed Holding N.V.'s policies. The share in the results from participating interest consists of the share of Beter Bed Holding N.V. in the results of its participating interest. When a participating interest has a negative equity, the sequence is as follows: first, the valuation of the participating interest is reduced; second, a write-down is then applied to the amounts owed by this participating interest insofar as these are an increase of the net investment in the participating interest; and third, then a provision is formed.

Receivables or payables from group companies are initially stated at fair value and subsequently at amortised cost, using the effective interest rate, less impairments. Each subsidiary is considered as a combination of assets and liabilities rather than an indivisible asset, and therefore expected credit losses are eliminated.

Beter Bed Holding N.V. had an average number of 8 employees (FTE) in 2022 (2021: 8).

The company financial statements are presented in euros and all amounts are rounded to thousands (€ 000) unless stated otherwise.

Notes to the company financial statements

26 Financial assets

This item includes the participating interests in the Group companies (see page 114) and the amounts owed by the Group companies.

Movements in this item were as follows:

in thousand €	Share in subsidiaries	Loans	Deferred tax assets	Total
Balance at 1 January 2021	66,150	500	-	66,650
Net income from subsidiaries: profit/(loss)	14,661	-	-	14,661
Dividend distribution	(62,300)	-	-	(62,300)
Offset to subsidiaries with negative equity value	(278)	-	-	(278)
Exchange rate differences	66	-	-	66
Issuing of loan	-	400	-	400
Recognition of deferred tax assets	-	-	3,500	3,500
Balance at 31 December 2021	18,299	900	3,500	22,699
Net income from subsidiaries: profit/(loss)	10,057	-	-	10,057
Dividend distribution	(10,300)	-	-	(10,300)
Offset to subsidiaries with negative equity value	538	-	-	538
Repayment of loan	-	(900)	-	(900)
Recognition of deferred tax assets	-	-	84	84
Transfer to current income taxes	-	-	(3,584)	(3,584)
Balance at 31 December 2022	18,594	-	-	18,594

In July 2020, the Company issued a term loan facility of € 2.2 million to its subsidiary Nordic Bedding Company (NBC) B.V. Under this facility an amount of € 0.9 million was drawn as at 31 December 2021. This facility was, upon the completion of the dissolution of the Swedish legal entities, completely repaid in November 2022. The interest rate of this loan was six months EURIBOR increased by a spread of 3.75%. No securities were put in place.

27 Other receivables

in thousand €	2022	2021
Receivables from group companies	722	637
Corporate income taxes	1,035	-
VAT receivables	59	-
Other receivables	412	493
At 31 December	2,228	1,130

Beter Bed Holding N.V. uses a cash pool structure as a result of which there are only short-term current account intra-group balances. These intra-group balances are unsecured and carry no interest. The fair value of these intra-group balances does not differ from their carrying amounts.

All receivables fall due within one year.

28 Cash and cash equivalents

This item relates to the balance of cash in hand and at the bank. The cash and cash equivalents are at the full disposal of the Company.

Notes to the company financial statements

29 Total equity

The authorised share capital of Beter Bed Holding N.V. amounts to € 2 million and is divided into 100 million ordinary shares with a nominal value of € 0.02 each. On 31 December 2022, a total of 27,186,564 ordinary shares were issued and outstanding (31 December 2021: 27,186,564).

All shares rank equally with regard to the Company's residual assets.

In 2022, no shares (2021: none) were repurchased neither were cancelled.

The movement in the equity items is explained in the consolidated statement of changes in equity (see page 112). The equity position in the company financial statements does not differ from its consolidated position.

in thousand €	2022	2021
Shareholders' equity at year-end	34,341	31,539
<i>Restricted reserves:</i>		
Issued share capital	(544)	(544)
Legal reserves	(786)	-
Total unrestricted reserves at 31 December	33,011	30,995

30 Other liabilities

The breakdown of this balance sheet item is as follows:

in thousand €	2022	2021
Payables to group companies	19,571	22,719
Corporate income taxes	-	3,549
Taxes and social security contributions	82	260
Other liabilities	1,737	1,885
At 31 December	21,390	28,413

Beter Bed Holding N.V. uses a cash pool structure, as a result of which there are only short-term current account intra-group balances. These intra-group balances are unsecured and carry no interest. The fair value of these intra-group balances does not differ from their carrying amounts.

All amounts included in the current liabilities are due within one year.

31 Commitments not included in the balance sheet

Together with the other Dutch operating companies, the Company is part of a fiscal unity for corporation tax purposes. Each of the operating companies is jointly and severally liable for the tax payable of all operating companies included in the fiscal unity. The Company settles the corporation tax with the operating companies concerned on the basis of the profit or loss before income tax of the operating company concerned. The Company does not form a fiscal unity for VAT purposes.

Beter Bed Holding N.V. has issued declarations of joint and several liability for all Dutch Group companies, with the exception of European Bedding Participations B.V., for the obligations arising from legal transactions entered into by these Group companies. Pursuant to these letters of guarantees, the Dutch Group companies have made use of the exemption options laid down in Section 403, paragraphs 1 and 3, of Part 9, Book 2 of the Dutch Civil Code. The declaration of joint and several liability for Nordic Bedding Company (NBC) B.V., for the obligations arising from legal transactions entered into by this entity, was withdrawn by Beter Bed Holding N.V. on 25 January 2023.

Notes to the company financial statements

32 Income Taxes

The effective tax rate in the 2022 profit and loss account is 19.4% (2021: 83.6%). In 2022, the effective tax rate was mainly impacted by non-deductible share-based compensation expenses that result in a permanent difference. In 2021, the effective tax rate was mainly impacted by the tax credit recognised in relation to the divestment of the Swedish operations.

33 Events after the balance sheet date

Subsequent to the date of the balance sheet, no events material to the Company occurred that require disclosure other than mentioned under note 24 (see page 138).

34 Audit fees

The following auditors' fees were expensed in the profit and loss account in the reporting period:

in thousand €	Other EY		Total EY 2022	Total PwC 2021
	EY Accountants LLP 2022	network firms 2022		
Audit of financial statements	265	-	265	285
- Continuing operations	265	-	265	240
- Discontinued operations	-	-	-	45
Audit-related fees	-	-	-	1
- Continuing operations	-	-	-	-
- Discontinued operations	-	-	-	1
Tax advisory services	-	-	-	-
Other non-audit services	-	-	-	-
Total	265	-	265	286

35 Appropriation of result

The Management Board proposes to distribute a dividend of €0.15 per share (2021: €0.15) resulting in a total dividend distribution of €4.1 million (2021: €4.1 million) and add €1.2 million (2021: €9.8 million) to the other reserves.

in thousand €	2022	2021
Profit for the year	5,271	13,897
Addition to reserves ¹	(1,193)	(9,819)
Available for payment	4,078	4,078

¹ Based on the number of outstanding shares as at 31 December 2022 and as at 31 December 2021.

The proposal for the appropriation of result has not been included in the balance sheet.

Uden, the Netherlands, 9 March 2023

Management Board

A.J.G.P.M. Kruijssen, CEO
G.E.A. Reijnen, CFO

Supervisory Board

B.E. Karis, Chair
B.M.A. van Hussen, Vice Chair
A. Beyens
M.C. Schipperheijn



Simmons



Independent auditor's report

To: the shareholders and Supervisory Board of Beter Bed Holding N.V.

Report on the audit of the financial statements 2022 included in the annual report

Our opinion

We have audited the financial statements for the financial year ended 31 December 2022 of Beter Bed Holding N.V. based in Uden.

The financial statements comprise the consolidated and company financial statements.

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Beter Bed Holding N.V. as at 31 December 2022 and of its result and its cash flows for 2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code
- the accompanying company financial statements give a true and fair view of the financial position of Beter Bed Holding N.V. as at 31 December 2022 and of its result for 2022 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December 2022
- the following statements for 2022: the consolidated profit and loss account, the consolidated statements of comprehensive income and changes in equity and the consolidated cash flow statement
- the notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2022
- the company profit and loss account for 2022
- the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Beter Bed Holding N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the "Wet toezicht accountantsorganisaties" (Wta, Audit firms supervision act), the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Our understanding of the business

Beter Bed Holding N.V. is a retail and wholesale company in the bed and mattress industry, serving both distributors and end customers. The group is structured in components and we tailored our group audit approach accordingly. We paid specific attention in our audit to a number of areas driven by the operations of the group and our risk assessment.

Initial audit engagements involve considerations in addition to those applied in recurring audits. During initial audit engagements we need to gain sufficient knowledge about the company, its business, control environment and application of accounting principles in order to perform our initial audit risk assessment and planning of audit activities.

Independent auditor's report

A transition plan, including independence clearance, was prepared prior to the start of the audit. We started our transitional procedures to gain an understanding of Beter Bed Holding N.V. and its business including its control environment and accounting policies. We have been in close contact with the predecessor auditor and have performed reviews on their audit files. During 2022 we have had regular meetings with management, and assessed key audit matters at an early stage.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality

Materiality	€ 2,000,000
Benchmark applied	0.9 % of revenues
Explanation	Revenue is the most important benchmark as it is driving the company's growth strategy. It is also the most prominently key financial figure mentioned in the communication to shareholders.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of € 100,000 (reclassification misstatements in excess of € 1,000,000), which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Beter Bed Holding N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

The processes of Beter Bed Holding N.V. are highly centralized and all transactions are initiated, recorded, processed and reported on central level. We have applied a centralized audit approach and all audit procedures are performed by the same team.

In total, the entities taken into full and specific scope represent 100% of the group's total assets, 91% of net profit and 100% of revenues.

By performing the procedures mentioned above at components of the group, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

Teaming and use of specialists

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a listed client in the retail- and wholesale industry. We included specialists in the areas of IT audit, forensics, sustainability, income tax, valuations and corporate governance.

Our focus on climate-related risks and the energy transition

Climate change and the energy transition are high on the public agenda. Issues such as CO₂ reduction impact financial reporting, as these issues entail risks for the business operation, the valuation of assets and provisions or the sustainability of the business model and access to financial markets of companies with a larger CO₂ footprint.

Management summarised Beter Bed Holding N.V.'s commitments and obligations, and reported in the 'sustainable strategy' and 'EU Taxonomy' sections of the management report how the company is addressing climate-related and environmental risks.

As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the effects of the energy transition and the company's commitments and (constructive) obligations, could potential impact the financial position, including underlying estimates and significant assumptions. The potential impact is not considered (part of) a key audit matter. We read the management report and considered whether there is any material inconsistency between the non-financial information in the 'Sustainability strategy' and 'EU taxonomy' sections and the financial statements.

Independent auditor's report

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the Supervisory Board exercises oversight, as well as the outcomes.

We refer to the 'Risk management' section of the management report for management's (fraud) risk assessment.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

As in all of our audits, we addressed the risks related to management override of controls. For these risks we have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in the 'Use of estimates' section of the

financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

When identifying and assessing fraud risks we presumed that there are risks of fraud in revenue recognition. We considered among others the company's revenue targets and their realization. We designed and performed our audit procedures relating to revenue recognition responsive to this presumed fraud risk.

The following fraud risks identified did require significant attention during our audit.

Risk of fraud in revenue recognition	
Fraud risk	We presumed that there are risks of fraud in revenue recognition. We evaluated that there is a risk for management override resulting in inappropriate cut-off of revenues as a result of pressure and incentives to meet revenue targets included in management incentive plans as well as in the growth strategy made public. These revenues are disclosed in note 14 to the financial statements
Our audit approach	We describe the audit procedures responsive to the risk of fraud in revenue recognition in the description of our audit approach for the key audit matter 'Management override by applying inappropriate cut-off for revenues per year-end'.

We considered available information and made enquiries of relevant executives, directors, legal, human resources and the Supervisory Board.

The fraud risk we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the Management Board, reading minutes, inspection of internal audit reports, and performing substantive tests of details of classes of transactions, account balances or disclosures.

Independent auditor's report

We also inspected lawyers' letters and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in section 'Going concern' in the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, management made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with management exercising professional judgment and maintaining professional scepticism. We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern.

Based on our procedures performed, we did not identify material uncertainties about going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

In comparison with the key audit matters reported by the predecessor auditor in previous year, key audit matters did not change.

Management override by applying inappropriate cut-off for revenues per year-end (Note 14)	
Risk	<p>Revenue is an important key measure used to evaluate the performance of the group by various stakeholders. In 2020, Beter Bed Holding N.V. introduced the growth strategy 'Strategy 2025' with revenue being the key driver of the expected growth. In addition, incentive plans are in place that contain specific revenue (related) targets, impacting the remuneration of management made public. These factors could lead to pressure and incentives to overstate revenues.</p> <p>For revenue recognition it is important that the revenue is recognised upon the transfer of control over the goods. When goods are instantly being taken by consumers in the shop, this is at the time of payment at the cash register. When goods are assembled and/or delivered, the sales are recognised at the moment the transfer has led to a physical delivery of the goods. There is a risk that for transactions near year-end the control of the goods is not yet transferred to the customer. In addition, revenue recognition may be impacted by subsequent returns of goods to the company. Management is in a position to influence the recorded year-end revenue-related adjustments.</p> <p>As a result, we identified the risk for management override resulting in applying inappropriate cut-off for revenues per year-end as a key audit matter.</p>
Our audit approach	<p>We obtained an understanding of the revenue agreements and, with the use of data analytics, analysed the journal entry data of the revenue and receivable process for 2022. We performed a walkthrough to confirm our understanding of the process, including the procedures performed by the company to address the risk of inappropriate revenue cut-off and processing of manual journal entries.</p> <p>We paid attention to whether deficiencies in the process may create additional opportunities for fraud and incorporated respective procedures in our audit approach.</p> <p>We also performed substantive audit procedures on revenue transactions by performing analytical procedures per sales channel and analysing the transactional data for 2022 (including analysing trends and booking patterns to identify transactions outside the normal course of business). Also, for a sample of customer payments collected throughout the year, we vouched the bank statement including the customer payment to the underlying invoice, evidencing the occurrence and correct measurement of the revenue transaction.</p> <p>We performed the following specific audit procedures as a result of the identified fraud risk for cut-off of revenues recorded near year-end:</p> <ul style="list-style-type: none"> • We reviewed transactions near year-end and determined whether revenues are recognised in the correct period by performing analytical procedures, including trend and source analyses. • We performed cut-off procedures over the revenues recorded in the last 5 working days of the financial year, in which we for a sample vouched the underlying invoice and delivery support. • We evaluated the nature of manual journal entries which impact revenue with a low threshold, and obtained detailed explanations and support where deemed necessary. • Using data analytics, we performed a correlation analysis between revenue, accounts receivable, and cash and obtained detailed explanations and support for transactions outside the expected recording patterns. • We reviewed samples of credit invoices sent, as well as payments made to end-customers in 2023, in order to determine whether revenue in 2022 should be reversed.
Key observations	<p>We have evaluated the appropriate cut-off of revenues recognised as per year-end of 2022. We concur with the revenue accounting policy as disclosed in section 'Significant accounting policies relating to the profit or loss account' as well as the accurateness and completeness of the disclosed revenues in note 14 of the annual report.</p>

Independent auditor's report

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon, including:

- 'BBH at a glance' section (including key figures, CEO's statement, mission, trend, profile and operations)
- the management report
- the report of the Supervisory Board
- 'other information' section (including the GRI table).

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code and as required by Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code for the remuneration report.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 and Section 2:135b sub-Section 7 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code. Management and the Supervisory Board are responsible for ensuring that the remuneration report is drawn up and published in accordance with Sections 2:135b and 2:145 sub-section 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements and ESEF

Engagement

We were engaged by the Supervisory Board as auditor of Beter Bed Holding N.V. on 11 May 2022, as of the audit for the year 2022 and have operated as statutory auditor since that date.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

European Single Electronic Format (ESEF)

Beter Bed Holding N.V. has prepared the annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion, the annual report, prepared in the XHTML format, including the partially marked-up consolidated financial statements, as included in the reporting package by Beter Bed Holding N.V., complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report, including the financial statements, in accordance with the RTS on ESEF, whereby management combines the various components into a single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).

Independent auditor's report

Our examination included amongst others:

- obtaining an understanding of the entity's financial reporting process, including the preparation of the reporting package
- obtaining the reporting package and performing validations to determine whether the reporting package containing the Inline XBRL instance document and the XBRL extension taxonomy files, has been prepared in accordance with the technical specifications as included in the RTS on ESEF
- examining the information related to the consolidated financial statements in the reporting package to determine whether all required mark-ups have been applied and whether these are in accordance with the RTS on ESEF.

Description of responsibilities regarding the financial statements

Responsibilities of management and the Supervisory Board for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The 'Information in support of our opinion' section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent auditor's report

Communication

We communicate with the audit committee of the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Rotterdam, 9 March 2023

Ernst & Young Accountants LLP

I.H.G. Hengefeld

Appropriation of result pursuant to the articles of association

Article 34 of the articles of association states the most important provisions pertaining to the appropriation of result:

Paragraph 1

Every year the Management Board, subject to approval from the Supervisory Board, determines the proportion of the company's profit – the positive balance of the profit and loss account – to be added to the Company's reserves.

Paragraph 2

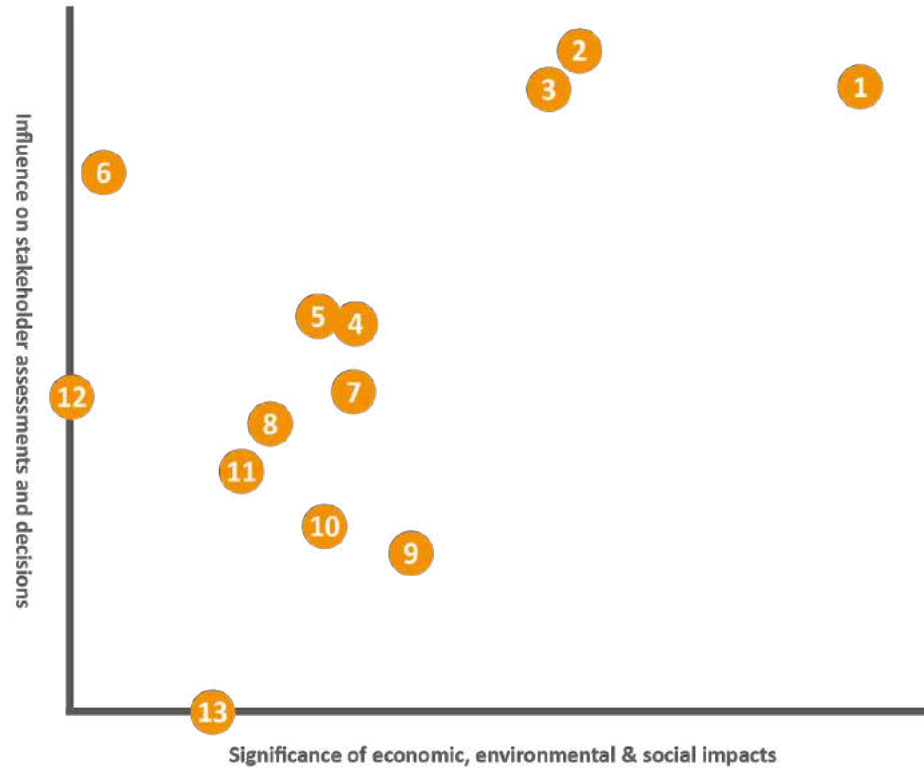
The profit remaining after the reservation pursuant to the previous paragraph shall be placed at the disposal of the Annual General Meeting.

Materiality matrix

Topics

- 1 Durable product development
- 2 Innovation for better sleep
- 3 Collaboration for reuse & recycling
- 4 Customer awareness
- 5 Sustainable operations
- 6 Accessibility & affordability
- 7 Employee well-being
- 8 Certified materials
- 9 Talent attraction
- 10 Sustainable packaging
- 11 Training & development
- 12 Human rights in our supply chain
- 13 Diversity & inclusion

Materiality matrix



Management approach material topics

Innovation for Better Sleep				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Transforming ideas for better sleep into products and services that meet the changing needs of our customers.	Influencing the quality of sleep of our customers, which is reflected in their health and well-being.	To improve the quality of sleep of our customers and ensure that this is measurable.	In 2022, we introduced the data-driven technology Beter Slapen ID in our retail stores to provide our customers with objective product advice. The full roll-out is set to be completed in the first half year of 2023.	Our team has quickly become skilled at using Beter Slapen ID, and the technology has been embraced by customers which value the advice they receive. We are therefore rolling out the system to all stores.
Community Engagement				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Working collaboratively with scientists and organisations to improve people's health and well-being by addressing issues that affect their quality of sleep.	Contributing to the general quality of sleep in our markets, thereby improving health and well-being, with a particular focus on those suffering from medical conditions.	To make a good night's rest possible for everyone; to contribute to health, well-being and performance; and to gain knowledge about the importance and impact of sleep on our general health and well-being.	We provide sleep solutions for and sponsor the Princess Máxima Children's hospital, refugees, the Netherlands Olympic team, professional cycling and speedskating team Jumbo Visma, Ajax football club and many others.	Many consumers value that our products are chosen by top athletes, as it underlines that link between good sleep and high performance. In addition, we receive valuable information from the elite athletes about the impact of various sleeping systems on their performance.
Sustainable operations				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Reducing carbon emissions and waste in our operations – for instance in our offices, stores, distribution centres, transportation and travel to and from work – by promoting sustainable behaviour and introducing more sustainable facilities and transportation.	Positively impacting the environment, including by reducing Greenhouse Gas emissions. In addition, reducing emissions can reduce our costs, leading to efficiency gains, and positively impact our reputation.	To reduce the CO ₂ emissions of our own operation by 75% in 2025.	We provide sleep solutions for and sponsor the Princess Máxima Children's hospital, refugees, the Netherlands Olympic team, professional cycling and speedskating team Jumbo Visma, Ajax football club and many others.	Many consumers value that our products are chosen by top athletes, as it underlines that link between good sleep and high performance. In addition, we receive valuable information from the elite athletes about the impact of various sleeping systems on their performance.
Human rights & our supply chain				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Ensuring human rights are an integral part of our supply chain, especially within our human resources, supplier management and procurement processes.	We have a responsibility for the well-being of everyone involved in the production process of our products, right up to their delivery to our customers. Carelessness and inattention can lead to abuse and mistreatment.	We want to be able to guarantee that all suppliers and their subcontractors endorse our supplier code of conduct and act accordingly in practice. Step one is that they must sign up to the code. Step two is that we will monitor this through visits and audits.	In 2022, all active suppliers with a purchase value over EUR 20,000 signed our supplier code of conduct. We are now examining their performance in practice, and will continue this work going forward.	The materiality analysis we conducted made it clear that monitoring compliance with human rights in our supply chain is essential for both our investors and our customers. This is one of the drivers of it being central to our sustainability strategy.

Management approach material topics

Diversity & inclusion				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Fostering, cultivating and maintaining a culture of diversity and inclusion within our company so that people can be their best selves at work, and are treated equally, whatever their age, gender, ethnicity, religion or sexual orientation.	Having a diverse and inclusive workforce can enhance creativity, innovation, and overall performance. Moreover, a diverse and inclusive culture creates a more positive and engaging working environment, which can lead to improved employee retention and satisfaction. In addition, by focusing on diversity and inclusion, we are better able to attract top talent and benefit from a greater variety of ideas and perspectives.	To promote gender diversity within our company, with a minimum of at least 33% female employees across all divisions.	We achieved 50% gender equality within our Supervisory Board and Management Board, and we continued to work hard to achieve at least 33% of either gender across all divisions.	Our stakeholders have the opportunity to express their different perspectives and contribute to decision-making processes. They are frequently involved in the development of diversity and inclusion strategies and policies, and provide valuable insights as to how we are performing with regards to diversity and inclusion within our organisation.
Training & development				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Providing our employees with the opportunity to develop their skills and competencies.	Having an effective learning and development programme positively impacts employee satisfaction. Moreover, if members of our team are able to continue learning and developing, they will be more likely to want to continue their careers at BBH and progress within our organisation.	To support our organisation and staff with the right knowledge and skills training during onboarding; to broaden their knowledge and skills as they progress through our organisation, and to contribute to employee retention and promotion.	In 2021, we reported a significant increase in employee training hours as shop closures due to COVID-19 led to an increase in online trainings. While there were fewer shop closures in 2022, we were still able to provide 14 hours training per employee.	Our learning and development programmes are continuously tailored to the needs and demands of our team. This includes employees' personal development trajectories, for example, broadening their knowledge and skills in specific areas.
Employee safety & well-being				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Contributing to the enhancement of the physical and mental well-being of our employees by ensuring a healthy and safe working environment, and by supporting a healthy lifestyle.	On one hand, a safe and healthy workforce can enhance productivity and morale, and reduce absenteeism and employee turnover. In addition, it can also benefit how customers perceive our business, which in turn leads to increased business. On the other hand, neglecting employee safety and well-being can lead to accidents, injuries, and illnesses, which can result in decreased productivity, increased healthcare costs, and potential legal and financial liabilities.	To establish a plain safety organisation, and clear communications about procedures and regulations related to safety and supervision so as to create a safe working environment.	In 2022, all distribution centres were inspected and adapted in line with our safety standards. Special attention was paid to technology that supports this, and to the level of knowledge on the shop floor. As a result of raising awareness, the logging of accidents and near misses has improved, which means we are now better able to take action to improve the working environment. An organisation-wide risk inventory and evaluation is planned for 2023, in which staff will be asked to share their views about safety and well-being at work.	We obtain safety information from external experts and the occupational health and safety service to assist us in following regulations. In addition, safety topics and progress made is discussed at an organisational level on a monthly basis.

Management approach material topics

Talent attraction & retention				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Continuing to be an interesting, inspiring and desirable place to work for potential employees, and actively recruiting new talent.	Our company has a positive reputation and strong brands that helps to attract top talent both within and beyond our industry. In addition, organisations that offer competitive compensation and benefits, opportunities for professional development, and a positive work-life balance have better employee retention rates.	To be the employer of choice for our employees and our soon-to-be employees, we strive to create a positive working environment and culture, which is important for the attraction and retention of the top talent. Opportunities for career growth and development, clear communication and transparent leadership, fair compensation, and a healthy work-life balance are all key recruitment and retention factors.	Despite the recent tight labour market conditions, we have still been successful in attracting talent for our organisation, and we are pleased with the internal promotions within our organisation, which reached 3,9 % in 2022. Given shortages in the wider market, retaining personnel continues to be a focus area, particularly as there are currently many employment opportunities for employees at branches and distribution centres.	By maintaining close contact with managers within our organisation, we are better able take quick actions to retain staff. In addition, we have been successful in using social media to promote our organisation as an attractive potential employer.

Circular product development				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Ensuring that we focus on the development of products that are circular by design (and contribute to a circular economy), meaning that the materials used are renewable or recycled, and that our products are designed to be easily disassembled, reused or recycled at the end of the product life cycle.	By bringing products to market, our company invariably has an impact on the environment. Offering more circular, natural and recycled materials is increasingly enabling us to limit this impact. It is important that we continue to closely monitor the sustainable development of raw materials so that adjustments can be quickly incorporated into our products.	To triple our product range with more durable options to 45% of our total collection, in line with our sustainability goals for 2025.	Through various collaborations with industry peers and suppliers, we now offer 16 products as more sustainable options for our consumers. Any such products consist of circular, recyclable and/or natural materials, or have a modular structure, so that the remaining mono-materials can be reused to a higher degree.	In the field of circular product development, we are dependent on developments in the raw materials market. We work closely with suppliers both within and outside our industry to monitor these developments.

Collaboration for reuse & recycling				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Collaborating with all parties involved to ensure that materials are disassembled and reused at the end of a product's life cycle, and if that is not possible, recycled.	Until all our products are circular, it will be necessary for us to collect as many as possible at the end of the life cycle, and reuse or recycle them to the highest possible degree.	We are active participant on recycling mattresses in the Netherlands and Belgium. Together with four industry partners, we have committed ourselves to recycle 75% of the mattresses we bring to market by 2028. This will entail both promoting responsible collection at local collection stations and collecting the mattresses ourselves.	In 2022, we collected 55% of the mattresses that we brought to market through the Matras Recycling Nederland (MRN) foundation, in addition to collecting 13% of the mattresses ourselves. Consumers can often use local collection points for mattresses, which are affiliated with MRN; this will limit the transport needed.	We actively participate in the MRN foundation, together with four industry partners. This foundation's goal is to collect mattresses and recycling them in a responsible way. Agreements have been made with the Ministry of Infrastructure and Water Management about the MRN's work, and these have been declared generally binding.

Sustainable packaging				
Policy	Impacts	Objectives & actions	Performance	Stakeholder engagement
Ensuring that the packaging used to protect our sleep products is made of sustainable mono-materials; that it is reused as many times as possible (for instance reusing packaging material used in home deliveries), and that it is recycled at the end of the process by our recycling partner.	Sustainable packaging is designed to minimise the environmental impact of packaging materials throughout their life cycle, from sourcing and production to disposal or recycling. This can include using materials that are biodegradable, recyclable, or made from renewable resources. Using sustainable packaging can reduce the amount of waste generated, in addition to the use of fossil fuels and other resources, which can have a positive impact on the environment.	To limit the use and/or weight of packaging, packaging used must consist of a single type of packaging material that is easy to reuse or recycle. This enables us to recycle the packaging that we collect ourselves to a high degree in collaboration with our waste processor.	At present, in consultation with our suppliers, we limit packaging materials used for our products to two materials: polyethylene plastic and cardboard. Both materials are collected separately and converted into reusable materials by our waste partners. We are currently examining whether in the future these materials could also be used in our products.	Limiting the use of packaging materials is central to discussions when we develop and purchase products. For this reason, the use of PVC in packaging materials has, for instance, already been discontinued in recent years. The quality of the collection and the level of recycling and/or reuse is part of the discussions we have with our waste partners on an annual basis.

EU taxonomy - tables

Capex

Economic activities	Code(s)	Absolute Capex x € thousand	Proportion of Capex %	Substantial contribution criteria			DNSH criteria*						Minimum safeguards Y/N	Taxonomy-aligned proportion of Capex, 2022 %	Taxonomy-aligned proportion of Capex, 2021 %	Category (enabling activity) E	Category (transitional activity) T
				Climate change mitigation %	Climate change adaptation %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N						
A. Taxonomy-eligible activities																	
A.1. Environmental sustainable activities (Taxonomy-aligned)																	
No taxonomy-aligned activities yet																	
Capex of environmentally sustainable activities (Taxonomy aligned) (A.1)		0	0%	0%	0%									0%			
A.2. Taxonomy-Eligible but not environmentally sustainable activities																	
Capital Expenditure on energy efficient light sources and equipment		7.3	711	11%	0%	0%	N	N	N	N	N	N	N				T
Capex of Taxonomy-eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (A.2)		711	11%														
Total (A.1 + A.2)		711	11%												0%		
B. Taxonomy-non-eligible activities																	
Capex from Taxonomy-non-eligible activities (B)		5,618	89%														
Total (A + B)		6,329	100%														

* no alignment with 'DNSH' because no climate risk analysis has yet been fulfilled.

EU taxonomy - tables

Opex

Economic activities	Code(s)	Absolute Opex x € thousand	Proportion of Opex %	Substantial contribution criteria		DNSH criteria*							Minimum safeguards	Taxonomy-aligned proportion of Opex, 2022 %	Taxonomy-aligned proportion of Opex, 2021 %	Category (enabling activity) E	Category (transitional activity) T
				Climate change mitigation %	Climate change adaptation %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N						
A. Taxonomy-eligible activities																	
A.1. Environmental sustainable activities (Taxonomy-aligned)																	
No taxonomy-aligned activities yet														0%			
Opex of environmentally sustainable activities (Taxonomy aligned) (A.1)		0	0%	0%	0%												
A.2. Taxonomy-Eligible but not environmentally sustainable activities																	
Maintenance and repair of energy efficiency equipment	7.3	102	16%	0%	0%	N	N	N	N	N	N	N					T
Maintenance and repair of charging stations for electric vehicles	7.4	15	2%	100%	0%	N	N	N	N	N	N	N					T
Opex of Taxonomy-eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (A.2)		117	18%														
Total (A.1 + A.2)		117	18%												0%		
B. Taxonomy-non-eligible activities																	
Opex from Taxonomy-non-eligible activities (B)		528	82%														
Total (A + B)		645	100%														

* no alignment with 'DNSH' because no climate risk analysis has yet been fulfilled.

GRI table

Indicator	Description	Reference
GRI 102: General Disclosures		
The organisation and reporting practices		
102-1	Organisational details	
	a Legal name of the organisation;	Cover page (see page 0)
	b Nature of ownership and legal form;	Corporate Governance (see page 75)
	c Location of the headquarters;	Colophon (see page 170)
	d Countries of operation.	Our physical footprint (see page 20) About Beter Bed Holding (see page 17)
102-2	Entities included in the organisation's sustainability reporting	
	a Entities included in sustainability reporting;	Implementing our renewed sustainable strategy (see page 37)
	b Differences between entities in financial and sustainability reporting;	Implementing our renewed sustainable strategy (see page 37)
	c Approach used for consolidating the information;	Implementing our renewed sustainable strategy (see page 37)
	Whether the approach involves adjustments to information for minority interests; how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities;	Implementing our renewed sustainable strategy (see page 37)
	ii Whether and how the approach differs across the disclosures in this Standard and across material topics.	Implementing our renewed sustainable strategy (see page 37)
102-3	Reporting period, frequency and contact point	
	a The reporting period for, and the frequency of, sustainability reporting;	January 1, 2022 to December 31, 2022
	b Reason why financial reporting does not align with the period for sustainability reporting;	N/A
	c Publication date report;	10 March 2023
	d Contact point for questions regarding the report.	Send questions or comments to: bbholding@beterbed.nl

Indicator	Description	Reference
102-4	Restatements of information	
	i Reasons for the restatements;	KPI Scorecard highlights (see page 63)
	ii Effect of the restatements.	KPI Scorecard highlights (see page 63)
102-5	External assurance	
	a Policy and practice for seeking external assurance, whether and how governance body and senior executives are involved;	Independent auditor's report (see page 147)
	b If the sustainability reporting has been externally assured;	Independent auditor's report (see page 147)
	i External assurance report(s) or statement(s);	Independent auditor's report (see page 147)
	ii What is assured and on what basis, assurance standards used, level of assurance obtained, limitations of process;	Independent auditor's report (see page 147)
	iii Relationship with assurance provider.	Independent auditor's report (see page 147)
Activities and workers		
102-6	Activities, value chain and other business relationships	
	a Active sector(s);	About Beter Bed Holding (see page 17)
	b Value chain description:	Our value chain (see page 56)
	i Activities, products, services and market served;	Our operations (see page 18)
	ii Supply chain;	Our supply chain (see page 58)
	iii Downstream entities and activities;	Our value chain (see page 56)
	c Relevant business relationships;	Our value chain (see page 56) Our supply chain (see page 58)

GRI table

Indicator	Description	Reference	Indicator	Description	Reference
102-7	d Significant changes in 2-6-a, b and c compared to previous reporting period. Employees	No significant changes	Governance 102-9	Governance structure and composition	
	a Total number of employees, breakdown by gender and region;	People (see page 67)		a Governance structure, committees of the highest governance body;	Corporate Governance (see page 75)
	b Total number of:			b Committees of the highest governance body responsible for decision making on and overseeing impacts on the economy, environment, and people;	Corporate Governance (see page 75)
	i Permanent employees, breakdown by gender and region;	People (see page 67)		c Composition of the highest governance body and committees by:	
	ii Temporary employees, breakdown by gender and region;	People (see page 67)		i Executive and non-executive members;	Management Board biographies (see page 73) Supervisory Board biographies (see page 74)
	iii Non-guaranteed hours employees, breakdown by gender and region;	People (see page 67)		ii Independence;	Corporate Governance (see page 75)
	iv Full-time employees, breakdown by gender and region;	People (see page 67)		iii Tenure of members on the governance body;	Report of the Supervisory Board (see page 90)
	v Part-time employees, breakdown by gender and region;	People (see page 67)		iv Number of significant positions and commitments held by each member, and nature of commitments;	Report of the Supervisory Board (see page 90)
	c Methodologies and assumptions used:			v Gender;	Supervisory Board biographies (see page 74)
	i Head count, full-time equivalent, or another methodology;	People key figures (see page 66)		vi Under-represented social groups;	Report of the Supervisory Board (see page 90)
ii At the end or as an average across the reporting period, or another methodology;	People (see page 67)	vii Competencies relevant to the impacts of the organisation;	Supervisory Board biographies (see page 74)		
d Contextual information under 2-7-a and b;	People (see page 67)	viii Stakeholder representation.	Supervisory Board biographies (see page 74)		
e Significant fluctuations in number of employees during and between the reporting period(s).	People (see page 67)				

GRI table

Indicator	Description	Reference	Indicator	Description	Reference
102-10	Nomination and selection of the highest governance body				
	a Nomination and selection processes for highest governance body and committees;	Corporate Governance (see page 75)		b The role of the highest governance body in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people, including:	Implementing our renewed sustainable strategy (see page 37)
	b Criteria for nominating and selecting highest governance body members, including whether and how the following are considered:	Corporate Governance (see page 75)		i Whether and how the highest governance body engages with stakeholders to support these processes;	Implementing our renewed sustainable strategy (see page 37)
	i Views of stakeholders (including shareholders);	Corporate Governance (see page 75)		ii How the highest governance body considers the outcomes of these processes;	Implementing our renewed sustainable strategy (see page 37)
	ii Diversity;	Corporate Governance (see page 75)		c The role of the highest governance body in reviewing the effectiveness of the organisation's processes as described in 2-12-b, and report the frequency of this review.	Implementing our renewed sustainable strategy (see page 37)
	iii Independence;	Corporate Governance (see page 75)			
	iv Competencies relevant to the impacts of the organisation.	Corporate Governance (see page 75)			
102-11	Chair of the highest governance body		102-13	Delegation of responsibility for managing impacts	
	a Whether the chair of the highest governance body is also a senior executive in the organisation;	N/A		a How the highest governance body delegates responsibility for managing the organisation's impacts on the economy, environment, and people, including:	Supervisory board biographies (see page 74)
	b If the chair is also a senior executive, explain their function within the organisation's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated.	N/A		i The appointment of any senior executives with responsibility for the management of impacts;	Supervisory board biographies (see page 74)
102-12	Role of the highest governance body in overseeing the management of impacts			ii Whether it has delegated responsibility for the management of impacts to other employees;	Corporate governance (see page 75)
	a The role of the highest governance body and of senior executives in developing, approving, and updating the organisation's purpose, value or mission statements, strategies, policies, and goals related to sustainable development;	Implementing our renewed sustainable strategy (see page 37)			

GRI table

Indicator	Description	Reference	Indicator	Description	Reference
102-14	b The process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organisation's impacts on the economy, environment, and people.	Corporate governance (see page 75)	102-17	Collective knowledge of the highest governance body	
	a Whether the highest governance body is responsible for reviewing and approving the reported information, including the organisation's material topics, and if so, describe the process for reviewing and approving the information;	Implementing our renewed sustainable strategy (see page 37)	102-18	a Measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.	Implementing our renewed sustainable strategy (see page 37)
102-15	b if the highest governance body is not responsible for reviewing and approving the reported information, including the organisation's material topics, explain the reason for this.	Implementing our renewed sustainable strategy (see page 37)		b Whether the evaluations are independent or not, and the frequency of the evaluations;	Corporate governance (see page 75)
	a The processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated;	Corporate governance (see page 75)	102-19	c Actions taken in response to the evaluations, including changes to the composition of the highest governance body and organisational practices.	Supervisory board (see page 75)
	b Whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to:	N/A		Remuneration policies	
	i Cross-board membership;	N/A	a	The remuneration policies for members of the highest governance body and senior executives, including:	Implementation of remuneration policy in 2022 (see page 98)
	ii Cross-shareholding with suppliers and other stakeholders;	N/A	i	Fixed pay and variable pay;	Summary of Management Board's remuneration (see page 97)
	iii Existence of controlling shareholders;	N/A	ii	Sign-on bonuses or recruitment incentive payments;	Long-term incentives in 2022 (see page 102)
	iv Related parties, their relationships, transactions and outstanding balances.	N/A	iii	Termination payments;	N/A
			iv	Clawbacks;	N/A
			v	Retirement benefits;	Employee benefits (see page 142)

GRI table

Indicator	Description	Reference	Indicator	Description	Reference		
102-20	b How the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people.	Implementation of remuneration policy in 2022 (see page 98)	102-20	Strategy, policies and practices Statement on sustainable development strategy	CEO's statement (see page 7)		
	a The process for designing its remuneration policies and for determining remuneration, including:	Implementation of remuneration policy in 2022 (see page 98)					
	i Whether independent highest governance body members or an independent remuneration committee oversees the process for determining remuneration;	Remuneration report (see page 96)					
	ii How the views of stakeholders (including shareholders) regarding remuneration are sought and taken into consideration;	Remuneration report (see page 96)					
	iii Whether remuneration consultants are involved in determining remuneration and, if so, whether they are independent of the organisation, its highest governance body and senior executives;	Remuneration report (see page 96)					
	b The results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable.	Other policy information and contract terms (see page 103)					
102-22			102-22	Strategy, policies and practices Statement on sustainable development strategy	CEO's statement (see page 7)		
						a Statement from the highest governance body or most senior executive of the organisation about the relevance of sustainable development to the organisation and its strategy for contributing to sustainable development.	
						102-23	Policy commitments
						a Policy commitments for responsible business conduct, including:	Risk management (see page 80)
						i The authoritative intergovernmental instruments that the commitments reference;	Risk management (see page 80)
						ii Whether the commitments stipulate conducting due diligence;	N/A
						iii Whether the commitments stipulate applying the precautionary principle;	N/A
						iv Whether the commitments stipulate respecting human rights;	Human rights & supply chain (see page 63)
						b Describe its specific policy commitment to respect human rights, including:	Human rights & supply chain (see page 63)
						i The internationally recognized human rights that the commitment covers;	Human rights & supply chain (see page 63)
ii The categories of stakeholders, including at-risk or vulnerable groups, that the organisation gives particular attention to in the commitment;	Materiality and stakeholder engagement (see page 40)						

GRI table

Indicator	Description	Reference	Indicator	Description	Reference
	c Provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this;	https://www.beterbedholding.com/csr/code-of-conduct		c Other processes by which the organisation provides for or cooperates in the remediation of negative impacts that it identifies it has caused or contributed to;	Risk management (see page 80)
	d Report the level at which each of the policy commitments was approved within the organisation, including whether this is the most senior level;	Board level		d How the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms;	Risk management (see page 80)
	e Report the extent to which the policy commitments apply to the organisation's activities and to its business relationships;	Human rights & supply chain (see page 63)		e How the organisation tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback.	Risk management (see page 80)
	f Describe how the policy commitments are communicated to workers, business partners, and other relevant parties.	Human rights & supply chain (see page 63)			
102-24	Embedding policy commitments		102-26	Mechanisms for seeking advice and raising concerns	
	a How it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including:	Risk management (see page 80)		a The mechanisms for individuals to:	
102-25	Processes to remediate negative impacts			i Seek advice on implementing the organisation's policies and practices for responsible business conduct;	Risk management (see page 80)
	a Its commitments to provide for or cooperate in the remediation of negative impacts that the organisation identifies it has caused or contributed to;	Risk management (see page 80)		ii Raise concerns about the organisation's business conduct.	Risk management (see page 80)
	b Its approach to identify and address grievances, including the grievance mechanisms that the organisation has established or participates in;	Risk management (see page 80)	102-27	Compliance with laws and regulations	
				a The total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by:	Risk management (see page 80)
				i Instances for which fines were incurred;	None
				ii Instances for which non-monetary sanctions were incurred;	None

GRI table

Indicator	Description	Reference	Indicator	Description	Reference
GRI 305: Emissions 2016			GRI 306: Waste		
103-3	Management of material topics	Promise (see page 46) Materiality and stakeholder engagement (see page 40) Management approach material topics (see page 156) Table Materiality and stakeholder engagement (see page 42)	103-3	Management of material topics	Promise (see page 46) Materiality and stakeholder engagement (see page 40) Management approach material topics (see page 156)
305-1	Direct (scope 1) GHG emissions	KPI Scorecard (see page 65) Promise (see page 46)	306-1	Waste generation and significant waste-related impacts	
305-2	Energy indirect (scope 2) GHG emissions	KPI Scorecard (see page 65) Promise (see page 46)	306-3	Waste generated	KPI Scorecard (see page 65) Promise (see page 46)
305-5	Reduction of Greenhouse Gas emissions	KPI Scorecard (see page 65) Promise (see page 46)	GRI 401: Employment		
GRI 302: Energy			401-2	Labour/management relations	Our people (see page 67)
103-3	Management of material topics	Promise (see page 46) Materiality and stakeholder engagement (see page 40) Management approach material topics (see page 156)	401-3	Health and safety at work	Our people (see page 67)
302-1	Energy consumption within the organisation	KPI Scorecard (see page 65) Promise (see page 46)	404-2	Programmes for improvement of employee skills	Our people (see page 67)
302-4	Reduction of energy consumption	KPI Scorecard (see page 65) Promise (see page 46)	405-1	Diversity of management and employees	People key figures (see page 66) KPI scorecard (see page 65)
			GRI 418: Customer privacy		
			418-1	Data security, privacy and cyber security	Risk management (see page 80)
			Product - Circular product development		
			103-2	Management approach: How is this material topic managed?	Management approach material topics (see page 156) Product (see page 52)
			103-3	Management approach: How is this material topic evaluated?	Product (see page 52) KPI Scorecard highlights (see page 63)
			Own indicator	# of more sustainable products (circular, modular, naturally)	KPI Scorecard (see page 65)

GRI table

Indicator	Description	Reference
Promise - Innovation for better sleep		
103-2	Management approach: How is this material topic managed?	Management approach material topics (see page 156) Promise (see page 46)
103-3	Management approach: How is this material topic evaluated?	Promise (see page 46) KPI Scorecard highlights (see page 63)
Own indicator	% of mattresses purchased after using Beter Slapen ID	KPI Scorecard (see page 65)
People - Employee safety and well-being		
103-2	Management approach: How is this material topic managed?	People (see page 67) Management approach material topics (see page 156)
103-3	Management approach: How is this material topic evaluated?	People (see page 67) KPI Scorecard highlights (see page 63)
Own indicator	% Mattresses returned for recycling	KPI Scorecard (see page 65)

Colophon

This annual report is published by

Beter Bed Holding N.V.

Linie 27
5405 AR Uden
The Netherlands

P.O. Box 716
5400 AS Uden
The Netherlands

T: +31 413 338 819
E: bbholding@beterbed.nl
W: www.beterbedholding.com

Report

Period: 2022 calendar year
Annual report publication date: 10 March 2023
Publication date of previous annual report: 11 March 2022

NOTE TO THE READER

This document is the PDF/printed version of Beter Bed Holding's 2022 Annual Report and has been prepared for ease of use. The 2022 Annual Report in European Single Reporting format (the ESEF reporting package) is the official version. The ESEF reporting pack is available at the Dutch Authority for the Financial Markets (AFM). In case of any discrepancies between this PDF version and the ESEF reporting package, the latter prevails.



BeterBed
holding

Sleep better, live better.

14.6. Unaudited interim financial information for the first half of the financial year 2023 including independent auditor's review report of EY

Beter Bed Holding: solid results in H1 2023

Uden, the Netherlands, 21 July 2023

Beter Bed Holding N.V. (BBH) – the Netherlands’ leading sleep specialist – today announced its results for the second quarter and first half year ended 30 June 2023.

Highlights first half 2023

- Sales growth of +5.4% to € 118.4 million (H1 2022: € 112.4 million) with gross profit increase of +7.0% to € 65.5 million (H1 2022: € 61.2 million).
- All subsidiaries contributed positively to the growth, with online sales now at 17.6% channel share.
- Underlying EBITDA and underlying EBIT of € 18.2 million (H1 2022: € 14.5 million) and € 8.1 million (H1 2022: € 4.4 million) respectively, showing a +25.8% and +82.5% increase.
- Order book at € 16.6 million (compared with € 19.4 million at 30 June 2022).
- Obtained 50% stake in Bovelli's production and real estate entities, allowing further vertical integration in supply chain.
- On 10 July, agreement was reached with Torqx on all-cash public offer for all issued and outstanding BBH shares at € 6.10 per share, a 107% premium to closing price on 7 July 2023, valuing 100% of the shares of the Company at € 168 million.

H1 2023 performance

The table below shows the key figures for H1 2023, which comprises Beter Bed in the Benelux, Beddenreus in the Netherlands and our wholesale business DBC.

Key figures	2023 H1	2022 H1
Revenue (in € million)	118.4	112.4
Gross profit	55.3%	54.4%
EBIT (in € million)	6.3	3.7
Underlying EBIT (in € million)	8.1	4.4
EBITDA (in € million)	16.4	13.7
Underlying EBITDA (in € million)	18.2	14.5
Net profit (in € million)	4.6	2.2
Number of stores at 30 June	130	134
Number of FTE	918	942

John Kruijssen, CEO of BBH, comments:

“Since the launch of our strategic agenda, we successfully transitioned to a sleep specialist with accelerated online sales, expanding our wholesale presence and achieving high customer satisfaction. The first half year of 2023 marked another solid performance across the Group. Positive performance in our sales channels, a gross profit increase, combined with tight cost management, resulted in EBITDA growth. The proposed transaction with Torqx Capital Partners will allow us to further accelerate our growth strategy and we look forward to the next phase of the development of our company.”

Strategic progress

During the first half of 2023, we continued to execute on our 'Sleep better, live better' growth strategy. In pursuit of further vertical integration in our supply chain, we have obtained a 50% stake in Bovelli's production and real estate entities, which enables us to streamline our supply chain.

Commercially, we successfully completed the rollout of the measurement and advice system Beter Slapen ID in all Beter Bed stores in the Netherlands and Belgium, offering every customer scientifically independent best mattress advice across the full store network. Beter Bed and M line introduced a revolutionary augmented reality (AR) addition to their 3D box spring configurator, allowing customers to virtually place their personalised box spring in their bedroom. DBC successfully launched the M Line Cool Motion line at the Cologne fair, attracting international retailers and growing the distribution network for the Simmons collection. B2B presence has expanded through partnerships with hotels, while the first selling point in Sweden was launched.

Financial review

Revenue

BBH increased H1 2023 revenue by +5.4% compared with H1 2022 to € 118.4 million. Compared with pre-COVID H1 2019 revenue has grown with a CAGR of +8.5%. In H1 2023, 92.1% (H1 2022: 93.3%) of the revenue is realised in the Netherlands and the remainder in Belgium. Like-for-like (LFL) corrects for store openings and closures.

The table below shows the key figures of the business operations for H1 2023.

in million €	Revenue 2023 H1	% Growth vs. 2022 H1	LFL revenue growth vs. 2022 H1	LFL order intake growth vs. 2022 H1	Online revenue as a % of total revenue
Benelux	111.3	5.5%	5.6%	4.7%	18.0%
New Business	7.1	3.7%	3.7%	15.4%	11.9%
Total	118.4	5.4%	5.4%	5.3%	17.6%

The table below shows the key figures of the business operations for Q2 2023.

in million €	Revenue 2023 Q2	% Growth vs. 2022 Q2	LFL revenue growth vs. 2022 Q2	LFL order intake growth vs. 2022 Q2	Online revenue as a % of total revenue
Benelux	51.6	5.1%	5.3%	-1.8%	18.6%
New Business	3.3	18.8%	18.8%	59.5%	13.3%
Total	54.9	5.8%	6.0%	0.9%	18.3%

Gross profit and operating expenses

Gross profit for the first half of 2023 increased by 7.0% to € 65.5 million compared with € 61.2 million in the first half of 2022. The increase was driven by a higher revenue and an improved gross profit as a percentage of revenue (55.3% in the first half of 2023 versus 54.4% in the first half of 2022). Total operating expenses for the first half of 2023 were € 59.2 million compared with € 57.5 million in the first half of 2022. The increase in personnel expenses in H1 2023 compared with H1 2022 is mainly related to salary increases related to the collective labour agreements and the use of temporary personnel instead of our own workforce. As percentage of revenue, the operating expenses decreased by 1.2%.

Results

EBIT for H1 2023 at € 6.3 million, showing a +70.6% increase compared with € 3.7 million in the first half of 2022. Finance costs were nil (H1 2022: € -0.4 million) whereby the interest on lease liabilities and commitment fees paid related to the credit facility are offset by interest received on our positive cash balance. Net profit amounted to € 4.6 million compared with € 2.2 million in the first half of 2022.

Non-GAAP measures

Underlying EBIT. Underlying EBIT is defined as operating profit (EBIT) adjusted for acquisition and divestment related costs, incremental operating costs, restructuring costs, share-based compensation costs, and other income, and was € 8.1 million in H1 2023 (H1 2022: € 4.4 million). Reported IFRS EBIT was adjusted for the following items, acquisition and divestment related costs of € 1.1 million in H1 2023 (H1 2022: € 0.1 million), and share-based compensation costs of € 0.7 million in H1 2023 (H1 2022: € 0.7 million).

EBITDA. EBITDA is defined as operating profit (EBIT) adjusted for depreciation, amortisation and impairments. In H1 2023, depreciation, amortisation and impairments was € 10.1 million (H1 2022: € 10.0 million) resulting in an EBITDA of € 16.4 million in H1 2023 compared with € 13.7 million in H1 2022.

Underlying EBITDA. Underlying EBITDA is defined as underlying EBIT adjusted for depreciation, amortisation and impairments. In H1 2023, depreciation, amortisation and impairments was € 10.1 million (H1 2022: € 10.0 million) resulting in an underlying EBITDA of € 18.2 million in H1 2023 compared with € 14.5 million in H1 2022.

Cash flows and liquidity

Total cash flow from operating activities in the first half of 2023 was € 5.6 million (first half of 2022: € 1.1 million). The increase in operating cash flow was mainly caused by an increased profit before tax, offset by higher investments in working capital (such as higher inventory levels to safeguard customer deliveries and a decrease in trade payables following seasonality) and less income taxes paid.

Total cash flow from investing activities in the first half of 2023 amounted to an outflow of € 5.6 million (first half of 2022: € 2.4 million outflow). The increase in investing cash flow was mainly a result of a loan granted, while capital expenditure investments were stable at € 2.4 million compared with the first half of last year. These capital expenditure investments include further optimisation in IT infrastructure and store improvements. Related to the capital expenditures, the outstanding commitments per H1 2023 are € 1.3 million (H1 2022: nil).

Total cash flow from financing activities in the first half of 2023 amounted to an outflow of € 11.9 million (first half of 2022: € 12.2 million), mainly related to payments of lease liabilities and dividend payment following the approval of the AGM on 10 May 2023.

Financing and solvency

Cash and cash equivalents decreased by € 11.9 million in the first half year of 2023, mainly related to the changes in working capital compared to 31 December 2022, the dividend distribution, and the loan granted offset by increased operational results. Solvency (defined as equity, divided by total assets adjusted for non-current and current lease liabilities) is further strengthened and amounted to 45.7% at 30 June 2023, compared with 40.5% as at 31 December 2022.

Benelux

Benelux showed revenue up 5.5% in the first half year compared to the same period last year and like-for-like order intake of +4.7%. Online order intake grew compared to last year. The digital team continued to implement a number of usability improvements for our customers, leading to an increase in the underlying KPI's. An M line marketing campaign was launched during Dutch Kings day and at Pentecost, which helped to boost sales at Beter Bed, and improved our gross margin.

The decrease in LFL order intake in Q2 was -1.8%. This was the result of declining traffic due to a long period of record-breaking hot temperatures. Beter Bed Netherlands continued its successful marketing efforts with a series of impactful initiatives. Following the successful Day of Sleep campaign in March, the Company organised a 'Better Sleep' webinar in June, in collaboration with 'Dr. Sleep', sleep scientist Merijn van de Laar, and launched a new television commercial in May, emphasising sleep expertise and showcasing the uniqueness of the Beter Slapen ID.

To become top-of-mind with Flemish customers during the upcoming sales season, Beter Bed launched a large-scale radio and online video branding campaign in Flanders, successfully increasing brand recognition, which improved traffic both in stores and online.

New Business

DBC

In H1 2023, revenue of DBC has grown with 3.7%, mainly due to a strong second quarter of the year. In Q2 2023, revenue was 18.8% higher. The LFL order intake increased by 15.4% over the first half, and 59.5% in Q2.

The Simmons brand gained further traction in the Netherlands and Belgium. In Germany, M Line saw an increase at Amazon sales during the first half of the year and significant progress was made in B2B deals. In the Netherlands and Belgium, the new M Line collection was successfully launched across the entire dealer network, and the first selling points were established in Wallonia Belgium. In Sweden, both M Line and Simmons were introduced at the retailer Säng Säng. To further improve brand recognition, a national Out of Home campaign was started for M Line and the partnership with NOC-NSF was extended, while Simmons secured a long-term partnership with the Radio 10 morning show.

Sustainability update

As market leader in the sleep domain, BBH wants to set an example in making its products and its business operations more sustainable. To contribute towards the sustainability goals, BBH launched a number of new projects.

As we move towards compliance with the Corporate Sustainability Reporting Directive (CSRD) guidelines, we are in the final stages of conducting the double materiality assessment. This is the first stepping stone to reach full alignment. This assessment provides us with insight into what objectives we have an impact on, and what objectives have an impact on our company. The topics that emerge from this lay the foundation for what we want to report as a company.

Additionally, Beter Bed celebrated the 5-year anniversary of the Princess Maxima Center for Pediatric Oncology, demonstrating ongoing support through donations and knowledge sharing.

Risk paragraph

BBH operates in the bed and mattress segment. BBH's operations, which are based on the Group's strategic objectives, are affected by the management of a number of opportunities and risks. For this reason, we have implemented a risk management system to monitor and control the Group's most important risks. This involves applying a matrix that describes the risks, their financial and non-financial impact, the probability that they will occur, control measures, and the actions to be taken. This matrix is updated and discussed in the Audit Committee twice a year and the key points are reported to the Supervisory Board.

BBH's risk appetite is based on the Company's operational results, financial position and carefully considered financial management. Although the Company's daily operations involve taking risks, BBH adopts a prudent and balanced approach to those risks. More information about the risk appetite in the various categories defined by BBH is explained in the last annual consolidated financial statements for the year ended 31 December 2022.

Caution concerning forward-looking statements

Some statements included in this report contain forward-looking statements. These statements may relate to or may affect future matters concerning future results, strategies or business plans, but may also include the impact of regulatory initiatives on the operation of BBH. Forward-looking statements may, without limitation, include words like “believes”, “intends to”, “expects”, “anticipates”, “will”, “may”, “could”, “should”, “intends”, “estimate”, “plan”, “goal”, “target”, “aim”, “remain confident” or expressions similar to those. These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside the control of BBH and that could cause actual results to differ materially from such statements. A number of these factors are described (not exhaustively) in the 2022 Annual Report. All forward-looking statements and ambitions stated in this press release that refer to a growth or decline, refer to such growth or decline relative to the situation per 30 June 2023, unless stated otherwise.

This press release contains information that qualifies as inside information in the sense of Article 7 paragraph 1 of the EU Market Abuse Regulation.

Financial calendar

20 October 2023

Trading update Q3-2023

19 January 2024

Trading update Q4-2023

About Beter Bed Holding

Beter Bed Holding (BBH) is the Netherlands’ leading sleep specialist in retail, wholesale and B2B.

Our mission is simple. *We believe that the better we sleep, the **happier, healthier and more productive** we are. And we won’t rest until everyone gets the high-quality sleep they deserve.*

Listed on Euronext Amsterdam, BBH operates the successful retail brands Beter Bed, Beddenreus, the new subscription brand Leazzzy and the digital organisation LUNEXT. In addition, through its subsidiary DBC International, BBH has a wholesale business in branded products in the bedroom furnishings sector, which includes the well-known international brands M line and Simmons.

With 4 distribution centres, a fleet of 80 vehicles, 130 stores, a fast-growing online presence, and a wholesale company our team of over 1,000 dedicated employees generated € 229.4 million revenue in 2022.

Providing expert sleep advice is at the very heart of our strategy, and thanks to our revolutionary ‘Beter Slapen ID’ tool, our sleep consultants help customers to get the perfect night’s sleep. BBH is proud that M line is the official sleep supplier of AFC Ajax, TeamNL, Jumbo-Visma, NOC*NSF and the KNVB.

FOR MORE INFORMATION:

Press enquiries: Uneke Dekkers / CFF Communications

T +31 (0)20 575 4010 or M +31 (0)6 50261626

E uneke.dekkers@cffcommunications.nl

2023 Condensed interim consolidated financial statements

Consolidated balance sheet

in thousand €	30-6-2023	31-12-2022
Non-current assets		
Intangible assets	6,167	6,792
Property, plant and equipment	6,522	6,048
Right-of-use assets	46,585	43,038
Deferred tax assets	125	144
Other non-current financial assets	3,407	81
Total non-current assets	62,806	56,103
Current assets		
Inventories	29,335	27,594
Trade receivables	2,777	1,851
Income tax receivable	1,162	1,035
Other receivables	4,979	6,292
Cash and cash equivalents	25,827	37,695
Total current assets	64,080	74,467
Total assets	126,886	130,570

in thousand €

30-6-2023

31-12-2022

Equity

Issued share capital	551	544
Share premium	35,479	34,401
Legal reserves	785	786
Other reserves	(5,908)	(6,661)
Retained earnings	4,550	5,271
Total equity attributable to equity holders of the parent	35,457	34,341

Liabilities

Non-current liabilities

Lease liabilities	33,432	29,819
Provisions	514	553
	33,946	30,372

Current liabilities

Lease liabilities	15,814	15,936
Trade payables	13,038	20,803
Income tax payable	1,140	-
Other taxes and social security contributions	11,510	10,421
Other liabilities	15,981	18,697
	57,483	65,857

Total liabilities

	91,429	96,229
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Total equity and liabilities

	126,886	130,570
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Consolidated profit and loss account

in thousand €	First half year	
	2023	2022
Revenue	118,432	112,364
Materials and services from third parties	(52,962)	(51,184)
Gross profit	65,470	61,180
Personnel expenses	(26,986)	(24,164)
Depreciation, amortisation and impairment	(10,108)	(10,030)
Other operating expenses	(22,096)	(23,304)
Total operating expenses	(59,190)	(57,498)
Operating profit (EBIT)	6,280	3,682
Finance costs	(29)	(437)
Profit before tax	6,251	3,245
Income tax	(1,701)	(1,077)
Net profit	4,550	2,168

Consolidated statement of comprehensive income

in thousand €, unless otherwise stated

First half year

	2023	2022
Profit for the year	4,550	2,168
Other comprehensive income		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translation of foreign operations	-	-
Tax effect relating to exchange differences	-	-
Other comprehensive income / (loss) for the year, net of tax	-	-
Total comprehensive income for the year, net of tax	4,550	2,168
Earnings per share		
Earnings per share attributable to ordinary holders of the parent in €	0.17	0.08
Diluted earnings per share attributable to ordinary holders of the parent in €	0.16	0.08

Consolidated cash flow statement

in thousand €	First half year	
	2023	2022
Operating activities		
Profit before tax	6,251	3,245
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
- Net finance costs	29	437
- Change in provisions	(39)	50
- Income taxes	-	(10)
- Cost of share-based compensation	721	672
- Depreciation and impairment of right-of-use assets	7,565	7,498
- Depreciation and impairment of property, plant and equipment	941	805
- Amortisation and impairment of intangible assets	1,602	1,727
<i>Adjusted operating result for the period</i>	17,070	14,424
Working capital adjustments:		
- Decrease / (increase) in inventories	(1,741)	281
- Decrease / (increase) in trade and other receivables	387	(182)
- Increase / (decrease) in trade and other liabilities	(9,416)	(9,913)
<i>Change in working capital</i>	(10,770)	(9,814)
Guarantees	(53)	-
Income tax received / (paid)	(669)	(3,525)
Cash flow generated from operating activities	5,578	1,085
Investing activities		
Capital expenditure on purchase of intangible assets	(976)	(815)
Capital expenditure on purchase of property, plant and equipment	(1,415)	(1,586)
Loans granted to other companies	(3,200)	-
Cash flow (used in)/generated from investing activities	(5,591)	(2,401)
Financing activities		
Dividends paid	(4,131)	(4,078)
Interest received / (paid)	129	(205)
Payment lease liabilities	(7,853)	(7,954)
Cash flow from/(used) in financing activities	(11,855)	(12,237)
Movement in cash and cash equivalents	(11,868)	(13,553)
Net foreign exchange difference	-	-
Opening balance	37,695	38,005
Closing balance	25,827	24,452

Consolidated statement of changes in equity

in thousand €	Issued share capital	Share premium	Legal reserves ¹	Other reserves	Retained earnings	Total
Balance at 1 January 2022	544	34,401	-	(17,303)	13,897	31,539
Net profit/(loss) 2022	-	-	-	-	2,168	2,168
Other components of comprehensive income 2022	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	2,168	2,168
Profit appropriation 2021	-	-	-	13,897	(13,897)	-
Dividends paid	-	-	-	(4,078)	-	(4,078)
Addition to legal reserves	-	-	789	(789)	-	-
Cost of share-based compensation	-	-	-	672	-	672
Balance at 30 June 2022	544	34,401	789	(7,601)	2,168	30,301
Balance at 1 January 2023	544	34,401	786	(6,661)	5,271	34,341
Net profit/(loss) 2023	-	-	-	-	4,550	4,550
Other components of comprehensive income 2023	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	4,550	4,550
Profit appropriation 2022	-	-	-	5,271	(5,271)	-
Issuance of shares	7	1,078	-	(1,109)	-	(24)
Dividends paid	-	-	-	(4,131)	-	(4,131)
Addition to legal reserves	-	-	(1)	1	-	-
Cost of share-based compensation	-	-	-	721	-	721
Balance at 30 June 2023	551	35,479	785	(5,908)	4,550	35,457

¹ Applies to internally developed intangible assets. In the comparative figures, €789k has been reclassified from other reserves to legal reserves. Concerns restricted equity.

Notes to the condensed interim consolidated financial statements

General notes

Beter Bed Holding N.V. operates in the European bedroom furnishings market. Its activities include retail trade through the Beter Bed and Beddenreus brands. Beter Bed Holding N.V. is also active in the field of developing and wholesaling branded products in the bedroom furnishing sector through its subsidiary DBC International. Beter Bed Holding N.V. is incorporated in the Netherlands, with its headquarters in Uden the Netherlands. The registered office of Beter Bed Holding N.V. is Linie 27, 5405 AR, in Uden the Netherlands, trade register number 16040335. Beter Bed Holding N.V.'s shares are listed on Euronext Amsterdam.

The condensed interim report comprises the financial information of the Company itself and that of its subsidiaries (referred to together as the Group).

The condensed interim report of the Group has been prepared by the Management Board and discussed and approved in the meeting of the Supervisory Board on 19 July 2023. This condensed interim report has been reviewed by an independent external auditor.

Basis of preparation and changed accounting policies

Basis of preparation

The consolidated interim financial data of Beter Bed Holding N.V. (BBH) included in this condensed interim report, consist of the consolidated balance sheet as per 30 June 2023; the consolidated profit and loss account; the consolidated statement of comprehensive income; the consolidated cash flow statement and the consolidated statement of changes in equity for the period from 1 January 2023 to 30 June 2023, plus the notes.

The condensed interim consolidated financial statements for the six months ended 30 June 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union. The notes constitute an integral part of this condensed interim report.

The condensed interim report does not contain all the notes and information as required for full annual financial statements and is to be reviewed in conjunction with the Group's consolidated financial statements for 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements for the year ended 31 December 2022.

The condensed interim report has been prepared on a historical cost basis. Unless explicitly stated otherwise, the amounts stated in these notes refer to the consolidated figures. The total carrying amounts of the financial assets and liabilities equal the fair value.

The accounting principles and policies for the determination of the result are identical to those for the 2022 financial statements.

The condensed interim report has been prepared in euros and all amounts have been rounded off to thousands (€ 000), unless stated otherwise.

Changes in significant accounting policies

In 2023, no new accounting standards are adopted by BBH that will materially impact the financial statements.

Estimates

In preparing the condensed interim report, the Management Board is required to exercise judgement, make assumptions and estimates that affect the application of the accounting standards and the valuation of the recognised assets and liabilities and income and expenses. Following those judgements, assumptions and estimates, the actual valuation may subsequently differ materially from the reported valuation.

Adjustments of estimates are recognised in the period in which those adjustments are made and, where relevant, in the future periods concerned.

Unless otherwise specified, in the preparation of this condensed interim report the significant judgements formed by the management in the application of the Group's financial reporting standards and the main sources of estimation used are identical to the judgements and sources used in preparing the consolidated financial statements for the 2022 financial year.

Seasonality

Following the seasonal pattern in consumer demand, revenue and EBITDA are usually lower in the second and third quarter than in the first and fourth quarter. Revenue over the first half year compared to the second half year does usually not include a seasonal pattern. A reference is made to the 'financial review' paragraph of this document for an explanation of the trends in the figures included in the financial statements and the geographical revenue split.

Bank financing

Per 30 June 2023, the Company met all the bank covenants and no amounts are drawn under the current bank facility of € 30.0 million. Based on the net cash position of € 25.8 million (H1 2022: € 24.5 million), the current headroom is € 55.8 million (H1 2022: 39.5 million).

Translation of foreign currency

The condensed interim consolidated financial statements have been prepared in euros. The euro is the functional currency of BBH and is the Group's reporting currency. Assets and liabilities in foreign currencies are converted at the exchange rate on the balance sheet date; profit and loss account items are converted at the exchange rate at the time of the transaction. The resulting exchange differences are credited or debited to the profit and loss account.

The table below shows the applied currency rates.

	USD/EUR
Period-end exchange rates	
30-6-2022	1.0387
31-12-2022	1.0666
30-6-2023	1.0866
Average exchange rates	
H1 2022	1.0940
H1 2023	1.0811

Other non-current financial assets

During the first half of 2023, BBH entered into a loan agreement with one of its suppliers. The loan agreement has a duration of two years and any amounts drawn under the loan agreement are subject to a 6% cash-interest and a 4% PIK-interest. Following the conditions of the loan agreement, BBH (via its subsidiary Nordic Bedding Company (NBC) B.V.), obtained 50% of the shares in two Polish companies (Bovelli Bedding SP. Z O.O. and Velborn Investment SP. Z O.O., hereafter together referred to as Bovelli) as per 8 June 2023. The other 50% of the shares in Bovelli are held by one other shareholder. The total amount involved per 30 June 2023, and presented as other non-current financial asset on the balance sheet, is € 3.2 million, excluding accrued interest of € 0.1 million. It is expected that in the second half of 2023 a shareholder agreement between the two parties will become in place. As the shares in Bovelli were obtained close to reporting date, amounts of the underlying assets and liabilities are still deemed provisional. Due to the uncertainties regarding the fair value of the most material financial positions, Bovelli is presented as a single amount in the financial position as at 30 June 2023.

Following the current arrangements in place, the investment is identified as a joint venture. Joint control is in place over Bovelli as decisions about the relevant activities require the unanimous consent of the parties sharing control. As at 30 June 2023, BBH is in the process of assessing the value of the joint venture and the remaining receivable. Consequently, a provisional amount is included under the other non-current financial assets.

Impairment of trade receivables and the Group's exposure to credit risk

Credit risk is limited to the wholesale operations and trade receivables under bonus agreements. The impairment of trade receivables is based on the expected credit losses model following the simplified approach.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for the relevant trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Income taxes

The effective tax rate for H1 2023 is 27.2% (H1 2022: 33.2%) and constitutes of our profit before tax multiplied by the Dutch tax rate and non-deductible expenses (mainly share-based compensation expenses). The effective tax rate is based on results realised and would not be materially different compared with the weighted-average expected annual income tax rate.

Earnings per share and dividend

The movements in the equity items are shown in the consolidated statement of changes in equity. As per 30 June 2023, a total of 27,538,426 shares were issued and paid up. During the reporting period, 351,862 shares were issued and paid up to fulfil the Company's obligation under the performance share unit plan. BBH does not hold shares in portfolio.

The average number of outstanding shares during the reporting period for the calculation of the earnings per share was 27,501,490. The number of shares used to calculate the diluted earnings per share is equal to 28,444,976.

Following approval of the Annual General Meeting on 10 May 2023, a dividend in cash of € 0.15 per ordinary share was paid.

Events after the balance sheet date

The following subsequent event has occurred after 30 June 2023.

Announcement of public offer

On 10 July 2023, BBH and Torqx Capital Partners announced via a joint press release that they have reached a conditional agreement (the 'Merger Agreement') on an intended recommended all-cash public offer by the Offeror (959 B.V., a company controlled by Torqx Capital Partners) for all issued and outstanding shares in the capital of the Company of € 6.10 (cum dividend) in cash per share, representing a total value of approximately € 168 million for 100% of the Company.

The consideration represents a premium of 107% to the Company's closing Share price on 7 July 2023, 101% premium to the 3-month and 96% premium to the 6-month volume weighted average closing Share price prior to this announcement, delivering immediate, certain and attractive value to the shareholders of the Company.

Currently, Torqx has fully committed prudent financing in place on a "certain funds" basis and has completed its due diligence, providing high deal certainty. This facilitates a swift and efficient transaction process to completion. If the transaction would materialise, the Company's share-based compensation plan would become cash-settled which results in an estimated incremental expense for the Company of approximately € 3.0 million. Based on the required steps and subject to the necessary approvals, the Company and the Offeror anticipate settlement of the offer ultimately beginning of 2024.

Statement from the Management Board

Pursuant to section 5:25d, paragraph 2(c), of the Dutch Financial Supervision Act (Wet op het Financieel Toezicht), the Management Board, to the best of her knowledge, hereby confirms that:

- the 2023 condensed interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, cash flows and profit or loss of the company and the entities included in the consolidation;
- the 2023 condensed interim consolidated financial statements give a true and fair view of the important events of the past six-month period and their impact on the half-year financial statements, as well as the principal risks and uncertainties for the six-month period to come, and, the most important related party transactions.

Uden, the Netherlands, 20 July 2023

Management Board

A.J.G.P.M. Kruijssen,
CEO

G.E.A. Reijnen,
CFO

Independent auditor's review report

To: the shareholders and the supervisory board of Beter Bed Holding N.V.

Our conclusion

We have reviewed the condensed interim financial information included in condensed interim consolidated financial statements of Beter Bed Holding N.V. based in Uden for the period from January 1, 2023 to June 30, 2023.

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial information of Beter Bed Holding N.V. for the period from January 1, 2023 to June 30, 2023 is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

The condensed interim financial information comprises:

- the consolidated balance sheet as at June 30, 2023;
- the following consolidated statements for the period from January 1, 2023 to June 30, 2023: the statements of profit or loss and other comprehensive income, changes in equity and cash flows;
- the notes comprising material accounting policy information and selected explanatory information.

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, "Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit" (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the Our responsibilities for the review of the condensed interim financial information section of our report.

We are independent of Beter Bed Holding N.V. in accordance with the *Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten* (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the *Verordening gedrags- en beroepsregels accountants* (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the management board and the supervisory board for the condensed interim financial information

The management board is responsible for the preparation and presentation of the condensed interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Furthermore, the management board is responsible for such internal control as it determines is necessary to enable the preparation of the condensed interim financial information that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the review of the condensed interim financial information

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a review engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the review, in accordance with Dutch Standard 2410.

Our review included among others:

- Updating our understanding of Beter Bed Holding N.V. and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the condensed interim financial information where material misstatements are likely to arise due to fraud or error, designing and performing analytical and other review procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion
- Obtaining an understanding of internal control as it relates to the preparation of interim financial information
- Making inquiries of the management board and others within the company.
- Applying analytical procedures with respect to information included in the condensed interim financial information
- Obtaining assurance evidence that the condensed interim financial information agrees with, or reconciles to, the company's underlying accounting records
- Evaluating the assurance evidence obtained
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle
- Considering whether the management board has identified all events that may require adjustment to or disclosure in the condensed interim financial information
- Considering whether the condensed interim financial information has been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement

Rotterdam, 20 July 2023

Ernst & Young Accountants LLP

I.H.G. Hengefeld