RAPER CAPITAL

Hunter Douglas N.V.
The Independent Committee of the Board of Directors
Piekstraat 2
3071 EL Rotterdam
The Netherlands

May 26, 2021

Dear Sirs:

I took note of your May 22nd press release, announcing the increase in Bergson's offer to 82 EUR per share, with interest. Whilst I welcome the Board's long-overdue recognition that the original Offer was hopelessly flawed, this latest development only serves to underline the many failings that have occurred on the Board's watch during this process. Such a transparent and self-serving attempt to prop up the tender acceptance rate – without a skerrick of justification for the supposed 'fairness' of the new price – will only serve to harden the resolve of minorities. It will likely be met with the total rejection it deserves (as the current trading price of HDG stock demonstrates).

Indeed, this last-minute new Offer raises more questions than it answers. In the press release you state, '*The independent non-executive members of the Board of Directors of Hunter Douglas (the "Independent Committee") requested and discussed an increase in the offer price based on the stronger than expected trading results following announcement of the Offer on 12 December 2020*.' But where is the updated analysis and disclosure of our Company's fair value? Why is an incremental 18 EUR per share the 'right' consideration to be accepted? How do the Q4'20, Q1'21, and soon-to-be-completed Q2'21 results affect NIBC's original Fairness Opinion? Why were the valuation inputs into NIBC's Opinion never made public? (I note that none of the quantitative valuation work upon which the IC made its decision has ever been disclosed publicly). How can shareholders be expected to consider, let alone accept, such an inadequate offer in the light of disclosures so completely incomplete?

Furthermore, the Board is certainly aware at this point that every informed minority investor in the Company rejects both the premise and the price of this shambolic deal. And yet, **the Board still decided to support this revised Offer without consulting a single one of the Company's major minority shareholders, let alone the Minority Group, for substantive discussions**. Why does the Board continue to ignore the unanimous voice of its core constituency? Is it any wonder that minorities don't trust the Board and will summarily reject the Offer *in toto*?

There are further problems with process here almost too numerous to detail. Why was the bid raised mere days before the Tender Period expires? And why was the Offer Period only extended 24 hours? This is highly unusual: when material terms of a transaction are changed, investors are usually given ample time to consider the new terms (i.e., weeks). This standard practice is obviously known to the Board (and of course to Bergson too). Could it be that the Board is colluding with Bergson to accelerate this transaction, such that as little as possible of Q2's earnings are included in the scope of the Curacao squeeze-out hearing? Given such underhanded behavior, is it any wonder that minorities don't trust their own Board to protect their interests?

And why is the most pressing topic at hand – the fundamental value of our Company – being given such short shrift at this most crucial of times? The time has come for a full and fair examination of the value of the company – something we should not have to wait to litigate in a Curacao court. And on this basis, ***the simple truth is that the offer price remains derisory***. A quick valuation exercise illustrates this clearly. By the end of Q2 2021, HDG should have LTM EBITDA minus lease expense of over $800mm. From 2016-2019, HDG grew EBITDA sequentially from Q1-Q2 by an average of 85% (with a range of 67-91%). Using the 85% quarterly growth for seasonality and applying to upcoming 2Q earnings, would yield LTM EBITDA minus leases of $845MM. Being conservative and using the lowest of those annual growth rates (67%) we get to LTM EBITDA less lease expense of $812mm. Thus, **the Board is recommending we sell our shares to Bergson at a mere 4.5x LTM EV/EBITDA!**

More realistically, the multiple that should be applied to this EBITDA is at least 10x. Springs Window, a directly comparable business, sold for over 10x LTM EBITDA in 2018 and based on a recent Bloomberg story about Springs being up for sale, that multiple appears to be heading higher. HDG deserves a higher multiple than Springs based on its superior brands, market position, distribution, and a huge R&D advantage. All that aside, ***using 10x as a conservative multiple and assuming no cash generation in Q2, leads to a valuation of $8.12B, which equates to €191 per share.*** It seems likely that EBITDA will be higher in practice, and that in an auction the multiple would be elevated, but even using relatively conservative assumptions the discount to true fair value here is beyond insulting. As it stands, the Board is underwriting the **expropriation of $750mm of value** from minorities directly into the pocket of Mr. Sonnenberg.

Plainly, this is why every single shareholder of note has written to this Board, and why we as minorities remains steadfast in our desire to welcome a valuation hearing in Curacao rather than accept this pathetic Offer.

But while the hour is late, it is not yet too late to change course. The Board has at least shown its willingness to move off the original flawed terms of the Offer, and whilst the new price remains laughable, there is still time for a constructive discussion with engaged minorities to arrive at a consideration that more properly reflects the latent value of our Company. If the Board is willing to countenance this suggestion, I am confident a fractious and lengthy squeeze-out hearing could be avoided, to the benefit of all stakeholders.

Yours sincerely,

Jeremy Raper