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INTERFACE DANMARK APS

C/O HORTEN ADVOKATPARTNERSELSKAB, PHILIP HEYMANS ALLE 7, 2900 HELLERUP

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2022

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 7 June 2023**

Daniëlle Stephanie Verschuur

CVR NO. 62 48 48 10

CONTENTS

	Page
Company Details	
Company Details.....	3
Statement and Report	
Management's Statement.....	4
Independent Auditor's Report.....	5-6
Management Commentary	
Management Commentary.....	7
Financial Statements 1 January - 31 December	
Income Statement.....	8
Balance Sheet.....	9-10
Equity.....	11
Notes.....	12
Accounting Policies.....	13-14

COMPANY DETAILS**Company**

Interface Danmark ApS
c/o Horten Advokatpartnerselskab, Philip Heymans Alle 7
2900 Hellerup

CVR No.: 62 48 48 10
Established: 1 May 1964
Municipality: Copenhagen
Financial Year: 1 January - 31 December

Executive Board

Daniëlle Stephanie Verschuur
Yves Irénée Bonne

Auditor

BDO Statsautoriseret revisionsaktieselskab
Havneholmen 29
1561 Copenhagen V

MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of Interface Danmark ApS for the financial year 1 January - 31 December 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Copenhagen, 7 June 2023

Executive Board

Daniëlle Stephanie Verschuur

Yves Irénée Bonne

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Interface Danmark ApS

Opinion

We have audited the Financial Statements of Interface Danmark ApS for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such Internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

INDEPENDENT AUDITOR'S REPORT

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover Management Commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Copenhagen, 7 June 2023

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Søren Søndergaard Jensen
State Authorised Public Accountant
MNE no. mne32069

MANAGEMENT COMMENTARY

Principal activities

The principal activities comprise sale of carpets and flooring.

Development in activities and financial and economic position

The income statement of the Company for 2022 shows a profit of DKK 1,046,540, and at 31 December 2022 the balance sheet of the Company shows equity of DKK 8,304,971.

Significant events after the end of the financial year

On February 24th, 2022, Russia invaded Ukraine. Several countries declared sanctions against Russia. As a result of these sanctions, trading with Russia and Ukraine is affected and prices for several raw materials and transport increase.

The worldwide crisis impacts many companies, also the Interface group that Interface Denmark is part of. As a result of the Russian invasion in Ukraine, the revenue, margins and result for 2023 may be under pressure.

The total financial effect of the Russian invasion in Ukraine is uncertain as the duration and the effects on the market are uncertain. The Interface group will continue to keep acting to minimize impact of the Russian invasion in Ukraine on its business where possible. The Interface global group has a strong financial position and Group management is optimistic it will navigate the Interface group through these challenging times.

Market developments are very hard to predict in the current environment: impact differs widely per country and changes over time. In response to the faced increase of raw materials, the company considers implementing sales price increases where possible.

Despite the continued disruption of the global economy due to the Russian invasion in Ukraine, and the significant level of uncertainty created by the raw material crises, we do not believe that the impact of the Russian invasion in Ukraine will have a material adverse effect on the financial condition or liquidity of Interface Denmark. Therefore, we continue to believe that the accounting principles can be maintained on a going concern base. The principles of valuation and determination of results used in these financial statements are therefore based on the assumptions of continuity of the company.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 DKK
GROSS PROFIT		4,534,617	3,155,725
Staff costs.....	1	-2,427,176	-1,847,190
OPERATING PROFIT		2,107,441	1,308,535
Other financial income.....		0	50,540
Other financial expenses.....		-27,627	-12,169
PROFIT BEFORE TAX		2,079,814	1,346,906
Tax on profit/loss for the year.....	2	-462,418	-300,366
PROFIT FOR THE YEAR		1,617,396	1,046,540
PROPOSED DISTRIBUTION OF PROFIT			
Proposed dividend for the year.....		0	5,300,000
Retained earnings.....		1,617,396	-4,253,460
TOTAL		1,617,396	1,046,540

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK	2021 DKK
Trade receivables.....		4,188,128	4,099,224
Receivables from group enterprises.....		2,555,995	6,451,667
Other receivables.....		23,389	8,889
Prepayments and accrued income.....		145,399	127,363
Receivables.....		6,912,911	10,687,143
Cash and cash equivalents.....		634,584	346,216
CURRENT ASSETS.....		7,547,495	11,033,359
ASSETS.....		7,547,495	11,033,359

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2022 DKK	2021 DKK
Share capital.....		3,000,000	3,000,000
Retained profit.....		1,622,367	4,971
Proposed dividend.....		0	5,300,000
EQUITY.....		4,622,367	8,304,971
Other provisions for liabilities.....		34,170	59,600
PROVISIONS.....		34,170	59,600
Other liabilities.....		220,898	220,898
Non-current liabilities.....	3	220,898	220,898
Trade payables.....		182,644	132,433
Payables to group enterprises.....		252,667	90,778
Corporation tax.....		366,418	196,366
Other liabilities.....		1,868,331	2,028,313
Current liabilities.....		2,670,060	2,447,890
LIABILITIES.....		2,890,958	2,668,788
EQUITY AND LIABILITIES.....		7,547,495	11,033,359
Contingencies etc.	4		
Consolidated Financial Statements	5		

EQUITY

	Share capital	Retained profit	Proposed dividend	Total
Equity at 1 January 2022.....	3,000,000	4,971	5,300,000	8,304,971
Proposed profit allocation.....		1,617,396		1,617,396
Transactions with owners				
Dividend paid.....			-5,300,000	-5,300,000
Equity at 31 December 2022.....	3,000,000	1,622,367	0	4,622,367

NOTES

			Note
Staff costs			1
Average number of employees	3	2	
Wages and salaries.....	2,230,620	1,719,940	
Pensions.....	154,407	107,027	
Social security costs.....	11,961	11,090	
Other staff costs.....	30,188	9,133	
	2,427,176	1,847,190	
Tax on profit/loss for the year			2
Calculated tax on taxable income of the year.....	462,418	300,366	
	462,418	300,366	
Long-term liabilities			3
	31/12 2022	Repayment	Debt
	total liabilities	next year	outstanding
			after 5 years
Other liabilities.....	220,898	0	220,898
	220,898	0	220,898
Contingencies etc.			4
Contingent liabilities			
Operating lease:			
The company has entered into rental agreements of cars of DKK ('000) 586.			
Besides this, the company has not assumed any warranty or guarantee commitments.			
Consolidated Financial Statements			5
The Company is included in the consolidated financial statements of Interface Europe Holding B.V, Industrielaan, 3925 BD, Scherpenzeel, Holland and in the consolidated financial statements of the ultimate parent, Interface Inc. 2559 Paces Ferry Road, Suite 2000, Atlanta, Georgia 30339, USA. The consolidated financial statements can be obtained from the parent company's website.			

ACCOUNTING POLICIES

The Annual Report of Interface Danmark ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

INCOME STATEMENT

Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

ACCOUNTING POLICIES

Other provisions for liabilities

Other provisions for liabilities include the expected cost of warranty commitments, loss on work in progress, restructuring etc. and deferred tax.

Warranty commitments include liabilities for improvement of work within the warranty period of 1 to 5 years. The provision for liabilities is measured and recognised on the basis of experience with warranty work.

When it is likely that the total costs will exceed the total income on the contract work in progress, a provision is made for the total loss that is anticipated for the contract. The provision is recognised as a cost under production costs.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Amortised cost of current liabilities usually corresponds to nominal value.