

# TARKETT A/S

Kongelysvej 2  
Nærheden  
2640 Hedehusene

CVR No. 79203718

## Annual Report 2023

1 January 2023 - 31 December 2023

38. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 5 June 2024

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Per Erik Niklas Wullt  
Chairman

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TARKETT A/S

## Management's Statement

Today, Management has considered and adopted the Annual Report of TARKETT A/S for the financial year 1 January 2023 - 31 December 2023.

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 assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January 2023 - 31 December 2023.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Hedehusene, 5 June 2024

### Executive Board

Michael Aastrup  
Man. Director

### Supervisory Board

Per Erik Niklas Wullt

Per Arne Jansson

Mari Johanna Talpila Wennström

## Independent Auditor's Report

To the shareholders of TARKETT A/S

### Opinion

We have audited the financial statements of TARKETT A/S for the financial year 1 January 2023 - 31 December 2023, which comprise an income statement, balance sheet and notes. 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 Company's financial position at 31 December 2023 and of the results of its operations for the financial year 1 January 2023 - 31 December 2023 in accordance with the Danish Financial Statements Act.

### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibility 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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

### The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

- \* Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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.
- \* Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the

## Independent Auditor's Report

related disclosures made by Management are reasonable.

- \* Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- \* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

### Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Copenhagen, 5 June 2024

### Mazars

Statsautoriseret Revisionspartnerselskab

CVR-no. 31061741

Nicklas Rasmussen

State Authorised Public Accountant

mne43474

## Management's Review

### **The Company's principal activities**

Tarkett A/S is a sales company in the Tarkett SA group. The Company's principal activities consist in trade and agency activities.

### **Development in activities and financial matters**

The Company's Income Statement of the financial year 1 January 2023 - 31 December 2023 shows a result of DKK 3.061.705 and the Balance Sheet at 31 December 2023 a balance sheet total of DKK 14.321.703 and an equity of DKK 7.891.525.

### **Post financial year events**

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

## Accounting Policies

### Reporting Class

The Annual Report of TARKETT A/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

### Reporting currency

The Annual Report is presented in Danish kroner.

### Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

## General Information

### Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

## Accounting Policies

### Income Statement

#### Commission income

Commission income concerns sales directly from supplier to the customer. The revenue is included once there is security for payment. It is calculated exclusive of VAT, charges and discounts.

#### Distribution costs

Distribution costs comprise costs incurred for the distribution goods sold during the year, including costs for sales staff, transport, promotion activities and similar costs as well as amortisation and impairment of tangible assets.

#### Administration expenses

Expenses incurred during the year for management and administration are recognised in administration expenses. This includes expenses incurred for the administrative staff, Management, offices as well as office expenses and similar expenses and amortisation and impairment of tangible assets.

#### Amortisation and impairment of tangible assets

Amortisation and impairment of tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	<b>Useful life</b>	<b>Residual value</b>
Other fixtures and fittings, tools and equipment	2-5 years	0%
Leasehold improvements	5 years	0%

Profit or loss resulting from the sale of tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

#### Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses and foreign currency transactions as well as surcharges and allowances under the tax repayment scheme.

#### Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.



## Accounting Policies

### Balance Sheet

Goodwill is measured at cost less accumulated amortisation and impairment losses.

#### Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

An impairment test of tangible assets is performed in the event of indications of a decrease in value. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

#### Leases

Leases for items of property and equipment are recognized in the balance sheet as assets. On initial recognition, assets are measured at estimated cost, corresponding to the lower of fair value of the leased asset and the present value of the future lease payments. In the calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance lease are subsequently depreciated as the company's other non current assets.

The capitalized residual lease commitment is recognized in the balance sheet as a liability, and the interest element of the lease payment is recognized in the income statement over the term of the lease.

#### Other financial investments

Other financial investments are measured at amortised cost price.

#### Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

#### Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand. Cash-pool has been classified under short-term intercompany balance.

#### Equity

Proposed dividend for the year is recognised as a separate item in equity.

#### Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

## **Accounting Policies**

### **Financial liabilities**

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

### **Current tax liabilities**

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

### **Accruals and deferred income, equity and liabilities**

Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

### **Contingent assets and liabilities**

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

## TARKETT A/S

## Income Statement

	Note	2023 kr.	2022 kr.
Commission income		32.440.084	31.123.222
Distribution costs	1	-25.012.813	-22.717.241
Administrative expenses	1	-3.382.913	-2.910.326
<b>Profit from ordinary operating activities</b>		<b>4.044.358</b>	<b>5.495.655</b>
Other finance income		3.862	46
Finance expences		-108.830	-63.672
<b>Profit from ordinary activities before tax</b>		<b>3.939.390</b>	<b>5.432.029</b>
Tax expense on ordinary activities		-877.685	-1.218.452
<b>Profit</b>		<b>3.061.705</b>	<b>4.213.577</b>
<b>Distribution of profit</b>			
Proposed dividend recognised in equity		5.000.000	3.500.000
Retained earnings		-1.938.295	713.577
<b>Distribution of profit</b>		<b>3.061.705</b>	<b>4.213.577</b>

## Balance Sheet as of 31 December

	Note	2023 kr.	2022 kr.
<b>Assets</b>			
Buildings right-of-use		1.046.440	888.550
Company cars right-of-use		981.730	780.373
Fixtures, fittings, tools and equipment		158.032	463.919
<b>Property, plant and equipment</b>		<b>2.186.202</b>	<b>2.132.842</b>
Deposits, investments		226.612	226.612
<b>Investments</b>		<b>226.612</b>	<b>226.612</b>
<b>Fixed assets</b>		<b>2.412.814</b>	<b>2.359.454</b>
Short-term receivables from group enterprises		11.155.432	10.487.273
Current deferred tax		51.410	12.069
Other short-term receivables		478.606	493.676
Deferred income		223.441	155.275
<b>Receivables</b>		<b>11.908.889</b>	<b>11.148.293</b>
<b>Current assets</b>		<b>11.908.889</b>	<b>11.148.293</b>
<b>Assets</b>		<b>14.321.703</b>	<b>13.507.747</b>

## Balance Sheet as of 31 December

	Note	2023 kr.	2022 kr.
<b>Liabilities and equity</b>			
Contributed capital		2.500.000	2.500.000
Retained earnings		391.525	2.329.820
Proposed dividend recognised in equity		5.000.000	3.500.000
<b>Equity</b>		<b>7.891.525</b>	<b>8.329.820</b>
Lease commitments		952.326	824.532
<b>Long-term liabilities other than provisions</b>	2	<b>952.326</b>	<b>824.532</b>
Trade payables		498.619	346.887
Payables to group enterprises		517.858	385.863
Tax payables		358.544	686.296
Other payables		2.769.047	1.757.226
Deferred income, liabilities		199.246	272.813
Lease commitments		1.134.538	904.310
<b>Short-term liabilities other than provisions</b>		<b>5.477.852</b>	<b>4.353.395</b>
<b>Liabilities other than provisions within the business</b>		<b>6.430.178</b>	<b>5.177.927</b>
<b>Liabilities and equity</b>		<b>14.321.703</b>	<b>13.507.747</b>
Contingent liabilities	3		
Collaterals and assets pledged as security	4		
Related parties	5		

## Statement of changes in Equity

	Contributed capital	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 January 2023	2.500.000	2.329.820	3.500.000	8.329.820
Dividend paid	0	0	-3.500.000	-3.500.000
Profit (loss)	0	-1.938.295	5.000.000	3.061.705
<b>Equity 31 December 2023</b>	<b><u>2.500.000</u></b>	<b><u>391.525</u></b>	<b><u>5.000.000</u></b>	<b><u>7.891.525</u></b>

The share capital has remained unchanged for the last 5 years.

## Notes

	2023	2022
<b>1. Employee benefits expense</b>		
Wages and salaries	15.407.629	14.119.574
Post-employment benefit expense	1.341.744	1.333.669
Social security contributions	219.514	194.072
	<u>16.968.887</u>	<u>15.647.315</u>

*Employee benefits expense are allocated as follows in the income statement*

Distribution costs	16.968.887	15.647.315
	<u>16.968.887</u>	<u>15.647.315</u>

Average number of employees	<u>24</u>	<u>25</u>
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**2. Long-term liabilities**

	Due after 1 year	Due within 1 year	Due after 5 years
Lease commitments	952.326	1.134.538	0
	<u>952.326</u>	<u>1.134.538</u>	<u>0</u>

**3. Contingent liabilities**

There are no contingent liabilities per status day.

**4. Collaterals and securities**

No securities or mortgages exist at the balance sheet date.

**5. Related parties**

The smallest group, in which these financial statements of the company are consolidated, are those of Tarkett AB. The registered office of Tarkett AB is Hammerbacken 12. 191 24 Sollentuna, Sverige.