



Akzo Nobel Deco A/S

Amerikavej 15
1756 København V

Annual Report 2022

1 January - 31 December

The annual report was presented and adopted at the
Company's annual general meeting on 22 June 2023

Alexandra Pettersson
Chairman

CVR-nr. 15 26 93 40

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Management's statement

The Board of Directors and the Executive Board have today considered and adapted the annual report of Akzo Nobel Deco A/S for the financial year 1 January - 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual report gives a true and fair view of the Company's assets, liabilities, and financial positions at 31 December 2022, and of the Company's operations and activities for the financial year 1 January - 31 December 2022, as well as a description of the most significant risks and uncertainties that the company face.

We recommend that the annual report should be adapted the Annual General Meeting.

Copenhagen, 22 June 2023

Board of Executives

Kees-Jan Starrenburg

Board of Directors:

Alexandra Pettersson
Chairman

Kees-Jan Starrenburg

Maureen Hiu Yin Olsson Lo

Michael Bentzen

Independent Auditor's Report

To the Shareholders of Akzo Nobel Deco A/S

Opinion

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

We have audited the Financial Statements of Akzo Nobel Deco A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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 (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, 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's Review and, in doing so, consider whether Management's Review 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's Review provides the information required under the Danish Financial Statements Act.

Independent Auditor's Report

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

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 scepticism 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.

Independent Auditor's Report

- 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 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.

Hellerup, 22 June 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Kaare von Cappeln
State Authorised Public Accountant
mne11629

Allan Wøhlk Høgh
State Authorised Public Accountant
mne34528

Company details

Akzo Nobel Deco A/S
Amerikavej 15
1756 København V

Telephone: 32 69 80 00
Website: www.akzonobel.com

CVR no.: 15 26 93 40
Established: 10. juni 1991
Registered office: København
Financial year: 1 January - 31 December 2022

Board of Directors

Alexandra Pettersson - Chairman of the Board
Kees-Jan Starrenburg
Michael Dak Bentzen
Maureen Hiu Yin Olsson Lo

Executive Board

Kees-Jan Starrenburg, Managing Director

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial Highlights

Millions DKK	2022	2021	2020	2019	2018
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Key Figures

Revenue	213,4	212,3	234,4	201,9	195,0
Result of ordinary primary operation	5,3	5,0	1,6	-1,4	13,2
Result of financial items	-0,2	-0,2	-0,3	-0,2	-10,6
Profit for the year	3,6	4,9	0,5	2,4	-35,5

Fixed Assets	15,8	17,3	20,5	11,0	4,8
Current Assets	98,2	47,9	45,7	69,2	67,5
Balance Sheet Total	113,9	65,2	66,1	80,3	72,3
Share Capital	10	10	30	30	30
Equity Total	21,3	17,7	12,8	12,2	9,8
Provisions	0,0	0,0	1,2	1,5	0,9
Long Term Liabilities	9,7	10,9	17,7	3,8	0,0
Short Term Liabilities	82,9	36,6	34,4	62,7	61,5

Key Figures

Profit Margin	2,5	2,4	0,7	0,7	6,8
Liquidity Ratio	118,5	131,1	132,7	110,4	109,7
Solidity Ratio	18,7	27,1	19,4	15,3	13,6
Return On Equity	14,0	32,1	4,2	22,2	Neg.

Average No of Full-time Employees	64	65	66	68	76
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The key figures have been prepared in accordance with the Danish Society of Financial Analysts' recommendations and guidelines. Refer to definitions in the section on accounting policies.

Management's Review

Main activities

The company markets a full quality program in building paint and wood protection with colour tinting system, varnishes, adhesives, sealants and filler as well as accessory products.

Sales in Denmark are made to both Do-It-Yourself (DIY) consumers and the professional craftsmen. To serve the professional markets with the paint products, the company has a nationwide network of wholesale centres.

Sales to DIY consumers take place in collaboration with colour specialty stores, as well as through DIY stores. In addition, the company has licensing agreements with a number of foreign companies, which produce on the basis of the company's know-how.

Developments in activities and performance

The result of the year

The result of 2022 aligns with the management's expectation from the prior year. The gross profit margin (DKK 7,3M) of 2022 is higher than last year's figure (DKK 6,5M). However, the operating profit is DKK 5,2M with the margin of 2,5% which is close to prior year due to cost controls implemented for tackling the problems of rising costs in material and distribution costs as the result of higher energy prices. The overall net profit is DKK 3,6M after the taxwise adjustments.

The sales revenue remained the same level as last year with only 0,5% increase in comparison with 2021. This could be explained by our flexible pricing strategies with a number of price adjustments made in 2022.

During the year of 2022, there had been a continued focus on developing sales with both new customers and existing customers in both the professional and Do-It-Yourself markets.

Management's Review

Costs of raw materials and consumables were stabilized in 2022. However, with the rising energy prices in the Marco environment, we therefore recorded 4% higher distribution costs in comparison with last year. Based on this, we monitored strictly our operating expenses in order to mitigate the negative impacts on the costs in general for 2022. Hence, the profit margin (2,5%) could be maintained and lightly higher than 2021 (2,4%).

Capital resources

The company's ongoing financing is through operating credit in the Akzo Nobel Group's Cash Pool scheme.

Expectations for the Future

We expect the sales revenue of 2023 will be slightly lower than 2022, with 2-3% decline, because of a combination of factors. The uncertainties in both political and economic worldwide continue, and the inflation rate in the Danish market remains high. These are the main reasons why the expectations on the Danish consumer confidence for 2023 is slightly lower than 2022. However with a strong focus on the operating expense control, we do believe that the profit margin of 2023 will be in line with 2022's.

Risks

General Risks

Akzo Nobel Deco A/S's main source of supplies is from the parent, which group's global supply chains is highly affected by the world-wide macro-economic conditions. The uncertainties of the Russia and Ukraine conflicts, the high energy prices and inflation will continuously affect the cost of goods and distribution for Akzo Nobel Deco A/S.

Akzo Nobel Deco A/S operates mainly in the Danish market and is thus affected by the Danish economic conditions. The weather in Denmark can also have an impacts on the company's activity level.

The company is also impacted by raw material price fluctuations and any changes in taxation related to chemicals and packaging.

Management's Review

Knowledge Resources

The company operates in a branded market, where it is important that the company's branded products stand strong against competitors' goods.

In addition to well-known branded products, which are continuously supported through marketing programs, the company, in competition with other providers in the market, has a special competence in accessing new product types developed in collaboration with the Group's many laboratories.

Furthermore, the company sees a special strength in having a highly integrated collaboration (partnership) with its dealers and certain groups of end users (architects, master painters, etc.) with regard to joint marketing programs, shop fitting concepts, IT and logistics solutions.

Environmental Conditions

In 2022, the company has continued to further expand its focus on eco-labelled products by continuing to work with Nordic Ecolabelling of products.

Events after the balance sheet date

No circumstances have occurred after the balance sheet date that have a material effect on the assessment of the annual report.

Research and development activities

The Parent Company is in charge of the Company's research and development activities.

Accounting Policies

The Annual Report of Akzo Nobel Deco A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class C companies (medium sized).

The accounting policies are unchanged compared to last year.

Financial statements for 2022 are presented in TDKK.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognized in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognized in the latest financial statements is recognized in the income statement as financial income or financial expenses.

Income Statement

Revenue

When selling goods, net revenue is recognized when control over the goods sold has been transferred to the buyer, net revenue can be measured reliably and it is probable that the economic benefits of the sale will accrue to the company.

In case of expected returns, no revenue is recognized for such products, but a refund liability and an asset for the right to recover the to be returned products are recorded. A provision for warranties is recognized when the underlying products or services are sold, generally based on historical warranty data.

Revenue is recognized net of rebates, discounts and similar allowances, and net of sales tax.

Accounting Policies

As the company applies IFRS 15, revenue from all types of contracts with customers, the 5-step model is used for this when assessing net revenue :

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

Net revenue is measured at the consideration received and is recognized exclusive of VAT and less discounts in connection with the sale.

Production Costs

Production costs include the costs incurred to achieve revenue for the year. Production costs include goods sold during the year as well as changes in inventories and other direct costs.

Distribution Costs

Distribution costs include costs incurred for the distribution of goods sold during the year and for the year's sales campaigns, etc. Costs for sales staff, advertising and exhibition costs as well as depreciation are included.

Administrative costs

Administrative expenses include costs incurred during the year for the management and administration of the company, including costs for the administrative staff, management, office space and office costs as well as depreciation.

Other Operating Income

Other operating income includes accounting items of a secondary nature in relation to the company's activities, including profits from the disposal of property, plant and equipment, etc.

Financial income and expenses

Financial income and expenses consist of interest relating to debt and transactions in foreign currency as well as reimbursements under the advance tax scheme, etc.

Accounting Policies

Income Tax Expense

The company is covered by the Danish rules on compulsory joint taxation of the Akzo Nobel Group's Danish companies. The companies are included in the joint taxation from the time they are included in the consolidation in the consolidated financial statements of Akzo Nobel NV until the time they are included in the consolidation.

The company is a management company for joint taxation and as a result settles all payments of corporation tax with the tax authorities.

The current Danish corporation tax is distributed by settling joint taxation contributions between the jointly taxed companies in proportion to their taxable income. In connection with this, companies with a tax loss receive joint taxation contributions from companies that have been able to use this loss to reduce their own taxable profit.

The tax for the year, which consists of the current corporation tax for the year, a change in deferred tax, including as a result of a change in the tax rate, is recognized in the income statement.

Balance Sheet

Tangible assets

Land and buildings, furnishings of rented premises as well as other facilities, operating equipment and fixtures and fittings are measured at cost less accumulated depreciation and write-downs. Land is not depreciated.

Accounting Policies

The cost price includes the acquisition price and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost price of a total asset is divided into separate components, which are depreciated separately if the useful life of the individual components is different.

The depreciation basis, which is calculated as the cost price less any residual value, is depreciated on a straight-line basis over the expected useful life, based on the following assessment of the assets' expected useful lives:

Land and Building	25 years
Leased Premises	2 - 10 years
Leased Vehicles	2 - 5 years
Other fixtures, fittings, tools and equipment	3 -10 years

Depreciation period and residual value are reassessed annually.

Depreciation is recognized in the income statement under distribution and administration costs, respectively.

Gains and losses on the sale of property, plant and equipment are calculated as the difference between the sale price less costs to sell and the carrying amount at the time of sale. Gains or losses are recognized in the income statement under other operating income and other operating expenses, respectively.

Accounting policy IFRS 16 - Lease is used for leasing transactions. Leased assets are thus recognized at a calculated value and amortized over the expected useful life, while the lease liability is recognized in the balance sheet. Some exceptions apply to short-term lease assets and a low value.

Impairment of tangible assets

The carrying amount of tangible fixed assets is assessed annually for indications of impairment, in addition to that expressed by depreciation.

Where there are indications of impairment, impairment tests shall be carried out on each asset or group of assets. A write-down shall be made to the recoverable amount if it is lower than the carrying amount.

The highest value of the net selling price and capital value shall be used as a recoverable value. The capital value is calculated as the present value of the expected net cash flows from the use of the asset or asset group, and expected net cash flows on the sale of the asset or asset group at the end of the useful life.

Accounting Policies

For right-of-use leasing assets, contracts are checked during the year and updated or removed in the event of changes in the agreements.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realizable value is lower than cost, inventories are written down to this lower value.

Cost of goods for merchandise includes acquisition price plus retrieval costs.

The net realizable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Receivables

Receivables are measured at amortized cost, which usually corresponds to nominal value less write-downs to offset expected losses.

Impairment losses are calculated as the difference between the carrying amount of receivables and the present value of the expected cash flows, including the realizable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as the discount rate.

Prepayments and accrued income

Prepayments and accrued income, recognized under current assets, comprise expenses incurred relating to subsequent financial years. Prepayments and accrued income are measured at cost.

Cash and cash equivalents

Cash and cash equivalents include cash and bank deposits.

Equity

Dividends

Proposed dividends are recognized as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Accounting Policies

Corporation Tax and Deferred Tax

As a management company, Akzo Nobel Deco A / S is liable for the Danish Akzo Nobel companies' corporation taxes to the tax authorities in line with the companies' payment of joint taxation contributions.

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognized on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognized at the expected value of their utilization within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realizable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax. Changes in deferred tax as a result of changes in tax rates are recognized in the income statement or equity, respectively.

Provisions

Provisions are recognized when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at net realizable value or fair value if the obligation is expected to be settled in the distant future.

Accounting Policies

Other provisions include complaints. The provisions are measured and recognized on the basis of experience with complaints work.

Debt Liabilities

Financial liabilities include the capitalized residual leasing obligation on financial leasing contracts. Other debt liabilities are measured at net realizable value, which usually corresponds to nominal value.

Other debts are measured at amortized cost, substantially corresponding to nominal value.

Cash flow Statement

As the Company is consolidated in the consolidated annual report 2022 for Akzo Nobel 'C' Holding BV, Velperweg 76, Arnhem, 6824 BM , Netherlands, which prepares an aggregated cash flow statement, no cash flow statement has been prepared in accordance with section 86(4) of the Danish Financial Statement Act.

Financial Highlights

Relevant financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines.

Profit Margin	$\frac{\text{Operating Profit for the year} \times 100}{\text{Revenue}}$
Liquidity Ratio	$\frac{\text{Total Current Asset} \times 100}{\text{Total Current Liabilities}}$
Solidity Ratio	$\frac{\text{Total equity} \times 100}{\text{Total Assets}}$
Return on equity	$\frac{\text{Profit for the year after tax} \times 100}{\text{Average Equity}}$

Income Statement

TDKK

	Note	01.01.2022 - 31.12.2022	01.01.2021 - 31.12.2021
Revenue		213 377	212 260
Production Costs	1	-140 658	-146 945
Gross Profit		72 719	65 315
Distribution Costs	1	-65 078	-56 329
Administration Costs	1	-2 378	-3 992
Operating Profit		5 263	4 995
Other financial income		563	230
Other financial expenses		-782	-390
Profit Before Tax		5 044	4 835
Tax for the year	2	-1 409	53
Net Profit / Loss of the year		<u>3 635</u>	<u>4 887</u>

Balance Sheet

TDKK

	Note	31.12.2022	31.12.2021
ASSETS			
Non-Current Assets			
Tangible assets			
Land And Buildings	3	28	45
Furnishing Of Rented Premises	3	3	45
Tangible Fixed Assets Under Construction	3	50	50
Leasing Assets	4	13 767	15 236
		13 848	15 376
Financial Assets			
Other Financial Fixed Assets	5	1 902	1 902
		1 902	1 902
Total of Non-current Assets		15 750	17 278
Current Assets			
Inventories			
Goods For Resale		10 965	9 227
		10 965	9 227
Receivables			
Trade Receivables		26 102	16 989
Receivables From Group Companies		57 469	17 612
Deferred Tax	6	698	668
Corporation Income Tax		0	1 233
Other Receivables		2 732	1 714
		87 001	38 216
Cash And Cash Equivalents		230	500
Total of Current Asset		98 196	47 943
TOTAL ASSETS		113 946	65 221

Balance Sheet

TDKK

	Note	31.12.2022	31.12.2021
EQUITY AND LIABILITIES			
Equity			
Share Capital	7	10 000	10 000
Retained Earnings		11 322	7 687
Total Equity		21 322	17 687
Provisions			
Other Provisions	8	19	46
		19	46
Non-Current Liabilities			
Long-term Lease Obligations	9	9 740	10 922
		9 740	10 922
Current Liabilities			
Trade Payables		9 471	8 019
Payables To Group companies		58 446	13 328
Short Term Lease Obligations	9	3 998	4 286
Corporation Tax Payables		1 358	0
Other Payables	9	9 591	10 933
		82 864	36 566
TOTAL EQUITY AND LIABILITIES		113 946	65 221
Disposition Of Results	10		
Related Parties	11		
Events After The Balance Sheet Date	12		

Statement of Changes of Equity

TDKK	Share Capital	Retained Earnings	TOTAL
Equity Balance at 1 January 2022	10 000	7 687	17 687
Transferred from Distributed Profit/Loss	0	3 635	3 635
Equity Balance at 31 December 2022	10 000	11 322	21 322

NOTES

TDKK

	<u>2022</u>	<u>2021</u>
1 Staff Costs		
Salaries and Wages	38 068	37 206
Pensions	5 278	5 348
Other Social Security Costs	216	217
	43 562	42 771
Staff Costs by Functions		
Production	29 443	30 323
Distribution	13 622	11 624
Administration	498	824
	43 562	42 771
 Average number of full-time employees	 64	 65

The Board of Directors do not receive remuneration from the Company. With reference to Article 98B (3) of the Danish Financial Statements Act, the remuneration of the Management Board is not disclosed.

2 Tax on Profit/ Loss for the year

Current Income Tax for the year	-1 208	36
Adjustment of Income Tax of previous years	-232	917
Deferred Tax for the year	30	-900
	-1 409	53

NOTES

TDKK

3 Tangible Assets

	Land and Building	Furnishing of Rented Premise	Other Fixture and Fitting	Asset under Con- struction	TOTAL
Cost at 1 January	2 619	1 716	21 753	50	26 138
Cost at 31 December	2 619	1 716	21 753	50	26 138
Depreciation at 1 January	-2 574	-1 671	-21 753	0	-25 998
Depreciation charge for the year	-17	-42	0	0	-59
Depreciation at 31 December	-2 591	-1 713	-21 753	0	-26 057
Carrying amount at 31 December	28	3	0	50	81

4 Leasing Assets

	Leased Buildings	Leased Vehicles	TOTAL
Cost at 1 January	12 442	7 283	19 725
Addition	2 945	0	2 945
Disposal	-1 166	-704	-1 870
Cost at 31 December	14 221	6 579	20 800
Depreciation at 1 January	-2 806	-1 683	-4 489
Depreciation charge for the year	-2 366	-2 049	-4 415
Depreciation for Disposal	1 167	704	1 871
Depreciation at 31 December	-4 005	-3 028	-7 033
Carrying amount at 31 December	10 216	3 551	13 767

NOTES

TDKK

	<u>2022</u>	<u>2021</u>
5 Other Financial Assets		
Cost at 1 January	2 768	2 768
Cost at 31 December	<u>2 768</u>	<u>2 768</u>
Value Adjustment at 1 January	-866	-866
Value Adjustment at 31 December	<u>-866</u>	<u>-866</u>
Carrying amount at 31 December	<u><u>1 902</u></u>	<u><u>1 902</u></u>

Other financial assets relate to deposits.

6 Deferred Tax

Deferred Tax at 1 January	668	1 568
Changes during the year	30	-900
Deferred Tax at 31 December	<u>698</u>	<u>668</u>

7 Share Capital

The share capital was reduced by 20,000,000 against the unrestricted capital in 2021. The current share capital at December 2022 was 10,000 with a nominal value of DKK 100 per share. No shares have been granted special rights.

NOTES

TDKK

	<u>2022</u>	<u>2021</u>
8 Other Provisions		
Other provisions at January 1	46	1 216
Used during the year	-27	-1 170
Other Provisions at 31 December	<u>19</u>	<u>46</u>
The dues for other provisions are expected to be : 0-1 year.	19	46
Total Provisions relate to complaint cases.	<u>19</u>	<u>46</u>
9 Liabilities		
Leasing Obligations		
0-1 years	3 998	4 286
1-5 years	9 740	10 922
	<u>13 738</u>	<u>15 208</u>
Other Debts		
0-1 years	9 591	10 933
	<u>9 591</u>	<u>10 933</u>
10 Disposition of Results		
Transfer Result of the year	3 635	4 887
	<u>3 635</u>	<u>4 887</u>

NOTES

11 Related parties

Decisive influence

Akzo Nobel N.V.
Amsterdam, Holland

Ultimate parent company

Akzo Nobel Coatings International B.V. **Parent company**
Arnhem, Holland

Transactions

With reference to the Danish Financial Statements Act §98 (7), transactions with related parties are not disclosed.

Consolidated financial statements

The company is included in the consolidated report for the parent company for the largest and smallest group, respectively:

<u>Name</u>	<u>City</u>
Akzo Nobel N.V.	Amsterdam, Holland
Akzo Nobel Coatings International B.V.	Arnhem, Holland

The consolidated report of Akzo Nobel N.V. can be ordered on the company's

The consolidated report of Akzo Nobel Coatings International B.V. can be requested at the following address:

Velperweg 76
6800 BM Arnhem
Holland

12 Events after the balance sheet date

From the balance sheet date until today, no circumstances have arisen that affects the assessment of the annual report.