

International Farvefabrik A/S
Marielundvej 43 A, 1
2730 Herlev

International Farvefabrik
A/S

2019

The annual report was presented and adopted at the
Company's annual general meeting on 01.09.2020

Johanna Åberg
Chairman

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Management's statement

The Board of Directors and the Executive Board have today considered and adapted the annual report of International Farvefabrik A/S for the financial year 1 January – 31 December 2019.

The annual report has been 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 assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019.

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

Executive Board: 31.08.2020

Åke Andreasson

Board of Directors:

Johanna Åberg
Chairman

Åke Andreasson

Boris Kuzmanovic

Independent Auditor's Report

To the Shareholders of International Farvefabrik 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 2019, and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of C-Company for the financial year 1 January - 31 December 2019, 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

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.

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 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.
- 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, 1/9 2020

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

International Farvefabrik A/S
Marielundvej 43A, 1
2730 Herlev

Telephone: +45 4466 4444
Website: www.akzonobel.com
CVR no.: 16 97 27 11
Established: 1914
Registered office: Herlev
Financial year: 1 January – 31 December

Board of Directors

Johanna Åberg (Chairman)
Åke Andreasson
Boris Kuzmanovic

Executive Board

Åke Andreasson

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Financial statements 1 January – 31 December

Financial Highlights for the last 5 years

	<u>2019</u> TDKK	<u>2018</u> TDKK	<u>2017</u> TDKK	<u>2016</u> TDKK	<u>2015</u> TDKK
Key figures					
Revenue of the year	99,818	103,531	120,328	162,714	126,023
Gross profit/loss	14,053	16,702	15,910	23,304	4,889
Ordinary operating profit	4,911	8,022	7,459	14,938	-968
Net financials	-118	-332	504	-1,242	-376
Profit/loss for the year	3,751	6,254	5,873	10,671	-1,088
Balance sheet					
Balance sheet total	57,839	65,752	51,683	41,517	37,215
Investment in property, plant and equipment	752	0	0	0	0
Equity	18,289	22,038	25,784	19,911	9,240
Number of employees	9	10	10	9	7
Financial ratios					
Return on assets	6.5%	9.5%	11.4%	25.7%	-2.9%
Solvency ratio	12.2%	14.3%	22.7%	49.5%	-3.8%
Return on equity	20.5%	28.4%	22.8%	53.6%	-11.8%

The financial highlights have been calculated in accordance with the recommendations and guidance of the Danish Finance Society. Please refer to the definitions in the accounting policies.

Financial statements 1 January – 31 December

Management's Review

Main activities

The Company supplies paints and coatings to various markets including the International Shipping Industry and Danish Steel Industry.

Developments in activities and performance

Operating profit for the year was DKK 4,911k. This was lower than 2018 (DKK 8,022k) due to lower sales in 2019 and lower Other Operating Income.

Volumes actually improved in 2019 but revenue values were hit in 2019 particularly in the shipping industry, also margins weakened due to the higher raw material prices.

Expectations for the year ahead

The Company's outlook for the future will be negatively affected by the COVID-19 outbreak and the measures taken by governments in most of the world to mitigate the impacts of the outbreak, see also subsequent events disclosures in note 13.

The Company did expect a small improvement in revenue and operating profit in 2020 which is based upon a mature market. However so far this year we have seen volumes down 10%. Efforts will continue to grow sales and increase efficiencies to mitigate this effect. The Company estimates operating profit will be at a similar level to 2019.

Particular risks

The company operates mainly in the Danish market and thus will be impacted by the Danish economic conditions and the climate.

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

The company is part of Akzo Nobel Corporate Treasury, through which its currency risks are hedged. Accordingly, the company has not been affected by any exchange fluctuations.

Financial statements 1 January – 31 December

Changes to Accounting policies

During the year, the Company implemented new accounting standards in the form of IFRS 15 - Revenue from Contract with Customers and IFRS 16 - Leases. The management's opinion is that the changed accounting policies more effectively show a true and fair view of the Company's assets, liabilities, financial position and profit.

Environment

International Farvefabrik A/S ensures that our products meet the environmental standards and we are continually striving to prevent and minimise any environmental impact of our products.

Research and development activities

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

Financial statements 1 January – 31 December

Accounting policies

The Annual Report of International Farvefabrik A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The financial statements are prepared in accordance with the same accounting policies as last year with additions from the implementation of IFRS 15 and IFRS 16.

Financial statements for 2019 are presented in DKK.

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 recognised 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 recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 requires that the Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

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. Recognise revenue when (or as) the entity satisfies a performance obligation.

Financial statements 1 January – 31 December

Accounting policies

We have reviewed performance obligations at a business unit level in the areas of delivering product including shipping and handling, technical service and equipment provided free of charge.

We concluded that in all areas that the impact is not significant and that no adjustment is required in the Company's financial statements.

IFRS 16 – Leases

The Company has applied IFRS 16 using the modified retrospective approach which means that comparative information has not been restated. Under IFRS 16, operating and financial leases are no longer distinguished and are recognised as right-of-use assets and lease liabilities. There is an exception for short term and low value leases.

The Company recognises a right-of-use asset and a lease liability at the commencement date of the contract. After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation. Depreciation is calculated using the straight-line method over the lease period. The lease liability is measured at the present value of the lease payments.

The implementation of IFRS16 has meant that the Company has recognised DKK 1,774 thousand of right-of-use assets. Depreciation for the year was DKK 1,023 thousand resulting in a net balance of DKK 752 thousand as at 31 December 2019. There are also total lease liabilities of DKK 752 thousand split between short and long term. The change has not had a significant impact of the Company's profit.

Income statement

Revenue

Income from the sale of goods, comprising the sale of paint, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be reliably measured and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Since the Company has implemented IFR15 it also considers the five-step model framework:

Financial statements 1 January – 31 December

Accounting policies

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. Recognise revenue when (or as) the entity satisfies a performance obligation.

Cost of raw materials and consumables

Cost of raw materials and consumables relating the sale of goods, is recognised when delivery and transfer of risk to the buyer have taken place. The cost is measured at latest cost price.

Other external costs

Other external costs comprise items secondary to the activities of the entities, including losses on the disposal of intangible assets and property, plant and equipment.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Financial statements 1 January – 31 December

Accounting policies

Intangible assets

Customer contracts and relationships acquired are measured at cost less accumulated amortisation and impairment losses. Customer contracts and relationships are amortised on a straight-line basis over its useful life, which is assessed at 10 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Intangible assets are written down to the recoverable amount if this is lower than the carrying amount.

Impairment of intangible assets

The carrying amount of intangible assets is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Tangible assets

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based upon costs reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Land and buildings	2-10 years
Vehicles	2-5 years
Other fixtures and fittings, tools and equipment	3-10 years

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

Financial statements 1 January – 31 December

Accounting policies

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.

For right-of-use, 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 realisable value is lower than cost, inventories are written down to this lower value.

The cost of goods for resale equals landed cost.

The net realisable 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 amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable is used as discount rate.

Financial statements 1 January – 31 December

Accounting policies

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

Proposed dividends are recognised 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.

Corporation tax and deferred tax

In accordance with the joint taxation rules, the liability of the companies for payment of corporation taxes to the tax authorities is settled as the joint taxation contributions are paid to the administrative company.

Payable and receivable joint taxation contributions are recognised in the balance sheet.

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 recognised 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 carryforwards, are recognised at the expected value of their utilisation 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 realisable 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 crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Financial debts

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

Financial statements 1 January – 31 December

Accounting policies

Provisions

Provisions are recognised 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 realisable value or fair value if the obligation is expected to be settled in the distant future.

Cash flow Statement

As the Company is consolidated in the consolidated annual report 2019 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.

Return on assets	$\frac{\text{Profit for the year after tax} \times 100}{\text{Total assets}}$
Solvency ratio	$\frac{\text{Profit for the year after tax} + \text{non-cash expenses} \times 100}{\text{Short term liabilities} + \text{long term liabilities}}$
Return on equity	$\frac{\text{Profit for the year after tax} \times 100}{\text{Total equity}}$

Financial statements 1 January – 31 December

Income statement

	Note	2019 DKK'000	2018 DKK'000
Revenue		99,818	103,531
Cost of raw materials and consumables		-66,456	-68,962
Other external costs		-19,309	-17,867
Gross profit		14,053	16,702
Staff costs	1	-8,106	-8,666
Depreciation on property, plant and equipment, amortisation of intangible assets and impairment losses	2	-1,036	-14
Ordinary operating profit/loss		4,911	8,022
Other financial expenses	3	-118	-332
Profit/loss before tax		4,793	7,690
Tax on profit/loss for the year	4	-1,042	-1,436
Profit/loss for the year		3,751	6,254
Proposed profit appropriation/distribution of loss	5		

Financial statements 1 January – 31 December

Balance sheet

	Note	2019 <u>DKK'000</u>	2018 <u>DKK'000</u>
ASSETS			
Non-current assets			
Intangible assets			
Customer contracts and relationships	6	6	19
Tangible assets			
Other fixtures and fittings, tools and equipment	7	752	0
Total non-current assets		758	19
Current assets			
Inventories			
Goods for resale		6,334	7,810
		6,334	7,810
Receivables			
Trade receivables		18,166	21,714
Receivables from group entities		31,186	34,904
Other receivables		1,390	1,295
Deferred tax asset	8	5	10
		50,747	57,923
Total current assets		57,081	65,733
TOTAL ASSETS		57,839	65,752

Financial statements 1 January – 31 December

Balance sheet

	Note	2019 DKK'000	2018 DKK'000
EQUITY AND LIABILITIES			
Equity			
Share capital	9	4,000	4,000
Retained earnings		289	10,538
Proposed dividend for the year		14,000	7,500
Total equity		18,289	22,038
Other provision	10	337	362
Provisions		337	362
Long-term lease obligations		350	0
Other payables		234	0
Long-term debt		584	0
Prepayments received from customers		0	647
Trade payables		1,182	1,537
Payables to group entities		31,349	35,970
Short-term lease obligations		402	0
Corporation tax		1,043	1,709
Other payables		4,653	3,489
Short-term debt		38,629	43,352
Total liabilities		39,550	43,714
TOTAL EQUITY AND LIABILITIES		57,839	65,752
Contractual obligations, contingencies, etc.	11		
Related parties	12		
Subsequent events	13		

Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend	Total
	DKK'000	DKK'000	DKK'000	DKK'000
Balance at 1 January 2019	4,000	10,538	7,500	22,038
Ordinary dividend paid	0	0	-7,500	-7,500
Net profit/loss for the year	0	3,751	0	3,751
Proposed dividend for the year	0	-14,000	14,000	0
Balance at 31 December 2019	4,000	289	14,000	18,289

Notes

	2019	2018
	<u>DKK'000</u>	<u>DKK'000</u>
1 Staff costs		
Wages and salaries	7,225	7,778
Pensions	881	888
	<u>8,106</u>	<u>8,666</u>
Average number of employees	<u>9</u>	<u>10</u>
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 Depreciation on property, plant and equipment and amortisation of intangible assets		
Amortisation of intangible assets	13	14
Depreciation on property, plant and equipment	1,023	0
	<u>1,036</u>	<u>14</u>
3 Other financial expenses		
Interest expense to group entities	21	25
Foreign exchange losses	97	307
	<u>118</u>	<u>332</u>
4 Tax on profit/loss for the year		
Current tax for the year	1,042	1,709
Deferred tax for the year	5	-5
Adjustment of tax concerning previous years	-5	-268
	<u>1,042</u>	<u>1,436</u>

Notes

	<u>2019</u>	<u>2018</u>
	DKK'000	DKK'000
5 Proposed profit appropriation/distribution of loss		
Proposed dividend for the year	18,000	7,500
Retained earnings	-14,249	-1,246
	<u>3,751</u>	<u>6,254</u>
6 Intangible assets		
Customer contracts and relationships		
Cost at 1 January	<u>137</u>	
Cost at 31 December	<u>137</u>	
Impairment losses and amortisation at 1 January	118	
Amortisation for the year	<u>13</u>	
Impairment losses and amortisation at 31 December	<u>131</u>	
Carrying amount at 31 December	<u><u>6</u></u>	

Notes

7 Right-of-use assets

The company leases assets comprising of land and buildings and vehicles

	Land and buildings	Vehicles	Total
	TDKK	TDKK	TDKK
Cost at 1 January	0	0	0
Additions	500	1,274	1,774
Cost at 31 January	<u>500</u>	<u>1,274</u>	<u>1,774</u>
Depreciation at 1 January	0	0	0
Depreciation charge for the year	500	522	1,023
Depreciation at 31 December	<u>500</u>	<u>522</u>	<u>1,023</u>
Carrying amount at 1 January	<u>0</u>	<u>0</u>	<u>0</u>
Carrying amount at 31 December	<u>0</u>	<u>752</u>	<u>752</u>

Notes

	<u>2019</u>	<u>2018</u>
	DKK'000	DKK'000
8 Deferred tax		
Deferred tax at 1 January	10	5
Changes during the year	<u>-5</u>	<u>5</u>
Deferred tax at 31 December	<u>5</u>	<u>10</u>
9 Share capital		
The share capital consists of 8,000 shares of a nominal value of DKK 500. No shares carry any special rights.		
There have been no changes in the share capital during the last 5 years.		
10 Other provisions		
Restructuring provision	337	337
Claims provision	<u>0</u>	<u>25</u>
	<u>337</u>	<u>362</u>

The restructuring provision relates to bonus payable to one former employee as per terms of contract. The claims provision relates to compensation for the quality of delivered paint

Notes

11 Contractual obligations, contingencies, etc.

Contingent liabilities

The company is jointly taxed with the other Danish companies in the Akzo Nobel A/S Group. As a wholly owned subsidiary, the Company is unlimited jointly and severally liable together with the other companies in the jointly taxed group for Danish corporation taxes etc. in the group of jointly taxed companies.

Lease obligations

The Company has entered into operating leases at the following amounts:

	2019	2018
	DKK'000	DKK'000
Within 1 year	0	707
Between 1 and 5 years	0	744
	<u>0</u>	<u>1,451</u>

12 Related parties

Consolidated Financial Statements

The consolidated annual report 2019 can be requested by contacting Akzo Nobel 'C' Holding BV, Velperweg 76, Arnhem, 6824 BM , Netherlands .

13 Subsequent events

On December 31st, 2019, a limited number of cases of an unknown virus had been reported to the World Health Organization, later to be identified as the coronavirus disease (COVID-19). Per March 11, 2020 this disease was declared a worldwide pandemic by the World Health Organization and continues to spread across the globe. For reporting purposes this is a non-adjusting event since it developed after balance sheet date and does not impact the financial statements over 2019.

Many of the Company's customers have continued with their projects, but there is still a risk that COVID-19 will have negative impacts on the Company's revenue and earnings in 2020. Management is monitoring developments closely. The impact so far this year has seen volumes drop by 10% but management feel that they will be able to recover and get close to the 2019 operating profit level.