

PPG Coatings Danmark A/S

Gladsaxevej 300

2860 Søborg

CVR No. 18998696

Annual Report 2020

27. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 19 May 2021



Peter Flemming Sørensen
Chairman

Contents

Management's Statement	3
Independent Auditor's Report	4
Company Information	6
Management's Review	7
Key Figures and Financial Ratios	11
Accounting Policies	12
Income Statement	17
Balance Sheet	18
Statement of changes in Equity	20
Notes	21

PPG Coatings Danmark A/S

Management's Statement

Today, Management has considered and adopted the Annual Report of PPG Coatings Danmark A/S for the financial year 1 January 2020 - 31 December 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January 2020 - 31 December 2020.

In our opinion, the Management Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act.

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

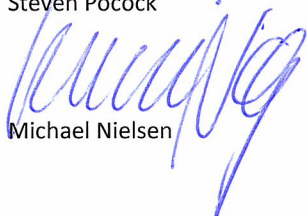
Søborg, 19 May 2021

Executive Board

Peter Flemming Sørensen

Supervisory Board

Steven Pocock



Michael Nielsen



Peter Flemming Sørensen

Amrik Singh Sindhar

Jan Hollender

PPG Coatings Danmark A/S

Management's Statement

Today, Management has considered and adopted the Annual Report of PPG Coatings Danmark A/S for the financial year 1 January 2020 - 31 December 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January 2020 - 31 December 2020.

In our opinion, the Management Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act.

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

Søborg, 19 May 2021

Executive Board

Peter Flemming Sørensen

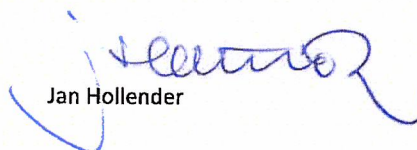
Supervisory Board

Steven Pocock

Peter Flemming Sørensen

Amrik Singh Sindhar

Michael Nielsen


Jan Hollender

PPG Coatings Danmark A/S

Management's Statement

Today, Management has considered and adopted the Annual Report of PPG Coatings Danmark A/S for the financial year 1 January 2020 - 31 December 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January 2020 - 31 December 2020.

In our opinion, the Management Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act.

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

Søborg, 19 May 2021

Executive Board

Peter Flemming Sørensen

Supervisory Board

Steven Pocock

Peter Flemming Sørensen



Amrik Singh Sindhar

Michael Nielsen

Jan Hollender

Independent Auditor's Report

To the shareholder of PPG Coatings Danmark 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 2020 and of the results of the Company's operations for the financial year 1 January 2020 - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of PPG Coatings Danmark A/S for the financial year 1 January 2020 - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis of 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 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 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

Independent Auditor's Report

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 risk of material misstatement 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 one 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 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 which we identify during our audit.

Hellerup, 19 May 2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33771231



Martin Lunden
State Authorised Public Accountant
mne32209



Mark Philip Beer
State Authorised Public Accountant
mne29472

PPG Coatings Danmark A/S

Company details

Company	PPG Coatings Danmark A/S Gladsaxevej 300 2860 Søborg
CVR No.	18998696
Date of formation	18 December 1995
Registered office	Gladsaxe
Financial year	1 January 2020 - 31 December 2020
Supervisory Board	Steven Pocock Peter Flemming Sørensen Amrik Singh Sindhar Michael Nielsen Jan Hollender
Executive Board	Peter Flemming Sørensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231
Attorneys	Bech-Bruun Advokatpartnerselskab
Bank	Danske Bank A/S Nordea Bank Danmark A/S BNP Paribas Fortis

Management's Review

The Company's principal activities

PPG Coatings Danmark A/S is a wholly-owned subsidiary of PPG Industries Inc. headquartered in Pittsburgh, USA. As a global supplier of paints, coatings, optical products, and specialty materials, PPG Industries Inc. operates in more than 70 countries and employs around 47,000 people to bring life to our purpose and promise: WE PROTECT AND BEAUTIFY THE WORLD™.

The activities of PPG Coatings Danmark A/S comprise production and distribution of paints, wood stain products and speciality products and we employ 262 people. Our production takes place at the factory in Søborg, Denmark, but products are also purchased within PPG Industries Inc. and from external suppliers. Distribution primarily takes place through the major 'do it yourself' chains to end-users or through PPG Coatings Danmark A/S' 21 professional paint centres where professional decorators buy products and tools.

In line with our corporate purpose and promise, the objective of PPG Coatings Danmark A/S is to deliver quality products and continuously develop technologies that provide additional benefits to our customers.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2020 - 31 December 2020 shows a result of DKK 52.386.042 and the Balance Sheet at 31 December 2020 a balance sheet total of DKK 617.246.755 and an equity of DKK 259.001.119.

Expectations for the future

The Company expects the operating profit to be between DKK millions 70 and DKK millions 120 in 2021.

Net profit/loss for the year compared with expected developments in the most recently published annual report

The operating profit is above our expectations.

Statement on sustainability

Through our business and principle activities, PPG Coatings Danmark A/S contribute to PPG Industries Inc.'s continued efforts to enhance and strengthen sustainable operations and bring life to our corporate purpose and promise.

In line with PPG Industries Inc.'s sustainability vision we are committed to delivering lasting value for shareholders and customers by operating with integrity, working safely, respecting the contributions of our people, preserving the environment and supporting the communities where we operate. Furthermore, we launched in 2018 corporate sustainability goals towards 2025 that guides our company in implementing sustainable business practices. Our research and development portfolio is driven by environmental stewardship and our goal is to achieve 40% of sales from sustainable products and processes by 2025. For more detail see PPG Industries Inc.'s consolidated sustainability report available at www.sustainability.ppg.com.

At PPG Coatings Danmark A/S, we primarily focus our sustainability efforts on our production facility in view of potential risks related to the environment, health and safety (EHS). We comply with applicable law and PPG Industries Inc.'s sustainability policies that respond to identified risks and opportunities and details internationally recognized standards within the area of the environment, human rights including labour rights, anti-corruption and corporate governance. Similarly, we expect our suppliers and their subcontractors to comply with applicable law and to adhere to the standards described in our Global Code of Ethics.

Environment, health and safety

Our EHS Policy states that PPG Industries Inc. market, distribute and manufacture products globally in a responsible manner that protects employees, neighbors, customers and the environment. The policy incorporate elements of Responsible Care and Coatings Care initiatives and emphasizes our commitment to continuous improvement and sustainability.

Management's Review

Through our global EHS management system 'PPG EHS Management System', we work to meet our objectives and monitor our performance at our production facility. Our Danish EHS Leadership Team has 16 members representing different parts of the business. Our EHS Leadership Team summons monthly to discuss progress and perform annual assessment of EHS risks and prioritized actions accordingly.

Our EHS efforts in 2020 were heavily impacted by Covid-19 crisis management and the implementation of 50+ health preventive global protocols. Scandinavia made it through 2020 successfully without any workplace related covid-19 cases across all activities.

Amongst Covid-19 we continued to drive implements across strategic programs such as Spill Prevention, Slip, Trip & Falls, Ergonomics, Management of Change and Process Safety.

At our manufacturing site in Soborg we achieved significant improvement in our energy intensity (production volume/energy consumption) driven by high production volume and benefitting from past years energy savings initiatives.

Our key Environmental Health & safety practice and corporate goals include (2017 as baseline):

Waste: The more efficient we use materials to make our products, the less waste we produce, the fewer resources we consume and the more money we save. We work toward absolute material utilization throughout our manufacturing processes followed by eliminating, minimizing, reusing and recycling the waste materials we do produce. Our corporate 2025-goal is a 25% reduction in waste.

Water: We see it as our responsibility to optimize water use through conservation and reuse and continue to reduce our consumption of water in our production. Our corporate 2025-goal is a 20% reduction in water consumption.

Energy: Most of our manufacturing processes are not energy-intensive, but we are committed to reducing our energy consumption to minimize our greenhouse gas (GHG) emissions, reduce costs and create more energy efficient facilities. Our corporate 2025-goals are a 15% in energy reduction and a 15% reduction in GHG emissions.

Spill and releases: We have strong management practices in place to prevent spills and releases, and our corporate spill-elimination standard requires the establishment of a spill-elimination program at our facility. Our corporate 2025-goal is a 65% improvement in our spills and release rate. No spills (Cat I, II, III) were recorded in 2020.

Injury & Illness: The corporate target of PPG Injury and Illness (PPG II) incidents is zero. PPG I&I includes fatalities, amputations, 30 or more calendar days of away from work and third degree burns. PPG Coatings DK with 0 I&I's in 2020.

EHS key performance indicators 2020

Total waste intensity (metric tons/100 ton production): 2020: 5,47 (2019: 6,17; 2018: 7,07)

Water usage intensity (cubic meters/metric ton production): 2020: 0,19 (2019: 0,20; 2018: 0,21)

Energy intensity** (million British thermal unit/metric ton production): 2020: 0,60 (2019: 0,80; 2018: 0,75)

Spills and releases (category I, II and III) rate*): 2020: 0,00 (2019: 0,00; 2018: 1,20)

PPG II incident rate***): 2020: 0,00 (2019: 0,00; 2018: 0,00)

In conclusion, 2020 showed continued improvement of performance on our incident rates and sustainability rates.

The EHS indicators for PPG Coatings Danmark A/S' production facility are prepared in accordance with PPG Industries Inc.'s EHS accounting principles.

Management's Review

*) The rate is calculated by multiplying the number of Incidents (Category I/II/III) by 200,000, and then dividing that number by the number of working hours at the site.

**) Energy intensity is a rate calculated by electricity and natural gas/production volume. It does not include district heating. Energy consumption by district heating has been reduced by 7,2% from 2018-2020.

***) The rate is calculated by multiplying the number of Incidents by 200,000, and then dividing that number by the number of working hours at the site.

Employee relations and human rights

Our 262 employees are a key asset and intellectual capital resource - to the operations of PPG Coatings Danmark A/S. In 2020 there have been a special focus on our employees' mental health and keeping everybody safe during the COVID-19 pandemic. With high hygienic standards and clear processes all employees have been fully functional either by working from home or on site as our stores and production facilities have not been under lockdown in 2020. In addition to operating safe and healthful workplaces especially under the COVID-19 pandemic it is pivotal that we are able to attract and retain our employees and that they have the right competences. Hence, a clear focus on learning and development is crucial to ensure that we keep our employees engaged, productive and successful at every stage of their careers. We are committed to promoting from within wherever possible while also bringing in new ideas, thoughts and insights. It is Management's assessment that PPG Coatings Danmark A/S has the right competences to develop its business positively going forward.

Overall, our Global Code of Ethics sets the standard for the relationship between PPG Industries Inc. and its employees. At PPG Coatings Danmark A/S, the HR-department manages employee related matters in view of the Code to nurture a good working environment and accelerate employee development. Our work council, which engages a representative from management, HR and our production facility, met four times in 2020 to discuss pertinent issues and assess progress in our work. Furthermore, our trade union representative union member represents and gives advice to employees if they have work-related problems. Our Code and daily practice in 2020 focused on:

Diversity: We value differences among us in experience, perspective, background, race, age, national origin, religion, sex, sexual orientation, gender identity and/or expression, culture, interests, geography, and style, and we strive for a collaborative environment in which everyone has a chance to succeed. We base employment decisions on job qualifications and merit, which include education, experience, skills, ability, and performance.

Human rights, including labour rights: We respect the dignity and human rights of all people, and we comply with all laws pertaining to freedom of association, privacy, collective bargaining, immigration, working time, wages, and hours, as well as laws prohibiting forced, compulsory and child labour, human trafficking, and employment discrimination.

Non-discrimination and harassment: We give equal employment opportunity to and will not discriminate against individuals on the basis of any status protected by applicable laws. We are committed to providing a workplace that is free from harassment and bullying.

Data privacy: We respect individual privacy rights and are committed to collecting, handling, reviewing, and protecting personal information responsibly and in compliance with applicable privacy and information security requirements and laws. We strive to respect the privacy of our employees by honoring our legal requirements and upholding high ethical standards.

We did not introduce new initiatives per se in Denmark in 2020, but continued to also nurture a culture of health, where our employees become responsible for their individual well-being through informed, active participation in health and wellness activities. We focus on nutrition, exercise, health screenings and mindfulness/stress which research has identified as key to our employees overall well-being. For example, the wellness program at PPG Coatings Danmark A/S, which has been in place for a number of years, includes yoga classes. Our corporate 2025-goal is that 100% of PPG facilities have wellness programs.

Management's Review

Anti-corruption and bribery

Our Global Code of Ethics and Global Anti-Corruption Policy make clear that PPG Industries Inc. prohibit bribery and corruption in all of its business dealings in every country. We must govern our conduct in order to conform to the rigorous anti-bribery and anti-corruption laws in place throughout the world. Hence, PPG Coatings Danmark A/S' employees and intermediaries are prohibited from making, offering or accepting bribes, payments or anything of value in order to improperly obtain or retain contracts, business, government approvals, favourable tax or customs rulings, or to secure any other improper business advantage, with any entity or individual.

At PPG Coatings Danmark A/S, we have established internal controls and accounting practices to prevent and reduce the risk of use of funds for bribes or unlawful payments. Furthermore, our Global Code of Ethics provide guidance to our employees in their daily business conduct. If there is suspicion or known violations of our policies employees must report the information to our global Chief Compliance Officer, Danish counsel representative or they can use our corporate confidential, anonymous 'Ethics Hotlines'.

In 2020 all employees at PPG Coatings Danmark A/S engaged through our annual mandatory online training and our Corporate Audit Services regularly monitor and review employee compliance with the Global Anti-Corruption Policy.

Statement on gender distribution in management

To ensure that employees feel valued and respected, PPG Industries Inc. is committed to providing a workplace that embraces a culture of diversity and inclusion. It is in our policies to consider diversity among employees and within management as a strength for the business.

We are actively promoting gender diversity and it is PPG Coatings Danmark A/S ambition to increase the number of women in management. Our target for gender representation within our supreme management body, the Board of Directors, is to have one woman among the three members elected by the annual general assembly no later than 2025. As all members of the Board of Directors were re-elected in 2020, there are currently no women represented. The representation of women in management, which represents the management team, is 18%. This is slightly below the level in 2019 where it was 20% despite our efforts to improve gender distribution in management in 2020.

To improve gender distribution it is part of our practice to shortlist both male and female candidates when we hire or promote employees to management positions. We also provide equal opportunity for all employees to increase their skills and competences through additional training and education and we continue to retain and nudge female colleagues with management potential and ambitions to seek a career within PPG.

The overall objective of the PPG Group is to have the highest standards within Corporate Social Responsibility.

Considerable resources have been used to implement the global standards for especially environment and work environment.

Subsequent events

Covid-19 still has a great impact on the global economy, however the Management is not expecting any negative impact on the Company's revenue and profit in 2021 due to Covid-19.

Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:

Numbers appear in thousands

	2020	2019	2018	2017	2016
Revenue	890.449	746.247	765.904	756.401	722.364
Profit from ordinary operating activities	124.637	43.628	51.089	43.447	25.661
Profit/loss for the year	52.386	-5.545	25.129	16.697	12.646
Net financial income and expenses	-3.078	-3.716	-3.850	-5.200	-6.160
Investment in non-current PPE	6.365	10.163	5.645	23.249	13.457
Total assets	617.247	526.074	547.221	604.904	634.903
Total equity	259.001	206.099	211.644	186.515	169.819
Avg. number of full-time employees	262	267	267	272	282
Profit margin (%)	14,00	5,85	6,67	5,74	3,55
Return on equity (ROE) (%)	22,53	-2,65	12,62	9,37	5,82
Return on capital employed (%)	21,80	8,13	8,87	7,01	3,96
Solvency ratio (%)	41,96	39,18	38,68	30,83	26,75

For definitions of key ratios, see Accounting policies. Comparative figures have not been adjusted based on the mergers.

Accounting Policies

Reporting Class

The Annual Report of PPG Coatings Danmark A/S for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to large enterprises of reporting class C.

According to section 112(2) and 86(4) of the Danish Financial Statement Act, no consolidated statement or cash flow statement have been prepared. The financial statements of PPG Coatings Danmark A/S and its group enterprises are included in the consolidated financial statements of PPG Industries Inc, Pittsburgh, PA 15272, USA.

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.

Mergers

In 2020 it was decided to merge the 100%-owned subsidiaries +Plus Malergrossisten Esbjerg ApS and +Plus Malergrossisten Viborg ApS into PPG Coatings Danmark A/S. The financial effective date is 1 January 2020.

As a consequence of the merger the equity has been adjusted by DKK 516.155. The adjustment in equity is related to the difference between the cost price and the net assets of the subsidiaries. The comparison figures for 2019 have not been adjusted.

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.

Accounting Policies

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.

Income Statement

Revenue

Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

Other operating income

Other operating income comprise items of a secondary nature to the principal activity of the Company.

Change in inventories of finished goods, work in progress and goods for resale.

Change in inventories comprises of the change in inventories of finished goods, work in progress and goods for resale.

Raw materials and consumables

Costs for raw materials and consumables comprise of consumption of goods and services for resale.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Employee benefits expense

Staff expenses comprise wages and salaries, pensions and social security costs.

Depreciation, amortisation and impairment losses of property, plant and equipment and intangible assets recognised in the profit or loss

Amortisation and impairment of intangible and 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 :

	Useful life
Acquired intangible assets	5-10 years
Goodwill	5 years
Land and buildings	5-50 years
Plant and machinery	3-30 years
Fixtures and fittings, tools and equipment	3-15 years
Leasehold improvements	5-10 years

The usefull life and residual value for tangible assets are revaluated yearly.

Profit or loss resulting from the sale of intangible or 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.

Other Finance 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, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities.

Accounting Policies

Tax expense on ordinary activities

Tax on net profit 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. The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Intangible assets

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

An impairment test of goodwill is performed in the event of indications of a decrease in value. The impairment test is performed for the activity or the business area to which the goodwill relates. Goodwill is written down to the higher of the value in use and the net selling price for the activity or business area to which the goodwill relates (recoverable amount) in the event that this one is lower than the carrying amount.

Acquired intangible assets, including licences and acquired rights etc., are measured at cost less accumulated amortisation and impairment losses. An impairment test is performed in the event of indications of a decrease in value. Furthermore, annual impairment tests are performed for ongoing and activated development projects, if any. 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 assets group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

Property plant and equipment

Tangible assets are measured at cost, 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.

Long term investments in group enterprises

Equity investments in group enterprises and associates are measured at cost. Dividends that exceed accumulated earnings of the group enterprise or the associate during the ownership period are treated as a reduction of the cost. If cost exceeds the net realisable value, a write-down to this lower value will be performed.

Deposits, investments

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

Inventories

Inventories are measured at cost on the basis of the FIFO principle or at the net realisable value if the latter is lower.

Raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Work in progress and manufactured goods are measured at manufacturing price comprising of cost of goods sold plus direct and indirect production costs.

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.

Accounting Policies

Deferred cost

Deferred cost, recognised in assets comprises of prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Provisions

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.

Other provisions

Other provisions comprise of expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when, at the balance sheet date, the company has a legal or actual obligation and it is likely that settlement will result in the company spending financial resources.

Provisions that are expected to be settled later than a year from the balance sheet date are measured at the present value and the expected payments. Other provisions are measured at net realisable value.

Long-term liabilities other than provisions

Payables to group enterprises are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

Short-term liabilities other than provisions

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.

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

Contingent assets and liabilities

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

Accounting Policies

Explanation of financial ratios

Key figures and financial ratios are determined based on "Recommendations & Financial Ratios" issued by the Danish Society of Financial Analysts.

Profit margin	=	$\frac{\text{Profit from ordinary operating activities X 100}}{\text{Revenue}}$
Return on equity (%)	=	$\frac{\text{Profit/loss for the year X 100}}{\text{Avg. equity}}$
Return on capital employed (%)	=	$\frac{\text{Profit from ordinary operating activities X 100}}{\text{Avg. assets}}$
Solvency Ratio (%)	=	$\frac{\text{Equity X 100}}{\text{Assets}}$

Income Statement

	Note	2020 kr.	2019 kr.
Revenue	1	890.449.117	746.247.019
Other operating income		2.562.400	2.577.230
Raw materials and consumables used		-461.730.785	-394.036.605
Other external expenses		-112.418.218	-132.156.415
Gross result		318.862.514	222.631.229
Employee benefits expense	2	-173.469.915	-154.605.287
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-20.755.767	-24.398.405
Profit from ordinary operating activities		124.636.832	43.627.537
Income from investments in group enterprises and associates		2.642.400	2.670.880
Other finance income	3	449.044	2.282.030
Impairment of financial assets		-44.657.400	-38.425.044
Finance expences	4	-3.527.184	-5.998.039
Profit from ordinary activities before tax		79.543.692	4.157.364
Tax expense on ordinary activities	5	-27.157.650	-9.702.522
Profit		52.386.042	-5.545.158
Distribution of profit	6		

Balance Sheet as of 31 December

	Note	2020 kr.	2019 kr.
Assets			
Acquired intangible assets	7	6.279.756	10.451.395
Goodwill	8	0	83.332
Intangible assets		6.279.756	10.534.727
Land and buildings	9	101.115.706	106.014.232
Plant and machinery	10	30.296.813	33.701.295
Fixtures, fittings, tools and equipment	11	12.173.956	16.126.823
Leasehold improvements	12	0	0
Property, plant and equipment		143.586.475	155.842.350
Long-term investments in group enterprises	13, 14	114.744.097	109.194.097
Deposits, investments	15	4.105.574	3.980.085
Investments		118.849.671	113.174.182
Fixed assets		268.715.902	279.551.259
Raw materials and consumables		12.324.982	11.379.473
Work in progress		5.219.318	5.095.606
Manufactured goods and goods for resale		60.365.039	56.237.957
Inventories		77.909.339	72.713.036
Short-term trade receivables		83.157.987	90.947.564
Short-term receivables from group enterprises		179.619.446	67.517.494
Short-term tax receivables		0	7.384.275
Short-term tax receivables from group enterprises		5.405.520	0
Other short-term receivables		135.639	422.663
Deferred cost		831.001	1.242.172
Receivables		269.149.593	167.514.168
Cash and cash equivalents		1.471.921	6.295.230
Current assets		348.530.853	246.522.434
Assets		617.246.755	526.073.693

Balance Sheet as of 31 December

	Note	2020 kr.	2019 kr.
Liabilities and equity			
Contributed capital		110.000.000	110.000.000
Retained earnings		149.001.119	96.098.922
Equity		259.001.119	206.098.922
Provisions for deferred tax	16	5.702.183	6.362.792
Other provisions	17	563.686	1.053.434
Provisions		6.265.869	7.416.226
Payables to group enterprises		109.099.328	109.099.328
Long-term liabilities other than provisions	18	109.099.328	109.099.328
Trade payables		168.435.812	146.963.551
Payables to group enterprises		7.308.288	15.898.729
Tax payables		8.351.839	0
Other payables		58.784.500	40.596.936
Short-term liabilities other than provisions		242.880.439	203.459.216
Liabilities other than provisions within the business		351.979.767	312.558.544
Liabilities and equity		617.246.755	526.073.693
Contingent liabilities	19		
Related parties	20		
Fees for auditors elected on the general meeting	21		

PPG Coatings Danmark A/S

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2020	110.000.000	96.098.922	206.098.922
Change of equity through mergers and business combinations		516.155	516.155
Profit (loss)		52.386.042	52.386.042
Equity 31 December 2020	110.000.000	149.001.119	259.001.119

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

Notes

	2020	2019
1. Revenue		
Revenue, Denmark	673.374.413	580.607.197
Revenue, Export	217.074.704	165.639.822
	890.449.117	746.247.019
Revenue consists primarily of paint and related products within the architectural coatings industry.		
2. Employee benefits expense		
Wages and salaries	149.682.504	131.729.159
Post-employment benefit expense	12.806.834	12.440.068
Social security contributions	1.432.997	1.414.170
Other employee expense	9.547.580	9.021.890
	173.469.915	154.605.287
Average number of employees	262	267
In accordance with the Danish Financial Act §98B, the employee benefit expense for management is not disclosed.		
3. Other finance income		
Finance income from group enterprises	0	160.751
Other finance income	449.044	2.121.279
	449.044	2.282.030
4. Finance expenses		
Finance expenses arising from group enterprises	2.708.190	3.298.361
Other finance expenses	818.994	2.699.678
	3.527.184	5.998.039
5. Tax expense		
Current corporation taxes	27.816.412	9.952.068
Adjustment prior years tax	1.848	0
Deferred tax	-660.610	-249.546
	27.157.650	9.702.522
6. Distribution of profit		
Transferred to retained earnings	52.386.042	-5.545.158
	52.386.042	-5.545.158

Notes

	2020	2019
7. Acquired intangible assets		
Cost at the beginning of the year	60.219.707	60.219.707
Addition adjustment prior years	370.000	0
Cost at the end of the year	60.589.707	60.219.707
Depreciation at the beginning of the year	-49.768.312	-48.954.623
Depreciation adjustment prior years	-1.915.642	0
Depreciation for the year	-2.625.997	-813.689
Depreciation at the end of the year	-54.309.951	-49.768.312
Carrying amount at the end of the year	6.279.756	10.451.395
8. Goodwill		
Cost at the beginning of the year	600.000	600.000
Cost at the end of the year	600.000	600.000
Depreciation and amortisation at the beginning of the year	-516.668	-416.668
Amortisation for the year	-83.332	-100.000
Impairment losses and amortisation at the end of the year	-600.000	-516.668
Carrying amount at the end of the year	0	83.332
9. Land and buildings		
Cost at the beginning of the year	192.597.113	189.915.183
Addition during the year	3.512.013	6.270.168
Disposal during the year	-210.295	-3.588.238
Transfers during the year to other items	573.782	0
Cost at the end of the year	196.472.613	192.597.113
Depreciation at the beginning of the year	-86.582.881	-82.723.110
Depreciation for the year	-8.774.026	-7.445.356
Reversal of impairment losses and amortisation of disposed assets	0	3.585.585
Impairment losses and depreciation at the end of the year	-95.356.907	-86.582.881
Carrying amount at the end of the year	101.115.706	106.014.232

Notes

	2020	2019
10. Plant and machinery		
Cost at the beginning of the year	223.105.026	230.070.495
Addition during the year	2.853.295	2.898.397
Disposal during the year	-957.255	-9.954.887
Transfers during the Year to/from other items	87.093	91.021
Cost at the end of the year	225.088.159	223.105.026
Depreciation at the beginning of the year	-189.403.731	-189.030.895
Depreciation for the year	-5.986.977	-10.312.492
Reversal of impairment losses and depreciations of disposed assets	599.362	9.947.377
Transfers during the Year to/from other items	0	-7.721
Impairment losses and depreciation at the end of the year	-194.791.346	-189.403.731
Carrying amount at the end of the year	30.296.813	33.701.295
11. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	73.943.644	97.720.138
Addition during the year	0	912.796
Disposal during the year	-545.010	-24.598.269
Transfers during the Year to/from other items	-660.875	-91.021
Cost at the end of the year	72.737.759	73.943.644
Depreciation at the beginning of the year	-57.816.821	-76.691.499
Depreciations for the year	-3.285.435	-5.726.868
Reversal of impairment losses and depreciation of disposed assets	538.453	24.593.825
Transfers during the Year to/from other items	0	7.721
Impairment losses and depreciation at the end of the year	-60.563.803	-57.816.821
Carrying amount at the end of the year	12.173.956	16.126.823
12. Leasehold improvements		
Cost at the beginning of the year	414.608	423.658
Adjustment prior Years	0	-9.050
Cost at the end of the year	414.608	414.608
Depreciations at the beginning of the year	-414.608	-423.658
Adjustment prior Years	0	9.050
Impairment losses and amortisation at the end of the year	-414.608	-414.608
Carrying amount at the end of the year	0	0

Notes

	2020	2019
13. Long-term investments in group enterprises		
Cost at the beginning of the year	233.065.114	202.971.284
Disposal in connection with merger	-3.692.834	0
Addition during the year	51.690.030	30.093.830
Cost at the end of the year	281.062.310	233.065.114
Revaluations at the beginning of the year	-123.871.017	-85.445.973
Revaluations for the year	-44.657.400	-38.425.044
Reversal of prior revaluations	2.210.204	0
Revaluations at the end of the year	-166.318.213	-123.871.017
Carrying amount at the end of the year	114.744.097	109.194.097

14. Disclosure in long-term investments in group enterprises and associates*Group enterprises*

Name	Registered office	Share held in		
		%	Equity	Profit
Tintas Dyrup S.A.	Portugal*	100,00	24.017.124	4.767.344
Dyrup Austria GmbH	Austria*	100,00	9.741.107	154.229
Pinturas Dyrup S.A.	Spain*	100,00	-430.582	-14.194.396
Plus Malergrossisten Århus A/S	Århus**	100,00	3.737.625	809.582
Plus Malergrossisten Aalborg ApS	Aalborg**	100,00	4.845.613	1.374.332
			41.910.887	-7.088.909

*Based on 2019 Annual Report

**Based on 2020 Annual Report

15. Deposit, investment

	2020	2019
Cost at the beginning of the year	3.980.085	4.056.771
Addition during the year	393.346	33.748
Disposal during the year	-267.857	-110.434
Cost at the end of the year	4.105.574	3.980.085
Carrying amount at the end of the year	4.105.574	3.980.085

Notes

	2020	2019
16. Provisions for deferred tax		
Deferred tax	5.702.183	6.362.792
Balance at the end of the year	5.702.183	6.362.792
Intangible assets	314.650	1.018.624
Property, plant and equipment	5.511.544	5.575.923
Provisions	-124.011	-231.755
	5.702.183	6.362.792

The movement in deferred tax is booked in profit and loss. No deferred tax is booked directly in the equity.

17. Other provisions

Technical guarantees	563.686	1.053.434
Balance at the end of the year	563.686	1.053.434

18. Long-term liabilities

	Due within 1 year	Due bt. 1-5 year	Due after 5 years
Payables to group enterprises	0	109.099.328	0
	0	109.099.328	0

19. Contingent liabilities

Lease obligations under operating leases within 1 year T.DKK 3.488 (2019, T.DKK 3.445) between 1 and 5 years, T.DKK 3.444 (2019, T.DKK 5.317).

Rent payments concerning contracts which is interminable T.DKK 20.157 (2019, T.DKK 21.560).

The danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of PPG Coatings Danmark A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes**2020****2019****20. Related parties**

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital :

PPG Industries Europe Sarl, Switzerland.

The ultimate parent company is :
PPG Industries Inc, USA.

The company is included in the group annual report of PPG Industries Inc, USA and PPG Industries Europe Sarl, Switzerland. Both annual reports can be obtained at the following address :
PPG Industries Inc,
Pittsburgh, PA 15272
USA

There are no transactions with related parties that are not conducted on arms length principles.

	2020	2019
21. Fees for auditors elected on the general meeting		
Statutory audit	455.000	498.153
Tax consultancy	0	0
Other services	0	0
	455.000	498.153

22. Subsequent Events

Covid-19 still has a great impact on the global economy, however the Management is not expecting any negative impact on the Company's revenue and profit in 2021 due to Covid-19.