

Sherwin-Williams Denmark A/S
Nystedvej 5, 7400 Herning

Company reg. no. 24 50 25 11

Annual report

1 January - 31 December 2020

The annual report was submitted and approved by the general meeting on the 12 May 2021.

Dennis Harold Karnstein
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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Management's report

Today, the board of directors and the managing director have presented the annual report of Sherwin-Williams Denmark A/S for the financial year 1 January - 31 December 2020 of Sherwin-Williams Denmark A/S.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities and cash flows in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Herning, 12 May 2021

Managing Director

Klaus Mikkelsen

Board of directors

Dennis Harold Karnstein

James Michael Donchess

Jeffrey James Miklich

Klaus Mikkelsen

Independent auditor's report

To the shareholder of Sherwin-Williams Denmark A/S

Opinion

We have audited the financial statements of Sherwin-Williams Denmark A/S for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity, statement of cash flows and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities and cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, 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.
- Obtain an understanding of the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Herning, 12 May 2021

Partner Revision

State Authorised Public Accountants
Company reg. no. 15 80 77 76

Søren H. Andersen

State Authorised Public Accountant
mne23420

Company information

The company

Sherwin-Williams Denmark A/S

Nystedvej 5
7400 Herning

Phone +45 97 21 61 11

Web site www.sherwin-williams.com

Company reg. no. 24 50 25 11

Established: 1 August 1967

Domicile: Herning

Financial year: 1 January - 31 December
54th financial year

Board of directors

Dennis Harold Karnstein

James Michael Donchess

Jeffrey James Miklich

Klaus Mikkelsen

Managing Director

Klaus Mikkelsen

Auditors

Partner Revision statsautoriseret revisionsaktieselskab

Industrivej Nord 15

7400 Herning

Bankers

Nordea Bank Danmark A/S

J.P. Morgan

Financial highlights

DKK in thousands.	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Income statement:					
Gross profit	26.922	16.460	24.156	23.626	20.774
Profit from operating activities	-4.606	3.526	10.758	10.708	8.197
Net financials	-1.527	-282	-446	-333	-212
Net profit or loss for the year	-4.813	2.498	8.010	8.052	6.197
Statement of financial position:					
Balance sheet total	76.815	65.008	30.544	33.169	36.596
Investments in property, plant and equipment	1.571	3.609	99	349	652
Equity	49.149	58.962	25.349	22.339	30.286
Cash flows:					
Operating activities	9.375	-2.318	0	0	0
Investing activities	-1.576	-29.051	0	0	0
Financing activities	-5.000	31.116	0	0	0
Total cash flows	2.799	-254	0	0	0
Employees:					
Average number of full-time employees	29	20	19	20	19
Key figures in %:					
Solvency ratio	64,0	90,7	83,0	67,3	82,8
Return on equity	-8,9	5,9	33,6	30,6	-

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

$$\text{Solvency ratio} = \frac{\text{Equity, closing balance} \times 100}{\text{Total assets, closing balance}}$$

$$\text{Return on equity} = \frac{\text{Net profit or loss for the year} \times 100}{\text{Average equity}}$$

Management commentary

The principal activity of the company

Like previous years, the Company's activity consists of purchase, production and sale of paint, varnish and stain to the wood and furniture industries and to window manufacturers. The purchases are primarily made as intragroup purchases from entities in the Sherwin-Williams Group.

Development in activities and financial matters

The result for 2020 shows a loss of DKK 4.813 thousand compared to a profit of DKK 2.498 thousand in 2019.

Management considers the Company's result of the year unsatisfactory but it can primarily be attributed to amortization of acquired goodwill.

The balance sheet shows equity of DKK 49.149 thousand.

Special risks

Foreign currency risks

The foreign currency transactions of the Sherwin-Williams-group primarily relate to purchases and sales of goods in EUR, where foreign exchange risks are very limited, and secondarily to purchases of goods in US-dollars.

Environmental issues

The Company receives regular inspections of environmental and working conditions from public authorities and other consultants in accordance with legal requirements and complies with it.

Know how resources

The Company's knowledge resources are based on the Sherwin-Williams group's own development organization divided into the individual product areas.

Research and development activities

The Sherwin-Williams Group carries out new development and product upgrades in accordance with ongoing requirements from customers and markets, as well as to comply with laws and standards.

Expected developments

The Company has started 2021 with a highly level of activity considering the Covid19 situation. A satisfactory result is expected for 2021 before depreciation.

Events occurring after the end of the financial year

After the end of the financial year, no events have occurred which could significantly affect the Company's financial position.

Accounting policies

The annual report for Sherwin-Williams Denmark A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or writedown for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Accounting policies

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Other operating costs

Other operating costs comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 3 - 7 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

Accounting policies

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

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Buildings	20 - 40 years	20 %
Other fixtures and fittings, tools and equipment	3 - 10 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Inventories

Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.

Costs of goods for resale, raw materials, and consumables comprise acquisition costs plus delivery costs.

Accounting policies

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

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

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Accounting policies

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the company's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under "Interest income and dividend received".

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the company's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Gross profit	26.922.451	16.460.396
2 Staff costs	-21.156.194	-12.331.043
3 Depreciation, amortisation, and impairment	-9.180.220	-603.688
Other operating costs	-1.191.780	0
Profit before net financials	-4.605.743	3.525.665
4 Other financial costs	-1.527.343	-282.463
Profit before tax	-6.133.086	3.243.202
5 Tax on net profit or loss for the year	1.320.052	-745.319
Profit or loss from ordinary activities after tax	-4.813.034	2.497.883
6 Net profit or loss for the year	-4.813.034	2.497.883

Statement of financial position at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2020</u>	<u>2019</u>
Non-current assets		
7 Acquired intangible assets	17.303.119	25.442.705
Total intangible assets	<u>17.303.119</u>	<u>25.442.705</u>
8 Land and buildings	1.724.057	1.813.632
9 Other fixtures and fittings, tools and equipment	<u>5.544.157</u>	<u>4.658.503</u>
Total property, plant, and equipment	<u>7.268.214</u>	<u>6.472.135</u>
Total non-current assets	<u>24.571.333</u>	<u>31.914.840</u>
Current assets		
Raw materials and consumables	2.299.808	2.070.742
Manufactured goods and goods for resale	<u>12.720.443</u>	<u>9.840.031</u>
Total inventories	<u>15.020.251</u>	<u>11.910.773</u>
Trade receivables	21.631.564	15.255.671
Receivables from group enterprises	7.445.868	536.998
10 Deferred tax assets	428.811	0
Income tax receivables	0	1.988.366
Other receivables	3.367.455	225.356
11 Prepayments and accrued income	<u>197.760</u>	<u>457.397</u>
Total receivables	<u>33.071.458</u>	<u>18.463.788</u>
Cash on hand and demand deposits	<u>4.152.185</u>	<u>2.718.901</u>
Total current assets	<u>52.243.894</u>	<u>33.093.462</u>
Total assets	<u>76.815.227</u>	<u>65.008.302</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2020</u>	<u>2019</u>
Equity			
12	Contributed capital	3.500.000	3.500.000
	Retained earnings	40.648.995	50.462.029
	Proposed dividend for the financial year	5.000.000	5.000.000
	Total equity	<u>49.148.995</u>	<u>58.962.029</u>
Provisions			
	Provisions for deferred tax	<u>0</u>	<u>891.241</u>
	Total provisions	<u>0</u>	<u>891.241</u>
Liabilities other than provisions			
	Trade payables	2.790.892	599.669
	Payables to group enterprises	18.850.480	1.637.643
	Other payables	<u>6.024.860</u>	<u>2.917.720</u>
	Total short term liabilities other than provisions	<u>27.666.232</u>	<u>5.155.032</u>
	Total liabilities other than provisions	<u>27.666.232</u>	<u>5.155.032</u>
	Total equity and liabilities	<u>76.815.227</u>	<u>65.008.302</u>
1	Special items		
13	Collateral		
14	Contingencies		
15	Related parties		

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Proposed dividend for the financial year</u>	<u>Total</u>
Equity 1 January 2019	3.500.000	21.848.564	0	25.348.564
Profit or loss for the year brought forward	0	-2.502.117	5.000.000	2.497.883
Capital increase	<u>0</u>	<u>31.115.582</u>	<u>0</u>	<u>31.115.582</u>
Equity 1 January 2020	3.500.000	50.462.029	5.000.000	58.962.029
Distributed dividend	0	0	-5.000.000	-5.000.000
Profit or loss for the year brought forward	<u>0</u>	<u>-9.813.034</u>	<u>5.000.000</u>	<u>-4.813.034</u>
	<u>3.500.000</u>	<u>40.648.995</u>	<u>5.000.000</u>	<u>49.148.995</u>

Statement of cash flows 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Net profit or loss for the year	-4.813.034	2.497.883
16 Adjustments	9.126.697	1.462.395
17 Change in working capital	3.234.497	-4.468.197
Cash flows from operating activities before net financials	7.548.160	-507.919
Interest paid, etc.	-161.435	-126.384
Cash flows from ordinary activities	7.386.725	-634.303
Income tax paid	1.988.366	-1.684.000
Cash flows from operating activities	9.375.091	-2.318.303
Purchase of property, plant, and equipment	-1.570.669	-29.051.351
Sale of property, plant, and equipment	-5.230	0
Cash flows from investment activities	-1.575.899	-29.051.351
Cash capital increase	0	31.115.582
Dividend paid	-5.000.000	0
Cash flows from investment activities	-5.000.000	31.115.582
Change in cash and cash equivalents	2.799.192	-254.072
Cash and cash equivalents at 1 January	2.718.901	3.129.052
Foreign currency translation adjustments (cash and cash equivalents)	-1.365.908	-156.079
Cash and cash equivalents at 31 December	4.152.185	2.718.901
Cash and cash equivalents		
Cash on hand and demand deposits	4.152.185	2.718.901
Cash and cash equivalents at 31 December	4.152.185	2.718.901

Notes

All amounts in DKK.

1. Special items

In 2020, the company received salary compensation in connection with covid19, which is recognized as other operating income under gross profit. The compensation amounts to DKK 592.000.

	<u>2020</u>	<u>2019</u>
2. Staff costs		
Salaries and wages	18.648.792	11.160.547
Pension costs	2.326.007	1.030.367
Other costs for social security	<u>181.395</u>	<u>140.129</u>
	<u>21.156.194</u>	<u>12.331.043</u>
Average number of employees	<u>29</u>	<u>20</u>
3. Depreciation, amortisation, and impairment		
Amortisation of concessions, patents and licences	8.139.586	0
Depreciation on buildings	89.575	116.604
Depreciation on property, plant and equipment	685.015	318.009
Minor acquisitions	<u>266.044</u>	<u>169.075</u>
	<u>9.180.220</u>	<u>603.688</u>
4. Other financial costs		
Other financial costs	<u>1.527.343</u>	<u>282.463</u>
	<u>1.527.343</u>	<u>282.463</u>
5. Tax on net profit or loss for the year		
Adjustment for the year of deferred tax	<u>-1.320.052</u>	<u>745.319</u>
	<u>-1.320.052</u>	<u>745.319</u>

Notes

All amounts in DKK.

	<u>2020</u>	<u>2019</u>
6. Proposed appropriation of net profit		
Dividend for the financial year	5.000.000	5.000.000
Allocated from retained earnings	<u>-9.813.034</u>	<u>-2.502.117</u>
Total allocations and transfers	<u>-4.813.034</u>	<u>2.497.883</u>
	<u>31/12 2020</u>	<u>31/12 2019</u>
7. Acquired intangible assets		
Cost 1 January	25.442.705	0
Additions on merger/corporate acquisition	<u>0</u>	<u>25.442.705</u>
Cost 31 December	<u>25.442.705</u>	<u>25.442.705</u>
Amortisation for the year	<u>-8.139.586</u>	<u>0</u>
Amortisation and writedown 31 December	<u>-8.139.586</u>	<u>0</u>
Carrying amount, 31 December	<u>17.303.119</u>	<u>25.442.705</u>
8. Land and buildings		
Cost 1 January	<u>10.226.917</u>	<u>10.226.917</u>
Cost 31 December	<u>10.226.917</u>	<u>10.226.917</u>
Depreciation and writedown 1 January	-8.413.285	-8.296.681
Depreciation for the year	<u>-89.575</u>	<u>-116.604</u>
Depreciation and writedown 31 December	<u>-8.502.860</u>	<u>-8.413.285</u>
Carrying amount, 31 December	<u>1.724.057</u>	<u>1.813.632</u>

Notes

All amounts in DKK.

	<u>31/12 2020</u>	<u>31/12 2019</u>
9. Other fixtures and fittings, tools and equipment		
Cost 1 January	10.569.150	7.112.424
Additions during the year	1.570.669	3.608.646
Disposals during the year	<u>-112.612</u>	<u>-151.920</u>
Cost 31 December	<u>12.027.207</u>	<u>10.569.150</u>
Amortisation and writedown 1 January	-5.910.647	-5.744.558
Depreciation for the year	-685.015	-318.009
Reversal of depreciation, amortisation and writedown, assets disposed of	<u>112.612</u>	<u>151.920</u>
Amortisation and writedown 31 December	<u>-6.483.050</u>	<u>-5.910.647</u>
Carrying amount, 31 December	<u>5.544.157</u>	<u>4.658.503</u>
10. Deferred tax assets		
Deferred tax assets 1 January	-891.241	0
Deferred tax of the results for the year	<u>1.320.052</u>	<u>-891.241</u>
	<u>428.811</u>	<u>-891.241</u>
11. Prepayments and accrued income		
Prepaid expenses	<u>197.760</u>	<u>457.397</u>
	<u>197.760</u>	<u>457.397</u>
12. Contributed capital		
The share capital consists of 100 shares of DKK 35 thousand nominal value each.		
The Company's share capital has remained DKK 3,500 thousand over the past 5 years.		
13. Collateral		
No security for loans had been placed at 31 December 2020.		

Notes

All amounts in DKK.

14. Contingencies

Contingent liabilities

Lease liabilities

In addition to finance leases, the company has entered into operational leases with an average annual lease payment of DKK 1.037 thousand. The leases have 1 - 30 months to maturity and total outstanding lease payments amounts DKK 1.120 thousand.

15. Related parties

Information about consolidated financial statements

Parent: The Sherwin-Williams Company

Domicile: USA

Requisitioning of the parent company's consolidated financial statements:

<http://investors.sherwin-williams.com/annual-reports/>

	<u>2020</u>	<u>2019</u>
16. Adjustments		
Depreciation, amortisation, and impairment	8.914.176	434.613
Loss from disposal of non-current assets	5.230	0
Other financial costs	1.527.343	282.463
Tax on net profit or loss for the year	<u>-1.320.052</u>	<u>745.319</u>
	<u>9.126.697</u>	<u>1.462.395</u>
17. Change in working capital		
Change in inventories	-3.109.478	-2.702.418
Change in receivables	-16.167.225	-1.870.912
Change in trade payables and other payables	<u>22.511.200</u>	<u>105.133</u>
	<u>3.234.497</u>	<u>-4.468.197</u>