Sherwin-Williams Denmark A/S

Nystedvej 5, 7400 Herning

Company reg. no. 24 50 25 11

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 21 June 2022.

David Peter Wright
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 %.

Contents

Management's statement

Today, the Board of Directors and the Executive Board have approved the annual report of Sherwin-Williams Denmark A/S for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

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

Herning, 21 June 2022

Executive board

Henrik Leut Holm	Lars Birger Nordgren

Board of directors

David Peter Wright	Henrik Leut Holm	Jeffrey James Miklich
James Michael Donchess		

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 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, statement of cash flows and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Independent auditor's report

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.

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.

Independent auditor's report

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, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Herning, 21 June 2022

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 55th financial year
Board of directors	David Peter Wright Henrik Leut Holm Jeffrey James Miklich James Michael Donchess	
Executive board	Henrik Leut Holm Lars Birger Nordgren	
Auditors	Partner Revision statsautoriseret revisionsaktieselskab Industrivej Nord 15 7400 Herning	
Bankers	Nordea Bank Danmark A/S J.P. Morgan	

Financial highlights

DKK in thousands.	2021	2020	2019	2018	2017
Income statement:					
Gross profit	27.367	26.922	16.460	24.156	23.626
Profit from operating activities	899	-4.606	3.526	10.758	10.708
Net financials	-1.352	-1.527	-282	-446	-333
Net profit or loss for the year	-373	-4.813	2.498	8.010	8.052
Statement of financial position:					
Balance sheet total	85.227	76.815	65.008	30.544	33.169
Investments in property, plant and equipment	290	1.571	3.609	99	349
Equity	43.776	49.149	58.962	25.349	22.339
Cash flows:					
Operating activities	11.466	9.375	-2.318	0	0
Investing activities	2.405	-1.576	-29.051	0	0
Financing activities	-5.000	-5.000	31.116	0	0
Total cash flows	8.870	2.799	-254	0	0
Employees:					
Average number of full-time employees	29	29	20	19	20
Key figures in %:					
Solvency ratio	51,4	64,0	90,7	83,0	67,3
Return on equity	-0,8	-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:

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

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

Management´s review

The principal activities of the company

Like previous years, the Company's activity consist 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 2021 shows a loss of DKK 373 thousand compared to a loss of DKK 4.813 thousand in 2020.

Management considers the Company's result of the year unsatisfactory.

The balance sheet shows equity of DKK 43.776 thousand.

Financial risks and the use of financial instruments

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 2022 with a highly level of activity. Given the great uncertainty created by the war in Ukraine with sharply rising commodity prices and the uncertainty about the duration of the situation, it is currently not possible to assess the economic consequences for revenue and profit before tax.

However, it is currently estimated that the war in Ukraine and rising commodity prices will not have a significant impact for the coming year.

Events occurring after the end of the financial year

After the end of the financial year, in addition to the above during the expected developments, no events have occured 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).

Changes in the accounting policies

in connection with the replacement of the inventory system, the company has changed its accounting policies in relation to the calculation of the inventory.

The inventory has therefore increased with 3.802 DKK because overhead and internal production costs have been activated.

Except for the above, the accounting policies remain unchanged from last year.

Comparative figures and financial highlights have not been adjusted to the changed accounting policies.

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.

Accounting policies

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.

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, other operating income, and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

Accounting policies

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.

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.

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:

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

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.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

All leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

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.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

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.

Accounting policies

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.

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.

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.

Note		2021	2020
	Gross profit	**27.367.312**	**26.922.451**
1	Staff costs	-21.059.447	-21.156.194
2	Depreciation, amortisation, and impairment	-5.408.487	-9.180.220
	Other operating costs	0	-1.191.780
	Operating profit	**899.378**	**-4.605.743**
3	Other financial costs	-1.352.437	-1.527.343
	Pre-tax net profit or loss	**-453.059**	**-6.133.086**
4	Tax on net profit or loss for the year	79.999	1.320.052
	Profit or loss from ordinary activities after tax	**-373.060**	**-4.813.034**
5	**Net profit or loss for the year**	**-373.060**	**-4.813.034**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2021	2020
	Non-current assets		
6	Acquired intangible assets	12.916.867	17.303.119
	Total intangible assets	12.916.867	17.303.119
7	Land and buildings	1.634.482	1.724.057
8	Other fixtures and fittings, tools and equipment	2.362.958	5.544.157
	Total property, plant, and equipment	3.997.440	7.268.214
	Total non-current assets	**16.914.307**	**24.571.333**
	Current assets		
	Raw materials and consumables	185.162	2.299.808
	Manufactured goods and goods for resale	25.383.202	12.720.443
	Total inventories	25.568.364	15.020.251
	Trade receivables	20.128.432	21.631.564
	Receivables from group enterprises	9.125.107	7.445.868
9	Deferred tax assets	508.810	428.811
	Other receivables	485.197	3.367.455
10	Prepayments and accrued income	542.720	197.760
	Total receivables	30.790.266	33.071.458
	Cash on hand and demand deposits	11.953.799	4.152.185
	Total current assets	**68.312.429**	**52.243.894**
	Total assets	**85.226.736**	**76.815.227**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2021	2020
	Equity		
11	Contributed capital	3.500.000	3.500.000
	Retained earnings	40.275.935	40.648.995
	Proposed dividend for the financial year	0	5.000.000
	Total equity	**43.775.935**	**49.148.995**
	Liabilities other than provisions		
	Trade payables	5.048.351	2.790.892
	Payables to group enterprises	32.787.113	18.850.480
	Other payables	3.615.337	6.024.860
	Total short term liabilities other than provisions	41.450.801	27.666.232
	Total liabilities other than provisions	**41.450.801**	**27.666.232**
	Total equity and liabilities	**85.226.736**	**76.815.227**

12 Collateral

13 Contingencies

14 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
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	0	-9.813.034	5.000.000	-4.813.034
Equity 1 January 2021	3.500.000	40.648.995	5.000.000	49.148.995
Distributed dividend	0	0	-5.000.000	-5.000.000
Profit or loss for the year brought forward	0	-373.060	0	-373.060
	3.500.000	**40.275.935**	**0**	**43.775.935**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		2021	2020
	Net profit or loss for the year	-373.060	-4.813.034
15	Adjustments	6.524.925	9.126.697
16	Change in working capital	5.597.647	3.234.497
	Cash flows from operating activities before net financials	11.749.512	7.548.160
	Interest paid, etc.	-283.827	-161.435
	Cash flows from ordinary activities	11.465.685	7.386.725
	Income tax paid	0	1.988.366
	Cash flows from operating activities	**11.465.685**	**9.375.091**
	Purchase of property, plant, and equipment	-290.203	-1.570.669
	Sale of property, plant, and equipment	2.694.742	-5.230
	Cash flows from investment activities	**2.404.539**	**-1.575.899**
	Dividend paid	-5.000.000	-5.000.000
	Cash flows from investment activities	**-5.000.000**	**-5.000.000**
	Change in cash and cash equivalents	**8.870.224**	**2.799.192**
	Cash and cash equivalents at 1 January	4.152.185	2.718.901
	Foreign currency translation adjustments (cash and cash equivalents)	-1.068.610	-1.365.908
	Cash and cash equivalents at 31 December	**11.953.799**	**4.152.185**

		2021	2020
	Cash and cash equivalents		
	Cash on hand and demand deposits	11.953.799	4.152.185
	Cash and cash equivalents at 31 December	**11.953.799**	**4.152.185**

Notes

All amounts in DKK.

		2021	2020
1.	**Staff costs**		
	Salaries and wages	18.520.578	18.648.792
	Pension costs	2.317.394	2.326.007
	Other costs for social security	221.475	181.395
		21.059.447	**21.156.194**
	Average number of employees	29	29
2.	**Depreciation, amortisation, and impairment**		
	Amortisation of concessions, patents and licences	4.386.252	8.139.586
	Depreciation on buildings	89.575	89.575
	Depreciation on property, plant and equipment	776.660	685.015
	Minor acquisitions	156.000	266.044
		5.408.487	**9.180.220**
3.	**Other financial costs**		
	Other financial costs	1.352.437	1.527.343
		1.352.437	**1.527.343**
4.	**Tax on net profit or loss for the year**		
	Adjustment for the year of deferred tax	-79.999	-1.320.052
		-79.999	**-1.320.052**
5.	**Proposed appropriation of net profit**		
	Dividend for the financial year	0	5.000.000
	Allocated from retained earnings	-373.060	-9.813.034
	Total allocations and transfers	**-373.060**	**-4.813.034**

Notes

All amounts in DKK.

		31/12 2021	31/12 2020
6.	**Acquired intangible assets**		
	Cost 1 January	25.442.705	25.442.705
	Cost 31 December	**25.442.705**	**25.442.705**
	Amortisation and writedown 1 January	-8.139.586	0
	Amortisation for the year	-4.386.252	-8.139.586
	Amortisation and writedown 31 December	**-12.525.838**	**-8.139.586**
	Carrying amount, 31 December	**12.916.867**	**17.303.119**
7.	**Land and buildings**		
	Cost 1 January	10.226.917	10.226.917
	Cost 31 December	**10.226.917**	**10.226.917**
	Depreciation and writedown 1 January	-8.502.860	-8.413.285
	Depreciation for the year	-89.575	-89.575
	Depreciation and writedown 31 December	**-8.592.435**	**-8.502.860**
	Carrying amount, 31 December	**1.634.482**	**1.724.057**
8.	**Other fixtures and fittings, tools and equipment**		
	Cost 1 January	12.027.207	10.569.150
	Additions during the year	290.203	1.570.669
	Disposals during the year	-2.694.742	-112.612
	Cost 31 December	**9.622.668**	**12.027.207**
	Amortisation and writedown 1 January	-6.483.050	-5.910.647
	Depreciation for the year	-776.660	-685.015
	Reversal of depreciation, amortisation and writedown, assets disposed of	0	112.612
	Amortisation and writedown 31 December	**-7.259.710**	**-6.483.050**
	Carrying amount, 31 December	**2.362.958**	**5.544.157**

Notes

All amounts in DKK.

		31/12 2021	31/12 2020
9.	**Deferred tax assets**		
	Deferred tax assets 1 January	428.811	-891.241
	Deferred tax of the net profit or loss for the year	79.999	1.320.052
		508.810	**428.811**
	The following items are subject to deferred tax:		
	Intangible assets	521.336	388.893
	Property, plant, and equipment	-253.530	-376.691
	Current assets	-110.818	-43.507
	Losses carried forward from previous years	351.822	460.116
		508.810	**428.811**
10.	**Prepayments and accrued income**		
	Prepaid expenses	542.720	197.760
		542.720	**197.760**

11. 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.

12. Collateral

No security for loans had been placed at 31 December 2021.

13. 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 921 thousand. The leases have 6 - 24 months to maturity and total outstanding lease payments amounts DKK 1.342 thousand.

Notes

All amounts in DKK.

14. 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/

	2021	2020
15. Adjustments		
Depreciation, amortisation, and impairment	5.252.487	8.914.176
Profit from disposal of non-current assets	0	5.230
Other financial costs	1.352.437	1.527.343
Tax on net profit or loss for the year	-79.999	-1.320.052
	6.524.925	**9.126.697**

16. Change in working capital		
Change in inventories	-10.548.113	-3.109.478
Change in receivables	2.361.191	-16.167.225
Change in trade payables and other payables	13.784.569	22.511.200
	5.597.647	**3.234.497**