

# Colgate-Palmolive A/S

Bredevej 2A


2830 Virum

CVR-no. 43418114

## Annual report for 2020

81. annual report

The Annual General Meeting adopted the annual report on June 29 2021



Chairman of the General Meeting  
Cristiane Martini

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## Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Colgate-Palmolive A/S for the financial year 1 January – 31 December 2020.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2020 of the Company and of the results of the Company for 2020.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company.

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

Virum, June 29 2021

### Executive Board

  
Cristiane Martini (Jun 29, 2021 17:12 GMT+2)

Cristiane Martini  
General Manager

### Board of Directors

Paolo Rossetto  
Chairman

  
Rita Skånstrøm

Charalabos Klados

  
Berit Mortensen

  
Cristiane Martini

Colgate-Palmolive A/S

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Virum, June 29 2021

### Executive Board

Cristiane Martini  
General Manager

### Board of Directors



Paolo Rossetto  
Chairman



Charalabos Klados

Cristiane Martini

Rita Skånstrøm

Berit Mortensen

## Independent Auditor's Report

### To the shareholder of Colgate-Palmolive 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 - 31 December 2020 in accordance with the Danish Financial Statements Act.

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

#### Basis for Opinion

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

#### Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

#### Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material

## Independent Auditor's Report

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, June 29 2021  
PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

  
Flemming Eghoff  
State Authorised Public Accountant  
Mne30221

  
Lone Vindbjerg-Larsen  
State Authorised Public Accountant  
mne34548

## Colgate-Palmolive A/S

### Company information

<b>Company</b>	Colgate-Palmolive A/S Bredevej 2A 2830 Virum
Phone	43209200
Fax	43209393
E-mail	<a href="mailto:cpdk@colpal.com">cpdk@colpal.com</a>
Homepage	<a href="http://www.ColgatePalmolive.dk/">http://www.ColgatePalmolive.dk/</a>
CVR-no.	43418114
Date of establishment	07-11-1940
Fiscal year	01-01-2020 - 31-12-2020
<b>Board of Directors</b>	Paolo Rossetto, Chairman Charalabos Klados Cristiane Martini Rita Skånstrøm Berit Mortensen
<b>Executive Board</b>	Cristiane Martini
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44, DK-2900 Hellerup

## **Colgate-Palmolive A/S**

### **Management's review**

#### **Main activities**

The Company sells and markets Personal and Household Care products in the Nordic market.

All shares in the Company are held by Colgate-Palmolive S.A., 60 Avenue de L'Europe, F-92270 Bois Colombes, France.

The Swedish subsidiary has a branch in Finland.

#### **Development in the financial year**

Net profit for the year 1 January – 31 December 2020 amounts to kr. 13,768k (Net profit 2019 kr. 35,772k) and the Company's balance as of 31 December 2020 amounts to kr. 151,133k, with an equity of kr. 99,432k.

The result for 2020 was below expectation but at a satisfactory level considering the Covid-19 impact resulting in postponed return on investment. The result for 2020 has decreased from kr. 35,772k to kr. 13,768k. Gross profit has increased 8%. The decrease is mostly due to limited return on investments due to COVID-19.

The operating result has decreased 22%. The operating result has been impacted by a combination of higher investment in marketing and negative impact from the employee share scheme.

#### **Expectations for the year to come**

In March 2020, the World Health Organization formally recognized COVID-19, the novel strain of coronavirus, as a pandemic. As a result of various actions taken by federal and local governments worldwide to curb the pandemic, including the temporary closure of certain businesses, various travel restrictions, and the mandatory containment of large segments of the global population within their geographic regions, global economic output has shown signs of short-term contraction and there remains significant uncertainty as to the extent and duration of the global economic impact.

In 2021 the world is still affected by the pandemic but we do not expect it to have significant effect on our operating result for 2021.

The result for 2021 is expecting to be higher than 2020, between 39.5 MDKK to 43.5 MDKK, due to expected return on investments.

#### **Knowledge resources**

As part of the Company's strategy, there is a strong focus on attracting and retaining a highly educated employee workforce. As part of this effort the Company has implemented specific programs and education plans.

#### **Risk management objectives and strategy**

##### *Currency risk*

The Company does not incur significant currency risks. All receivables are in DKK and the company does not purchase goods in foreign currency. The Company has few transactions in foreign currency like USD, EUR, and GBP.

##### *Credit risk*

The Company does not have any significant concentrations of credit risk. Sales are made to customers that meet the Company's credit rating. Goods and services are sold subject to payment deadlines within 30 days. A different payment period may apply to major suppliers, in which case additional securities are demanded, including guarantees.

##### *Liquidity risk*

The Company makes use of the Colgate-Palmolive Group cash pool facility and has its cash and cash equivalents furnished at Citibank which is part of a zero balancing process.



**Colgate-Palmolive A/S**

## **Management's review**

### **Environmental Items**

Colgate-Palmolive's impact on the environment is mainly through production and distribution of products.

The Company is participating in and has implemented Colgate-Palmolive's global environmental policies which can be found in Colgate-Palmolive's CSR report 2020 from page 47 at:

[https://www.colgatepalmolive.com/content/dam/cp-sites/corporate/corporate/en\\_us/corp/locale-assets/pdf/colgate-sustainability-and-social-impact-report-2020.pdf](https://www.colgatepalmolive.com/content/dam/cp-sites/corporate/corporate/en_us/corp/locale-assets/pdf/colgate-sustainability-and-social-impact-report-2020.pdf)

For archived reports we refer the Company's homepage or at:

<https://www.colgatepalmolive.com/en-us/core-values/sustainability/reporting>

## Summary of key figures and financial ratios

DKK 1,000

The development can be described by the following key figures and financial ratios:

	2020	2019	2018	2017	2016
Revenue	559,880	516,588	506,560	478,933	478,463
Gross Profit	188,749	174,676	172,229	150,933	148,174
Operating Result	18,469	23,646	27,555	19,636	23,534
Financial Items	-1	-3	-6	-61	-16
Net Income	13,768	35,772	36,387	69,208	19,979
Assets	151,133	145,370	175,090	213,812	183,604
Investments in tangible fixed assets	399	478	0	0	1,632
Equity	99,432	105,640	134,817	163,563	141,303
Number of employees	53	55	63	73	78
Gross Profit (%)	33.71	33.85	34.00	31.51	30.97
Return on sales (%)	3.30	4.58	5.44	4.10	4.92
Return on assets (%)	12.55	25.98	22.19	37.32	15.73
Solvency ratio (%)	65.27	72.67	77.00	76.50	76.96
Return on Equity (ROE) (%)	13.43	29.75	24.39	45.40	16.33

Key figures and financial ratios are prepared in compliance with The Danish Finance Society's Recommendations.

Gross Profit	=	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Return on sales	=	$\frac{\text{Operating result (EBIT)} \times 100}{\text{Revenue}}$
Return on Equity (ROE) (%)	=	$\frac{\text{Net Income}}{\text{Average equity}}$
Return on assets (%)	=	$\frac{\text{Operating result (EBIT) including Net income from subsidiaries} \times 100}{\text{Average assets}}$
Solvency ration (%)	=	$\frac{\text{Equity} \times 100}{\text{Assets}}$

## **Colgate-Palmolive A/S**

### **Accounting Policies**

#### **Basis of preparation**

The Company's annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium enterprises of reporting class C.

With reference to the Danish Financial Statements Act section 112 Consolidated Financial Statements has not been prepared.

With reference to the Danish Financial Statements Act Section 86, subsection 4 cash flow statement has not been made. The Cash Flow statement is included in the Consolidated Financial Statement for Colgate-Palmolive Company, New York.

#### **Accounting policies**

The accounting policies are unchanged compared to last year.

#### **Consolidated Group**

Colgate-Palmolive A/S is part of the Consolidated Financial Statements for the immediate Parent Company Colgate-Palmolive Service S.A., 60 Avenue de L'Europe, 92270 Bois-Colombes, France. CVR no. FR 37 552 136 780.

The Financial Statements for the ultimate Parent Company Colgate-Palmolive Company, New York, USA may be obtained at the following address:

Colgate-Palmolive Company  
300 Park Avenue  
New York, NY 1002-7499  
USA

#### **Group overview**

##### *Parent Company*

Colgate-Palmolive A/S,  
Bredevej 2A, 2830 Virum  
Nom. DKK 82,000,000

##### *Subsidiaries, 100%*

Colgate-Palmolive AB,  
Stockholm, Sweden  
Nom. SEK 1,000,000

Colgate-Palmolive Norge AS,  
Oslo, Norway  
Nom. NOK 6,500,000

#### **Currency**

The annual report is in DKK 1,000.

## **Accounting Policies**

### **Recognition and measurement**

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, write downs and provisions.

Assets are recognized in the balance sheet when it is likely that the future financial benefits will accrue on the Company and when the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is likely that the future financial benefits will be deducted from the Company and when the value of the liability can be measured reliably.

The first recognition measures assets and liabilities at cost. Subsequently, assets and liabilities will be measured individually in respect of each accounting item as described below.

Certain financial assets and liabilities are measured at cost, thus recognizing a constant effective interest over the term. Amortized cost is computed as original cost less deductions, if any, as well as additions/deductions of the accumulated amortization of the difference between cost and nominal value.

When recognizing and measuring, gains, losses and risk in connection with the presentation of the annual report are considered and which confirm or invalidate events, which existed at balance sheet date.

Upon group internal acquisitions of subsidiaries, the residual between cost price and booked equity in the acquired company at the point of acquisition is calculated after individual assets and liabilities are adjusted to fair value (purchase method). Any decided restructuring cost in regards to the acquired company is deducted. Upon group merger the purchase method is also used.

Any residuals, positive and negative, in amounts as a result of change in recognition and measurement of net assets can be regulated until the end of the fiscal year after the year of acquisition. These regulations are also reflected in the value of goodwill or negative goodwill, including already booked depreciations.

### **Transactions in foreign currency**

Transactions in foreign currency are recognized at current exchange rate. Gain and losses from the difference between current exchange rate and the exchange rate at time of payment, are recognized in the income statement.

Receivables, debt and other monetary items in foreign currencies are stated at year-end official currency exchange rates. Gain and losses from the difference between used exchange rate and the exchange rate at year end, are recognized in the income statement.

The income statement for foreign subsidiaries is translated at an average exchange rate. The balance sheet is translated at year-end exchange rate. Gain and losses from the difference between beginning and ending exchange rate for the equity and the translation of the income statement to year-end exchange rate are recognized directly in the equity.

## **Income statement**

### **Revenue**

Revenue represents the value of goods delivered during the year, net of value added tax and price reductions directly related to the sales.

### **Cost of sales**

Cost of sales includes the consumption of goods. The cost price reflects the total value of the consumed goods.

## Accounting Policies

### Distribution expenses

Distribution expenses include salary to sales and distribution personnel and related expenses as well as car expenses and depreciations etc.

### Administrative expenses

Administrative expenses include expenses to management, administrative personnel, office expenses, depreciations etc.

### Amortization, depreciation and impairment losses

Depreciations and write offs of tangible and intangible assets is based on a straight-line basis over the expected service life of the assets which are expected to be:

	Service live	Scrap value
Goodwill	20 years	0%
Property, plant and equipment	3-10 years	0%

Losses and gains when selling tangible and intangible assets is measured as the difference between sales price, with deduction of sales cost and the recognized value at the point of sales, and is recognized in the net result either in Distribution expenses or Administrative expenses.

### Net income from subsidiaries

Dividends from subsidiaries are recognized as income in the income statement when adopted at the General Meeting of the subsidiary.

### Other financial Income and Expenses

Financial income and expenses include interest, realized and unrealized foreign exchange gain and losses and charges and refunds on taxes paid on account.

### Tax on profit/loss from ordinary activities

Tax on profit/loss from ordinary activities, which includes both current tax and current year changes in deferred tax, is charged to income statement, with the share that can be contributed to current year net income and to equity with the share that can be contributed to charges charged directly to equity.

The tax provision contributed to income statement is divided into tax provision for ordinary and extraordinary result.

Changes in deferred tax due to change in tax rates are charged to income statement.

The Company is jointly taxed with Hill's Pet Nutrition Denmark ApS. Foreign subsidiaries are not included in the jointly taxation.

Colgate-Palmolive A/S is the administrative company for the joint taxation. The combined Danish tax for the joint taxed companies is paid by Colgate-Palmolive A/S.

The combined tax from the joint taxation with Hill's Pet Nutrition Denmark ApS is allocated to both profit and losses according to the companies' taxable income. The jointly taxed companies are part of the on-account tax scheme.

## **Accounting Policies**

### **Balance Sheet**

#### **Intangible Assets**

Goodwill is measured at cost price with deduction of accumulated depreciations and write downs.

Goodwill connected to a specific brand is amortized on a straight-line basis over the expected useful life. Based on the market the management has evaluated the useful life to be 20 years. The depreciation period has been calculated based on our expectations to Sanex's ability to contribute positively to our operating profit.

An impairment test is made for acquired intangible assets if there are indications of decreases in value. The Impairment test is made for each individual asset or group of assets, respectively. The assets are written down to the higher of the value in use and fair market value, less sales costs, of the asset or group of assets if it is lower than the carrying amount.

#### **Property, plant and equipment**

Property, plant and equipment are measured at cost less depreciation. Straight-line depreciation is made over the expected useful life of the individual assets.

The useful life of the assets is evaluated at the time of purchase and is subjected to revaluation once a year.

The carrying amount of intangible and tangible fixed assets is reviewed annually to determine whether there is indication of impairment in addition to what expressed by depreciation.

#### **Financial assets investments**

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

#### **Receivables**

Receivables are measured in the balance sheet at the amortized cost or at the lower net realizable value, which corresponds to nominal values less write-down for expected losses. Write-down for expected losses is estimated based on an individual assessment of the accounts receivables and a general write-down based on the Company's prior years' experience.

#### **Prepayments**

Prepayments classified as assets consist of prepaid costs for rent, insurance, subscriptions and advertising costs.

#### **Equity**

##### **Executive Compensation Program**

The management of Colgate-Palmolive A/S is included in the Colgate-Palmolive Group's option and share award program.

Options are treated as a cash-settled plan, and the liability is calculated as the differences between the grant prices and the yearend share price. The liability is included in other debt.

The restricted share award program is treated as an equity-settled plan, and the liability is calculated as the year end share price divided with the vesting period of 3 years. The liability is included in the equity.

The impact on reserves due to relocation of employees, are charged directly to equity.

#### **Dividend**

Dividend for current year proposed by management will be shown in a separate line under Equity.

#### **Financial Debts**

Debt to banks, suppliers etc. is booked at amortized value, which in most circumstances is the same as the debt's nominal value.

**Accounting Policies**

**Current tax assets and liabilities**

Provision for deferred taxes includes all temporary differences between the accounting and taxation treatment of assets and liabilities.

The income tax expense and the provision for deferred taxes are based on the actual and future tax rates in effect, in the countries where the legal entities are domiciled.

Tax payments made during the year have been deducted from the year- end tax provision.

**Contingent assets and liabilities**

Contingent assets and liabilities is not recognized in the balance sheet but included only in the notes.

Colgate-Palmolive A/S

**Income Statement 1 January – 31 December**

DKK 1,000

	Note	2020	2019
Revenue		559,880	516,588
Cost of sales	1	-371,131	-341,912
<b>Gross Profit</b>		<b>188,749</b>	<b>174,676</b>
Distribution expenses	1	-154,276	-139,452
Administrative expenses	1	-16,004	-11,578
<b>Operating result</b>		<b>18,469</b>	<b>23,646</b>
Net income from subsidiaries		0	17,979
Other financial expenses		-1	-3
<b>Net income before taxes</b>		<b>18,468</b>	<b>41,622</b>
Tax on profit/loss from ordinary activities	2	-4,700	-5,850
<b>Net income</b>		<b>13,768</b>	<b>35,772</b>



Colgate-Palmolive A/S

**Balance Sheet December 31**

DKK 1,000

	Note	2020	2019
<b>Assets</b>			
Goodwill	3	30,894	33,705
<b>Intangible assets</b>		<u>30,894</u>	<u>33,705</u>
Other fixtures and fittings, tools and equipment	4	1,482	1,434
<b>Property, plant and equipment</b>		<u>1,482</u>	<u>1,434</u>
Investments in subsidiaries	5	10,897	10,897
Deposits	6	1,035	1,035
<b>Fixed asset investments</b>		<u>11,932</u>	<u>11,932</u>
<b>Fixed assets</b>		<u>44,308</u>	<u>47,071</u>
Trade receivables		31,123	47,835
Receivables from group enterprises		70,933	49,056
Income tax receivable		2,909	886
Other receivables		861	69
Prepayments	7	431	231
Deferred tax asset	8	568	222
<b>Receivables</b>		<u>106,825</u>	<u>98,299</u>
<b>Cash</b>		<u>0</u>	<u>0</u>
<b>Current assets</b>		<u>106,825</u>	<u>98,299</u>
<b>Assets</b>		<u>151.133</u>	<u>145,370</u>

Colgate-Palmolive A/S

Balance Sheet December 31

DKK 1,000

	Note	2020	2019
<b>Liabilities and Equity</b>			
Share capital		82,000	82,000
Other reserves		545	521
Retained earnings		6,887	3,119
Proposed dividend for the year		10,000	20,000
<b>Equity</b>		<b>99,432</b>	<b>105,640</b>
Holiday Accrual		3,950	0
<b>Non current liabilities</b>		<b>3,950</b>	<b>0</b>
Trade payables		4,661	5,022
Payables to group enterprises		27,841	18,649
Other payables		15,249	16,059
<b>Current liabilities</b>		<b>47,751</b>	<b>39,730</b>
<b>Total Liabilities</b>		<b>51,701</b>	<b>39,730</b>
<b>Equity and liabilities</b>		<b>151,133</b>	<b>145,370</b>
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## Colgate-Palmolive A/S

### Equity December 31

DKK 1,000

#### Equity

	Share capital	Reserve for compensation programs	Retained earnings	Proposed dividend for the year	Total
Equity as of January 1 2020	82,000	521	3,119	20,000	105,640
Net income for the year			3,768	10,000	13,768
Reserve for Incentive programs		24			24
Extraordinary dividend to shareholders			0	0	0
Paid out dividend				-20,000	-20,000
Equity as of December 31 2020	82,000	545	6,887	10,000	99,432

There has been no change in share capital for the last 5 years.

The share capital consists of 820,000 shares valued DKK 100.

## Colgate-Palmolive A/S

### Notes

DKK 1,000

2020

2019

#### 1. Staff costs

Wages and salaries	38,997	37,266
Pension costs	3,875	3,485
Other social security costs	750	885
	<u>43,622</u>	<u>41,636</u>

*Staff costs are distributed as follows:*

Distribution expenses	29,252	29,379
Administration expenses	14,370	12,257
	<u>43,622</u>	<u>41,636</u>

Average number of full time employees

53

55

The management are included in Colgate-Palmolive Group's executive compensation program, which includes bonus, stock option programs and share award programs. The compensation for management includes adjustments of liabilities for share and option programs.

	Remuneration of management 2020	Remuneration of management 2019
Total amount for Executive Board	3,161	2,480

For the Pursuant to the Danish Financial Statements Act section 98b, subsection 3 the remuneration of the Company's management is shown in total. No remuneration has been paid to the Board of Directors.

#### 2. Tax on profit/loss from ordinary activities

Current tax	5,045	5,692
Change in deferred tax	-345	158
Adjustments related to previous years	0	0
	<u>4,700</u>	<u>5,850</u>

**Colgate-Palmolive A/S**

**Notes**

DKK 1,000

2020

2019

**3. Goodwill**

Cost beginning of year	56,212	56,212
<b>Cost end of year</b>	<b>56,212</b>	<b>56,212</b>
Amortisation and impairment losses beginning of year	-22,507	-19,696
Amortisation for the year (Administrative expenses)	-2,811	-2,811
<b>Amortisation and impairment losses end of year</b>	<b>-25,318</b>	<b>-22,507</b>
<b>Carrying amount end of year</b>	<b>30,894</b>	<b>33,705</b>

**4. Property, plant and equipment**

Cost beginning of year	3,302	2,824
Disposals	0	0
Additions	399	478
<b>Cost end of year</b>	<b>3,701</b>	<b>3,302</b>
Depreciation and impairment losses beginning of year	-1,869	-1,638
Reversal regarding disposals	0	0
Depreciation for the year	-350	-230
<b>Depreciation and impairment losses end of year</b>	<b>-2,219</b>	<b>-1,869</b>
<b>Carrying amount end of year</b>	<b>1,482</b>	<b>1,434</b>

*Depreciation costs are distributed as follows:*

Administration expenses	350	230
	<b>350</b>	<b>230</b>

**5. Investments in subsidiaries**

Cost beginning of year	10,897	10,897
<b>Carrying amount end of year</b>	<b>10,897</b>	<b>10,897</b>

Name	Location	Ownership %	Equity	Result of the year
Colgate-Palmolive AS*	Oslo, Norway	100.00	Nok 16,500k	Nok 6,351k
Colgate-Palmolive AB*	Stockholm, Sweden	100.00	Sek 71,196k	Sek 22,434k

\*Disclosed information according to latest Financial Statements as of 31 December 2020.

**6. Deposit**

Cost beginning of year	1,035	949
Additions	0	86
<b>Carrying amount end of year</b>	<b>1,035</b>	<b>1,035</b>

**Notes**

DKK 1,000

2020

2019

**7. Prepayments**

Prepayments consist of prepaid costs for insurance, subscriptions and advertising costs.

**8. Deferred tax asset**

Consists primarily of tax on incentive programs and property plant and equipment. As the company is a profit given company we expect to be able to utilize the tax asset in near future.

Deferred tax asset beginning of year	222	375
Change in tax on machinery and equipment	-36	-71
Change in tax on incentive plan reserves	355	74
Change in tax on other reserves	27	-156
<b>Carrying amount end of year</b>	<b>568</b>	<b>222</b>

**9. Affiliated entities and ownership**

Colgate-Palmolive S.A., France, 100% share ownership.

Colgate-Palmolive Company, New York, USA, ultimate owner.

The Annual report for the group can be found on the Company's homepage or at

<https://investor.colgatepalmolive.com/financial-information/annual-reports>

**10. Transactions with affiliated entities**

The transactions to and from affiliated entities consists of cost of goods sold and marketing, financial and management services. All transactions between affiliated entities have been conducted on arms' length basis.

**11. Contingent Assets, Liabilities and other financial obligations***Rental agreements and leases*

The Company has engaged in operational leasing contracts with expiry dates up to 47 month with a total liability of kr. 3,537k (2019: kr. 4,981k), whereas kr. 1,366k (2019: kr. 1,675k) is due in 2021.

The Company has lease contracts for rent with expiry dates of 13 month with a total liability of kr. 3,246k (2019: kr. 6,869k), whereas kr. 3,009k (2019: kr. 3,493k) is due in 2021.

*Contingent liabilities*

The Company is the administration company of a Danish joint taxation. The company is jointly and severally liable as of the financial year 2013 with the other jointly taxed companies for the total corporation tax and any obligation to withhold tax at source on interests, royalties and dividends for all jointly taxed companies.

**Notes**

DKK 1,000

**2020****2019****12. Subsequent events**

There have been no significant events subsequent to year-end, which can materially impact the evaluation of the Company's financial position.

**13. Statement of profit distribution**

Proposed dividend	10,000	20,000
Extraordinary dividend distributed in the financial year	0	25,000
Extraordinary dividend paid in the financial year	0	-25,000
Retained earnings	3,768	15,772
	<u>13,768</u>	<u>35,772</u>