

Tikkurila Danmark A/S  
Vallensbækvej 46  
2625 Vallensbæk  
Denmark

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[www.beckers.dk](http://www.beckers.dk)

# Tikkurila Danmark A/S

## Annual report 2018

The annual report was presented and approved at the  
Company's annual general meeting

on APRIL 30 20 19



chairman of the annual general meeting

MARKUS HERKKU

CVR no. 54 96 34 16

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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Tikkurila Danmark A/S for the financial year 1 January – 31 December 2018.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

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

Vallensbæk, 11 April 2019

Executive board:



Kenneth Johansen  
CEO

Board of Directors:



Jukka Petteri Havia  
Chairman



Elisa Johanna  
Markula



Timo Tapani Linna

## **Independent auditor's report**

### **To the shareholders of Tikkurila Danmark A/S**

#### **Opinion**

We have audited the financial statements of Tikkurila Danmark A/S for the financial year 1 January – 31 December 2018 comprising income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2018 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' 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibility for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that 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.

## **Independent auditor's report**

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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.

## Independent auditor's report

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Copenhagen, 11 April 2019

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98



David Olafsson  
State Authorised  
Public Accountant  
mne19737

Tikkurila Danmark A/S  
Annual report 2018  
CVR no. 54 96 34 16

## Management's review

### Company details

Tikkurila Danmark A/S  
Vallensbækvej 46  
2625 Vallensbæk

Telephone: +45 43 63 16 11  
Website: [www.beckers.dk](http://www.beckers.dk)

CVR no.: 54 96 34 16  
Financial year: 1 January – 31 December  
Established: 21 September 1961  
Registered office: Vallensbæk

### Board of Directors

Jukka Petteri Havia (Chairman)  
Elisa Johanna Markula  
Timo Tapani Linna

### Executive Board

Kenneth Johansen, CEO

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
2100 Copenhagen  
Denmark

### Annual general meeting

The annual general meeting will be held on 11 April 2019 at the Company's address.

## Management's review

### Financial highlights

| DKK'000                                   | 2018           | 2017         | 2016          |
|-------------------------------------------|----------------|--------------|---------------|
| <b>Key figures</b>                        |                |              |               |
| Gross profit                              | 39,495         | 49,676       | 52,898        |
| Ordinary operating profit                 | -17,542        | 9,492        | 16,607        |
| Profit from financial income and Expenses | -285           | -70          | -50           |
| <b>Profit for the year</b>                | <b>-14,109</b> | <b>7,119</b> | <b>13,813</b> |
| <b>Balance sheet</b>                      |                |              |               |
| Balance sheet total                       | 73,311         | 91,976       | 85,793        |
| Investment in tangible fixed assets       | 1,979          | 3,334        | 3,395         |
| Equity                                    | 20,599         | 42,155       | 40,744        |
| Number of full-time employees             | 69             | 69           | 66            |
| Return on assets                          | -21%           | 11%          | 19%           |
| Solvency ratio                            | 28%            | 46%          | 47%           |
| Return on equity                          | -41%           | 17%          | 34%           |

Pursuant to section 101(3) of the Danish Financial Statements Act, the Company has omitted to restate comparative figures for the 2nd-3th previous financial years in connection with the change of accounting policies.

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Ratios". The financial ratios have been calculated as follows:

|                  |                                                                                                              |
|------------------|--------------------------------------------------------------------------------------------------------------|
| Return on assets | $\frac{\text{Ordinary operating profit} \times 100}{\text{Average assets}}$                                  |
| Solvency ratio   | $\frac{\text{Equity ex. non-controlling interests at year end} \times 100}{\text{Total assets at year end}}$ |
| Return on equity | $\frac{\text{Profit from ordinary activities after tax} \times 100}{\text{Average equity}}$                  |

## **Management's review**

### **Operating review**

#### **Principal activities**

As in previous years, the Company's main activity comprises operating wholesale trade within paint and related products. Sales are done partly through own wholesale centres in Denmark, and partly through selected independent Beckers and Colorama paint shops. Further, the activity comprises sale of paint products within the industrial sector.

The Company is included in the Finnish Tikkurila Group.

#### **Development in activities and financial position**

The result for the year amount to DKK -14,109 thousand against a profit of DKK 7,119 thousand in 2017.

In 2018 it has been decided to close down production and RDI at the factory in Lunderskov during 2019.

The result for 2018 is influenced by provisions for expected restructuring cost of DKK 8,618 thousand, and extra depreciations of DKK 17,890 thousand, in connection with closing of the factory in Lunderskov.

#### **Events after the balance sheet date**

No events have occurred after the balance sheet date that could materially affect the Company's financial position.

#### **Outlook**

Management expects the activity level of 2019 to be at the same level as 2018. Profit is expected to improve compared to 2018 since costs related to closure of production and RDI will not arise again.

#### **Impact on the external environment and measures to prevent, reduce or eliminate damage**

Tikkurila Danmark A/S is environmentally conscious and continuously works on reducing the environmental impact of the Company's activities. Tikkurila Danmark A/S provides eco-friendly storage and treatment of its products, and in case of discarding the Company ensures proper disposal.

## Financial statements 1 January – 31 December

### Income statement

| DKK'000                                          | Note | 2018    | 2017    |
|--------------------------------------------------|------|---------|---------|
| <b>Gross profit</b>                              |      | 39,495  | 49,676  |
| Staff costs                                      | 2    | -35,685 | -36,650 |
| Amortisation and impairment of intangible assets |      | -21,352 | -3,534  |
| <b>Operating result</b>                          |      | -17,542 | 9,492   |
| Financial income                                 | 3    | 84      | 288     |
| Financial expenses                               | 4    | -369    | -358    |
| <b>Result before tax</b>                         |      | -17,827 | 9,422   |
| Tax on profit for the year                       | 5    | 3,718   | -2,303  |
| <b>Result for the year</b>                       | 6    | -14,109 | 7,119   |

## Financial statements 1 January – 31 December

### Balance sheet

| DKK'000                                                   | Note | 2018          | 2017          |
|-----------------------------------------------------------|------|---------------|---------------|
| <b>ASSETS</b>                                             |      |               |               |
| <b>Fixed assets</b>                                       |      |               |               |
| <b>Intangible assets</b>                                  | 7    |               |               |
| Goodwill                                                  |      | 0             | 6,271         |
| Acquired licences, patents, trademarks and similar rights |      | 187           | 281           |
|                                                           |      | <u>187</u>    | <u>6,552</u>  |
| <b>Property, plant and equipment</b>                      | 8    |               |               |
| Land and buildings                                        |      | 6,518         | 14,748        |
| Fixtures and fittings, tools and equipment                |      | 4,307         | 9,085         |
| Property, plant and equipment under construction          |      | 0             | 284           |
|                                                           |      | <u>10,825</u> | <u>24,117</u> |
| <b>Total fixed assets</b>                                 |      | <u>11,012</u> | <u>30,669</u> |
| <b>Inventories</b>                                        |      |               |               |
| Raw materials and consumables                             |      | 4,488         | 8,342         |
| Work in progress                                          |      | 58            | 79            |
| Finished goods and goods for resale                       |      | 18,573        | 18,420        |
|                                                           |      | <u>23,119</u> | <u>26,841</u> |
| <b>Receivables</b>                                        |      |               |               |
| Trade receivables                                         |      | 24,713        | 26,232        |
| Receivables from group entities                           |      | 9,687         | 6,372         |
| Other receivables                                         | 9    | 1,210         | 1,214         |
| Deferred tax asset                                        | 10   | 3,168         | 0             |
| Prepayments                                               | 11   | 528           | 385           |
|                                                           |      | <u>39,306</u> | <u>34,203</u> |
| <b>Cash at bank and in hand</b>                           |      | <u>216</u>    | <u>263</u>    |
| <b>Total current assets</b>                               |      | <u>62,641</u> | <u>61,307</u> |
| <b>TOTAL ASSETS</b>                                       |      | <u>73,653</u> | <u>91,976</u> |

## Financial statements 1 January – 31 December

### Balance sheet

| DKK'000                                          | Note     | 2018          | 2017          |
|--------------------------------------------------|----------|---------------|---------------|
| <b>EQUITY AND LIABILITIES</b>                    |          |               |               |
| <b>Equity</b>                                    |          |               |               |
| Share capital                                    | 12       | 2,100         | 2,100         |
| Share premium                                    |          | 4,043         | 4,043         |
| Retained earnings                                |          | 14,456        | 28,565        |
| Proposed dividends for the financial year        |          | 0             | 7,447         |
| <b>Total equity</b>                              |          | <b>20,599</b> | <b>42,155</b> |
| <b>Provisions</b>                                |          |               |               |
| Provision for deferred tax                       | 10       | 0             | 2,493         |
| Other provisions                                 |          | 6,191         | 0             |
|                                                  |          | <b>6,191</b>  | <b>2,493</b>  |
| <b>Current liabilities other than provisions</b> |          |               |               |
| Short-term portion of long-term debt             |          | 0             | 169           |
| Trade payables                                   |          | 21,694        | 9,190         |
| Prepayments received from customers              |          | 0             | 224           |
| Payables to group entities                       |          | 17,842        | 26,624        |
| Corporation tax                                  |          | 769           | 627           |
| Other liabilities                                | 13       | 6,558         | 10,494        |
|                                                  |          | <b>46,863</b> | <b>47,328</b> |
| <b>Total liabilities other than provisions</b>   |          | <b>46,863</b> | <b>47,328</b> |
| <b>TOTAL EQUITY AND LIABILITIES</b>              |          | <b>73,653</b> | <b>91,976</b> |
| <b>Contingencies, etc.</b>                       |          |               |               |
| Related parties disclosure and ownership         | 14<br>15 |               |               |

## Financial statements 1 January – 31 December

### Statement of equity

| DKK'000                                   | Share capital | Share premium | Retained earnings | Proposed dividends for the financial year | Total   |
|-------------------------------------------|---------------|---------------|-------------------|-------------------------------------------|---------|
| Equity at 1 January 2018                  | 2,100         | 4,043         | 28,565            | 7,447                                     | 42,155  |
| Distributed dividend                      | 0             | 0             | 0                 | -7,447                                    | -7,447  |
| Transferred over the distribution of loss | 0             | 0             | -14,109           | 0                                         | -14,109 |
| Equity at 31 December 2018                | 2,100         | 4,043         | 14,456            | 0                                         | 20,599  |

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Tikkurila Danmark A/S for 2018 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

Reclassifications to comparative figures in the financial statements have been made.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Gross profit

Pursuant to section 32 of the Financial Statements Act the Company has not disclosed information on revenue.

Gross profit is a consolidation of revenue, changes in inventories of goods for resale and work in progress and other operating income less costs for raw materials and consumables and other external costs.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Revenue

Income from the sale of goods is recognised in the income statement when delivery and transfer of risk to the buyer have taken place before year end, and the income may be measured reliably and is expected to be received.

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

##### Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

##### Staff costs

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

##### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment comprise depreciation, amortisation and impairment for the year of intangible assets and property, plant and equipment.

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

##### Tax on profit/loss for the year

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

### Balance sheet

#### Intangible assets

##### *Goodwill*

Goodwill is measured at cost less accumulated amortisation and impairment. Goodwill is amortised on a straight-line basis over 10 years.

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

Gains and losses are recognised in the income statement as amortisation and depreciation.

##### *Patents, licences and trademarks*

Patents and licences are measured at cost less accumulated amortisation and impairment. Patents are amortised on a straight-line basis over the remaining life of the patent, and licences are amortised over the contract period, however, not exceeding 10 years.

Development costs and costs for internally generated rights are recognised in the income statement in the acquisition year.

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

Gains and losses are recognised in the income statement as amortisation and depreciation.

#### Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

|                                            |            |
|--------------------------------------------|------------|
| Buildings                                  | 40 years   |
| Plant and machinery                        | 15 years   |
| Fixtures and fittings, tools and equipment | 3-10 years |

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

#### Impairment of fixed assets

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

#### Inventories

Inventories are measured at cost in accordance with the weighted average cost formula. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials comprise purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as indirect production costs.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

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

##### Prepayments and deferred income

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

##### Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and in bank.

##### Equity - dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

##### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income. In cases where the computation of the tax value is made in accordance with alternative taxation rules, the deferred tax is measured on basis of the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

#### Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan.

Finance lease obligations comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at amortised cost, which usually corresponds to the net realisable value.

## Financial statements 1 January – 31 December

### Notes

|                                                                                                                                           | DKK'000 | 2018          | 2017          |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------|---------------|---------------|
| <b>2 Staff costs</b>                                                                                                                      |         |               |               |
| Salary and wages                                                                                                                          |         | 31,635        | 32,876        |
| Pensions                                                                                                                                  |         | 3,078         | 2,943         |
| Other social security costs                                                                                                               |         | 972           | 831           |
|                                                                                                                                           |         | <u>35,685</u> | <u>36,650</u> |
| <br>Average number of employees                                                                                                           |         | <br><u>69</u> | <br><u>69</u> |
| <br>Pursuant to section 98b(3) of the Danish Financial Statements Act, the Company has not disclosed remuneration to the Executive Board. |         |               |               |
| <b>3 Financial income</b>                                                                                                                 |         |               |               |
| Interest income from group entities                                                                                                       |         | 0             | 0             |
| Other interest income                                                                                                                     |         | 23            | 259           |
| Foreign exchange gains                                                                                                                    |         | 61            | 29            |
|                                                                                                                                           |         | <u>84</u>     | <u>288</u>    |
| <br><b>4 Financial expenses</b>                                                                                                           |         |               |               |
| Interest expenses to group entities                                                                                                       |         | 213           | 187           |
| Other interest expenses                                                                                                                   |         | 102           | 136           |
| Foreign exchange losses                                                                                                                   |         | 54            | 35            |
|                                                                                                                                           |         | <u>369</u>    | <u>358</u>    |
| <br><b>5 Tax on profit for the year</b>                                                                                                   |         |               |               |
| Deferred tax adjustment for the year                                                                                                      |         | -5,661        | 446           |
| Tax payable                                                                                                                               |         | 1,943         | 1,857         |
| Tax previous year                                                                                                                         |         | 0             | 0             |
|                                                                                                                                           |         | <u>-3,718</u> | <u>2,303</u>  |

## Financial statements 1 January – 31 December

### Notes

|                                                 | DKK'000 | 2018           | 2017                                                       |
|-------------------------------------------------|---------|----------------|------------------------------------------------------------|
| <b>6 Profit appropriation</b>                   |         |                |                                                            |
| Proposed dividends for the financial year       |         | 0              | 7,447                                                      |
| Retained earnings                               |         | -14,109        | -328                                                       |
|                                                 |         | <u>-14,109</u> | <u>7,119</u>                                               |
| <b>7 Intangible assets</b>                      |         |                |                                                            |
|                                                 | DKK'000 | Goodwill       | Acquired licences, patents, trade-marks and similar rights |
| Cost at 1 January 2018                          |         | 6,968          | 943                                                        |
| Additions                                       |         | 0              | 0                                                          |
| Cost at 31 December 2018                        |         | <u>6,968</u>   | <u>943</u>                                                 |
| Amortisation and impairment at 1 January 2018   |         | -697           | -662                                                       |
| Amortisation for the year                       |         | -6,271         | -94                                                        |
| Amortisation and impairment at 31 December 2018 |         | <u>-6,968</u>  | <u>-756</u>                                                |
| Carrying amount at 31 December 2018             |         | <u>0</u>       | <u>187</u>                                                 |

## Financial statements 1 January – 31 December

### Notes

#### 8 Property, plant and equipment

| DKK'000                                               | Land and buildings | Fixtures and fittings, tools and equipment | Property, plant and equipment under construction |
|-------------------------------------------------------|--------------------|--------------------------------------------|--------------------------------------------------|
| Cost at 1 January 2018                                | 18,719             | 28,078                                     | 284                                              |
| Additions                                             | 0                  | 1,695                                      | 0                                                |
| Transferred                                           | 0                  | 284                                        | -284                                             |
| Disposals                                             | 0                  | -565                                       | 0                                                |
| Cost at 31 December 2018                              | 18,719             | 29,492                                     | 0                                                |
| Amortisation and impairment at 1 January 2018         | -3,971             | -18,993                                    | 0                                                |
| Amortisation for the year                             | -8,230             | -6,757                                     | 0                                                |
| Reversed depreciation and impairment, disposed assets | 0                  | 565                                        | 0                                                |
| Amortisation and impairment at 31 December 2018       | -12,201            | -25,185                                    | 0                                                |
| Carrying amount at 31 December 2018                   | 6,518              | 4,307                                      | 0                                                |

| DKK'000             | 2018  | 2017  |
|---------------------|-------|-------|
| 9 Other receivables |       |       |
| Deposits            | 1,197 | 1,208 |
| Prepayments         | 13    | 6     |
|                     | 1,210 | 1,214 |

## Financial statements 1 January – 31 December

### Notes

|           | DKK'000                                                                                                                           | 2018          | 2017          |
|-----------|-----------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>10</b> | <b>Deferred tax</b>                                                                                                               |               |               |
|           | Provision for deferred tax 1 January                                                                                              | 2,493         | 2,047         |
|           | Adjustments for the year, deferred tax                                                                                            | -5,661        | 446           |
|           |                                                                                                                                   | <u>-3,168</u> | <u>2,493</u>  |
| <b>11</b> | <b>Prepayments</b>                                                                                                                |               |               |
|           | Prepayments comprise of prepaid costs relating to rent and other prepaid costs.                                                   |               |               |
| <b>12</b> | <b>Contributed capital</b>                                                                                                        |               |               |
|           | The share capital consists of 2,100 shares of nominal DKK 1,000 each. All shares rank equally.                                    |               |               |
| <b>13</b> | <b>Other liabilities</b>                                                                                                          |               |               |
|           | VAT and taxes payable                                                                                                             | 185           | 917           |
|           | Debt (related to employees)                                                                                                       | 5,543         | 5,711         |
|           | Other                                                                                                                             | 830           | 3,866         |
|           |                                                                                                                                   | <u>6,558</u>  | <u>10,494</u> |
| <b>14</b> | <b>Contingencies, etc.</b>                                                                                                        |               |               |
|           | <b>Operating lease</b>                                                                                                            |               |               |
|           | The Company has operating lease obligations with a total residual lease payment of DKK 6,003 thousand (2017: DKK 4,989 thousand). |               |               |

## Financial statements 1 January – 31 December

### Notes

#### 15 Related party disclosures and ownership

Tikkurila Danmark A/S' related parties comprise the following:

##### Control

Tikkurila OYJ, P.O. Box 53, Kuninkaalantie 1, FI-01301 Vantaa, Finland.

Tikkurila OYJ holds the majority of the share capital in the Company.

Tikkurila Danmark A/S is part of the consolidated financial statements for Tikkurila OYJ, Finland, which are the smallest and largest groups, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements for Tikkurila OYJ can be obtained by contacting the Company.

##### Other related parties

Tikkurila OYJ  
Tikkurila Sverige AB  
Tikkurila GmbH  
Tikkurila Polska S.A.  
Tikkurila Norge AS  
Tikkurila SIA (Estonia)

##### Related party transactions

| DKK'000                             | 2018           | 2017           |
|-------------------------------------|----------------|----------------|
| Sale of goods to a subsidiary       | 18,038         | 10,920         |
| Purchase of goods from a subsidiary | -73,809        | -58,713        |
|                                     | <u>-55,771</u> | <u>-47,793</u> |

Payables to associates and subsidiaries are disclosed in the balance sheet, and income and expensed interest is disclosed in note 3 and 4.