JOTUN

Jotun Protects Property

Annual report **2023**

Our values

Loyalty

Reliable and trustworthy

Long-term relationships between customers, Jotun and colleagues

Commitment to Jotun's values, strategies, policies and decisions

Care

Help and support others

Display trust and empathy

Appraise and judge fairly

Protect internal and external environment

Respect

Value differences in people

Be honest and fair

Build diverse teams across culture and gender

Follow laws and regulations

Treat others the way they expect to be treated

Boldness

Take initiatives to create the future

Initiate and nurture change

Communicate openly, honestly and with integrity

Be proactive

Address difficulties constructively

Contents

INTRODUCTION	
Group key figures	**02**
Jotun at a glance	**04**
Four segments	**05**
A bold history, a bright future	**06**
BOARD OF DIRECTORS	
Chairman of the Board	**08**
Directors' report	**09**
JOTUN GROUP	
Consolidated income statement	**18**
Consolidated statement of comprehensive income	**18**
Consolidated statement of financial position	**19**
Consolidated statement of changes in equity	**20**
Consolidated statement of cash flows	**20**
Notes for the Group	**21**
JOTUN A/S	
Income statement	**54**
Statement of comprehensive income	**54**
Statement of financial position	**54**
Statement of changes in equity	**55**
Statement of cash flows	**55**
Notes for the Parent Company	**57**
AUDITOR'S REPORT	**70**
BOARD OF DIRECTORS AND CORPORATE ASSEMBLY	**72**

Group key figures

35.0 %

Return on capital employed

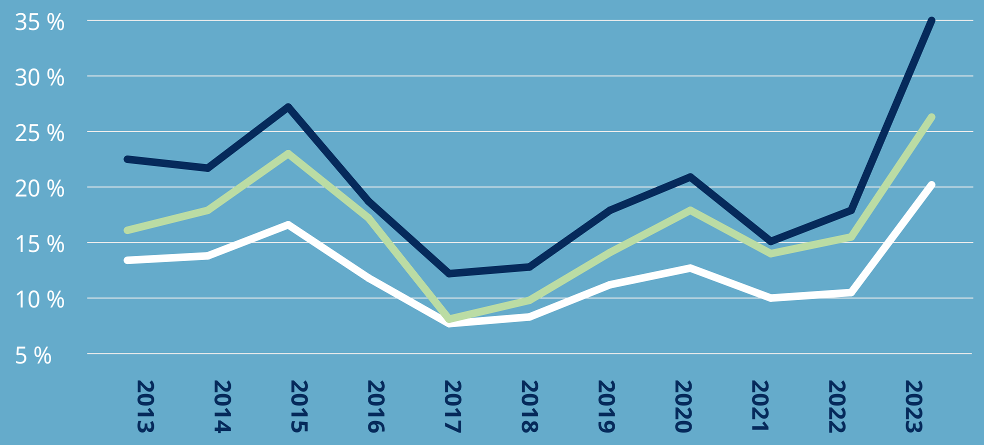
26.3 %

Return on equity

20.2 %

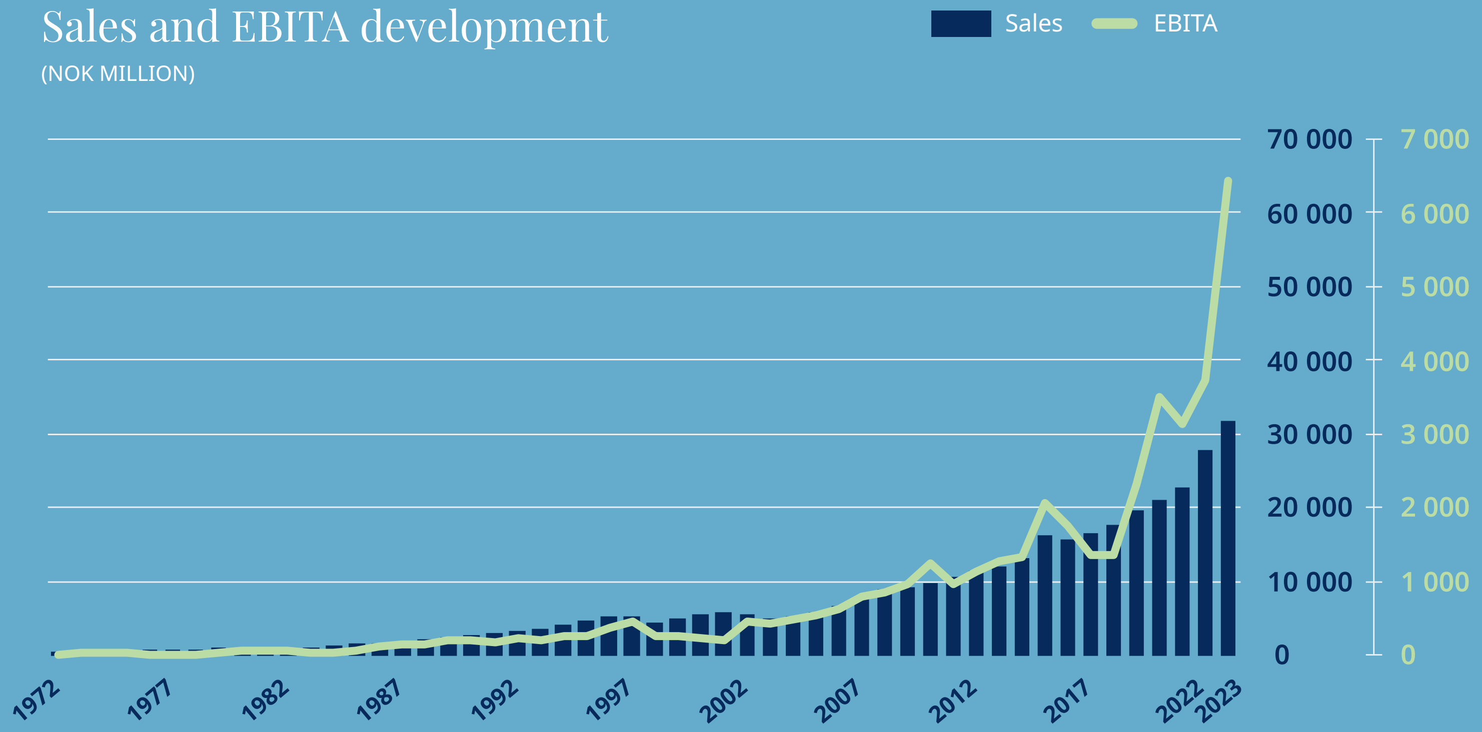
Operating margin

Profitability



Sales and EBITA development

(NOK MILLION)



Group key figures

(NOK million)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Profit/loss										
Operating revenue	**31 861**	27 858	22 809	21 070	19 652	17 660	16 401	15 785	16 282	13 171
Sales revenue outside Norway, in %	**92**	92	90	89	89	88	88	88	88	85
Operating profit	**6 430**	3 737	3 138	3 489	2 320	1 361	1 354	1 763	2 064	1 314
Profit before tax	**5 879**	3 191	2 890	3 158	2 079	1 115	1 236	1 594	1 918	1 301
Net cash flow from operation activities	**5 236**	1 809	1 968	3 272	2 448	1 018	1 097	2 027	1 500	919
Year-end financial positions										
Total assets	**30 082**	26 355	23 432	20 574	19 136	16 715	15 708	15 158	15 187	13 300
Investments in intangible and fixed assets	**1 374**	1 280	1 363	1 407	1 464	1 089	967	1 133	922	911
Equity (including non-controlling interests)	**18 325**	14 493	12 468	11 128	9 584	8 469	8 254	8 035	7 932	6 739
Equity / assets ratio, in %	**60.9**	55.0	53.2	54.1	50.1	50.7	52.5	53.0	52.2	50.7
Number of employees in the Group including 100 per cent in associates and joint ventures	**10 349**	10 043	10 293	9 855	10 007	9 872	9 789	9 819	9 842	9 676
Profitability										
Return on capital employed, in %	**35.0**	22.9	22.4	27.2	18.6	12.9	12.8	17.9	20.9	15.1
Return on equity, in %	**26.3**	16.1	17.9	23.0	17.2	8.1	9.8	14.1	17.9	14.0
Operating margin, in %	**20.2**	13.4	13.8	16.6	11.8	7.7	8.3	11.2	12.7	10.0

Back to contents >

Jotun at a glance

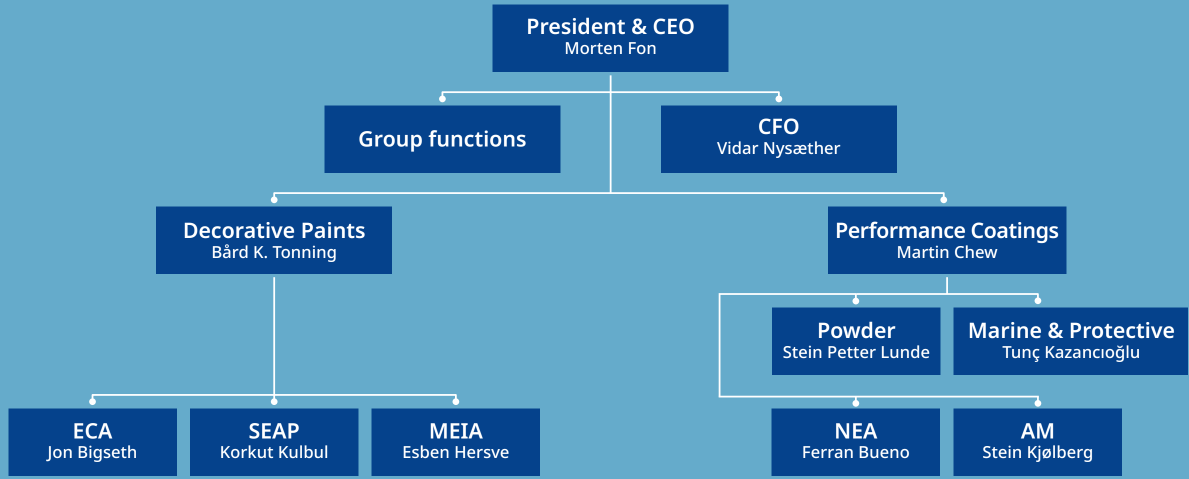
The Jotun Group is a matrix organisation with sales of Decorative Paints and Marine, Protective and Powder Coatings organised into five regions.

The company has 40 production facilities in 23 countries, with 66 companies in 46 countries, and is represented in more than 100 countries worldwide.

100 +
Countries

40
Factories

10 349
Employees



The regional setup from 1.1.2024.

Back to contents >

Four segments

DECORATIVE PAINTS 37 %
Jotun is a leading paint supplier to commercial buildings, public buildings and homes, serving both professionals and home owners, directly and through a substantial network of Jotun Multicolor centres.

POWDER COATINGS 7 %
Jotun is a leading supplier to companies active in industries related to building components, general industries, pipelines, appliances and furniture.

PROTECTIVE COATINGS 29 %
Jotun is a leading supplier of high quality protective coatings for on- and offshore oil and gas facilities, power generation, renewable energy and infrastructure projects, including intumescent coatings, topcoats, high temperature coatings and state-of-the-art, proven anticorrosion protection products.

MARINE COATINGS 27 %
Jotun is the market leader in marine coatings, delivering high performance hull performance solutions and high quality coatings for newbuilds, drydockings, onboard maintenance, cargo tanks and cargo holds to the global shipping industry. Jotun also supplies premium coatings to mega yachts and leisure yachts.

** Incl. 100 % of sales in associates and joint ventures*

A bold history, a bright future

Jotun has protected property since its foundation in 1926, building on its core values of Loyalty, Care, Respect and Boldness, to create a global network dedicated to delivering innovative solutions to meet customer needs. Now active on six continents, the company's global presence has made Jotun the fastest growing paints and coatings manufacturer in the world.

1926: Odd Gleditsch Sr. establishes Jotun with the purchase of the Jotun Kemiske Fabrik A/S (Jotun Chemical Factory).

1951: Jotun opens a new five-storey factory at Gimle in Sandefjord, Norway, with an entire floor devoted to Research and Development (R&D).

1962: Jotun establishes sales teams in both France and Spain and open its first overseas factory in Libya.

1968: Jotun establishes the Corro-Coat powder coatings factory in Norway, a sales company in Greece and the first factory in South East Asia (Thailand).

1969: Sales company opens in Hamburg, Germany.

1970: Jotun acquires the UK-based marine coatings company, Henry Clark & Sons.

1972: In Norway, Jotun A/S Odd Gleditsch merges with former rivals Alf Bjercke A/S, Fleischers Kjemiske Fabrikker A/S and A/S Denofa og Lilleborg Fabrikker's paint division to strengthen its domestic position and attain resources to expand overseas. New sales companies in Sweden and Denmark.

1974: Jotun purchases a stake in Baltimore Copper Paint Company, USA.

1975: Jotun buys a factory in Singapore and opens a factory in Dubai, U.A.E.

1978: Jotun Corro-Coat opens its first powder coatings factory outside Norway (in Thailand), and Jotun establishes a sales company in the Netherlands.

1984: Jotun opens a factory in Saudi Arabia.

1985: Jotun opens factories in Egypt, Oman and Malaysia.

1988: Jotun enters a joint venture with Chokwang Paints in South Korea.

1989: Jotun establishes a joint venture in Turkey and a sales company in Ireland.

1990: Jotun acquires a factory in Melbourne, Australia.

1991: The Jotun paint factory in Vindal, Sandefjord, Norway opens.

1993: Jotun establishes sales and a small production unit in Italy.

1994: Through a partnership with a subsidiary of COSCO, Jotun gains access to a paint factory in Guangzhou, China, and Jotun establishes a company in Bulgaria.

1995: Jotun opens factories in the Czech Republic, Abu Dhabi and South Africa.

1996: Jotun completes construction of a factory in Indonesia.

1997: Jotun opens a factory in Vietnam.

1999: Jotun establishes a new sales company in Poland.

2003: Jotun opens a powder coatings factory in Pakistan.

2005: In China, Jotun enters joint venture with COSCO to form Jotun COSCO Marine Coatings (JCMC), and opens a factory in Zhangjiagang, the following year.

2008: Jotun opens a new factory in Pune, India.

2009: Chokwang Jotun opens a factory in South Korea.

2009: Jotun establishes a sales company in Morocco.

2011: Sales companies are established in Algeria, Brazil, Cyprus, Romania and Kazakhstan.

2012: Jotun opens a sales office in Cambodia.

2013: Jotun opens a state-of-the-art factory in Sandefjord, Norway, and a specialised marine coatings factory in Qingdao, China.

2015: Jotun completes construction of a factory in Itaborai, Brazil, establishes Jotun Mexico and opens a sales company in Kenya.

2017: Jotun opens its first factories in Myanmar and the Philippines.

2019: A new, state-of-the-art R&D centre and headquarters opens in Sandefjord, Norway.

2021: Jotun opens its first decorative paints factory in Ethiopia.

2022: Jotun inaugurates new factories in Qatar, Bangladesh and Pakistan.

2023: New high capacity factory inaugurated in 10th of Ramadan City, Egypt.

Securing a solid foundation for growth

Jotun's continuous investments have helped the company experience more than two decades of uninterrupted growth.

Jotun's success in 2023 has its roots in the company's long-term investment strategy, grounded in the company's secure financial base.

CHAIRMAN OF THE BOARD OF DIRECTORS
Odd Gleditsch d.y.

Viewed in isolation, 2023 was a good year. Jotun experienced growth in all segments, recording record volumes and good profitability. That these results occurred in a year characterised by political and economic uncertainty in many regions where Jotun is active is a notable achievement. And it is a credit to the skill and dedication of our workforce. Seen from a broader perspective, Jotun's success in 2023 has its roots in the company's long-term investment strategy, grounded in a secure financial base.

ORGANIC GROWTH

For most of its recent history, Jotun has been committed to an organic growth strategy. While the company has had success forming partnerships and joint ventures with other companies to access new markets or technologies when necessary, Jotun prefers to leverage internal resources to build the business. While this approach can take time, it helps Jotun avoid excessive debt and ensures that Jotun can exercise greater control over how the business develops, step by step. The result is that Jotun, by end of 2023, has 40 production facilities in 23 countries, supplying to 66 group companies worldwide. Built up over decades, Jotun's broad geographical footprint, combined with activities in four different segments serving different industrial and consumer sectors, helps Jotun mitigate business risk. By having diverse revenue streams, Jotun is less vulnerable to economic or political risk that may impact sales in some countries, or cyclical downturns that may impact growth in some segments.

STRATEGIC INVESTMENTS

Pursuing this strategy in a rapidly changing world requires patience, foresight and the ability to anticipate and handle emerging challenges. Over the past few years, the Board has approved investments in production and information technologies to improve efficiency, equipment to accelerate the innovation process, and systems to streamline how the company evaluates new markets and builds factories. In recognition of the growing urgency to manage climate change, the Board has allocated significant resources to help Jotun improve its environmental performance, consistent with the company's sustainability strategy. While returns on these more recent investments may take time to develop, the Board is confident that by adhering to the long-term strategy that produced such good results in 2023, Jotun can continue to achieve positive results in the future.

Board of Directors: First row from left: Odd Gleditsch d.y., Camilla Hagen Sørli. Second row from left: Per Kristian Aagaard, Jannicke Nilsson, Nicolai A. Eger. Third row from left: Bjørg Engevik Nilsen, Jørgen Arnesen, Nils K. Selte.

Directors' report

1. MAIN ACTIVITIES

Jotun's business activities include the development, production, marketing and sale of paints and coatings systems and related products and services for the treatment, protection and beautification of assets.

From 1 January 2024, the two regions West Europe and Scandinavia (WESCA) and East Europe and Central Asia (EECA) were merged, and Jotun's business is now organised into five regions: Europe and Central Asia (ECA), Middle East, India and Africa (MEIA), North East Asia (NEA), South East Asia and Pacific (SEAP) and Americas (AM).

Jotun's product and service offerings are organised into two business areas: Decorative Paints and Performance Coatings.

Decorative Paints
Jotun supplies interior and exterior decorative paints to commercial real estate projects, public infrastructure projects (such as airports, stadiums, hospitals, housing developments, etc.) and homeowners, either directly or indirectly through the company's global network of dealers.

Performance Coatings
Marine Coatings - Jotun is the market leader in marine coatings, offering primers, topcoats, and high-performance hull performance solutions and tank coatings. Jotun also supplies premium coatings to megayachts and leisure yachts.

Protective Coatings - Jotun is a leading supplier of high-quality primers, intumescent, anti-corrosive and specialised heat-resistant coatings to infrastructure projects and on- and offshore oil, gas and renewable energy facilities.

Powder Coatings Jotun is a leading supplier of powder coatings to companies and applicators active in industries related to building components, general industries, pipeline, appliances and furniture.

2. REVIEW OF THE ANNUAL ACCOUNTS

In 2023, the Jotun Group recorded total operating revenue of NOK 31 861 million, which is an increase of 14 per cent compared to 2022 (NOK 27 858 million). Excluding currency translation effects, mainly due to a weaker Norwegian krone, underlying revenue growth was 12 per cent.

A number of actions taken by the organisation contributed to Jotun's success in 2023. Retaining skilled personnel and continuing to invest in competence development and product innovation during the pandemic put Jotun in a strong position to serve customers as the global economy recovered in 2022 and accelerated in 2023. By working to protect profitability and controlling manageable costs, Jotun not only sold more paints and coatings than ever before but also recorded all-time high results in every segment. As a recognition for excellent efforts over the last years, the Board decided to give a gratuity of NOK 10 000 to all employees worldwide in December.

Profits
The Group achieved an operating profit of NOK 6 430 million in 2023 compared to NOK 3 737 million in 2022. Growth in operating profits was supported by easing raw materials costs, higher sales volume, price increases and effective measures to control operating costs.

Net financial costs increased by NOK 6 million to NOK 552 million. This resulted in a profit before tax of NOK 5 879 compared to NOK 3 191 million in 2022. Jotun's activities are subject to ordinary company tax in the countries in which the Group operates, and income tax amounted to NOK 1 378 million in 2023. This led to a profit for the year of NOK 4 500 million compared to NOK 2 167 million in 2022.

The parent company, Jotun A/S, achieved a total profit for the year of NOK 1 880 million in 2023, compared to NOK 1 702 million in 2022.

Allocation of profit for the year:
Jotun A/S posted a profit for the year of NOK 1 880 million.

The Board of Directors proposes the following allocation:

Proposed dividend	NOK 2 223 million
Transfer from equity	NOK 343 million

Financial position, capital structure and risk
Net cash flow from operating activities improved by 3 427 million to NOK 5 236 million following a strong increase in operating profit. At year-end, the Group had a positive cash

position of NOK 5 390 million compared to NOK 3 312 million as of 31 December 2022.

The Group continued to invest in production capacity and R&D facilities in 2023, with total investments amounting to NOK 1 374 million compared to NOK 1 280 million in 2022. Planned or ongoing projects include new factories in Algeria and Egypt, a factory expansion project in Indonesia, a new regional R&D centre in Malaysia and facility upgrade in Norway. To manage Jotun's growing workforce, the company continued to develop, upgrade and invest in global IT systems that enable personnel in different locations to record data on common platforms, communicate and share competencies.

The net interest-bearing debt for the Group was NOK -1 184 million as of 31 December 2023, compared to NOK 1 680 million as of 31 December 2022. The decrease in net interest-bearing debt is primarily driven by strong earnings growth and good cash generation. At year-end, Jotun A/S had NOK 1 900 million in outstanding bonds, of which NOK 650 million was short-term. In addition, Jotun A/S had NOK 94 million in short-term bank debt outstanding. External borrowing in the subsidiaries is primarily short-term and through local banks.

Jotun A/S has NOK 2 436 million in long-term credit lines and NOK 400 million in short-term credit lines. This committed funding serves as a strategic reserve for financing of the Group as well as a backstop for short-term certificate loans. At year-end, these credit lines were unused.

The Group's equity ratio was 61 per cent at the end of the year as compared to 55 per cent in 2022. The Group is in a sound financial position.

In its regular business operations, Jotun is exposed to financial risks relating to customer credit and fluctuations in raw material prices, currency exchange rates, and interest rates. Procedures and guidelines for managing these risks are established by Jotun's Treasury Policy. The Group primarily manages financial risks through normal operations. For example, Jotun can increase prices to compensate for higher raw material costs and utilise credit management systems to reduce credit risk.

In addition, Jotun A/S hedges currency risk related to net cash flows in foreign currencies using forward contracts, options and foreign currency loans. Currency risk related to the parent company's net investments in subsidiaries, associates, and joint ventures, is generally not hedged. Jotun's procedures and measures are considered satisfactory in relation to the Group's exposure to financial risks.

In accordance with section 3-3a of the Norwegian Accounting Act, the Board confirms that the Group fulfils the requirements necessary to operate as a going concern, and that the 2023 financial statements have been prepared on the basis of this assumption.

THE MARKETS

Decorative Paints

Jotun achieved all-time high sales in the Decorative Paints segment in 2023, continuing an uninterrupted growth trend that has lasted for more than two decades. Growth was especially strong in Türkiye and countries in the Middle East and South East Asia, where Jotun is the recognised market leader in the premium paints market. Results in Scandinavia and parts of West Europe were mixed, while Jotun gained ground in China, where Jotun has opened many high-end paint stores.

Jotun has more than 10 000 Multicolor machines worldwide, serving more than 9 000 dealer shops. To help dealers succeed, the company offers a variety of programmes, such as shop sales staff training, advice on improving profitability and an app that supports painters who use Jotun products. In 2023, Jotun launched a mobile version of Jotun Colour Manager ("JCM GO"), which allows sales personnel to close sales and tint colours from any location or device.

To strengthen its brand, Jotun successfully completed the global launch of its 2024 Colour Trends Collection ("Canvas") and released a number of premium interior and exterior products. Looking ahead, inflationary conditions in some markets and escalating conflict in the Middle East may impact sales negatively in 2024, but expectations in other markets, especially in South East Asia, Türkiye and China, are likely to support Jotun's long-term growth in the Decorative Paints segment.

Protective Coatings

In 2023, growing investments in infrastructure, renewable energy, oil and gas projects have helped Jotun achieve another year of double-digit growth in the Protective Coatings segment. Jotun's success was mainly driven by strong sales to oil, gas and infrastructure projects in the Middle East and North East Asia, where Jotun has a leading market share. Jotun is also growing in the renewable energy segment, building on the company's long experience and proven performance protecting assets in offshore environments.

Jotun's success supplying to oil, gas and renewable energy projects relies on best-in-class technical service and building close relationships with owners, applicators and fabrication yards. Jotun also develops innovative products. For example, Jotun launched Jotachar JF750 XT in 2023, an intumescent coating especially developed for assets constructed or commissioned in extreme environments. For existing oil and gas facilities, Jotun launched AssetKeeper, a service to help owners optimise maintenance, planning and decisions.

Jotun also experienced growing demand for high-performance paints and coatings technologies for fire protection, corrosion protection and long-lasting finishes for infrastructure projects, such as bridges, airports and mixed-use real estate developments. Looking ahead, expected declines in global GDP growth may impact public and private spending in 2024. However, planned constructions of new onshore and offshore oil and gas infrastructure and windfarms, infrastructure, maintenance projects, and growing investments in green buildings will continue to drive demand for Jotun products in the years ahead.

Marine Coatings

Increased activity in newbuilding and drydocking are primary drivers behind Jotun's excellent results in the Marine Coatings segment in 2023. Jotun performed especially well in North East Asia, Europe and Türkiye, where the company has a leading market position.

Jotun's growth was driven in part by increasingly strict regulations on emissions and the environmental impact of shipping. International Maritime Organization's (IMO) revised GHG strategy includes an ambition to reach net-zero GHG emissions from international shipping by or around 2050 and an uptake of alternative zero and near-zero GHG fuels by 2030. To achieve these goals, IMO has implemented regulations to help the industry decarbonise. These regulatory incentives, combined with pressure from cargo owners and ship finance, have led to growing awareness among owners about the role hull coatings play in reducing fuel costs and corresponding emissions.

To support customers, Jotun offers premium antifoulings and solutions, including Jotun Hull Performance Solutions and Hull Skating Solutions, a proactive cleaning technology to combat early-stage fouling. Jotun also offers digital services (HullKeeper) based on Jotun proprietary fouling risk algorithms, which provide decision support to customers and help them optimise hull performance and thereby their sustainability goals.

To achieve more predictable growth in a cyclical industry, Jotun has also increased focus on the maintenance and seastock markets.

Looking ahead, Jotun remains committed to continuously developing advanced products and solutions designed to protect biodiversity and cut carbon emissions to support global sustainability ambitions and achieve cleaner operations for all industry players.

Powder Coatings

In 2023, Jotun experienced growth supplying powder coatings to all customer groups, except the furniture manufacturing industry, which was impacted by inflationary conditions in Europe and the United States. Jotun performed especially well in Türkiye and the Middle East, where the company recorded double digit growth, supported by high volumes sold to building components manufacturers. Jotun had mixed results in South East Asia and Europe, while in China, Jotun found success in supplying specialised powder coatings to manufacturers of components for electric vehicles, compensating for decline in the furniture segment.

Jotun invests in the development of products with unique features and quality technical service that cannot easily be reproduced by competitors. In 2023, Jotun launched two premium products for building components: The Lifeshine Collection, a bright metallic powder coating and UltiMatt, a super durable powder coating with an attractive matte finish. Jotun also introduced Jotun Primax Coating Solutions, the only powder coatings system that has been independently tested to meet ISO 12944 CX, a rating for coatings that can protect assets operating in aggressive environments.

Jotun also offers zero-solvent alternatives to liquid paints for certain applications. For example, in the UAE, Jotun worked with project owners of the City Tower in Dubai to replace a polyvinylidene fluoride (PVDF) liquid paint to Jotun Super Durable. Jotun also partners with applicators by helping them select the right products and offering technical advice on how to optimise the coating processes. By remaining committed to developing products and solutions that meet the needs of end users and applicators, Jotun is confident it can build on positive results achieved in 2023 to grow the business.

3. RESEARCH AND DEVELOPMENT

Headquartered in Sandefjord, Norway, Jotun's R&D function includes a global network of regional laboratories in the UK, Türkiye, Malaysia, Thailand, Dubai, India, South Korea, China and the United States. These laboratories focus on regional product development, adapting or customising existing products, testing of raw materials, quality assurance, and providing claims and verification services when required.

Jotun's state-of-the art R&D centre in Sandefjord, Norway is made up of offices and workstations for up to 350 chemists and support staff. Jotun also operates R&D facilities to test and develop specialised products. Since 2015, Jotun has operated an Arctic Test Station in Svalbard, Norway. In 2022, Jotun opened a powder coatings demo line and research facility for product testing and optimising application processes for both metal and non-metal substrates in Larvik, Norway. In 2023, Jotun completed an expansion project for its intumescent R&D facility in Flixborough, UK.

The introduction of increasingly strict regulations and ESG reporting requirements have created a growing demand for healthier, more environmentally responsible paints and coatings. To support customers seeking to improve performance, Jotun chemists in all segments have been working to develop or refine products to meet specific challenges, consistent with Jotun's sustainability strategy.

Focus areas include developing high solid, solvent-free coatings to reduce the harmful impacts of Volatile Organic Compounds (VOCs), advanced antifoulings that help shipowners reduce emissions, long-lasting exterior decorative paints and powder coatings that cure at lower temperatures. By continuing to invest in new technologies and testing and research facilities, Jotun will be in a strong position to help customers comply with regulations and meet their sustainability goals.

4. SUSTAINABILITY (ESG)

Jotun conducts business in the interest of customers, suppliers, employees, shareholders, environment and society. Jotun's approach to sustainability is reinforced by Jotun's Governance framework, expressed through the company's Business Principles and anchored in Jotun's history and core values: Loyalty, Care, Respect and Boldness.

Jotun's core business is developing paints, coatings and solutions that protect and prolong the lifecycle of assets. Building on a legacy of experience, continuous innovation and decades of product documentation, Jotun understands that the company has an important role to play in creating a more sustainable future. In 2021, Jotun formalised its sustainability strategy, which sets clear targets to improve the company's environmental and social performance.

Jotun's 2030 ambitions
- Reduce carbon footprint by 50 per cent (baseline 2017)
- Source 70 per cent of energy from renewable sources
- Achieve 40 per cent female managers at Jotun headquarters
- Achieve 30 per cent female managers globally
- Continue to uphold the zero-tolerance HSEQ policy

Jotun classifies sustainability into three categories: Environmental, Social and Governance (ESG).

Environmental: Jotun develops products and solutions with a lower environmental impact, works to reduce impacts from the company's own activities and supports the sustainability goals of customers.

Social: Jotun remains committed to human rights and building a safe, diverse and inclusive work environment for employees. Jotun sets clear integrity expectations for suppliers and works to model good corporate behaviour by supporting both international NGOs and local charities.

Governance: Jotun has put in place a clearly defined organisational framework that supports prudent decision-making, effective risk management, responsible operations, business ethics and practices to ensure accountability.

Building ESG competence
Jotun believes that achieving its sustainability goals are the responsibility of all employees. To ensure a common understanding both of Jotun's performance today as well as goals and ambitions for the future, the company has introduced a number of training programmes, policies and procedures covering all aspects of ESG.

Documenting sustainability
Jotun complies with both global and local reporting requirements on a broad range of environmental, social and governance topics that are shared with regulators and the public. Jotun tracks, documents and reports on sustainability issues using transparent, science-based tools and international standards. By documenting results, Jotun can not only comply with regulations, but determine where the company can have the biggest impact and identify areas for improvement.

5. ENVIRONMENTAL

Jotun's goal is to reduce the footprint of the company's operations and develop sustainable products and solutions that help customers both comply with regulations and achieve their environmental targets. Jotun's holistic approach seeks to minimise the environmental impact across the value chain, from sourcing raw materials and manufacturing, to distribution, and the use, reuse, and recycling of products and materials.

5.1. Jotun's Value Chain Model

Introduced in 2021, Jotun's Value Chain Model allows Jotun to structure and communicate sustainability activities that consider every aspect of Jotun's business. The model includes product innovation, sourcing of raw materials, Jotun's own operational activities, usage and application of Jotun products and how they end their lifecycle. In this way, Jotun can set ambitious goals and introduce targeted activities for each step, and not only achieve improved environmental performance but support customers in their sustainability goals.

Jotun's Value Chain Model is divided into four phases, each contributing to the company's sustainability objectives:

- *Input:* Selection of raw materials and the development of products, systems, and solutions. Jotun's commitment to responsible sourcing places an emphasis on ethical procurement and efficient product development.

- *Operations:* The design and operation of factories to create a safe working environment while minimising the environmental impact of its operations.

- *Usage:* The application and maintenance of Jotun's products. Collaborating with customers and applicators, the company strives to ensure efficient product application while providing support for proper recycling and waste handling as assets reach the end of their lifecycle.

- *Avoided Emissions:* Jotun products and solutions are engineered to increase efficiency, safety and durability, thus contributing to avoided emissions.

5.2. Emissions reporting

Jotun measures its carbon footprint using reporting standards established by the World Resources Institute. The Corporate Standard, Green House Gas Protocol classifies a company's GHG emissions into three "scopes". Scope 1 refers to direct emissions from owned or controlled sources. Scope 2 emissions are indirect emissions from the generation of purchased energy. Jotun has measured emissions from its own operations (scope 1 and 2) with improved results since 2017.

Scope 3 emissions, which are all indirect emissions that occur in the value chain of the reporting company, are more complex to calculate. However, from 2025, Jotun will be required to report on scope 3 emissions. In preparation for this compliance deadline, Jotun will work with partners and suppliers to begin reporting on scope 3 emissions in 2024.

5.3. Life Cycle Assessments and Environmental Product Declarations

Jotun conducts comprehensive Life Cycle Assessments (LCAs) that encompass upstream and downstream impacts. LCAs not only aid in complying with regulations but also empower customers to document their sustainability performance and set goals. These assessments further contribute to the creation of Environmental Product Declarations (EPDs), which are independently verified by organisations like the Norwegian Institute for Sustainability Research (Norsus). To date, Jotun has produced more than 400 EPDs for products in all segments. Jotun is also preparing extended EPDs, covering the whole value chain, including distribution, application, maintenance, end of life, and recycling potential.

5.4. Input

Jotun is committed to responsible raw material sourcing and developing safe, efficient and long-lasting products. Key considerations are the nature of the resources used, where they originate from, how they are processed into raw materials, and what inputs are required to process them. Wherever possible, Jotun applies the “Substitution Principle” to find alternatives to chemicals or substances that have a negative impact on the environment. These alternatives may range from recycled or biobased raw materials solutions to new, cutting-edge technologies.

Consistent with Jotun’s Chemical Policy, Jotun’s R&D function maps, tests and evaluates the environmental footprint and potential health risk of chemicals or substances found in products. And together with the purchasing function, Jotun ensures ethical procurement and efficient use of raw materials.

The raw materials required for the input phase need to be transported to Jotun facilities, and the transport modes and energy sources are determinating factors in the scale of emissions produced. To manage these issues, Jotun seeks to find the most efficient logistics solutions possible, reducing both overall environmental impact and energy costs. For example, Jotun initiated a project in 2023 to replace road transportation of binders between Norway and Türkiye to seaborne transportation, resulting in 66 per cent reduction in CO_2 emissions and a saving of 50 per cent in transportation costs.

5.5. Operations

Jotun tracks and manages its environmental performance through the HSEQ Management System, which applies to all Jotun facilities worldwide. The HSEQ Management System includes requirements related to a broad range of environmental topics, including energy usage, waste handling and mapping, reducing the use of plastics and cleaning water, and lowering costs related to the disposal or recycling of process water, among others.

Reducing waste

By working with suppliers, Jotun can reduce waste that otherwise would end up in landfills or incinerators. For example, Jotun works with suppliers to reuse Intermediate Bulk Containers (IBCs), pallets, and Flexible Intermediate Bulk Containers (FIBCs), otherwise known as “Big Bags”. Jotun has also invested in automation and closed loop systems in many factories, which not only help reduce packaging waste, but contributes to a safer work environment for operators.
In 2023, waste generated was stable from 2022 to 2023, at 26 700 tonnes.

Wastewater management

Over the past five years, Jotun has invested in wastewater treatment and recycling facilities, notably in Dubai, Türkiye, Vietnam and Norway. In Norway, Jotun’s wastewater treatment facility will allow the company to recycle about 3.5 million litres of process water every year. Other factories have systems to recycle process water, which can be reused for some products without compromising on quality.

Energy usage

To achieve the goal to reduce carbon footprint by 50 per cent and source 70 per cent of all energy from renewables by 2030, Jotun has made significant investments in solar panels in factories in Malaysia, Vietnam, Thailand, Indonesia and the UK. In Oman, Jotun completed the installation of 1 920 solar panels on the roof of the factory, which generated 1 632 MWh of energy, helping reduce Jotun’s carbon footprint by 656 metric tonnes annually. And where available, Jotun purchases energy from certified renewable sources.

To meet the carbon reduction targets, Jotun is also working to reduce energy consumption. For example, all factories are required to install energy meters to monitor primary consumption contributors to identify improvement areas and invest in tools and technologies to improve performance. Examples include the installation skylights, heat recovery systems and computerised Building Management Systems, which optimise indoor lighting and temperature. In 2023, Jotun launched a groupwide I Care campaign focusing on energy efficiency to build awareness among Jotun employees.

Achieved results

In 2023, Jotun recorded emissions of 94 000 tonnes CO_2-equivalents, representing a 21 per cent reduction from 2017, while the production volume increased by 5 per cent in 2023. The total electrical consumption in 2023 was 155 million KWh compared to 147 million KWh in 2022. The use of renewable energy has increased by 20.7 per cent compared to 2017. This was achieved by investments in solar energy installations on site, purchase of energy with internationally approved Renewable Energy Certificates (iRECs), and successful ongoing energy efficiency programmes in operations.

5.6. Usage

The usage phase represents an area where the company can exert its greatest environmental influence. By developing products and services that extend maintenance intervals, fight corrosion, prevent biofouling or protect assets exposed to challenging environments, Jotun helps end users meet their sustainability goals.

Supporting the customer
All of Jotun's products, solutions and services are created to deliver maximum performance and durability with the minimal environmental impact. The company views every stage of the usage phase holistically, working in partnership with other stakeholders to assess new technologies, application techniques and opportunities to reduce waste. And by providing science-based documentation and high-quality advice at all stages of the painting process, Jotun can minimise waste, and ensure that once applied, products will achieve optimal performance.

Technical support
Made up of about 1000 highly skilled personnel, Jotun's technical service advisors work hand-in-hand with customers to support application processes. By ensuring that the right products are selected, the correct quantities are specified, and that the products are properly applied, Jotun can help customers optimise efficiency, thus improving environmental performance.

Reducing waste
Jotun recognises that waste can occur in other parts of the value chain. For example, waste can occur due to over-spraying or during application. To manage this issue, Jotun has initiated several projects centred on reducing overspray, with a focus on both application properties and optimising application equipment. Solutions now being considered include robotic technology, electrostatic spraying and plural pumps.

6. SOCIAL

With more than 10 300 employees active on six continents, Jotun is not only responsible for the welfare of its own employees but also recognises that how it operates at home and abroad has a direct impact on society. To manage these responsibilities, Jotun has taken a holistic approach to social sustainability, grounded in the company's values (Loyalty, Care, Respect and Boldness) and Business Principles, which define expectations related to ethics and integrity, community, fair trade and free competition.

6.1. Human resources

Jotun understands how the company recruits, develops and retains skilled workers has a positive impact on communities where Jotun is active. All Jotun employees have access to Jotun's Human Resources Management System (HRMS). The HRMS supports HR processes in all aspects of employee lifecycle, from recruitment and performance management to training, compensation, benefits and tools to help them map their career paths. By offering competitive salaries, defined career paths, and a safe, diverse and inclusive work environment, Jotun successfully recruited 1 223 employees in 2023.

Jotun has invested in several programmes to improve its employer value proposition. In 2022, Jotun launched the Penguin CARE Programme, which provides Jotun employees improved access to family support, whether they are raising infants or taking care of aging or sick relatives. Jotun also continued to encourage employees to gain experience through both short and long-term assignments. In 2023, 194 employees were on short or long-term mobility assignments.

Learning and Development
Jotun invests significant resources into employee learning and development to create a robust, sustainable, and diverse workforce. Through Jotun Academy, employees have access to more than 40 training courses organised into 11 different functional areas. These learning journeys are facilitated globally, regionally, and locally, using more than 750 certified internal trainers in addition to professional externals. Courses are available in live classroom settings, digitally, or a blend of both. Jotun has also developed a number of gamified apps, and in 2023 launched its first virtual reality training tool for operators to enhance workplace safety.

Diversity and Inclusion
Jotun builds diversity through four main diversity parameters, including gender, nationality, professions, and age. To ensure continual progress, Jotun has implemented a comprehensive policy aligned with Jotun's Business Principles and the UN Sustainable Development Goals, and integrated it into the fabric of the company's network. The company has set ambitious targets for 2030, aiming for a global average of 30 per cent female managers and 40 per cent female managers at Jotun headquarters.

The company measures gender balance, generational representation, and ethnic and cultural diversity, expressed by national representation. All Jotun companies are required to report on diversity initiatives twice a year. Jotun measures performance through the "Diversity and Inclusion Index" in the Employee Engagement Survey, where any discrepancies can be identified and corrected.

Information about Jotun's Diversity and Inclusion initiative, status and progress, as well as a special report related to promoting equal opportunity and the prevention of discrimination in Jotun A/S (Norway), is found on https://www.jotun.com/no-en/about-jotun/sustainability/social/diversity-and-inclusion-in-jotun-norway.

6.2. Health, Safety, Environment and Quality (HSEQ)

Jotun works to provide a safe, diverse and inclusive workplace environment for all employees. To ensure the safety in operations of Jotun's 4 600 operators and technical personnel working in Jotun's global network of factories and R&D laboratories who may be exposed to health and safety risks, Jotun relies on the HSEQ Management System, which provides a structure for the organisation to manage 15 elements related to health, safety, environment and product quality management.

Automation in factory operations

To improve factory efficiency and help avoid workplace injuries, Jotun continues to invest in automated systems, such as filling machines, hydraulic lifting machines and robots that can sort, pack and box finished goods. In some factories, liquid and powder raw materials are delivered in bulk or in closed loop systems, which reduce health risks that may occur when operators are exposed to dust or emissions from potentially harmful substances.

Training

Jotun continues to invest in HSEQ training including live classroom workshops, digital learning tools, videos and tutorials to improve safety performance. Training is reinforced on site through daily meetings, Safety Walks, and ToolBox Talks, where operators gather to discuss safety issues. Jotun also shares HSEQ competence with suppliers and customers to help them mitigate safety and environmental risk.

I Care programme

The I Care programme is an internal campaign to raise HSEQ awareness. Each Jotun company runs three separate I Care campaigns every year. One project is global, while each of the manufacturing sites launches the other two. In 2023, Jotun launched the groupwide Speak-Up! campaign, developed to strengthen Jotun's culture of open dialogue in the workplace. Employees are encouraged to speak up if they have a concern, need help, identify a potential danger, report mistakes, see employees being disrespected or have ideas for improvements or different perspectives to help their colleagues.

Achieved results

The number of injuries resulting in an absence of one day or more per one million working hours (Lost Time Injury Rate LTIR) for the Group was 1.0 (1.9 in 2022). The LTIR for Jotun A/S was 1.1 in 2023 compared with 1.6 in 2022. Absence due to sickness for the Group in 2023 was 1.8 per cent, compared to 1.9 per cent in 2022. Absence due to sickness in Jotun A/S was 3.5 per cent in 2023 compared with 3.8 per cent in 2022.

6.3. Responsible purchasing

Jotun leverages its purchasing power to encourage suppliers to track, document and share information on social issues. To measure their performance, all major suppliers are subject to periodic audits, mostly performed by Ecovadis, the world's largest and most trusted provider of business sustainability ratings.

All suppliers are requested to follow Jotun's Supplier Integrity Declaration (SID) which, among other topics, requires suppliers to document and share their social responsibility performance upon request. SID covers Jotun's policies on anti-corruption, child labour, the right to organise, diversity and inclusion and safe working environments, among others. For suppliers who fall short of Jotun standards but are willing to change, Jotun provides support to help them achieve compliance.

In 2023, Jotun launched the Supplier Management System (SMS). SMS allows the company to onboard, evaluate, and approve suppliers in a more systematic way. The SMS will also make it easier for Jotun to track and compare the performance of suppliers over time, run improvement campaigns, and provide insights and assessments on how individual suppliers manage social responsibility.

6.4. Global commitment, local commitment

Jotun strives to make a meaningful impact on society based on mutual understanding and respect. Globally, Jotun works in collaboration with international partners, such as the Red Cross Red Crescent (ICRC) and Norwegian People Aid, among others. In 2023, Jotun made substantial contributions to ICRC relief efforts in Ukraine, earthquake affected areas in Türkiye, Syria and Morocco, and flood damaged communities in Libya.

Locally, all Jotun companies are required to undertake corporate responsibility initiatives every year. Examples include providing funding for schools, hospitals and helping disadvantaged or vulnerable groups gain access to basic health care services and education. For example, since 2009, Jotun has provided support to the Gangseo Social Welfare Centre, near Seoul, South Korea and organised volunteer-based painting initiatives to revitalise distressed communities. These efforts, combined with how Jotun manages its own business and models good corporate behaviour, form the basis for the company's ambitions to make a positive impact on society.

6.5. Human rights

Jotun supports international efforts, standards, declarations, and collaborations aimed at creating fair, proper and healthy business environments. Jotun's Human Rights Policy is aligned with the following principles, covenants and declarations:

- The Universal Declaration of Human Rights
- The International Covenant on Civil and Political Rights
- The International Covenant on Economic, Social and Cultural Rights
- The UN Guiding Principles on Business and Human Rights
- The OECD Principles of Business and Human Rights
- The ILO Declaration on the Fundamental Principles and Rights at Work (the ILO Convention)
- The UN Global Compact Principles and relevant UN Sustainable Development Goals (UNSDGs).

6.6. Anti-corruption

Jotun's Anti-Corruption Policy clearly defines expected ethical business behaviour and expectations to all employees. Corruption is a threat to economic development and contributes to poverty and the erosion of the rule of law, in addition to reputational damage to the Jotun brand.

While all employees are required to adhere to Jotun's Anti-Corruption Policy, Jotun recognises that in some countries, employees face greater risk of exposure to potentially corrupt scenarios than in others. Personnel in higher-risk countries receive training more frequently, including dilemma training. Jotun has certified anti-corruption trainers active in all regions. In 2023, Jotun launched a gamified training tool to reinforce anti-corruption dilemma training. The tool allows users to interact with simulated avatars, which touch on different anti-corruption scenarios.

6.7. Whistleblowing

Jotun's whistleblowing channel is open to both internal and external stakeholders who may wish to report on suspected violations of Jotun's Business Principles, laws, regulations or any threats to their psychological safety, such as workplace bullying, harassment or intimidation. Once a report is logged, it is investigated and handled according to established procedures. Reports are handled confidentially, and individuals are protected and treated with respect.

7. GOVERNANCE

Jotun's governance structure defines how Jotun is directed, managed and controlled. Main principles for running responsible business in Jotun are developed and strengthened by Group Management working in close collaboration with Jotun's Board of Directors, which in turn leads to a hierarchy of steering documents that ensure Jotun companies in all markets operate within the same set of rules. All policies are made available to all employees through the Jotun Management System and communicated throughout the organisation through governing bodies, steering documents and follow-up sessions at corporate, regional and local levels.

7.1. Governance hierarchy

Jotun's commitment to good governance is reflected across all levels of the organisation, providing a clear strategic and operational framework. The hierarchy of Jotun's governance structure is as follows: The Board of Directors, Jotun Group Management and regional and local management, with the support of staff functions on all levels.

7.2. Values and Business Principles

Jotun's Business Principles and values (Loyalty, Care, Respect and Boldness) provide the bedrock for the company's governance framework. These are supported by corporate, regional and divisional bodies alongside supporting documentation, policies and leadership training. Guidance and training, alongside control, contribute to a compliance development based on understanding and ownership.

7.3. Tracking performance and compliance

Group companies are responsible for operational compliance, while support functions provide the companies with necessary materials, tools, training concepts and guidance. Operational activities are followed up through a combination of structured self-reporting, internal controls, audits and reviews. For example, all Jotun companies are subject to periodic Business Reviews, which require reporting on a broad range of topics including those related to environmental and social performance. The Boards in all individual companies follow a strict template of governance and compliance issues, ensuring top level involvement and accountability. Once a year, Jotun's Board of Directors are updated on the company's compliance status, including HSEQ incident reporting and whistleblowing cases.

7.4. Reporting

To ensure that Jotun conducts responsible business operations in accordance with sound values and Business Principles, Jotun works to improve the non-financial compliance system by developing and strengthening tools, policies and systems to support the organisation's ambitions. Group Compliance is a support function to line management to ensure Jotun meets its compliance responsibility by providing guidance, coordinating and assisting the Jotun Group in compliance activities, such as reporting under the European Commission's Corporate Sustainability Reporting Directive (CSRD).

Jotun is also required to comply with the Norwegian Transparency Act, introduced in 2022. Jotun has taken steps to align its business with new requirements, including updating Jotun's Human Rights Policy, integrating due diligence requirements into existing internal and external procedures, and establishing a channel for requests for information on Human Rights. Jotun has published a separate report according to the act on https://www.jotun.com/ww-en/about-jotun/legal/transparency-act

7.5. Certifications

Compliance is validated through certification by recognised international standards, such as Quality Management (ISO 9001), Environmental Management (ISO 14001) and Occupational Health and Safety (ISO 45001).

7.6. Directors and Officers liability insurance

Jotun has established adequate directors' and officers' liability insurance.

8. FUTURE PROSPECTS

While the overall outlook for 2024 is positive, significant political and economic uncertainties persist and will impact Jotun's business going forward. Rising interest rates, energy prices and increased currency volatility will affect Jotun in several markets. Growing geopolitical tensions, with ongoing wars and conflicts may result in higher fuel costs and supply chain disruptions, and rising inflation may cause declines in public and private spending in some regions. However, the Board is encouraged by Jotun's impressive history of resilience when faced with challenging economic conditions.

In the Marine Coatings segment, newbuilding orders are robust, while growing pressure on owners and ship managers to manage emissions regulations will continue to create more demand for Jotun's premium hull coatings and related services. In the Protective Coatings segment, planned constructions of new oil and gas infrastructure, onshore and offshore windfarms, infrastructure projects and growing investments in green buildings will continue to drive demand for Jotun's intumescent and anti-corrosive coatings.

In the Powder Coatings segment, The Board anticipates the company's focus on the development of products with unique features and quality technical service will help the segment build on its success in 2023. Promising developments include steady growth in China in the electric vehicle market, products that can be safely applied to non-metal substrates, and powder coatings systems which can withstand highly aggressive environments.

Despite challenges in some European markets, expectations for the Decorative Paints segment are high, especially in South East Asia, Türkiye and China. Jotun's focus on premium innovations, brand building initiatives and a highly successful dealer strategy, are likely to support Jotun's long-term growth trend in the Decorative Paints segment for years to come.

In the long-term, The Board recognises that growing pressure on customers in all segments to improve their environmental performance represents a strong market opportunity for Jotun. By improving how we work with suppliers and customers to help them achieve their sustainability goals, Jotun is in a strong position to not only grow but contribute to a more sustainable world.

Sandefjord, Norway, 13 February 2024
The Board of Directors
Jotun A/S

Odd Gleditsch d.y.
Chairman

Jørgen Arnesen

Nicolai A. Eger

Jannicke Nilsson

Nils K. Selte

Camilla Hagen Sørli

Per Kristian Aagaard

Bjørg Engevik Nilsen

Morten Fon
President & CEO

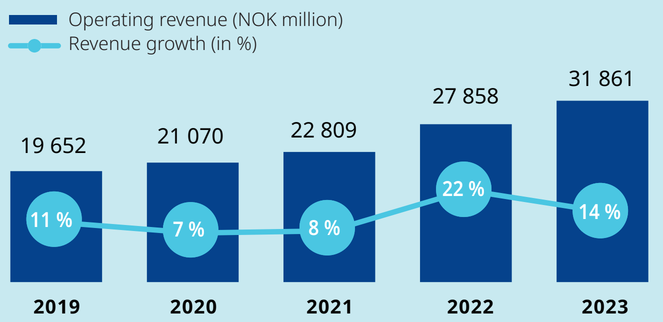
Back to contents >

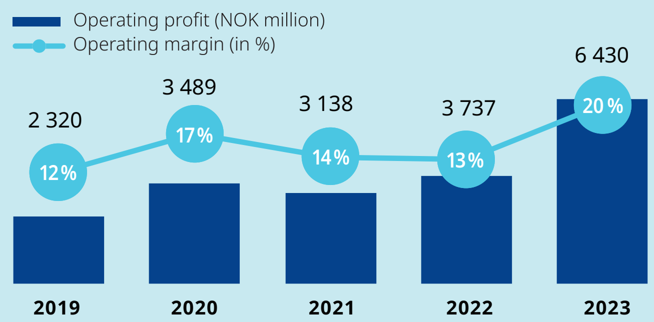
CONSOLIDATED INCOME STATEMENT

(NOK million)	Note	2023	2022
Operating revenue	2.1	31 861	27 858
Share of profit from associates and joint ventures	5.5	1 333	729
Cost of goods sold	2.1	-16 646	-15 941
Payroll expenses	2.2	-4 388	-3 686
Other operating expenses	2.3	-4 693	-4 237
Depreciation, amortisation and impairment	3.2, 3.3	-1 038	-986
Operating profit		**6 430**	**3 737**
Net financial items	4.3	-552	-546
Profit before tax		**5 879**	**3 191**
Income tax expense	5.1	-1 378	-1 024
Profit for the year		**4 500**	**2 167**
Profit for the year attributable to:			
Equity holders of the parent company		4 342	2 056
Non-controlling interests		158	111
Total		**4 500**	**2 167**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(NOK million)	Note	2023	2022
Profit for the year		**4 500**	**2 167**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Actuarial gain/loss (-) on defined benefit pension plans (net of tax)	5.2	-25	28
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Gain/loss (-) on hedge of net investments in foreign operations (net of tax)		96	54
Hyperinflation adjustment for the year (and at 1 January)	5.10	229	319
Currency translation differences in foreign operations		-21	274
Other comprehensive income for the year, net of tax		**279**	**674**
Total comprehensive income for the year		**4 780**	**2 842**
Total comprehensive income attributable to:			
Equity holders of the parent company		4 634	2 766
Non-controlling interests		146	76
Total		**4 780**	**2 842**





CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(NOK million)	Note	31.12.2023	31.12.2022
ASSETS			
Non-current assets			
Deferred tax assets	5.1	483	410
Other intangible assets	3.2	877	831
Property, plant and equipment	3.3, 5.4	8 747	8 144
Investments in associates and joint ventures	5.5	2 289	1 674
Share investments	5.9	6	6
Other non-current financial receivables	4.1, 5.9	105	85
Total non-current assets		**12 507**	**11 151**
Current assets			
Inventories	3.4	4 529	4 821
Trade and other receivables	3.5, 5.9	7 654	7 071
Cash and cash equivalents	4.2, 5.9	5 390	3 312
Total current assets		**17 574**	**15 204**
Total assets		**30 082**	**26 355**

(NOK million)	Note	31.12.2023	31.12.2022
EQUITY AND LIABILITIES			
Equity			
Share capital	5.8	103	103
Other equity		17 789	14 010
Non-controlling interests		433	380
Total equity		**18 325**	**14 493**
Non-current liabilities			
Pension liabilities	5.2	279	251
Deferred tax liabilities	5.1	171	107
Provisions	3.7	144	125
Interest-bearing debt	4.1, 5.9	2 149	2 292
Other non-current liabilities		27	22
Total non-current liabilities		**2 770**	**2 797**
Current liabilities			
Interest-bearing debt	4.1	2 163	2 796
Trade payables	5.9	3 407	3 489
Tax payable	5.1	560	397
Other current liabilities	3.6, 3.7, 5.9	2 856	2 383
Total current liabilities		**8 986**	**9 065**
Total liabilities		**11 756**	**11 862**
Total equity and liabilities		**30 082**	**26 355**

Sandefjord, Norway, 13 February 2024
The Board of Directors
Jotun A/S

Odd Gleditsch d.y.
Chairman

Jørgen Arnesen

Nicolai A. Eger

Jannicke Nilsson

Nils K. Selte

Camilla Hagen Sørli

Per Kristian Aagaard

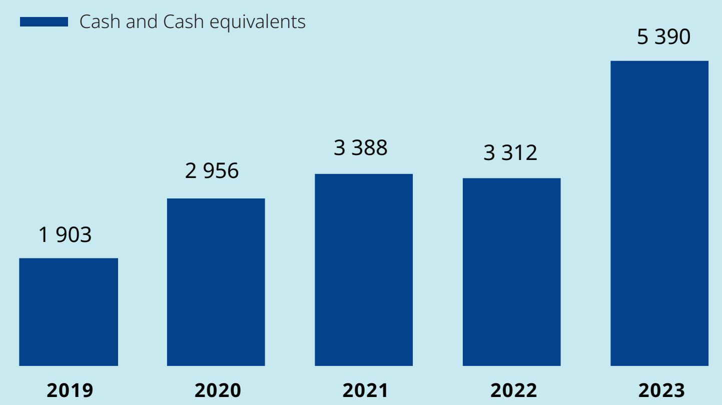
Bjørg Engevik Nilsen

Morten Fon
President & CEO

Back to contents >

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(NOK million)	Note	Share capital	Other equity	Translation differences	Total	Non-controlling interests	Total equity
		EQUITY HOLDERS OF THE PARENT COMPANY					
Equity as of 1 January 2022		**103**	**11 396**	**618**	**12 116**	**352**	**12 468**
Dividends	5.8		-770		-770	-70	-840
Profit for the year			2 056		2 056	111	2 167
Other comprehensive income			400	310	710	-36	674
Share capital increase			-	-	-	23	23
Equity as of 31 December 2022		**103**	**13 083**	**927**	**14 113**	**380**	**14 493**
Dividends	5.8		-855		-855	-92	-947
Profit for the year			4 342		4 342	158	4 500
Other comprehensive income			300	-8	292	-12	279
Share capital increase			-	-	-	-	-
Equity as of 31 December 2023		**103**	**16 870**	**919**	**17 892**	**433**	**18 325**



CONSOLIDATED STATEMENT OF CASH FLOWS

(NOK million)	Note	2023	2022
Cash flow from operating activities			
Operating profit		6 430	3 737
Adjustments to reconcile operating profit to net cash flows:			
Share of profit from associates and joint ventures	5.5	-1 333	-729
Dividend paid from associates and joint ventures	5.5	713	600
Depreciation, amortisation and impairment	3.2, 3.3	1 038	986
Change in accruals, provisions and other		490	154
Working capital adjustments:			
Change in trade and other receivables		-584	-1 318
Change in trade payables		-82	564
Change in inventories		291	-787
Cash generated from operating activities		**6 963**	**3 207**
Interest received	4.3	149	45
Interest paid	4.3	-414	-397
Other financial items		-252	-162
Income tax payments		-1 210	-885
Net cash flow from operating activities		**5 236**	**1 809**
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		12	441
Purchase of property, plant and equipment	3.3	-1 257	-1 161
Purchase of intangible assets	3.2	-117	-119
Net cash flow from investing activities		**-1 362**	**-839**
Cash flow from financing activities			
Share capital increase in non-controlling interests		-	23
Proceeds from borrowings		244	1 030
Repayment of borrowings		-1 097	-1 321
Payment of principal portion of lease liabilities		-152	-149
Dividend paid to equity holders of the parent company	5.8	-855	-770
Dividend paid to non-controlling interests		-92	-70
Net cash flow from financing activities		**-1 952**	**-1 257**
Net increase / decrease (-) in cash and cash equivalents		**1 922**	**-287**
Cash and cash equivalents as of 1 January	4.2	3 312	3 388
Net currency translation effect		-73	48
Inflation effect on cash	5.10	229	164
Cash and cash equivalents as of 31 December	4.2	**5 390**	**3 312**

Notes for the Group

The notes are grouped into five sections and contain relevant financial information as well as a description of the accounting policies applied for the respective accounts included in the individual note.

01 Basis of Preparation

1.1	Accounting policies	22
1.2	New accounting policies	22
1.3	Estimates and judgements	22
1.4	Events after the balance sheet date	22

02 Results for the Year

2.1	Operating revenue	24
2.2	Payroll expenses	25
2.3	Other operating expenses	25

03 Invested Capital and Working Capital Items

3.1	Overview	28
3.2	Intangible assets	29
3.3	Property, plant and equipment	30
3.4	Inventories	32
3.5	Trade and other receivables	32
3.6	Other current liabilities	33
3.7	Provisions	33
3.8	Contingent liabilities	34
3.9	Contractual obligations and guarantees	34

04 Capital Structure and Financial Items

4.1	Interest-bearing debt	36
4.2	Cash and cash equivalents	37
4.3	Net financial items	37
4.4	Financial risk management	38

05 Other Disclosures

5.1	Taxation	40
5.2	Pensions and other long-term employee benefits	42
5.3	Remunerations	43
5.4	Leases	44
5.5	Associates and joint ventures	46
5.6	Related parties	47
5.7	Subsidiaries	47
5.8	Share capital and shareholder information	48
5.9	Details of financial assets and liabilities	49
5.10	Hyperinflation accounting	51
5.11	Alternative performance measures	51

BASIS OF PREPARATION

Jotun A/S is a limited liability company incorporated in Norway. The Group's headquarters is located in Sandefjord, Norway, and the Group including associates and joint ventures employs around 10 300 people in 46 countries.

The Group consists of the parent company Jotun A/S and its subsidiaries. The consolidated financial statements consist of the Group as well as the Group's net interests in associates and joint ventures.

1.1 ACCOUNTING POLICIES

Accounting policies, estimates and judgements are incorporated into the individual notes with the exception of general information described in this section.

The consolidated financial statements are prepared based on the historical cost principle, except for financial assets and liabilities which are recognised at fair value.

The consolidated financial statements have been prepared on the basis of the going concern assumption.

Statement of compliance

The Group's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU, as well as Norwegian disclosure requirements that follow from the Norwegian Accounting Act.

Debt and equity instruments in the Group are not traded in a public market. Consequently, operating segment reporting according to IFRS 8 does not apply for the Group.

Basis for consolidation

The Group's consolidated financial statements comprise Jotun A/S and companies in which Jotun A/S has a controlling interest. The financial statements of subsidiaries are fully consolidated from the date that control commences until the date that control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as Jotun A/S. All intercompany balances, income and expenses and cash flows relating to transactions between members of the Group are eliminated in full.

Interests in associates and joint ventures

The Group has interests in associates and joint ventures. An associate is an entity in which the Group has significant, but not controlling influence, with an ownership normally between 20 and 50 per cent. A joint venture is a jointly controlled entity, normally with a 50/50 ownership.

The Group's investments in associates and joint ventures are accounted for using the equity method. Under the equity method, the Group presents its share of the companies' results after tax on a separate line in the income statement. Share of equity is reported as investments in associates and joint ventures in the balance sheet.

The financial statements of associates and joint ventures are prepared for the same reporting period and based on the same accounting policies as for the Group.

Non-controlling interests

The non-controlling interests are presented separately in the consolidated financial statements representing the minority's share of equity and profit.

Foreign currency transactions

In the individual financial statements for each entity in the Group, transactions in foreign currency are initially recorded in the entity's functional currency based on exchange rates at the date of transaction. Monetary items in foreign currency are translated into functional currency using the exchange rate applicable at the balance sheet date. Non-monetary items in foreign currency are translated into functional currency using the exchange rate applicable at the transaction date.

Translation of foreign operations to NOK

The Group's presentation currency is Norwegian Krone (NOK). This is also Jotun A/S' functional currency. Each entity in the Group determines its own functional currency, and the majority of financial statements are denominated in other currencies than NOK.

Assets and liabilities in entities with other functional currencies than NOK are translated into NOK using the exchange rate applicable at the balance sheet date. Their income statements are translated monthly at the average exchange rate for the month. Exchange rate differences are recognised in other comprehensive income. Income statements in hyperinflation economies are, however, translated at the exchange rate as of the balance sheet date.

Financial risk management

Jotun A/S uses foreign currency options and forward currency contracts to ensure predictability in the short to medium term cash flows.

Hedge accounting in the Group is limited to hedge of net investment. Jotun A/S finances the majority of its subsidiaries with intercompany loans in local currencies. Intercompany loans for which settlement is neither planned nor likely to occur in the foreseeable future are accounted for as part of the net investment in foreign operations. In addition, a USD loan serve as a hedge of net investments in foreign operations for which gains or losses related to the effective portion of the hedge are recognised in other comprehensive income.

1.2 NEW ACCOUNTING POLICIES

Jotun has adopted amendments to IAS 1 Presentation of financial statements and IFRS Practice Statement 2 Making Materiality Judgements, effective from 1 January 2023. These amendments have not had any material impact on the consolidated financial statements for the Group

1.3 ESTIMATES AND JUDGEMENTS

In preparing the consolidated financial statements, Management makes various accounting estimates and assumptions that form the basis of the presentation, recognition and measurement of Jotun's assets and liabilities.

Determining the carrying amounts of some assets and liabilities requires estimates and assumptions concerning future events. Estimates and assumptions are based on historical experience and other factors, which Management assesses to be reasonable, but which by their nature involve uncertainty and unpredictability. These assumptions may have to be revised as unexpected events or circumstances may occur.

The areas that involve a high degree of judgement and are material to the financial statements are related to impairment of fixed assets, allowances for obsolete goods and bad debt and provision for claims. These are described in more detail in the relevant notes.

1.4 EVENTS AFTER THE BALANCE SHEET DATE

New information regarding the Group's financial position at the end of the reporting period and that becomes known after the reporting period, is recorded in the annual accounts. Events after the reporting period that do not affect the Group's financial position at the end of the reporting period, but which will affect the Group's financial position in the future, are disclosed if significant.

No events have taken place after the balance sheet date that would have affected the financial statements, or any assessments carried out.

Section 02

This section includes notes related to the consolidated income statement.

Results for the Year

Jotun achieved record sales and earnings in 2023 despite the challenges posed by rising inflation and interest rates and mounting geopolitical tension around the world.

The increase in operating revenue is driven by growth in all segments. Growth was particularly strong in in Marine and Protective Coatings driven by continued strong Marine sales and high activity in Infrastructure and Energy for the Protective segment. The Decorative and Powder segments also delivered solid growth.

Operating profit increased by 72 per cent in 2023 compared to last year. The improvement is driven by sales growth, higher gross margin and good cost control.

31 861

Operating revenue
(NOK million)
2022: 27 858

6 430

Operating profit
(NOK million)
2022: 3 737

20.2 %

Operating margin
2022: 13.4 %

Back to contents >

2.1 OPERATING REVENUE

Total operating revenue consists of revenue from the sale of paints and coatings, classified as revenue from contracts with customers, as well as other revenue, which includes royalty income from associates, joint ventures and other external partners, miscellaneous grants and refunds, and profit from sale of fixed assets.

(NOK million)	2023	2022
Revenue from contracts with customers	29 853	25 891
Revenue from contracts with customers - associates and joint ventures	1 462	1 294
Total revenue from contracts with customers	**31 315**	**27 185**
Other revenue	54	249
Other revenue from associates and joint ventures	493	425
Total operating revenue	**31 861**	**27 858**

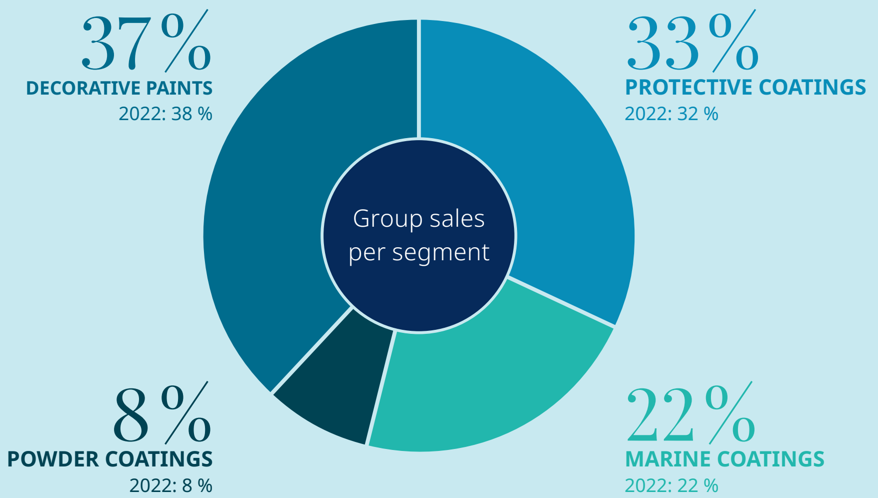
(NOK million)	2023	2022
South East Asia and Pacific	8 481	7 177
North East Asia	5 918	4 817
Middle East, India and Africa	5 767	4 929
West Europe and Scandinavia	7 436	6 746
East Europe and Central Asia	2 813	2 682
Americas	900	833
Total revenue from contracts with customers	**31 315**	**27 185**

(NOK million)	2023	2022
Decorative	11 527	10 246
Protective	10 367	8 835
Marine	7 049	5 908
Powder	2 372	2 195
Total revenue from contracts with customers	**31 315**	**27 185**
Cost of Goods Sold	16 646	15 941
Gross Profit	**14 669**	**11 244**

Cost of goods sold comprises raw materials and packaging materials. The five largest raw materials categories account for more than 50 per cent of total cost of goods sold. These categories are titanium dioxide, emulsions, epoxy resins, additives and metals. Cost of conversion is reported as part of manufacturing costs as described in Note 2.3.

Payment terms are based on agreements and local business practices and are in general in the range of 30 to 90 days.

In July 2022, Jotun sold its Russian company Jotun Paints LLC, with a gain of NOK 54 million recognised as Other revenue.



Accounting policy

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenues are presented net of value added tax and discounts.

Variable considerations such as rebates, bonuses, discounts and payments to customers, are accrued for when performance obligations are met and related revenue is recognised. Variable considerations are only recognised when it is highly probable that they will not be subject to significant reversal.

The Group does not have any contracts where the period between the transfer of the goods to the customer and payment by the customer exceeds one year. Consequently, the Group does not adjust transaction prices for the time value of money.

2.2 PAYROLL EXPENSES

Payroll expenses are the total disbursements relating to remuneration of personnel employed by the Group. These expenses comprise direct salaries and holiday pay, bonuses, pension costs and public taxes/charges relating to the employment of personnel.

(NOK million)	2023	2022
Wages including bonuses	3 513	2 957
Social costs	435	387
Pension costs, ref. Note 5.2	215	176
Other personnel costs	225	165
Total	**4 388**	**3 686**
Average full-time equivalents employees	7 543	7 396

The Group has a system of annual bonuses that applies to senior management and is limited to a maximum of 20 per cent of annual basic salary. Further, all members of Group Management, including the President & CEO, are part of an annual profit-dependent bonus system limited upwards to 50 per cent of annual basic salary.

The Group's pension plans are primarily defined contribution plans. For further information see Note 5.2.

For further information regarding remuneration to the President & CEO and Board of Directors see Note 5.3.

2.3 OTHER OPERATING EXPENSES

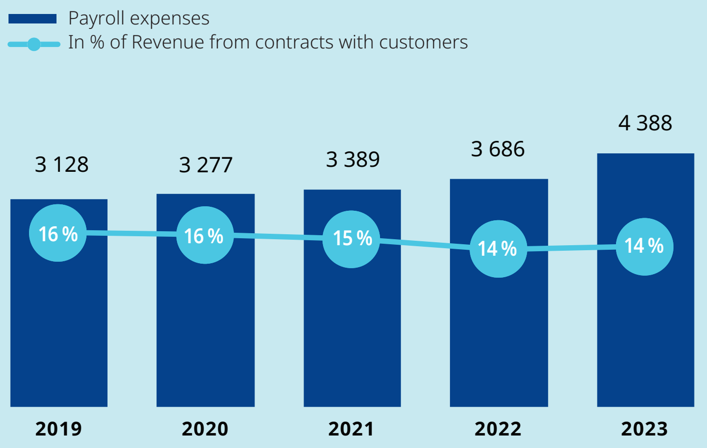
Other operating expenses comprise all operating expenses that are not related to cost of goods sold, payroll expenses and capital costs such as depreciation, amortisation and impairment. The main items of other operating expenses have been grouped in the table below.

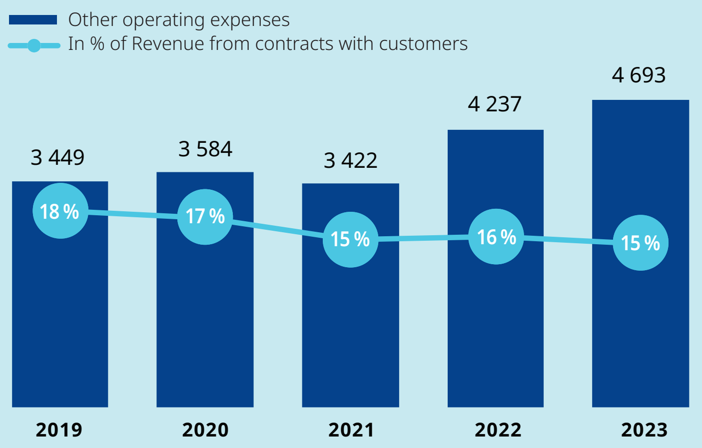
(NOK million)	2023	2022
Manufacturing	598	547
Warehouse	299	248
Transportation	767	785
Sales and marketing	1 654	1 328
Research and Development	559	381
General and administrative	661	839
Other	155	109
Total	**4 693**	**4 237**

Manufacturing costs include change in cost of conversion related to finished goods.

Research and Development consists of costs from projects in a research phase and development costs related to cancelled projects. Total Research and Development costs including payroll expenses are NOK 794 million (2022: NOK 658 million) of which NOK 27 million has been capitalised as intangible assets specified in Note 3.2.

Other consists mainly of product liability claims, losses on accounts receivable and technical service. See Note 3.5 and 3.7 for further details.






HUNG
JOTUN
JOTUN
JOTUN

Section 03

The notes in this section provide details of the assets and related liabilities that form the basis for the Group's activities.

Invested Capital and Working Capital Items

Operating working capital in per cent of sales decreased during 2023. This is mainly explained by the strong sales growth and lower raw material prices.

The increase in capital employed is driven by strong earnings in associates and joint ventures as well as investments in new production facilities in Egypt, Qatar, Indonesia and construction of a new regional headquarters and R&D facility in Malaysia.

28.1 %

Operating working capital / revenue

2022: 28.7 %

17 864

Capital employed

(NOK million)

2022: 16 637

1 374

Investments in intangible and fixed assets

(NOK million)

2022: 1 280

3.1 OVERVIEW

The table shows investments in working capital items and invested capital. Capital employed is the total of net working capital and invested capital, which is the basis for generation of operating profit before interest and tax (EBIT). Return on capital employed (ROCE) is the ratio of EBITA to capital employed, and is used to measure the Group's profitability and capital efficiency.

(NOK million)	Note	31.12.2023	31.12.2022	Change
Inventories	3.4	4 529	4 821	-291
Accounts receivable	3.5	6 836	6 312	524
Trade payables	5.9	-3 407	-3 489	82
Operating working capital		**7 958**	**7 643**	**315**
Bank drafts	3.5	208	128	80
Other receivables	3.5	610	630	-20
Public charges and holiday pay	3.6	-476	-332	-144
Other accrued expenses	3.6	-1 766	-1 478	-288
Current provisions	3.6, 3.7	-134	-206	72
Other working capital		**-1 557**	**-1 257**	**-300**
Net working capital		**6 401**	**6 386**	**15**
Intangible assets	3.2	877	831	46
Property, plant and equipment	3.3	8 747	8 144	602
Investments in associates and joint ventures	5.5	2 289	1 674	612
Non-current provisions	3.7	-144	-125	-19
Pension liabilities	5.2	-279	-251	-28
Other non-current liabilities		-27	-22	-5
Invested capital		**11 462**	**10 251**	**1 212**
Capital employed		**17 864**	**16 637**	**1 227**
Net deferred tax	5.1	312	303	9
Tax payable	5.1	-560	-397	-163
Share investments	5.9	6	6	-
Prepaid dividend from associates and joint ventures	3.6	-481	-368	-113
Other invested capital		**-722**	**-455**	**-267**
Invested capital and working capital items		**17 142**	**16 182**	**960**
Net interest-bearing debt	4.1	1 184	-1 690	2 874
Total Equity		**18 325**	**14 493**	**3 832**

3.2 INTANGIBLE ASSETS

Intangible assets are non-physical assets that have either been capitalised through internal development of products (development cost), customisation of IT applications or separate acquisitions.

Accounting policy

Intangible assets are measured at cost, net of accumulated amortisation and accumulated impairment losses.

Amortisation of intangible assets with limited economic lives are calculated on a straight-line basis over the estimated useful life. The amortisation method and period are assessed at least once a year. Changes to the amortisation method and/or period are accounted for as a change in estimate. Intangible assets with unlimited useful lives are not amortised but tested for impairment annually. The methodology for impairment testing is described in Note 3.3.

All intellectual property rights are owned by Jotun A/S. Development costs are capitalised only if the product is technically and commercially feasible and the business case demonstrates a probability for future economic benefit. Capitalised development costs mainly include internal payroll costs in addition to purchased materials and services used in the development programmes. Amortisation of assets with limited useful life begins when development is complete, and the asset is available for use.

(NOK million)	Development cost	IT applications and other intangibles	Total
Cost			
Balance as of 1 January 2022	482	769	**1 250**
Additions	37	82	**119**
Disposals	-	-17	**-17**
Reclassifications	-	14	**14**
Hyperinflation adjustment	-	17	**17**
Foreign currency translation effect	-	26	**26**
Balance as of 31 December 2022	**519**	**891**	**1 410**
Additions	27	90	**117**
Disposals	-	-2	**-2**
Reclassifications	-	-	**-**
Hyperinflation adjustment	-	13	**13**
Foreign currency translation effect	-	3	**3**
Balance as of 31 December 2023	**546**	**996**	**1 541**
Amortisation and impairment			
Balance as of 1 January 2022	-127	-358	**-486**
Amortisation	-20	-58	**-78**
Disposals	-	13	**13**
Reclassifications	-	-6	**-6**
Hyperinflation adjustment	-	-13	**-13**
Foreign currency translation effect	-	-10	**-10**
Balance as of 31 December 2022	**-148**	**-432**	**-579**
Amortisation	-22	-58	**-79**
Disposals	-	2	**2**
Reclassifications	-	-	**-**
Hyperinflation adjustment	-	-8	**-8**
Foreign currency translation effect	-	-	**-**
Balance as of 31 December 2023	**-169**	**-495**	**-664**
Net book value			
Balance as of 31 December 2023	377	500	**877**
Balance as of 31 December 2022	371	459	**831**
Estimated useful life	8-10 years	3-8 years	

3.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment (PP&E) comprises various types of tangible fixed assets needed for the type of business conducted by the Group.

A major part of the amount under Construction in progress relates to the new production facilities in Egypt and Indonesia and construction of a new regional headquarter and R&D facility in Malaysia.

See Note 5.4 for further information related to Right-of-Use assets.

(NOK million)	Land	Buildings	Electrical installations	Machinery, vehicles and equipment	Construction in progress	Right-of-Use assets	Total
Cost							
Balance as of 1 January 2022	319	4 779	1 117	5 030	1 160	1 055	**13 459**
Additions	-	69	42	390	659	284	**1 445**
Disposals	-19	-351	-67	-238	-12	-79	**-765**
Reclassifications	-22	373	31	419	-829	27	**-1**
Hyperinflation adjustments	16	138	2	293	1	18	**469**
Foreign currency translation effect	7	182	41	137	-72	51	**346**
Balance as of 31 December 2022	**303**	**5 190**	**1 166**	**6 032**	**907**	**1 356**	**14 953**
Additions	-	438	31	539	249	223	**1 479**
Disposals	-	-10	-2	-86	-	-57	**-156**
Reclassifications	3	-24	-4	98	-79	14	**7**
Hyperinflation adjustments	10	76	2	177	-	18	**283**
Foreign currency translation effect	-3	21	10	-25	-39	22	**-13**
Balance as of 31 December 2023	**312**	**5 690**	**1 203**	**6 734**	**1 038**	**1 576**	**16 553**
Depreciation and impairment							
Balance as of 1 January 2022	-6	-1 830	-382	-3 239	-3	-387	**-5 847**
Depreciation	-	-176	-97	-434		-164	**-872**
Depreciation on disposals	-	160	31	202		46	**439**
Impairment	-	-3	-	-33		-	**-36**
Reclassifications	-	20	-4	-10		-1	**6**
Hyperinflation adjustments	-	-54	-1	-224		-6	**-286**
Foreign currency translation effect	-1	-86	-15	-88	-1	-22	**-212**
Balance as of 31 December 2022	**-7**	**-1 971**	**-468**	**-3 824**	**-4**	**-534**	**-6 808**
Depreciation	-	-196	-97	-486		-179	**-959**
Depreciation on disposals	-	10	2	84		56	**152**
Impairment	-	-	-	-		-	**-**
Reclassifications	1	11	5	-17		-7	**-7**
Hyperinflation adjustments	-	-31	-1	-122		-11	**-166**
Foreign currency translation effect	-	-30	-5	27	-	-11	**-19**
Balance as of 31 December 2023	**-6**	**-2 207**	**-564**	**-4 338**	**-4**	**-686**	**-7 806**
Net book value							
Balance as of 31 December 2023	306	3 483	638	2 395	1 034	890	**8 747**
Balance as of 31 December 2022	295	3 219	698	2 207	903	821	**8 144**
Estimated useful life	indefinite	25-33 years	10-14 years	3-10 years			

Accounting policy

PP&E are stated at cost less accumulated depreciation and impairment charges. Costs include expenditures that are directly attributable to the purchase of the asset, including borrowing cost of investment projects under construction.

PP&E are depreciated over estimated useful life after deduction of estimated residual value. Depreciation methods, useful lives and residual values are reassessed annually. Changes to the estimated residual value of useful life are accounted for as a change in estimate.

Costs of major maintenance activities are capitalised and depreciated over the estimated useful life. Maintenance costs which cannot be separately defined as a component of PP&E are expensed in the period in which they occur.

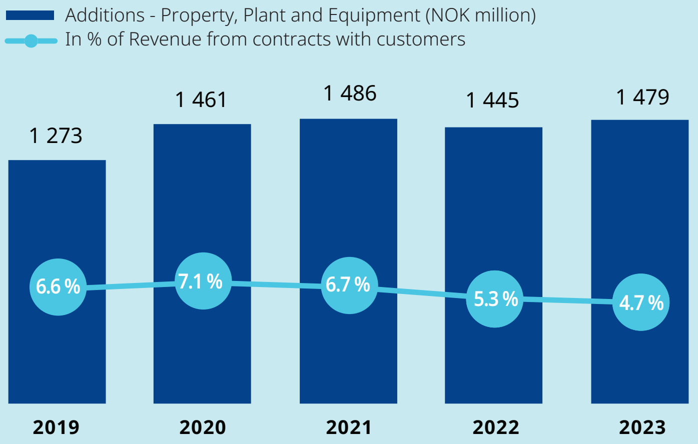
Estimate and judgement

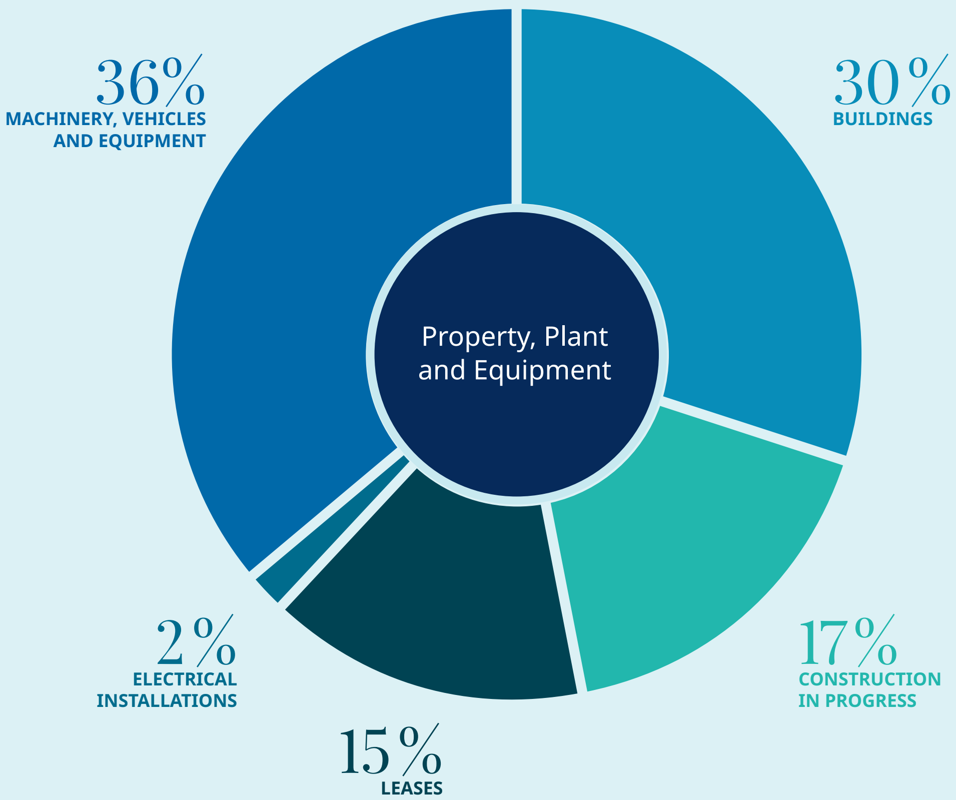
The Group assesses the carrying value of intangible assets and PP&E whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable.

If the carrying value of an asset exceeds its estimated recoverable amount, an impairment loss is recognised in the income statement.

The assessment for impairment is performed for assets generating largely independent cash inflows.

The Group reverses impairment losses in the income statement if and to the extent this is substantiated by a change in the estimates used to determine the recoverable amount.


Additions - Property, Plant and Equipment (NOK million)
In % of Revenue from contracts with customers
1 273
1 461
1 486
1 445
1 479
6.6 %
7.1 %
6.7 %
5.3 %
4.7 %
2019
2020
2021
2022
2023


36%
MACHINERY, VEHICLES AND EQUIPMENT
30%
BUILDINGS
Property, Plant and Equipment
2%
ELECTRICAL INSTALLATIONS
17%
CONSTRUCTION IN PROGRESS
15%
LEASES

Back to contents >

3.4 INVENTORIES

Inventories comprise the Group's stock of raw materials used for production, finished goods and purchased goods for resale. Packaging to be used for sold goods is included. Any profit from intercompany sales has been eliminated.

(NOK million)	31.12.2023	31.12.2022
Raw materials	2 028	2 216
Finished goods	2 678	2 757
Allowance for obsolete goods	-177	-153
Total	**4 529**	**4 821**

Accounting policy

Inventories are stated at the lower of cost and net sales value. The cost incurred in bringing each product to its present location and condition is accounted for as follows:

1) The cost of raw materials is determined using the weighted average cost method as an overall principle for the Group. This involves the computation of an average unit cost by dividing the total cost of units by the number of units.
2) The cost of finished goods includes cost of direct materials and cost of conversion such as labour and a proportion of manufacturing overhead based on normal operating capacity, and excludes any borrowing costs. Change in cost of conversion is reported as manufacturing costs, see Note 2.3.

Estimate and judgement

Net sales value is the estimated selling price, less estimated costs of completion and the estimated costs necessary to make the sale. The Group's products are sold in markets where there are limited observable market references available, requiring use of judgement in determining net sales value. Management has used its best estimate in setting net sales value for inventories. Allowances are made for inventories with a net sales value less than cost.

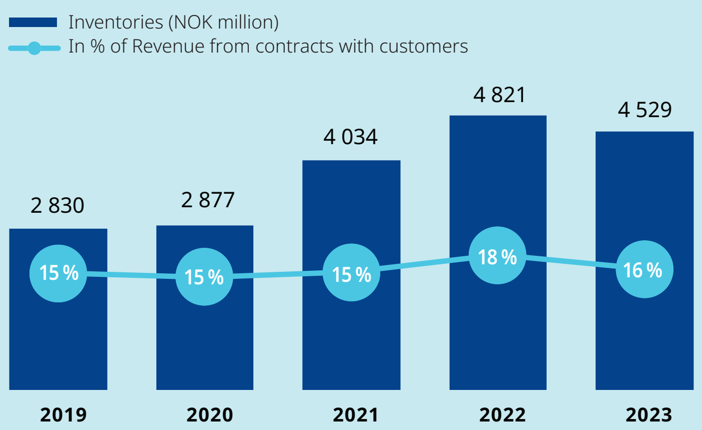
3.5 TRADE AND OTHER RECEIVABLES

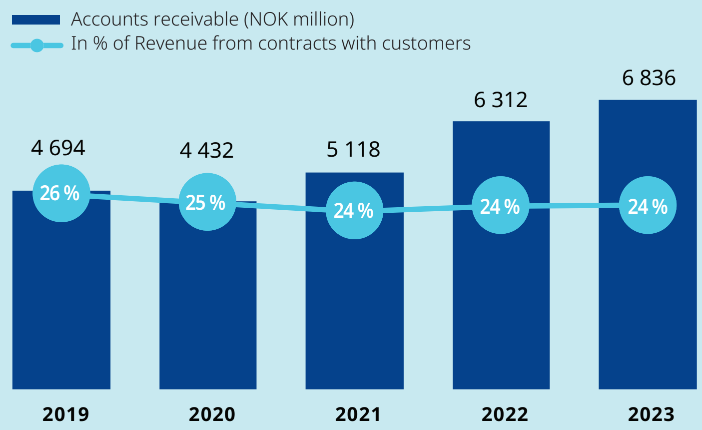
Trade and other receivables are presented net of allowance for bad debt. Changes in allowance for bad debt, including realised losses, are classified as other operating expenses in the income statement, ref. Note 2.3. Bank drafts are received as payment of accounts receivable and have a maturity period of more than three months. Received bank drafts are used to pay suppliers, ref. Note 3.9.

(NOK million)	31.12.2023	31.12.2022
Accounts receivable	6 836	6 312
Bank drafts	208	128
Trade receivables	**7 044**	**6 440**
Other receivables	610	630
Total	**7 654**	**7 071**

The change in allowance for bad debt is shown in the following table:

(NOK million)	31.12.2023	31.12.2022
Balance as of 1 January	279	264
Allowances for bad debt made during the period	50	45
Realised losses for the year	-69	-30
Balance as of 31 December	**259**	**279**





Ageing of accounts receivable

(NOK million)	31.12.2023	31.12.2022
Not due	5 053	4 666
Less than 30 days	810	811
30-60 days	380	399
60-90 days	268	178
More than 90 days	584	536
Allowance for bad debt	-259	-279
Account receivables	**6 836**	**6 312**

Accounting policy

Accounts receivable are recognised at transaction price. The Group applies a simplified approach when accounting for expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at period end. Allowances for bad debt are based on an individual assessment of the trade receivable, considering all relevant information at the time of reporting, including historical, current and future information.

Estimate and judgement

Allowances have been made for bad debt, which cover uncertain receivables to a reasonable extent. The Management continues to assess the credit risks in order to ensure the credit risk never exceeds the allowance for bad debt. For further description of credit risk, see Note 4.4.

3.6 OTHER CURRENT LIABILITIES

Other current liabilities are other payables, such as unpaid government charges and taxes, unpaid wages and holiday pay and other accruals and provisions.

(NOK million)	31.12.2023	31.12.2022
Public charges and holiday pay	476	332
Received dividend from associates or joint ventures	481	367
Other accrued expenses	1 766	1 478
Total current provisions, ref. Note 3.7	134	206
Total	**2 856**	**2 383**

Prepaid dividends from associates or joint ventures are recognised as current liabilities until the final approval by the General Assembly in the following year. Other accrued expenses are related to commissions, bonuses to employees and other accrued expenses.

3.7 PROVISIONS

Provisions consist mainly of product liability claims and environmental remediation costs related to specific cases or events that have occurred before the year end, and where the costs involved are not certain, but based on best estimates.

2023

(NOK million)	Claims	Environmental	Other	Total
Balance as of 1 January	140	105	86	332
Provisions arising during the year	25	29	15	68
Utilised	-38	-	-39	-77
Unused amounts reversed	-29	-	-20	-50
Currency translation effects	1	-	4	5
Balance as of 31 December	**99**	**134**	**46**	**278**
Current, ref. Note 3.6	89	-	45	134
Non-current	10	134	1	144
Total	**99**	**134**	**46**	**278**

2022

(NOK million)	Claims	Environmental	Other	Total
Balance as of 1 January	228	105	61	394
Provisions arising during the year	23	35	120	179
Utilised	-37	-	-73	-110
Unused amounts reversed	-75	-35	-22	-132
Currency translation effects	1	-	-	1
Balance as of 31 December	**140**	**105**	**86**	**332**
Current, ref. Note 3.6	130	-	76	206
Non-current	10	105	11	125
Total	**140**	**105**	**86**	**332**

Other provisions include obligations relating to ongoing restructuring programmes. The provision is expected to be utilised within the next year.

Product liability claims are reported as other operating expenses, ref. Note 2.3.

Accounting policy

A provision for a liability is made when a legal or constructive obligation exists, payment is probable (more likely than not), and the liability is possible to estimate. If any of the recognition criteria are not met, the liability is considered a contingent liability and no provision shall be recorded, but instead described in Note 3.8.

Estimate and judgement

Product liability claims consist of various warranty claims arising from products sold. By nature, the related amounts and timing of any outflows are difficult to predict. Assumptions used to calculate provisions for product liability claims are based on technical assessments of product failures and the related expected repair costs for each specific case. It is expected that most of these costs will be payable in the next three years, and all will have been payable within five years after the reporting date.

The Group has recorded provisions for environmental liabilities at some currently or formerly owned, leased and third-party sites throughout the world. Pre-studies and analysis of relevant areas have been undertaken to reliably estimate the provisions that have been recognised.

3.8 CONTINGENT LIABILITIES

Product liability claims and disputes

Jotun Group is, through its ongoing business, involved in product liability claims cases and disputes in connection with the Group's operations. Provisions have been made to cover the expected outcome of disputes insofar as negative outcomes are likely and reliable estimates can be made. In evaluating the size of the provisions, expected insurance cover is considered separately. Jotun acknowledges the uncertainty of the disputes but believes that these cases will be resolved without significant impact on the Group's financial position.

Environmental matters

The Group is through its operations exposed to environmental and pollution risk. Production facilities and product storage sites have been inspected with respect to environmental conditions in the soil. For clean-up projects where implementation is probable and reliable cost estimates exist, provisions are made accordingly. Due to uncertainties inherent in the estimation process, it is possible that such estimates could be subject to change. In addition, further expenditures may arise as conditions at various sites have yet to be determined. The amount of such future costs is not determinable due to the unknown timing and extent of corrective actions which may be required.

All of Jotun's activities are carried out in accordance with local laws and regulations, and Jotun's Health, Safety and Environment (HSE) requirements. These laws and regulations are subject to change, and such changes may require that the company make investments and/or incurs costs to meet more stringent emission standards or to take remedial actions related to e.g., soil contamination.

Accounting policy

As stated in Note 3.7, contingent liabilities are potential liabilities that do not meet the recognition criteria for provisions and are hence not recorded in the balance sheet. IFRS accounting standards, however, require disclosure of such information in the notes.

3.9 CONTRACTUAL OBLIGATIONS AND GUARANTEES

Purchase obligations

The Group's contractual purchase obligations are mainly related to new plant and building investments. There is a substantial investment program ongoing in the Group. Of the total ongoing investment program, NOK 531 million is contractually committed capital expenditure (CAPEX) at year-end. These contractual commitments mainly relate to projects in Indonesia, India, Egypt, and Oman. There are no actual commitments for purchasing raw materials for the Group. In general, these contracts can be terminated without significant penalties.

Other obligations

Jotun A/S has guarantees covering tax withholding and other guarantees for its subsidiaries. These amounted to approximately NOK 1 399 million in 2023 (2022: NOK 1 212 million).

A subsidiary in China, Jotun Coatings (Zhangjiagang) Co. Ltd., has used bank drafts to pay some of its suppliers. The issuing bank(s) must make an unconditional payment to the supplier (or bearer) on a designated date. If unforeseen events occur and the issuing bank(s) cannot meet its obligation, Jotun would still hold the final obligation towards its suppliers. Unsettled bank drafts totalling NOK 685 million (2022: NOK 659 million) have been used as payment as of 31 December 2023.

.

Section 04

This section includes notes related to Jotun's capital structure and financial items, including financial risks.

Capital Structure and Financial Items

Jotun's capital structure and financial position strengthened during the year, mainly explained by strong earnings growth and good cash generation. The Group's equity ratio at year-end was 60.9 per cent, well above the loan covenant requirement of minimum 25 per cent. Solid cash generation contributed to lowering the Group's leverage ratio (Net debt/EBITDA) to -0.2, significantly below the loan covenant requirement of maximum 4.0.

With its global footprint in operations, investments and financing, Jotun is exposed to financial risks related to currency exchange rates, interest rates, raw material prices and customer credit. These risks are primarily managed through the Group companies' normal operations and in accordance with the Group's Treasury policy.

60.9 %

Equity / asset ratio, in %

2022: 55.0 %

-0.2

Net debt / EBITDA

2022: 0.4

35.0 %

Return on capital employed

(NOK million)

2022: 22.9 %

4.1 INTEREST-BEARING DEBT

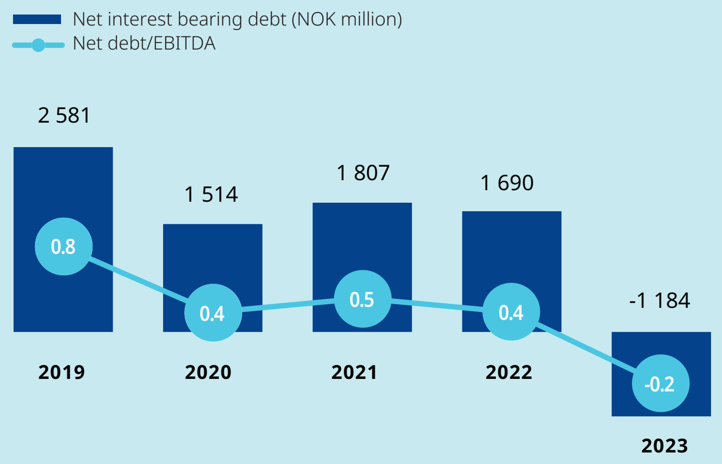
The Group's main sources of financing are from the Norwegian Bond market and bilateral bank facilities. Certificate loans are also used as a source of liquidity. The time to maturity for new loans and credit facilities is normally 3-5 years.

In 2023, the Group increased bond funding from NOK 1300 million to 1900 million. The loan from Nordic Investment Bank (NIB) of USD 120 million is maintained and semi-annual instalments began in 2018.

The Group is not in breach with any covenant requirements from banks and investors.

As of 31 December 2023, there were no drawings on the committed credit facilities.

(NOK million)	Currency	31.12.2023	31.12.2022
Non-current interest-bearing debt			
Bond 2018-24 (NIBOR+0.9 %)	NOK		650
Bond 2021-26 (NIBOR+0.7 %)	NOK	300	300
Bond 2021-28 (NIBOR+0.9 %)	NOK	350	350
Bond 2023-27 (NIBOR+1.29 %)	NOK	300	-
Bond 2023-29 (NIBOR+1.42 %)	NOK	300	-
Bank debt NIB 2013-24 (USD LIBOR+1.2 %), unsecured	USD	-	91
Other Bank debt, unsecured		317	331
Other Bank debt, secured		-	51
Total excl. lease liability		**1 567**	**1 772**
Lease liability, ref. Note 5.4		582	520
Total		**2 149**	**2 292**
Current interest-bearing debt			
Bond 2019-23 (NIBOR+0.93 %)	NOK		600
Bond 2018-24 (NIBOR+0.9 %)	NOK	650	-
Bank debt NIB 2013-24 (SOFR+1.64%), unsecured		94	181
Other bank debt, unsecured		1 187	1 794
Other bank debt, secured		85	93
Total excl. lease liability		**2 016**	**2668**
Lease liability, ref. Note 5.4		147	128
Total		**2 163**	**2 796**
Total interest-bearing debt excl. lease liability		**3 583**	**4 440**
Total lease liability, ref. Note 5.4		729	648
Total interest-bearing debt		**4 312**	**5 088**
Non-current interest-bearing receivables		105	85
Cash and cash equivalents		5 390	3 312
Net interest-bearing debt		**-1 184**	**1 690**



Change in interest-bearing debt balance

		Non-cash changes			
(NOK million)	31.12.2022	Cash	Reclass. & other	FX	31.12.2023
Non-current interest-bearing debt	2 292	736	-922	43	2 149
Current interest-bearing debt	2 796	-1 518	1 138	-253	2 163

Maturity profile interest-bearing debt and unutilised credit facilities

(NOK million)	Total	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	>5 years
Total interest-bearing debt excl. lease liability							
2023	**3 583**	**2 016**	**113**	**453**	**351**	**350**	**300**
2022	4 440	2 668	841	75	351	51	455
Unutilised credit facilities							
2023	**2 836**	**400**	**600**	**400**	**300**	**936**	**200**
2022	2 515	600	600	600	300	315	100

4.2 CASH AND CASH EQUIVALENTS

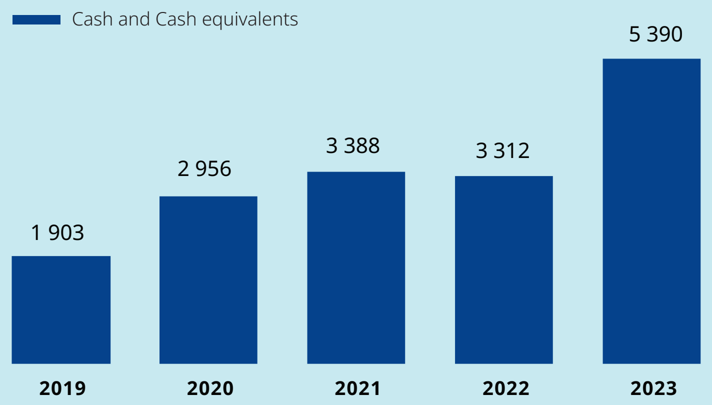
(NOK million)	2023	2022
Cash deposits	4 450	2 692
Short-term investments	940	621
Total	**5 390**	**3 312**

Cash deposits in banks are attributable to the Group's cash pool arrangement and local bank accounts held by the respective subsidiaries. Only subsidiaries owned 100 per cent by the Group are participants in the cash pool. The net cash position in the Group's cash pool per 31 December 2023 was NOK 1 394 million (2022: NOK 658 million).

Surplus cash in subsidiaries not participating in the cash pool is accessible through dividend distribution and/or repayment of debt to Jotun A/S.

Accounting policy

Cash includes cash in hand and cash deposits in banks. Cash equivalents are short-term liquid investments which are convertible into a known amount of cash on short notice and have a maximum term to maturity of three months.



4.3 NET FINANCIAL ITEMS

The Group has net financial items mainly comprising net interest expenses, foreign exchange gains and losses and fair value changes of the Group's financial instruments related to hedging.

Financial income

(NOK million)	2023	2022
Fair value changes financial instruments	30	12
Interest income	149	45
Dividend	4	3
Net foreign exchange gain	93	67
Hyperinflation adjustment	-43	4
Other financial income	23	18
Total	**256**	**149**

Financial cost

(NOK million)	2023	2022
Interest costs	-414	-397
Net foreign exchange loss	-283	-232
Other financial costs	-110	-65
Total	**-807**	**-694**
Net financial items	**-552**	**-546**

Foreign exchange gains and losses related to forwards, options and swaps in Jotun A/S have affected net financial items with the following amounts:

(NOK million)	2023	2022
Unrealised gain/loss (-)	30	12
Realised gain/loss (-)	-142	-130

Unrealised part is reported as fair value changes financial instruments, while the realised part is reported as foreign exchange gain or loss.

4.4 FINANCIAL RISK MANAGEMENT

Financial risks include raw material price risk, foreign currency risk, customer credit risk, interest rate risk and liquidity risk managed by the Group Treasury according to policy.

Raw material price risk

Raw material risk is the risk of fluctuating raw material prices affecting cost of goods sold, which represent more than 60 per cent of total costs. The main raw materials purchased by the Group are described in Note 2.1. Currently, the Group does not hedge this type of risk as availability of effective hedging instruments is limited. As increases in raw material prices cannot be compensated for immediately through increased product prices, profits will be negatively impacted for a period of time. The time horizon for Group-wide implementation of price increases is generally 9-12 months.

Cost of goods sold was NOK 16.6 billion in 2023 of which NOK 8.8 billion were costs for the top five raw materials. A ten per cent increase in commodity prices will result in an increase in cost of goods sold by NOK 1.7 billion.

Foreign currency risk

The Group's consolidated financial statements are exposed to a currency risk related to translation of local currencies to NOK. In 2023, sales and operating profit outside Norway were NOK 27.6 billion and NOK 6.2 billion respectively. A ten per cent appreciation in NOK will result in a reduction in sales of NOK 2.8 billion and operating profit of NOK 0.6 billion. Excluding currency effects, sales growth for the Group would have been 15.6 per cent compared to 15.2 per cent in reported rates. Conversely, operating profit growth would have been reduced from 72 per cent to 71 per cent.

In addition to share capital, Jotun A/S finances the majority of its subsidiaries with intercompany loans in local currencies. Intercompany loans for which settlement is neither planned nor likely to occur in the foreseeable future are accounted for as part of the net investment in foreign operations. Exchange differences are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

Jotun A/S has a USD 9.3 million loan which serves as a partial hedge of net investment in foreign operations. Gains or losses on the hedging instrument related to the effective portion of the hedge are recognised in other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the income statement.

A gain of NOK 96 million on hedge of net investments was recognised in other comprehensive income in 2023 (2022: gain NOK 54 million).

Credit risk

The management of customer credit risk related to accounts receivable and other operating receivables is handled as part of the business risk.

The Group's credit risk is mainly related to markets with generally high Days Sales Outstanding (DSO). Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and controls.

Outstanding customer receivables are regularly monitored based on defined credit limits, and credit risk assessments are performed. There is no significant concentration of credit risk in respect of single counterparts. Some groups of counterparts can be viewed as significant: Shipyards, shipowners, real estate developers and some larger retail chains in Scandinavia.

The need for bad debt allowances is analysed on an individual customer basis. The maximum exposure to credit risk at the reporting date is the carrying value of each ageing class of accounts receivable disclosed in Note 3.5. Customer receivables are unsecured, which means that customers are not required to post collateral. Given the geographical distribution of customers with few large single accounts, credit risk in the Group is viewed as low and well diversified. The Group's customers are spread across several jurisdictions and industries and operate in largely independent markets.

.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates to the Group's long-term debt with floating interest rates. Jotun manages its interest rate risk by monitoring the impact on net profit. At year-end, the Group had negative net debt as cash exceeded gross debt. The resulting leverage ratio is -0.2. The majority of the debt is with floating interest rate apart from lease liability (ref. Note 4.1).

The Group has long-term interest-bearing debt of NOK 1 567 million with floating interest rate. A three percentage point increase in interest rate will affect the financial items by NOK 47 million.

Funding and liquidity risk

It is the Group's policy that long-term debt and credit facilities shall have a minimum average time to maturity of two years. In addition, the target is to maintain a strategic financing reserve equivalent to five per cent of the Jotun's operating revenue.

The Group estimates its future cash flow by forecasting. Cash flow from operations has seasonal cycles, especially due to the sales of exterior decorative paints in Scandinavia. Through the first months of the year, the Group has substantial build-up of working capital in preparation for sales during spring and summer season. This is an expected cyclical movement and is taken into account when planning the Group's financing.

Other drivers of the liquidity development are investments in new factories and changes in the working capital in the individual companies. Jotun A/S repatriates cash through both ordinary and interim dividends based on target equity ratios for its subsidiaries.

Back to contents >

Section 05

This section includes other statutory notes not related to previous sections.

Other Disclosures

Higher income tax expense in 2023 was caused by higher earnings. The decrease in the effective tax rate is primarily linked to a negative impact on last year's rate due to an extraordinary tax expense resulting from a notification by the Norwegian Tax Authorities regarding taxation of dividends from Saudi Arabia. This notification is currently under dispute.

For 2023, an ordinary dividend of NOK 1 368 million has been proposed. This represents an increase of 60 per cent compared to last year and is equivalent to 31.5 per cent of the Groups profit for the year less non-controlling interests. In addition, an extraordinary dividend of NOK 855 million has been proposed based on strong earnings and the Group's solid cash position. In total, the proposed dividend for 2023 is NOK 2 223 million and is equivalent to a payout ratio of 51.2 per cent.

1 378

Income tax expense
(NOK million)
2022: 1 024

23.4 %

Effective tax rate based on profit before tax
2022: 32.1 %

2 223

Proposed dividend
(NOK million)
2022: 855.0

5.1 TAXATION

Income tax expense refers to the authorities' taxation of the profits of the different companies in the Group. Indirect taxes like value added tax, social security contribution etc. are not included as part of income taxes. Income taxes is computed on the basis of accounting profit or loss and broken down into current taxes and changes in deferred taxes. Deferred tax is the result of temporary timing differences between financial accounting and tax accounting.

The major components of the income tax expense for the years ended 31 December 2023 and 2022 are:.

(NOK million)	2023	2022
Current income tax charge:		
Tax payable	1 387	1 062
Deferred tax:		
Relating to original and reversal of temporary differences	-8	-37
Income tax expense reported in the income statement	**1 378**	**1 024**

Reconciliation of Norwegian nominal statutory tax rate to effective tax rate
The difference between the Group's nominal and effective tax rate is mainly due to non-tax-deductible expenses, non-refundable withholding taxes and losses from operations without recognition of tax assets. In addition, the effective tax rate is also negatively affected by local income tax from equity accounted companies where taxes are liable by Jotun A/S as a foreign shareholder.

In the following table, reported income taxes are reconciled with the tax expense based on the Norwegian tax rate of 22 per cent (22 per cent in 2022). The main components are specified.

(NOK million)		2023		2022
Profit before tax as reported in the income statement		5 879		3 191
Share of profit of associated companies and joint ventures net of tax		-1 333		-729
Profit before tax excluding associates and JV's		**4 545**		**2 462**
Income taxes at statutory tax rate	22 %	1 000	22 %	542
Non refundable foreign withholding tax	3 %	115	4 %	106
Corrections previous years	0 %	9	5 %	121
Tax effect related to equity accounted companies	3 %	120	5 %	112
Non deductible expenses and non taxable income	2 %	70	2 %	48
Tax inflation adjustments	1 %	54	2 %	46
Unused tax losses not recognised as deferred tax assets	1 %	25	3 %	79
Difference between tax rates in Norway and abroad	0 %	-14	-1 %	-29
Total income tax expense		**1 378**		**1 024**
Effective tax rate excluding profit from associates and JV's		30 %		42 %
Effective tax rate based on profit before tax		23 %		32 %

Effective tax rate is calculated both as income tax expense relative to profit before tax in the income statement and profit before tax excluding the share of profit after tax in equity accounted companies.

Specification of total tax payable

(NOK million)	2023	2022
Tax payable for the year	1 387	1 062
Prepaid taxes	-792	-659
Withholding taxes receivable	-162	-130
Other tax payable	127	125
Total tax payable	**560**	**397**

Specification of deferred tax
Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets for temporary differences and tax loss carried forward are recognised to the extent that it is probable that future taxable income will be available at the level of the relevant tax authority for utilisation. Deferred tax liabilities consists of the Group's tax liabilities that are payable in the future.

The table below lists the timing differences between tax accounting and financial accounting.

(NOK million)	2023	2022
Non-current assets	439	118
Current assets	-478	-387
Liabilities	-1 428	-1 109
Tax loss carried forward	-125	-123
Net temporary differences and tax loss carried forward	**-1 592**	**-1 501**
Net deferred tax presented in the consolidated statement of financial position		
Deferred tax assets	483	410
Deferred tax liabilities	-171	-107
Net deferred tax	**312**	**303**

Specification of tax loss carried forward and unused tax credits

(NOK million)	2023	2022
2023		66
2024	66	137
2025	54	110
2026	64	184
2027	44	977
2028 and after	569	-
Without expiration	1 076	472
Total loss carried forward	**1 874**	**1 945**
Calculated nominal tax effect of tax loss carried forward	497	514
Valuation allowance	-466	-484
Deferred tax assets recognised from tax loss carried forward	**31**	**30**

Tax loss carried forward relates to subsidiaries with a history of losses that may not be used to offset taxable income elsewhere in the Group. Jotun's operations in the US, Brazil, Morocco, Spain and the Philippines have substantial tax reducing temporary differences and tax losses carried forward that have not been recognised due to uncertainty about future taxable profit available to utilise the credits.

Accounting policy

Current income tax

Current income tax assets and liabilities are measured at the amount that is expected to be paid to or recovered from the tax authorities. The current and deferred income tax is calculated based on tax rates and tax laws that have been enacted or substantively enacted, in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and deferred tax liabilities are calculated on all differences between the book value and tax value of assets and liabilities. Deferred tax assets and deferred tax liabilities are recognised at their nominal value and classified as non-current liabilities and non-current assets in the balance sheet. Deferred tax liabilities and deferred tax assets are offset as far as possible as permitted by taxation legislation and regulations. Deferred tax assets are recognised for all unused tax losses and temporary differences to the extent that it is probable that taxable profit will be available against which losses and temporary differences can be utilised.

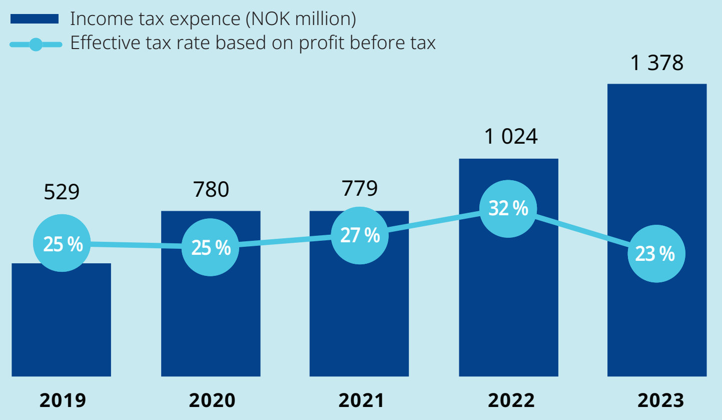
Estimate and judgement

Uncertainties exist with respect to determining the Group's deferred tax assets and deferred tax liabilities. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.

Jotun's widespread business operations expose us to several tax regimes and their interaction. Tax authorities in different jurisdictions may challenge the calculation of taxes payable from prior periods, which results in changes to income tax expense in the period of change, as well as interest and penalties. Management evaluates, among other factors, the degree of probability of an unfavorable outcome and the ability to make a reasonable estimate of the amount of loss. Unexpected events or changes in these factors may require the Group to accrue for a matter that has not been previously accrued for because it was not considered probable.

Jotun is involved in several tax disputes with tax authorities, of which the outcomes are subject to uncertainties. Jotun A/S has received a notification from the Norwegian tax authorities for the years 2017 to 2020 related to the taxation of dividends distributed from our companies in Saudi Arabia. Over the years, Jotun A/S has reported the dividends from Saudi Arabia as free of tax following the Norwegian participation exemption model. According to the Norwegian tax authorities, Saudi Arabia is a low-tax jurisdiction and consequently the dividends from Saudi Arabia are considered as taxable income for Jotun A/S. The tax costs for the years 2017-2023 have been recognised accordingly. The notification is disputed.

The Group operates in jurisdictions where Pillar Two legislation has been enacted or is substantively enacted. This legislation will come into effect for the Group's financial year starting January 1, 2024. We have assessed the impact of this legislation on the Group, considering recent tax filings, country-by-country reporting, and financial statements of our entities. Our preliminary assessment reveals that in most operating jurisdictions, the Pillar Two effective tax rates are above 15 per cent. However, in a few jurisdictions where transitional safe harbor relief doesn't apply, the Pillar Two effective tax rate is close to 15 per cent. Despite this, we do not anticipate a significant exposure to Pillar Two income taxes in those specific jurisdictions.



Back to contents >

5.2 PENSIONS AND OTHER LONG-TERM EMPLOYEE BENEFITS

The Group companies provide various retirement plans in accordance with local regulations and practices in the countries in which they operate.

The majority of the Group's pension plans are defined contribution plans, whereby the company's obligation is limited to annual contributions to the employees' pension plans. The Group also has a few remaining defined benefit pension plans with net pension obligation.

Summary of pension costs

(NOK million)	2023	2022
Pension costs defined contribution plans and other severance schemes	207	163
Pension costs defined benefit plans	9	13
Total pension costs recognised in the income statement, ref. Note 2.2	**215**	**176**
Actuarial gain / loss (-) recognised in other comprehensive income (net of tax)	**-25**	**28**

The Group has defined benefit plans in a limited number of countries, including Norway, the UK, Greece, Türkiye, Indonesia and in certain countries in South East Asia and the Middle East. In Norway, the defined benefit schemes were replaced by defined contribution plans in 2004, and the defined benefit plan in the UK was closed for new members in 2012.

Defined benefit plans in Norway account for around 77 per cent of the Group's net pension obligation as of 31 December 2023. In Norway, net pension obligations are primarily related to previous early retirement schemes for the Group's senior executives. In certain countries in South East Asia and the Middle East, such as Indonesia, Thailand and Oman, there are pension schemes based on a final salary principle in accordance with local regulations. These are included in net pension obligations.

Other severance schemes comprise mainly obligations related to operating pension schemes for employees in the Norwegian companies with an annual basic salary and pension base exceeding 12 times the basic amount (G). This accounts for 74 per cent of the other severance scheme obligation.

Actuarial assumptions

	Norway		Indonesia	
	2023	2022	2023	2022
Discount rate in %	3.0	2.7	6.7	7.3
Expected return in %	3.0	2.7	7.0	6.61
Wage adjustment in %	3.75-5.4	4.50	7.0	6.0
Inflation / increase in social security basic amount (G) in %	2.0 / 3.50	3.50	3.6	4.6
Pension adjustment in %	1.6-3.75	1.6-3.75	-	-

Schemes with net pension obligations

	Pension plan assets		Defined benefit obligations		Net pension obligations	
(NOK million)	2023	2022	2023	2022	2023	2022
Balance as of 1 January	**349**	**453**	**-477**	**-624**	**-128**	**-171**
Translation difference at the beginning of the period	30	-1	-20	-	10	-1
Recognised in the income statement						
Pension earnings for the year	-	-	1	-6	1	-6
Interest income / cost (-)	-	-	-27	-18	-27	-18
Expected return on pension plan assets	18	10	-	-	18	10
Recognised in the Income Statement	**18**	**10**	**-26**	**-23**	**-9**	**-13**
Other movements	-2	-113	-	171	-2	57
Net pension obligation defined benefit plans	**395**	**349**	**-523**	**-477**	**-128**	**-128**
Other severance schemes	-	-	-150	-122	-150	-122
Balance as of 31 December	**395**	**349**	**-673**	**-599**	**-279**	**-251**

Breakdown of net pension liabilities in funded and unfunded schemes

(NOK million)	31.12.2023	31.12.2022
Present value of funded pension obligations	-368	-329
Pension plan assets	395	349
Net funded pension obligations	**27**	**20**
Present value of unfunded pension obligations	-305	-270
Capitalised net pension assets / liabilities (-)	**-279**	**-251**

Pension plan assets
Pension plan assets are mainly in bonds and shares. The estimated return will vary depending on the composition of the various classes of assets. Contributions to pension plan assets during 2024 are expected to be approximately NOK 7.1 million.

Breakdown of pension plan assets (fair value)

	31.12.2023	31.12.2022
Cash and cash equivalents in %	0.9	8.2
Bonds in %	89.1	79.7
Shares in %	4.9	5.5
Property in %	5.1	6.6
Total pension plan assets	**100.0**	**100.0**

Accounting policy

Defined contribution plans
The pension cost related to the Group's defined contribution plans is equal to the annual contribution made to the employee's individual pension accounts in the accounting period. Annual contributions correspond to an agreed percentage of the employee's salary in accordance with local pension arrangements. In Norway, the rate is five per cent of annual basic salary, limited upwards to twelve times the social security basic amount. In addition, 18.1 per cent contribution is made for annual basic salary between 7.1-12 times the social security basic amount. The pension contributions are expensed when incurred. The return on the pension funds will affect the size of the employees' pension, and the risk of returns lies with the employees.

Defined benefit plans
In the defined benefit plans, the Group companies are responsible for paying an agreed pension to the employee based on his or her final pay. Defined benefit plans are valued at the present value of accrued future pension obligations at the end of the reporting period. Pension plan assets are valued at their fair value. The capitalised net liability is the sum of the accrued pension liability minus the fair value of the associated pension fund asset.

Actuarial gains and losses are recognised in other comprehensive income. Introduction of new or changes to existing defined benefit plans that will lead to changes in pension liabilities are recognised in the income statement as they occur. Gains or losses linked to changes or terminations of pension plans are also recognised in the income statement when they arise.

Other severance schemes
Other severance schemes comprise mainly of obligations related to pension schemes for employees in the Norwegian companies with an annual basic salary exceeding 12 times the basic amount (G). In addition, minor statutory obligations to employees in a few other countries are also included. Obligations related to other severance schemes are recognised as non-current liabilities.

Estimate and judgement

Defined benefit plans are calculated based on a set of selected financial and actuarial assumptions. Changes in parameters such as discount rates, future wage adjustment, etc. could have a substantial impact on the estimated pension liability. Similarly, changes in selected assumptions for the return on pension assets could affect the amount of the pension assets. The Group will not be materially affected by a reasonable expected change in key assumptions.

All assumptions are reviewed at each reporting date.

5.3 REMUNERATIONS

Remuneration of the President & CEO

(NOK thousand)	Ordinary salary	Bonus	Benefits in kind	Pension cost	Total
President & CEO	9 332	3 205	385	3 966	**16 888**

The President & CEO is part of a pension scheme that includes a mutual opportunity to discontinue employment in whole or in part up to five years earlier than a stipulated retirement age of 67 years.

The Group has no obligation to give the President & CEO or the Chairman of the Board special remuneration upon discontinuance or change of employment or office. Should the President & CEO's employment discontinue, his contract has a clause stipulating that a one-year "competition quarantine" may be imposed with compensation. The President & CEO has a notice period of six months.

The Group has not given any loans or guarantees to the President & CEO, the Chairman of the Board, or to any shareholders or members of Group Management, the Board of Directors or Corporate Assembly.

Remuneration of the Board of Directors and Corporate Assembly

(NOK thousand)	31.12.2023	31.12.2022
Board of Directors	3 735	2 790
Corporate Assembly	230	183
Total	**3 965**	**2 973**

Shares controlled by members of the Board of Directors and the Group Management are specified in Note 5.8.

External auditor remuneration

(NOK thousand)	31.12.2023	31.12.2022
Statutory audit	18 369	16 061
Other attestation services	218	158
Tax services	3 177	2 593
Other services	2 547	2 106
Total	**24 312**	**20 918**

5.4 LEASES

The Group has lease contracts for various assets (land, buildings, machinery and equipment and transport vehicles) used in its operations.

Accounting policy

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract includes a right to control the use of an identified asset for a period of time in exchange for a financial consideration.

The Group applies a single recognition and measurement approach for all leases. The Group recognises lease liabilities for payment obligations for leases and right-of-use assets representing the value of the right to use the underlying assets.

Right-of-Use assets

The Group recognises right-of-use assets at the date the underlying asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. When assessing the life of the leases, the Group considers the non-cancellable lease term and options to extend the lease where Jotun is reasonably certain to extend. Extension options are assessed for all lease's premises. For other assets, the life is equal to the non-cancellable lease period and extensions are not considered for these.

Right-of-use assets are also subject to impairment, using the same method as for Property, plant and equipment, see Note 3.3.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group. Variable lease payments that do not depend on an index or a rate are recognised as operating expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments. The Group's lease liabilities are included in interest-bearing debt, see Note 4.1.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to all short-term leases, which are leases that have a lease term of 12 months or less from the commencement date. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Cash flow

The Group has classified the principal portion of lease payments within financing activities and the interest portion within operating activities in the statement of cash flow.

Estimate and judgement

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Right-of-Use assets:

(NOK million)	Land	Buildings	Machinery, vehicles and equipment	Total
Cost				
Balance as of 1 January 2022	339	414	301	**1 055**
Additions	-21	239	66	**284**
Disposals	-	-37	-42	**-79**
Reclassifications	25	1	1	**27**
Hyperinflation adjustments	-	4	14	**18**
Foreign currency translation effect	20	18	14	**51**
Balance as of 31 December 2022	**362**	**639**	**354**	**1 356**
Additions	23	109	90	**223**
Disposals	-	-23	-34	**-57**
Reclassifications	15	-	-	**14**
Hyperinflation adjustments	-	3	15	**18**
Foreign currency translation effect	9	10	4	**22**
Balance as of 31 December 2023	**409**	**738**	**429**	**1 576**
Amortisation and impairment				
Balance as of 1 January 2022	-26	-186	-174	**-387**
Depreciation	-11	-86	-67	**-164**
Depreciation on disposals	-	19	28	**46**
Reclassifications	1	-1	-1	**-1**
Hyperinflation adjustments	-	-2	-5	**-6**
Foreign currency translation effect	-1	-10	-11	**-22**
Balance as of 31 December 2022	**-37**	**-266**	**-231**	**-534**
Depreciation	-11	-93	-75	**-179**
Depreciation on disposals	-	22	34	**56**
Reclassifications	-7	-	-	**-7**
Hyperinflation adjustments	-	-2	-10	**-11**
Foreign currency translation effect	-	-8	-2	**-11**
Balance as of 31 December 2023	**-56**	**-346**	**-284**	**-686**
Net book value				
Balance as of 31 December 2023	353	392	145	**890**
Balance as of 31 December 2022	325	373	123	**821**

Lease liability as of 31 December

(NOK million)	31.12.2023	31.12.2022
Non-current	582	520
Current	147	128
Total	**729**	**648**

Undiscounted lease liabilities and maturity of cash outflows

(NOK million)	31.12.2023	31.12.2022
Less than 1 year	190	156
1-2 years	148	114
2-3 years	102	83
3-4 years	54	56
4-5 years	42	40
More than 5 years	522	483
Total undiscounted lease liabilities	**1 059**	**932**

Amounts recognised in the consolidated income statement:

(NOK million)	2023	2022
Leases		
Depreciation of Right-of-Use assets	179	164
Interest expense	38	32
Other lease expenses recognised in the income statement:		
Expenses relating to short-term leases	20	18
Expenses relating to lease of low value assets	10	11
Expenses related to variable payments	28	23
Total	**275**	**248**

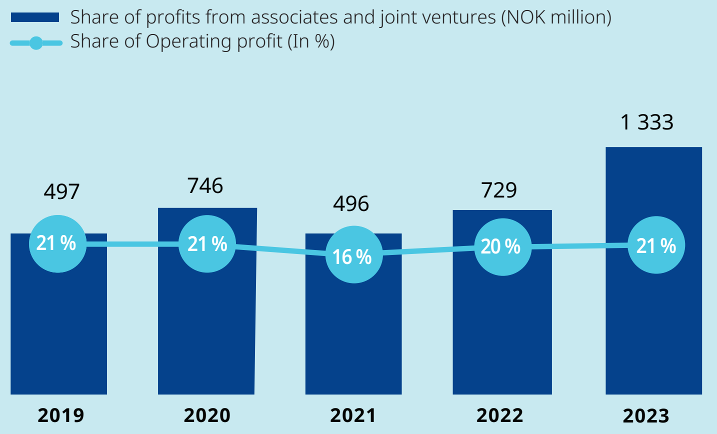
Total cash outflow relating to lease of Right-of-Use assets was NOK 190 million for the period.
The portfolio of short-term leases does not vary significantly from year to year.

5.5 ASSOCIATES AND JOINT VENTURES

The Group has investments in associates in the Middle East and joint ventures in North East Asia, involved in production and sales of products within all the Group's four segments. See Note 1.1 for accounting policy. See Note 5.7 to the Parent Company Financial Statements for more information.

Overview of changes in investments in associates and joint ventures

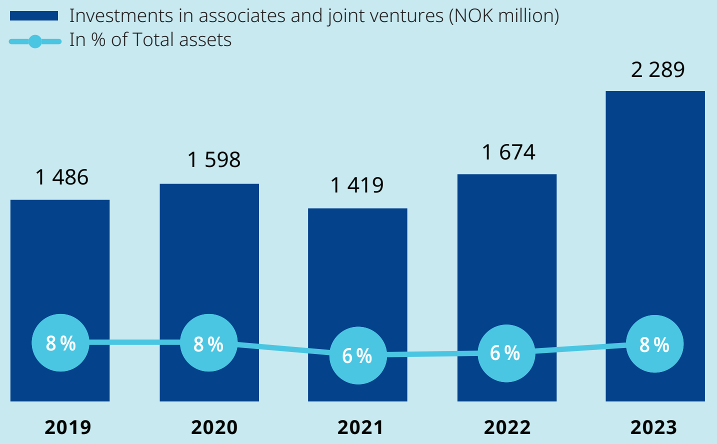
	31.12.2023			31.12.2022		
(NOK million)	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Carrying amount 1 January	1 004	670	1 674	845	575	1 419
Share of profit and loss	939	395	1 333	598	131	729
Exchange differences	1	-7	-6	101	25	125
Dividend	-606	-107	-713	-540	-60	-600
Carrying amount 31 December	**1 338**	**951**	**2 289**	**1 004**	**670**	**1 674**



Summary of financial information for the associates and joint ventures based on 100 per cent figures:

	31.12.2023			31.12.2022		
(NOK million)	Associates	Joint ventures	Total	Associates	Joint ventures	Total
Non-current assets	966	1 058	2 024	925	1 106	2 031
Current assets	3 100	3 522	6 622	2 761	3 061	5 822
Total assets	**4 066**	**4 580**	**8 646**	**3 687**	**4 167**	**7 853**
Equity	3 446	2 301	5 747	2 655	1 728	4 383
Non-current liabilities	283	34	317	235	92	327
Current liabilities	337	2 245	2 582	797	2 347	3 144
Total equity and liabilities	**4 066**	**4 580**	**8 646**	**3 687**	**4 167**	**7 853**
Revenues	7 679	5 966	13 646	6 191	5 024	11 215
Revenues - Jotun entities*	980	1 869	2 848	808	1 686	2 494
Total revenues	**8 659**	**7 835**	**16 494**	**7 000**	**6 709**	**13 709**
Profit / (loss) for the year	**2 293**	**889**	**3 182**	**1 479**	**261**	**1 740**

** Subsidiaries, associates and joint ventures*



5.6 RELATED PARTIES

Two parties are deemed to be related if one party can influence the decisions of the other.

During 2023, goods and services were purchased and sold to various related parties in which the Group holds a 50 per cent or less equity interest. Investments in associates and joint ventures are presented in Note 5.5, shareholder and dividend information are presented in Note 5.8.

The transactions between related parties are mainly sales and purchases of finished goods. Joint expenses are distributed in accordance with agreed cost contribution arrangements.

Outstanding balances at the year-end are unsecured and there have been no guarantees provided or received for any related party receivables or payables. As of 31 December 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2022: NOK 0). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates. The amount of these transactions is shown in the table below.

2023

(NOK million)	Sales of goods to	Purchases of goods from	Other revenue from	Loans to	Interests on loan to	Other current liabilities	Trade and other receivables
Joint ventures	1 219	946	253	-	-	185	251
Associates	243	808	240	2	1	160	141
Total	**1 462**	**1 754**	**493**	**2**	**1**	**345**	**392**

2022

(NOK million)	Sales of goods to	Purchases of goods from	Other revenue from	Loans to	Interests on loan to	Other current liabilities	Trade and other receivables
Joint ventures	1 088	644	212	-	-	140	265
Associates	206	681	213	2	-	208	112
Total	**1 294**	**1 325**	**425**	**2**	**-**	**347**	**377**

Details on remuneration and shares held for the Board of Directors and Group Management is described in Notes 5.3. Besides remuneration and shares, the Group has not identified any transactions with the Board of Directors or key management personnel during 2023.

5.7 SUBSIDIARIES

For the list of subsidiaries included in the consolidated accounts, refer to Note 5.6 to the Parent Company Financial Statements.

5.8 SHARE CAPITAL AND SHAREHOLDER INFORMATION

The share capital in Jotun A/S as of 31 December 2023 consists of the following share classes:

(NOK)	Quantity	Face value	Share capital
A-shares	114 000	300	34 200 000
B-shares	228 000	300	68 400 000
Total	**342 000**	**300**	**102 600 000**

At the general meeting, each A-share has ten votes and each B-share has one vote. There are no changes from last year.

Ownership structure
The number of shareholders as of 31 December 2023 was 950. The largest shareholders were:

Shareholders	A-shares	B-shares	Total	Ownership	Voting interest
Paint Holding AS	42 469	103 446	145 915	42.7 %	38.6 %
Odd Gleditsch AS	11 581	37 995	49 576	14.5 %	11.2 %
Mattisberget AS	29 707	744	30 451	8.9 %	21.8 %
Leo Invest AS	3 008	7 022	10 030	2.9 %	2.7 %
Abrafam Holding AS	3 387	3 666	7 053	2.1 %	2.7 %
SKALLUM AS	1 759	5 246	7 005	2.0 %	1.7 %
Bog Invest AS		6 850	6 850	2.0 %	0.5 %
Bjørn Ekdahl	2 324	3 381	5 705	1.7 %	1.9 %
ACG AS		5 553	5 553	1.6 %	0.4 %
Hejo Holding AS		5 259	5 259	1.5 %	0.4 %
Elanel AS	3 027	2 153	5 180	1.5 %	2.4 %
Snefred Invest AS	1 953	1 902	3 855	1.1 %	1.6 %
Bjørn Ole Gleditsch	26	3 689	3 715	1.1 %	0.3 %
Pina AS		3 443	3 443	1.0 %	0.3 %
Conrad Wilhelm Eger	1 172	2 155	3 327	1.0 %	1.0 %
Vida Holding AS	584	2 652	3 236	0.9 %	0.6 %
Jill Beate Gleditsch		3 171	3 171	0.9 %	0.2 %
Nils Petter Ekdahl	2 322	645	2 967	0.9 %	1.7 %
Bengt Erik Ekdahl	2 322	188	2 510	0.7 %	1.7 %
Anne Cecilie Gleditsch	5	2 161	2 166	0.6 %	0.2 %
Total 20 largest	**105 646**	**201 321**	**306 967**	**89.8 %**	**91.9 %**
Total others	8 354	26 679	35 033	10.2 %	8.1 %
Total number of shares	**114 000**	**228 000**	**342 000**	**100.0 %**	**100.0 %**

Shares directly controlled by members of the Board of Directors, Corporate Assembly and Group Management and / or related parties

Name	Office	A-shares	B-shares	Total
Odd Gleditsch d.y.	Chairman of the Board	27	6 739	**6 766**
Jørgen Arnesen	Member of the Board	478	249	**727**
Nicolai A. Eger	Member of the Board	988	189	**1 177**
Per Kristian Aagaard	Member of the Board		2	**2**
Bjørn Ekdahl	Chairman of the Corporate Assembly	2 324	3 381	**5 705**
Bjørn Ole Gleditsch	Member of the Corporate Assembly	26	10 539	**10 565**
Anne Cecilie Gleditsch	Member of the Corporate Assembly	5	7 715	**7 720**
Kornelia Eger Foyn-Bruun	Member of the Corporate Assembly	100	274	**374**
Jens-Erlend Trana	Member of the Corporate Assembly		2	**2**
Morten Fon	President & CEO	12	23	**35**
Bård Tonning	GEVP Decorative Paints		5	**5**
Vidar Nysæther	GEVP & CFO		20	**20**

There are no options for share acquisitions.

Dividend paid and proposed

Declared and paid during the year	2023	2022
Total ordinary dividend	855 000 000	769 500 000
Ordinary dividend per share	2 500	2 250

Proposed for approval at the Annual General Meeting	2023	2022
Total ordinary dividend	1 368 000 000	855 000 000
Total extraordinary dividend	855 000 000	-
Total dividend	2 223 000 000	855 000 000
Ordinary dividend per share	4 000	2 500
Extraordinary dividend per share	2 500	-

Both ordinary and extraordinary dividends are proposed for approval at the Annual General Meeting. Dividend is deducted from equity and recognised as a liability after approval by the Annual General Meeting.

5.9 DETAILS OF FINANCIAL ASSETS AND LIABILITIES

This note gives an overview of measurement of financial assets and liabilities and the accounting treatment of these balance sheet items. The measurement method in the tables are defined as follows:

Level 1: Recorded fair value based on quoted. unadjusted prices in active markets for identical assets and liabilities
Level 2: Recorded fair value based on valuation using observable market data. directly or indirectly. as input
Level 3: Recorded fair value based on valuation without availability of any observable market data as input

2023

(NOK million)	Note	Level	Fair value	Amortised cost	Total	Interest-bearing
NON-CURRENT ASSETS						
Share investments		3	6		6	
Non-current financial receivables				105	105	105
Total			**6**	**105**	**112**	**105**
CURRENT ASSETS						
Accounts receivable	3.5			6 836	6 836	
Other current receivables	3.5			787	787	
Current derivatives	4.1	1	31		31	
Cash and cash equivalents	4.2			5 390	5 390	5 390
Total			**31**	**13 013**	**13 045**	**5 390**
Total financial assets			**38**	**13 119**	**13 156**	**5 496**

2022

(NOK million)	Note	Level	Fair value	Amortised cost	Total	Interest-bearing
NON-CURRENT ASSETS						
Share investments		3	6		6	
Non-current financial receivables				85	85	85
Total			**6**	**85**	**92**	**85**
CURRENT ASSETS						
Accounts receivable	3.5			6 312	6 312	
Other current receivables	3.5			731	731	
Current derivatives	4.1	1	27		27	
Cash and cash equivalents	4.2			3 312	3 312	3 312
Total			**27**	**10 356**	**10 383**	**3 312**
Total financial assets			**34**	**10 441**	**10 475**	**3 398**

Accounting policy

Fair value of financial instruments:

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, a discounted cash flow analysis or other valuation models.

2023

(NOK million)	Note	Level	Fair value	Amortised cost	Total	Interest-bearing
NON-CURRENT LIABILITIES						
Non-current financial liabilities	4.1			2 149	2 149	2 149
Total			**-**	**2 149**	**2 149**	**2 149**
CURRENT LIABILITIES						
Interest-bearing debt	4.1			2 163	2 163	2 163
Trade and other payables				3 407	3 407	
Current tax liabilities	5.1			560	560	
Other liabilities	3.6			2 856	2 856	
Current derivatives	4.1	1	-		-	
Total			**-**	**8 986**	**8 986**	**2 163**
Total financial liabilities			**-**	**11 135**	**11 135**	**4 312**

2022

(NOK million)	Note	Level	Fair value	Amortised cost	Total	Interest-bearing
NON-CURRENT LIABILITIES						
Non-current financial liabilities	4.1			2 292	2 292	2 292
Total			**-**	**2 292**	**2 292**	**2 292**
CURRENT LIABILITIES						
Interest-bearing debt	4.1			2 796	2 796	2 796
Trade and other payables				3 489	3 489	
Current tax liabilities	5.1			397	397	
Other liabilities	3.6			2 383	2 383	
Current derivatives	4.1	1	-		-	
Total			**-**	**9 065**	**9 065**	**2 796**
Total financial liabilities			**-**	**11 357**	**11 357**	**5 088**

FINANCIAL ASSETS:

The Group's financial assets include cash and short-term deposits, trade and other receivables, loans and other receivables, quoted and unquoted financial instruments and derivative financial instruments.

Initial recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortised cost or fair value through profit or loss, correspondingly. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Financial assets are initially measured at their fair value. However, trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

For a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are "Solely Payments of Principal and Interest" (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Gains and losses are recognised in the income statement when the assets are derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in net financial items in the consolidated income statement.

Impairment of financial assets

Further disclosure relating to impairment of financial assets are also provided in Note 3.5.

The Group recognises an allowance for Expected Credit Losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The carrying amount of the asset is reduced using an allowance account and the amount of the loss is recognised in the income statement.

FINANCIAL LIABILITIES:

Initial recognition and measurement

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, carried at amortised cost. This includes directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

Gains or losses on liabilities held for trading are recognised in the income statement.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method (EIR). Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in financial costs in the income statement.

5.10 HYPERINFLATION ACCOUNTING

Türkiye has been considered as a hyperinflationary economy for accounting purposes effective from 2022. The Group has applied IAS 29 ”Financial Reporting in Hyperinflationary Economies” from 1 January 2022 and onwards. Comparative figures are not restated.

Hyperinflation adjustments have negatively impacted profit for the year with NOK 150 million, while a positive effect of NOK 229 million has been recognised in Other comprehensive income.

The cash flow statement is prepared to reflect cash flows during the year measured at the current purchasing power at the end of the reporting period and as such does not reflecting actual cash flows during the year.

Türkiye’s official inflation (CPI) for 2023 was 64.8 per cent.

5.11 ALTERNATIVE PERFORMANCE MEASURES

The Group uses certain financial measures that are not defined in IFRS to describe the Group’s financial performance, financial position and cash flows. These financial measures may therefore be defined and calculated differently from similar measures in other companies, and thus not be comparable.

The performance measures set out below have been consistent over time and are some of the key indicators used in management reporting to monitor business performance.

The non-IFRS financial measures presented in the Annual Report are:

EBITDA: Profit before interest, income tax, depreciation and amortisation

EBITA: Profit before interest, income tax and amortisation

$$\text{Operating working capital revenue \%} = \frac{\text{Average operating working capital}}{\text{Revenue from contracts with customers}} \times 100$$

$$\text{Return on capital employed \%} = \frac{\text{Operating profit + amortisation of intangible assets}}{\text{Average capital employed}} \times 100$$

$$\text{Operating margin \%} = \frac{\text{Operating profit}}{\text{Operating revenue}} \times 100$$

$$\text{Return on equity \%} = \frac{\text{Total comprehensive income for the year}}{\text{Average equity}} \times 100$$

Capital employed = Net working capital + invested capital

Gross profit = Revenue from contracts with customers – Cost of Goods Sold

Furthermore, a breakdown of operating working capital, net working capital and invested capital is given in Note 3.1.

Back to contents >

Parent Company Financial Statements

Jotun A/S
2023

INCOME STATEMENT

(NOK million)	Note	2023	2022
Operating revenue	2.1, 5.5	4 642	4 607
Cost of goods sold	2.1, 5.5	-1 976	-2 119
Payroll expenses	2.2, 5.2	-1 248	-1 116
Other operating expenses	2.3, 5.4, 5.5	-993	-887
Depreciation, amortisation and impairment	3.1, 3.2, 5.4	-279	-310
Operating profit		**146**	**175**
Dividend from subsidiaries		1 363	1 378
Dividend from associates and joint ventures		735	546
Net financial items	4.3, 4.4, 5.4, 5.5	9	-10
Profit before tax		**2 253**	**2 090**
Income tax expense	5.1	-373	-388
Profit for the year		**1 880**	**1 702**

STATEMENT OF COMPREHENSIVE INCOME

(NOK million)	Note	2023	2022
Profit for the year		**1 880**	**1 702**
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Actuarial gain/loss (-) on defined benefit pernsion plans (net of tax)	5.2	-1	5
Other comprehensive income for the year, net of tax		**-1**	**5**
Total comprehensive income for the year		**1 879**	**1 707**

STATEMENT OF FINANCIAL POSITION

(NOK million)	Note	31.12.2023	31.12.2022
ASSETS			
Non-current assets			
Deferred tax assets	5.1	135	136
Other intangible assets	3.1	675	629
Property, plant and equipment	3.2, 5.4	2 099	2 156
Investments in subsidiaries	5.6	3 816	3 715
Investments in associates and joint ventures	5.7	318	318
Share investments	5.8	6	6
Other non-current financial receivables	4.1, 4.4, 5.5	2 152	1 809
Total non-current assets		**9 200**	**8 768**
Current assets			
Inventories	3.3	641	694
Trade and other receivables	3.4, 4.1, 5.5	1 627	1 448
Cash and cash equivalents	4.1, 4.2	2 331	1 272
Total current assets		**4 599**	**3 413**
Total assets		**13 799**	**12 182**
EQUITY AND LIABILITIES			
Equity			
Share capital	5.9	103	103
Other equity		8 644	7 620
Total equity		**8 746**	**7 723**
Non-current liabilities			
Pension liabilities	5.2	211	193
Provisions	3.6, 3.7	144	125
Interest-bearing debt	4.1	1 281	1 426
Total non-current liabilities		**1 636**	**1 743**
Current liabilities			
Interest-bearing debt	4.1	1 283	1 085
Trade payables	5.5	571	511
Tax payable	5.1	253	188
Other current liabilities	3.5, 3.6, 5.5	1 311	931
Total current liabilities		**3 417**	**2 716**
Total liabilities		**5 053**	**4 459**
Total equity and liabilities		**13 799**	**12 182**

STATEMENT OF CHANGES IN EQUITY

(NOK million)	Note	Share capital	Other equity	Total equity
Equity as of 1 January 2022		**103**	**6 683**	**6 786**
Dividends	5.9		-770	-770
Profit for the year			1 702	1 702
Other comprehensive income	5.2		5	5
Equity as of 31 December 2022		**103**	**7 620**	**7 723**
Dividends	5.9		-855	-855
Profit for the year			1 880	1 880
Other comprehensive income	5.2		-1	-1
Equity as of 31 December 2023		**103**	**8 644**	**8 746**

STATEMENT OF CASH FLOWS

(NOK million)	Note	2023	2022
Cash flow from operating activities			
Operating profit		146	175
Adjustments to reconcile profit before tax to net cash flows:			
Gain / loss on sale of fixed assets	3.2	-	-27
Depreciation, amortisation and impairment	3.1, 3.2	279	310
Change in accruals, provisions and other		337	56
Working capital adjustments:			
Change in trade and other receivables		-292	-67
Change in trade payables		60	-8
Change in inventories		53	-60
Cash generated from operating activities		**583**	**380**
Dividend from subsidiaries, associates and joint ventures		2 098	1 924
Interest received	4.3, 5.5	216	119
Interest paid	4.3	-108	-73
Other financial items	4.3	-33	15
Tax payments	5.1	-310	-266
Net cash flow from operating activities		**2 446**	**2 099**
Cash flows used for investing activities			
Proceeds from sale of property, plant and equipment	3.2	-	25
Purchase of property, plant and equipment	3.2	-153	-132
Purchase of intangible assets	3.1	-114	-107
Investments in subsidiaries, associates and joint ventures	5.6,5.7	-130	63
Net cash flow used for investing activities		**-397**	**-151**
Cash flows from financing activities			
Repayment (-) / proceeds in group account system (cash pool)	5.5	428	-422
Cash payments for new lending	4.4, 5.5	-364	-89
Repayment (-) / proceeds from borrowings	4.1	-178	-776
Payment of principal portion of lease liabilities	5.4	-21	-20
Dividend paid	5.9	-855	-770
Net cash flow from financing activities		**-990**	**-2 076**
Net increase/(decrease) in cash and cash equivalents		**1 059**	**-128**
Cash and cash equivalents as of 1 January	4.2	1 272	1 400
Cash and cash equivalents as of 31 December	4.2	**2 331**	**1 272**


ambaVeyor.com
JOTUN

Notes for the Parent Company

01 Basis of Preparation

1.1 Accounting policies 58
1.2 Estimates and judgements 58
1.3 Events after the balance sheet date 58

02 Results for the Year

2.1 Operating revenue 58
2.2 Payroll expenses 59
2.3 Other operating expenses 59

03 Invested Capital and Working Capital Items

3.1 Intangible assets 59
3.2 Property, plant and equipment 60
3.3 Inventories 60
3.4 Trade and other receivables 60
3.5 Other current liabilities 61
3.6 Provisions 61
3.7 Contingent liabilities 61
3.8 Contractual obligations and guarantees 61

04 Capital Structure and Financial Items

4.1 Interest-bearing debt 62
4.2 Cash and cash equivalents 62
4.3 Net financial items 62
4.4 Financial risk management 63

05 Invested Capital and Working Capital Items

5.1 Taxation 63
5.2 Pensions and other long-term employee benefits 64
5.3 Remunerations 64
5.4 Leases 65
5.5 Related parties 66
5.6 Subsidiaries 67
5.7 Shares in associates and joint ventures 68
5.8 Share investments 69
5.9 Share capital and shareholder information 69

1.1 ACCOUNTING POLICIES

The financial statements for Jotun A/S have been prepared in accordance with simplified IFRS pursuant to section 3-9 of the Norwegian Accounting Act. This mainly implies that the financial statements are presented in accordance with IFRS, and the notes are presented in accordance with the requirements of the Norwegian Accounting Act. The accounting policies for the Group therefore also apply to Jotun A/S.

Line items in the notes named Jotun entities comprise subsidiaries, associates, and joint ventures.

Accounting policies estimates and judgements specific to Jotun A/S are incorporated into the individual notes.

For more information about accounting policies, see consolidated financial statement for the Group.

1.2 ESTIMATES AND JUDGEMENTS

In preparing the company`s financial statements, Management makes various accounting estimates and assumptions that form the basis of the presentation, recognition, and measurement of the company`s assets and liabilities. See Note 1.3 to the consolidated statements.

1.3 EVENTS AFTER THE BALANCE SHEET DATE

No events have taken place after the balance sheet date that would have affected the financial statements, or any assessments carried out.

2.1 OPERATING REVENUE

(NOK million)	2023	2022
Revenue from contracts with customers	1 849	1 715
Revenue from contracts with customers, Jotun entities	1 332	1 416
Total revenue from contracts with customers	**3 181**	**3 131**
Other revenue	45	231
Other revenue, Jotun entities	1 416	1 244
Total operating revenue	**4 642**	**4 607**

Other revenue includes among others royalty income, misc. grants and refunds and profit from sale of fixed assets.

Revenue from contracts with customers by segments

(NOK million)	2023	2022
Decorative	2 366	2 695
Marine	669	307
Protective	112	98
Powder	34	32
Total revenue from contracts with customers	**3 181**	**3 131**
Cost of Goods Sold	1 976	2 119
Gross Profit	**1 206**	**1 013**

Payment terms are based on agreements and local business practices and are in general in the range of 30 to 60 days.

2.2 PAYROLL EXPENSES

Jotun A/S has a system of annual bonuses that applies to senior management and is limited to a maximum of 20 per cent of annual basic salary. Further, all members of the management, including the President & CEO, are part of an annual profit-dependent bonus system limited upwards to 50 per cent of annual basic salary.

The company`s pension plans are primarily defined contribution plans. For further information, see Note 5.2.

For remuneration of President & CEO and Board of Directors, see note 5.3.

(NOK million)	2023	2022
Wages including bonuses	989	906
Social costs	163	144
Pension costs, ref. Note 5.2	109	84
Other personnel costs	-13	-18
Total	**1 248**	**1 116**
Average full-time equivalents employees	982	985

2.3 OTHER OPERATING EXPENSES

(NOK million)	2023	2022
Manufacturing	96	102
Warehouse	31	31
Transportation	46	54
Sales and marketing	84	105
Technical service	23	15
Research and Development	559	381
General and administrative	134	172
Royalty	32	33
Other*	-12	-6
Total	**993**	**887**

* Other operating expenses are presented net of CCA incomes

3.1 INTANGIBLE ASSETS

Intangible assets are non-physical assets that have either been capitalised through internal development of products (development cost), customisation of IT applications or separate acquisitions. See Note 3.2 to the consolidated financial statements for further information.

(NOK million)	Development cost	IT Applications and other intangibles	Total
Cost			
Balance as of 1 January 2022	482	430	**912**
Additions	37	69	**107**
Disposals	-	-	**-**
Balance as of 31 December 2022	**519**	**499**	**1 018**
Additions	27	88	**114**
Disposals	-	-	**-**
Balance as of 31 December 2023	**546**	**587**	**1 132**
Amortisation and impairment			
Balance as of 1 January 2022	-127	-195	**-322**
Amortisation	-20	-46	**-67**
Disposals	-	-	**-**
Balance as of 31 December 2022	**-148**	**-241**	**-389**
Amortisation	-22	-47	**-69**
Disposals	-	-	**-**
Balance as of 31 December 2023	**-169**	**-289**	**-458**
Net book value			
Balance as of 31 December 2023	377	298	**675**
Balance as of 31 December 2022	371	258	**629**
Estimated useful life	8-10 years	3-10 years	

Back to contents >

3.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise various types of tangible fixed assets needed. See Note 5.4 for Right-of-Use assets.

(NOK million)	Land	Buildings	Electrical installations	Machinery, vehicles and equipment	Construction in progress	Right-of-Use assets	Total
Cost							
Balance as of 1 January 2022	47	1 487	617	1 212	300	112	**3 774**
Additions	-	46	34	60	-7	3	**136**
Disposals	-	-93	-1	-26	-	-	**-121**
Reclassifications	-	28	22	198	-248	-	**-**
Balance as of 31 December 2022	**47**	**1 468**	**671**	**1 443**	**45**	**116**	**3 789**
Additions	-	5	-1	104	27	18	**153**
Disposals	-	-	-	-	-	-	**-**
Balance as of 31 December 2023	**47**	**1 473**	**670**	**1 547**	**72**	**134**	**3 942**
Depreciation and impairment							
Balance as of 1 January 2022	-	-437	-177	-854	-	-44	**-1 511**
Depreciation		-49	-62	-94	-	-18	**-223**
Disposals		93	1	26	-	-	**121**
Impairment		-	-	-21	-	-	**-21**
Balance as of 31 December 2022	**-**	**-393**	**-237**	**-942**	**-**	**-62**	**-1 633**
Depreciation		-49	-59	-82	-	-21	**-210**
Disposals		-	-	-	-	-	**-**
Impairment		-	-	-	-	-	**-**
Balance as of 31 December 2023	**-**	**-442**	**-296**	**-1 024**	**-**	**-82**	**-1 843**
Net book value							
Balance as of 31 December 2023	47	1 031	374	523	72	51	**2 099**
Balance as of 31 December 2022	47	1 075	434	501	45	54	**2 156**
Estimated useful life	unlimited	25-33 years	10-14 years	3-10 years			

3.3 INVENTORIES

(NOK million)	31.12.2023	31.12.2022
Raw materials	260	287
Finished goods	410	422
Allowance for obsolete goods	-29	-16
Total	**641**	**694**

3.4 TRADE AND OTHER RECEIVABLES

(NOK million)	31.12.2023	31.12.2022
Accounts receivable	109	94
Accounts receivable - Jotun entities	958	754
Total accounts receivable	**1 067**	**848**
Other receivables external	228	146
Other receivables - Jotun entities	332	454
Total	**1 627**	**1 448**

The change in allowance for bad debt is shown in the following table:

(NOK million)	31.12.2023	31.12.2022
Balance as of 1 January	66	40
Allowances for bad debt made during the period	22	29
Realised losses for the year	-	-3
Balance as of 31 December	**88**	**66**

Ageing of accounts receivable as of 31 December was as follows:

(NOK million)	31.12.2023	31.12.2022
Not due	757	676
Less than 30 days	34	67
30-60 days	22	13
60-90 days	29	32
More than 90 days	313	126
Allowance for bad debt*	-88	-66
Total	**1 067**	**848**

* Allowances related to receivables from Jotun entities represent NOK 88 million (2022: NOK 65 million).

3.5 OTHER CURRENT LIABILITIES

(NOK million)	31.12.2023	31.12.2022
Public charges and holiday pay	197	177
Prepaid dividend from Jotun entities	822	445
Other liabilities to Jotun entities	30	10
Other accrued expenses	226	203
Total current provisions, ref. Note 3.6	36	97
Total	**1 311**	**931**

Received interim dividend from associates or joint ventures are recognised as current liability until the final approval by the General Assembly subsequent year. Other accrued expenses are related to commissions, bonuses to employees and other accrued expenses.

3.6 PROVISIONS

2023

(NOK million)	Claims	Environmental	Other	Total
Balance sheet 1 January	103	105	13	**221**
Provisions arising during the year	2	29	-	**31**
Utilised	-34	-	-2	**-37**
Unused amounts reversed	-26	-	-10	**-36**
Balance as of 31 December	**45**	**134**	**1**	**179**
Current, ref. note 3.5	35	-	1	**36**
Non-current	10	134	-	**144**
Total	**45**	**134**	**1**	**179**

2022

(NOK million)	Claims	Environmental	Other	Total
Balance sheet 1 January	203	70	22	**295**
Provisions arising during the year	4	35	-	**39**
Utilised	-33	-	-9	**-42**
Unused amounts reversed	-71	-	-	**-71**
Balance as of 31 December	**103**	**105**	**13**	**221**
Current, ref. note 3.5	93	-	3	**97**
Non-current	10	105	10	**125**
Total	**103**	**105**	**13**	**221**

3.7 CONTINGENT LIABILITIES

Product liability claims and disputes

Product liability claims consist of several separate and specific guarantee claims arising from products sold. Assumptions used to calculate provisions for claims are based on technical assessments of product failures and the expected repair cost for each specific case.

In accordance with Jotun policies, claims should in principle be covered by customer-owner company. When a claim is caused by product or specification failure, costs will be reimbursed by Jotun A/S based on the prevailing royalty and CCA agreements.

Environmental matters

Jotun A/S is through its operation exposed to environmental and pollution risk. Production facilities and product warehouse sites have been inspected regarding environmental conditions in the soil. For sites where clean-up costs are probable and reliable estimates of the costs have been made, provisions are recorded accordingly. Due to uncertainties inherent in the estimation process, it is possible that such estimates could be revised in the near term. In addition, further expenditures may arise as the full scope of conditions at some sites has yet to be determined. The related amount of potential, future costs is not determinable due to the unknown timing and extent of corrective actions which may be required. Jotun's activities are carried out in accordance with local laws and regulations, and the Group's HSE requirements. Changes in laws and regulations may require Jotun A/S to make investments and incur costs to meet future compliance requirements.

3.8 CONTRACTUAL OBLIGATIONS AND GUARANTEES

Purchase obligations

Jotun A/S contractual purchase obligations are mainly related to design and engineering to the upgrade of the Binder factory, evacuation room and R&D instrument. Out of the total ongoing investment program, NOK 44,6 million is contractual committed capital expenditures (CAPEX) at year-end.

For purchase of raw materials there are no significant commitments for the company. In general, these contracts can be terminated without significant penalties.

Other obligations

Jotun A/S has guarantees mainly covering tax withholding and other guarantees for subsidiaries. These amounted to approximately NOK 1 398 million in 2023 (2022: NOK 1 212 million).

4.1 INTEREST-BEARING DEBT

The table below gives an overview of total net interest-bearing debt. Further information is given in Note 4.1 to the consolidated financial statements.

(NOK million)		31.12.2023	31.12.2022
Non-current interest-bearing debt			
Bond 2018-24	NOK		650
Bond 2021-26	NOK	300	300
Bond 2021-28	NOK	350	350
Bond 2023-27	NOK	300	
Bond 2023-29	NOK	300	
Bank debt (NIB), unsecured	USD		91
Total excl. lease liability		**1 250**	**1 391**
Lease liability		31	36
Total		**1 281**	**1 426**
Current interest-bearing debt			
Bond 2019-23	NOK		600
Bond 2018-24	NOK	650	
Bank debt (NIB), unsecured	USD	94	181
Other current interest-bearing debt (cash pool)		518	286
Total excl. lease liability		**1 262**	**1 067**
Lease liability		21	19
Total		**1 283**	**1 085**
Total interest-bearing debt excl. lease liability		**2 512**	**2 458**
Total lease liability		52	54
Total interest-bearing debt		**2 564**	**2 512**
Non-current interest-bearing receivables		2 152	1 809
Current interest-bearing receivables		246	440
Cash and cash equivalents		2 331	1 272
Total interest-bearing receivables		**4 729**	**3 521**
Net interest-bearing receivables/debt (-)		**2 165**	**1 009**

4.2 CASH AND CASH EQUIVALENTS

(NOK million)	31.12.2023	31.12.2022
Cash deposits	1 391	651
Short-term investments	940	621
Total	**2 331**	**1 272**

As of 31 December 2023 Jotun, A/S had NOK 2 436 million (2022: 1 915 million) of undrawn long-term credit facilities available.

4.3 NET FINANCIAL ITEMS

Exchange gains and losses related to forwards and options have affected the net financial items with the following amounts:

Financial income

(NOK million)	2023	2022
Interest income	47	17
Interest income on loans to Jotun entities	170	102
Net foreign exchange gain	-	31
Other financial income	26	57
Total	**242**	**207**

Financial costs

(NOK million)	2023	2022
Interest costs	-108	-73
Net foreign exchange loss	-47	-
Impairment of shares in subsidiaries, see Note 5.6	-69	-133
Other financial costs	-10	-10
Total	**-234**	**-216**
Net financial items	**9**	**-10**

Exchange gains and losses related to forwards and options have affected the net financial items with the following amounts:

(NOK million)	2023	2022
Unrealised gain / loss (-)	51	41
Realised gain / loss (-)	-142	-188

4.4 FINANCIAL RISK MANAGEMENT

The company's financial risks and the management of these are in all material aspects identical to the disclosures made in Note 4.4 to the consolidated financial statements, unless otherwise stated below.

To reduce currency risk in cash flows, Jotun A/S uses currency options and forward contracts to ensure predictability in cash flows up to 16 months ahead. As of 31 December 2023, Jotun A/S has hedged 50 per cent of its next cash flow over the next 12 months.

The company is not in breach with any covenant requirements from banks and investors.

The currency exposures related to external loans in foreign currency given to Jotun entities are disclosed in the table below.

(NOK million)	31.12.2023		31.12.2022	
Local currency	**Currency amount**	**NOK**	**Currency amount**	**NOK**
MYR	174	384	174	387
USD	68	687	36	357
QAR	70	195	70	187
GBP	18	233	18	213
EUR	15	165	15	154
PHP	841	154	841	148
IDR	210 636	139	210 636	133
SGD	12	92	17	124
CZK	78	35	78	34
Other		64		53
Total		**2 149**		**1 789**

5.1 TAXATION

Income tax reported in the income statement

(NOK million)	2023	2022
Current income tax charge:		
Tax payable	371	381
Deferred tax:		
Relating to original and reversal of temporary differences	2	7
Income tax expense reported in the income statement	**373**	**388**

Reconciliation of Norwegian nominal statutory tax rate to effective tax rate
In the following table reported income tax is reconciled with the calculated tax expense based on the Norwegian tax rate of 22 per cent. The main components are specified below.

(NOK million)		2023		2022
Profit before tax as reported in the income statement		**2 253**		**2 090**
Income taxes at statutory tax rate	22 %	496	22 %	460
Exempted tax on dividends	-14 %	-309	-14 %	-303
Tax on dividends and surplus in controlled foreign companies (CFC)	4 %	85	2 %	49
Non-deductible expenses and non-taxable income*	1 %	12	1 %	13
Correction previous year and change in temporary differences	1 %	14	5 %	110
Taxation outside Norway less deductible in Norwegian Tax	3 %	74	3 %	59
Total income tax expense		**373**		**388**
Effective tax rate		17 %		19 %

* Non-deductible expenses are primarily related to write-down of shares. See Note 5.6 for further information.

Specification total tax payable

(NOK million)	2023	2022
Tax payable for the year	371	381
Net foreign tax paid	-74	-46
Norwegian tax settlement for previous years	119	-
Withholding taxes receivable	-98	-94
CFC tax receivable (NOKUS)	-61	-49
SkatteFUNN (R&D tax incentive scheme) receivable	-4	-5
Total tax payable in Norway and abroad	**253**	**188**
Tax payable in Norway	245	160

Specification of deferred tax

(NOK million)	2023	2022
Non-current assets	-141	-144
Current assets	-71	-56
Liabilities	-401	-421
Net temporary differences	**-614**	**-620**
Tax rate	22 %	22 %
Deferred tax asset recognised in the statement of financial position	**135**	**136**

Information about estimate and judgment, see Note 5.1 to the consolidated financial statements.

5.2 PENSIONS AND OTHER LONG-TERM EMPLOYEE BENEFITS

Jotun A/S has both defined contribution and defined benefit pension plans. The majority of the company's pension plans are defined contribution plans, whereby the company's obligation is limited to annual contributions to the employees' pension plans. Costs related to the defined benefit plans account for less than five per cent of total pension costs in 2023.

Summary of pension costs

(NOK million)	2023	2022
Pension costs defined contribution plans and other severance schemes	104	81
Pension costs defined benefit plans	4	3
Total pension costs recognised in the income statement, ref. Note 2.2	**109**	**84**
Actuarial gain / loss (-) recognised in other comprehensive income (net of tax)	**-1**	**5**

The defined benefit schemes were replaced by defined contribution plans in 2004. Net pension obligations as of 31 December 2023 are primarily related to previous early retirement schemes for Jotun A/S's senior executives.

Other severance schemes are obligations related to operating pension schemes for employees with an annual basic salary and pension base exceeding 12 times the basic amount (G).

Actuarial assumptions

	2023	2022
Discount rate in %	3.0	2.7
Expected return in %	3.0	2.7
Wage adjustment in %	3.75- 5.4	4.5
Inflation / increase in social security basic amount (G) in %	2.0/3.5	3.5
Pension adjustment in %	1.6-3.75	1.6-3.75

Schemes with net pension obligations

	Net pension obligations	
(NOK million)	2023	2022
Balance as of 1 January	**-95**	**-98**
Recognised in the Income Statement	-4	-3
Other movements	5	-
Net pension obligation defined benefit plans	**-99**	**-95**
Other severance schemes	-112	-97
Balance as of 31 December	**-211**	**-193**

5.3 REMUNERATIONS

Remuneration of the President & CEO

(NOK thousand)	Ordinary salary	Bonus	Benefits in kind	Pension cost	Total
President & CEO	9 332	3 205	385	3 966	**16 888**

The President & CEO is part of a pension scheme that includes a mutual opportunity to discontinue employment in whole or in part up to five years earlier than a stipulated retirement age of 67 years.

Jotun A/S has no obligation to give the President & CEO or the Chairman of the Board special remuneration upon discontinuance or change of employment or office. Should the President & CEO's employment discontinue, his contract has a clause stipulating that a one-year "competition quarantine" may be imposed with compensation. The President & CEO has a notice period of six months.

Jotun A/S has not given any loans or guarantees to the President & CEO, the Chairman of the Board, or to any shareholders or members of Jotun A/S Management, the Board of Directors, or Corporate Assembly.

Shares controlled by members of the Board of Directors and Jotun A/S Management are specified in Note 5.8 in the consolidated financial statement.

Remuneration of the Board of Directors and Corporate Assembly

(NOK thousand)	31.12.2023	31.12.2022
Board of Directors	3 735	2 760
Corporate Assembly	230	183
Total	**3 965**	**2 943**

Shares controlled by members of the Board of Directors and Jotun A/S Management are specified in Note 5.8 in the consolidated financial statement.

External auditor remuneration

(NOK thousand)	31.12.2023	31.12.2022
Statutory audit	4 139	3 816
Other attestation services	64	44
Tax services	748	431
Other services	616	194
Total	**5 566**	**4 485**

5.4 LEASES

Right-of-Use assets

(NOK million)	Land	Buildings	Machinery, vehicles and equipment	Total
Cost				
Balance as of 1 January 2022	27	22	63	**112**
Additions	-21	5	20	**3**
Balance as of 31 December 2022	**6**	**27**	**83**	**116**
Additions	-	3	15	**18**
Balance as of 31 December 2023	6	30	98	**134**
Depreciation and impairment				
Balance as of 1 January 2022	-6	-6	-32	**-44**
Depreciation	-	-5	-13	**-18**
Balance as of 31 December 2022	**-6**	**-11**	**-45**	**-62**
Depreciation	-	-5	-16	**-21**
Balance as of 31 December 2023	**-6**	**-16**	**-61**	**-82**
Net book value				
Balance as of 31 December 2023	-	14	37	51
Balance as of 31 December 2022	-	16	38	54

Lease liability as of 31 December

(NOK million)	31.12.2023	31.12.2022
Non-current	31	36
Current	21	19
Total	**52**	**54**

Lease liability is classified as interest bearing debt, see Note 4.1.

Undiscounted lease liabilities and maturity of cash outflows:

(NOK million)	31.12.2023	31.12.2022
Less than 1 year	22	20
1-2 years	16	17
2-3 years	9	12
3-4 years	4	5
4-5 years	2	2
More than 5 years	1	1
Total undiscounted lease liabilities	**54**	**57**

Amounts recognised in the consolidated income statement:

(NOK million)	2023	2022
Leases		
Depreciation of Right-of-Use assets	21	18
Interest expense	1	1
Other lease expenses recognised in the income statement:		
Expenses relating to short-term leases	2	3
Expenses relating to lease of low value assets	2	1
Expenses related to variable payments	18	14
Total	**44**	**37**

The total cash outflow related to lease of RoU asset was NOK 22 million (2022: 20 million).

The portfolio of short-term leases does not vary significantly from year to year.

Back to contents >

5.5 RELATED PARTIES

Two parties are deemed to be related if one party can influence the decisions of the other. During 2023, goods and services were purchased and sold to various related parties in which Jotun A/S holds a 100 per cent or less equity interest. Investments in subsidiaries are presented in Note 5.6, investments in associates and joint ventures are presented in Note 5.7 and shareholder and dividend information are presented in Note 5.8 to the consolidated financial statements.

The transactions between related parties are sales and purchases of finished goods, raw materials and technical services. Jotun A/S also has considerable royalty income from Jotun entities. Joint expenses are distributed in accordance with agreed cost contribution arrangements. Internal trading within the Group is carried out in accordance with arm's length principles.

Purchases of services from the Group companies are mainly related to global and regional functions included in the cost contribution arrangement. In addition, Jotun A/S purchases research and development services from Jotun entities. Parts of the research and development costs are capitalised, see Note 3.1.

The amounts of these transactions are shown in the table below.

2023

(NOK million)	Sales of goods to	Purchases of goods from	Other revenue from	Cost contribu-tion income	Purchases of services from	Interests on loans to
Group companies	1 170	432	961	761	832	169
Associates and joint ventures	162	99	455	258	47	1
Total	**1 332**	**531**	**1 416**	**1 019**	**879**	**170**

2022

(NOK million)	Sales of goods to	Purchases of goods from	Other revenue from	Cost contribution income	Purchases of services from	Interests on loans to
Group companies	1 205	362	857	639	460	101
Associates and joint ventures	211	71	387	188	281	-
Total	**1 416**	**433**	**1 244**	**828**	**741**	**102**

Intercompany balances are disclosed in the table below.

	Subsidiaries		Associates / Joint ventures	
(NOK million)	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Non-current assets				
Other non-current receivables	2 148	1 786	2	2
Total non-current assets	**2 148**	**1 786**	**2**	**2**
Current assets				
Trade receivables	794	610	164	144
Other current receivables	325	454	7	-
Total current assets	**1 086**	**1 064**	**164**	**144**
Total assets	**3 234**	**2 850**	**166**	**145**
Current liabilities				
Trade creditors	154	119	37	23
Other short term liabilities	**849**	**361**	**522**	**379**
Total liabilities	**1 002**	**480**	**559**	**402**

5.6 SHARES IN SUBSIDIARIES

SHARES HELD DIRECTLY BY THE PARENT COMPANY

Company	City	Country	Book value (NOK million)	Ownership %
Jotun Algerie S.A.R.L	Algiers	Algerie	4	70.00
Technover P SPA	Algiers	Algerie	38	75.00
Jotun Australia Pty. Ltd.	Melbourne	Australia	42	100.00
Jotun Bangladesh Ltd	Dhaka	Bangladesh	78	99.99
Jotun Brasil Importacao, Exportacao E Ind De Tintas Ltda.	Rio De Janeiro	Brazil	229	100.00
Jotun (Cambodia) LTD	Phnom Penh	Cambodia	1	100.00
Jotun Paints (HK) Ltd.	Hong Kong	China	85	100.00
Jotun Cyprus Ltd.	Limassol	Cyprus	8	100.00
Jotun Danmark A/S	Kolding	Denmark	3	100.00
El-Mohandes Jotun S.A.E.	Cairo	Egypt	143	70.00
Jotun Powder Coatings LLL	Cairo	Egypt	0	10.00
Jotun Ethiopia Paint Manufacturing PLC	Addis Ababa	Ethiopia	116	100.00
Jotun France S.A.	Paris	France	2	100.00
Jotun (Deutschland) Gmbh	Hamburg	Germany	12	83.33
Jotun Hellas Ltd.	Glyfada	Greece	3	97.40
Jotun Insurance Cell	St. Peterport	Guernsey	8	100.00
Jotun India Private Ltd.	Mumbai	India	488	96.42
P.T. Jotun Indonesia	Jakarta	Indonesia	88	56.63
Jotun (Ireland) Ltd.	Cork	Ireland	0	100.00
Jotun Italia S.R.L.	Trieste	Italy	112	100.00
Jotun Kazakhstan LLP.	Almaty	Kazakhstan	1	100.00
Jotun Kenya Limited	Nairobi	Kenya	15	100.00
Jotun Libya J.S.Co.	Tripoli	Libya	6	80.00
Jotun Paints (Malaysia) Sdn. Bhd.	Kuala Lumpur	Malaysia	204	100.00
Jotun (Malaysia) Sdn.Bhd.	Kuala Lumpur	Malaysia	106	100.00
Jotun Mexico, S.A. de C.V.	Veracruz	Mexico	31	99.54
Jotun Maroc SARL D Associe Unique	Casablanca	Morocco	12	100.00
Jotun Myanmar Services Company Limited	Yangon	Myanmar	0	99.99
Jotun Myanmar Company Limited	Yangon	Myanmar	0	99.99
Jotun B.V.	Spijkenisse	Netherlands	49	100.00
Scanox AS	Drammen	Norway	80	100.00
Jotun Powder Coatings AS	Sandefjord	Norway	109	100.00
Jotun Paints Co. L.L.C.	Muscat	Oman	45	62.00
Jotun Powder Coatings Pakistan (Pvt) Ltd	Lahore	Pakistan	41	61.44
Jotun (Philippines) Inc	Manila	Philippines	122	100.00
Jotun Polska Sp.zo.o.	Gdansk	Poland	18	100.00
Jotun Paints Qatar W.L.L.	Doha	Qatar	1	80.00
Jotun Paints Factory Doha W.L.L.	Doha	Qatar	140	80.00
Jotun Romania SRL	Voluntari City	Romania	1	100.00
Jotun (Singapore) Pte. Ltd.	Singapore	Singapore	28	100.00
Jotun Paints South Africa (Pty) Ltd.	Cape Town	South Africa	20	100.00
Jotun Iberica S.A.	Barcelona	Spain	155	100.00
Jotun Sverige AB	Gothenburg	Sweden	5	100.00
Jotun Thailand Ltd.	Bangkok	Thailand	133	100.00
Jotun Boya Sanayi ve Ticaret A.S.	Istanbul	Turkey	108	100.00
Jotun MEIA FZ-LLC	Dubai	U.A.E.	542	100.00
Jotun MENA LLC,	Dubai	U.A.E.	50	100.00
Jotun Paints (Europe) Ltd	Flixborough	UK	86	100.00
Jotun Paints Inc.	New Orleans	US	185	100.00
Jotun Paints Vietnam Co. Ltd.	Ho Chi Minh City	Vietnam	60	100.00
Total			**3 816**	

Below follows the specification of companies subject to write downs in 2023.

Company (NOK million)	Country	Write down
Jotun Bangladesh Ltd	Bangladesh	38
Jotun Powder Coatings Pakistan (Pvt) Ltd	Pakistan	4
Jotun Maroc SARL D Associe Unique	Morocco	9
Jotun Kenya Limited	Kenya	10
Jotun Algerie S.A.R.L	Algerie	7
Jotun Italia S.R.L.	Italy	-19
Total		**49**

Estimate and judgement

Jotun A/S assess the carrying value of investments in shares whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable.

If the carrying value of an investment exceeds its estimated recoverable amount, an impairment loss is recognised in the income statement.

Jotun A/S reverse impairment losses in the income statement if and to the extent Jotun A/S has identified a change in estimates used to determine the recoverable amount.

Back to contents >

SHARES HELD BY SUBSIDIARIES AND ASSOCIATES

Company	City	Country	Ownership %
Jotun Powder Coatings AS			
Jotun Bulgaria EOOD	Sofia	Bulgaria	100.00
Jotun CZECH a.s.	Usti nad Labem	Czech Republic	100.00
Jotun Powder Coatings LLL	Cairo	Egypt	90.00
Jotun India Private Ltd.	Mumbai	India	3.58
P.T. Jotun Indonesia	Jakarta	Indonesia	43.04
Jotun Mexico, S.A. de C.V.	Veracruz	Mexico	0.40
Jotun Powder Coatings Pakistan (Pvt) Ltd	Lahore	Pakistan	38.12
Jotun Paints (HK) Ltd			
Jotun Coatings (Zhangjiagang) Co. Ltd.	Zhangjiagang	China	100.00
Jotun (Shanghai) Manangement Co. Ltd.	Shanghai	China	100.00
Jotun Coatings (Taiwan) Ltd company	Taipei	China	100.00
Jotun B.V.			
Jotun (Deutschland) Gmbh	Hamburg	Germany	16.67
Jotun Hellas Ltd.	Glyfada	Greece	2.60
Jotun (Malaysia) Sdn.Bhd			
Jotun Bangladesh Ltd	Dhaka	Bangladesh	0.01
Jotun Myanmar Services Company Limited	Yangon	Myanmar	0.01
Jotun Myanmar Company Limited	Yangon	Myanmar	0.01
Jotun MEIA FZ-LLC			
El-Mohandes Jotun S.A.E.	Cairo	Egypt	0.05

5.7 SHARES IN JOINT VENTURES AND ASSOCIATES

SHARES HELD DIRECTLY BY THE PARENT COMPANY

Company	City	Country	Book value (NOK million)	Ownership %
Jotun COSCO Marine Coatings (HK) Ltd.	Hong Kong	China	34	50
Jotun Saudia Co. Ltd.	Jeddah	Saudi Arabia	39	40
Jotun Powder Coatings Saudi Arabia Co. Ltd.	Dammam	Saudi Arabia	26	30
Chokwang Jotun Ltd.	Busan	South Korea	82	50
Jotun U.A.E. Ltd. (LLC)	Dubai	U.A.E.	109	41.5
Jotun Abu Dhabi - L.L.C.	Abu Dhabi	U.A.E.	28	35
Jotun Yemen Paints Ltd.	Aden	Yemen	-	14
Shares held by Jotun A/S for third parties			-	
Total			**318**	

SHARES HELD BY SUBSIDIARIES AND ASSOCIATES

Company	City	Country	Ownership %
Jotun Paints Co. L.L.C.			
Jotun Yemen Paints Ltd.	Aden	Yemen	22.00
Jotun Saudia Co. Ltd.			
Jotun Yemen Paints Ltd.	Aden	Yemen	17.00
Jotun U.A.E. Ltd. (LLC)			
Jotun Abu Dhabi Ltd.	Abu Dhabi	U.A.E.	40.00
Jotun COSCO Marine Coatings (HK) Ltd.			
Jotun COSCO Marine Coatings (Qingdao) Co	Qingdao	China	100.00
Jotun Powder Coatings U.A.E. Ltd.			
Jotun Powder Coatings Saudi Arabia Co. Ltd.	Dammam	Saudi Arabia	40.00
Jotun Powder Coatings AS			
Jotun Powder Coatings UAE. L.L.C.	Dubai	U.A.E.	47.00

For further information regarding investments in associates and joint ventures, see Note 5.5 to the consolidated financial statements.

5.8 SHARE INVESTMENTS

Company	City	Country	Book value (NOK million)	Ownership %
Nor-Maali Investment OY	Lahti	Finland	6	33.44
Total			**6**	

5.9 SHARE CAPITAL AND SHAREHOLDER INFORMATION

See Note 5.8 to the consolidated financial statements.

Building a better working world

Statsautoriserte revisorer
Ernst & Young AS

Stortorvet 7, 0155 Oslo
Postboks 1156 Sentrum, 0107 Oslo

Foretaksregisteret: NO 976 389 387 MVA
Tlf: +47 24 00 24 00

www.ey.no
Medlemmer av Den norske Revisorforening

INDEPENDENT AUDITOR'S REPORT

To the Annual Shareholders' Meeting of Jotun A/S

Opinion

We have audited the financial statements of Jotun A/S (the Company), which comprise the financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries (the Group). The financial statements of the Company comprise the statement of financial position as at 31 December 2023, income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. The consolidated financial statements of the Group comprise the statement of financial position as at 31 December 2023, the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the financial statements comply with applicable legal requirements and give a true and fair view of the financial position of the Company and the Group as at 31 December 2023 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards 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 and the Group in accordance with the requirements of the relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), 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.

Other information

Other information consists of the information included in the annual report other than the financial statements and our auditor's report thereon. Management (the board of directors and CEO) is responsible for the other information. Our opinion on the financial statements does not cover the other information, 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 other information, and, in doing so, consider whether the board of directors' report contains the information required by legal requirements and whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information or that the information required by legal requirements is not included, we are required to report that fact.

We have nothing to report in this regard, and in our opinion, the board of directors' report is consistent with the financial statements and contains the information required by applicable legal requirements.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal

A member firm of Ernst & Young Global Limited

Building a better working world

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 and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or the Group, 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 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of 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 and the Group'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 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 and the Group'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 and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A member firm of Ernst & Young Global Limited

We communicate with the board of directors 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.

Oslo, 13 February 2024
ERNST & YOUNG AS

Finn Ole Edstrøm
State Authorised Public Accountant (Norway)

A member firm of Ernst & Young Global Limited

Back to contents >

8

Board of Directors

Odd Gleditsch d.y., Chairman
Jørgen Arnesen
Nicolai A. Eger
Jannicke Nilsson
Nils K. Selte
Camilla Hagen Sørli
Per Kristian Aagaard
Bjørg Engevik Nilsen

12

Corporate Assembly

Bjørn Ekdahl, Chairman
Anne Cecilie Gleditsch
Bjørn Ole Gleditsch
Kornelia Eger Foyn-Bruun
Carl Erik Hagen
Kari Lindtvedt
Anders Skarholt
Siri Gilde Flenstad
Liv Hellesvik
Knut Are Lohne
Jens-Erlend Thrana

Board of Directors:
First row from left: Odd Gleditsch d.y., Camilla Hagen Sørli. Second row from left: Per Kristian Aagaard, Jannicke Nilsson, Nicolai A. Eger.
Third row from left: Bjørg Engevik Nilsen, Jørgen Arnesen, Nils K. Selte.

Read more
about Sustainability
in the Jotun Group
Report 2023.

Credits

Copywriting: Alexander Wardwell / Blue-C AS
Design: bk.no Print: bk.no
Photo: Cover: Wilfred Wessel Berthelsen
Innside cover: Adobe Stock. Morten Rakke: 3, 5, 7, 8, 23, 26, 27, 35, 56
Fredrik Solstad: 7, 8, 53, 72. NTB: 6. Jotun: 5, 6, 7, 52
@jotunlady: 39. @jotunlady/Anders Schonnemann: 5. Thomas Møller: 7. Svein Brimi: 7

The paper used to print this report has the Nordic Eco-labeling - the Swan - and is also approved by the PEFC Council (Programme for the Endorsement of Forest Certifications schemes).

SVANEMERKET
Trykksak
2041 0702

Jotun A/S
P.O. Box 2021
3202 Sandefjord
jotun.com

Jotun Protects Property