

# Eagle Ottawa Foreign Holdings ApS

c/o Plesner Amerika Plads 37, 2100 København Ø

CVR no. 10 14 37 13

## Annual report 2019

Approved at the Company's annual general meeting on 22 May 2020

Chairman



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Michael Hur Bertelsen





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### Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Eagle Ottawa Foreign Holdings ApS for the financial year 1 January - 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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

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

Copenhagen, 18 May 2020  
Executive Board:

Ian Douglas Hickman

Harry Albert Kemp

William Patrick McLaughlin

JR

## Independent auditor's report

To the shareholder of Eagle Ottawa Foreign Holdings ApS

### Opinion

We have audited the financial statements of Eagle Ottawa Foreign Holdings ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### Management's responsibilities for the financial statements

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

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

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

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

## Independent auditor's report

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 18 May 2020  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Peter Jensen  
State Authorised Public Accountant  
mne33246



## Management's review

### Company details

Name	Eagle Ottawa Foreign Holdings ApS
Address, Postal code, City	c/o Plesner Amerika Plads 37, 2100 København Ø
CVR no.	10 14 37 13
Established	1 July 2003
Registered office	Copenhagen
Financial year	1 January - 31 December
Executive Board	Ian Douglas Hickman Harry Albert Kemp William Patrick McLaughlin JR
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark



## Management's review

### Business review

Eagle Ottawa Foreign Holdings ApS represents the holding company for operations in Europe and Thailand.

### Financial review

The income statement for 2019 shows a profit of USD 6,370 thousand against a profit of USD 38,284 thousand last year, and the balance sheet at 31 December 2019 shows equity of USD 11,278 thousand. During 2019 Eagle Ottawa Foreign Holdings ApS has paid out extraordinary dividends of USD 49,885 thousand.

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year end.



## Financial statements 1 January - 31 December

### Income statement

Note	USD'000	2019	2018
	Gross loss	-20	-11
2	Staff costs	0	0
	<b>Profit/loss before net financials</b>	-20	-11
	Income from investments in group enterprises	6,749	39,458
3	Financial income	49	2
4	Financial expenses	-398	-1,165
	<b>Profit before tax</b>	6,380	38,284
	Tax for the year	-10	0
	<b>Profit for the year</b>	<u>6,370</u>	<u>38,284</u>
	<b>Recommended appropriation of profit</b>		
	Extraordinary dividend distributed in the year	49,885	0
	Retained earnings/accumulated loss	<u>-43,515</u>	<u>38,284</u>
		<u>6,370</u>	<u>38,284</u>



## Financial statements 1 January - 31 December

### Balance sheet

Note	USD'000	2019	2018
	<b>ASSETS</b>		
	Fixed assets		
5	Investments		
	Investments in group enterprises	53,450	54,789
		<u>53,450</u>	<u>54,789</u>
	<b>Total fixed assets</b>	<u>53,450</u>	<u>54,789</u>
	<b>Non-fixed assets</b>		
	Receivables		
	Corporation tax receivable	0	34
		<u>0</u>	<u>34</u>
	Cash	276	0
	<b>Total non-fixed assets</b>	<u>276</u>	<u>34</u>
	<b>TOTAL ASSETS</b>	<u><u>53,726</u></u>	<u><u>54,823</u></u>
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
6	Share capital	4,908	4,908
	Retained earnings	6,370	49,885
	<b>Total equity</b>	<u>11,278</u>	<u>54,793</u>
	<b>Liabilities other than provisions</b>		
7	Non-current liabilities other than provisions		
	Payables to group enterprises	42,046	0
		<u>42,046</u>	<u>0</u>
	<b>Current liabilities other than provisions</b>		
	Bank debt	0	5
	Payables to group enterprises	398	7
	Other payables	4	18
		<u>402</u>	<u>30</u>
	<b>Total liabilities other than provisions</b>	<u>42,448</u>	<u>30</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>53,726</u></u>	<u><u>54,823</u></u>

- 1 Accounting policies
- 8 Collateral
- 9 Related parties



## Financial statements 1 January - 31 December

### Statement of changes in equity

USD'000	Share capital	Retained earnings	Total
Equity at 1 January 2019	4,908	49,885	54,793
Transfer through appropriation of profit	0	6,370	6,370
Extraordinary dividend distributed	0	-49,885	-49,885
Equity at 31 December 2019	4,908	6,370	11,278

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Eagle Ottawa Foreign Holdings ApS for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 112(2) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements. The financial statements of Eagle Ottawa Foreign Holdings ApS and subsidiaries are included in the consolidated financial statements of Lear Mexican Seating Corporation.

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

#### Reporting currency

The financial statements are presented in USD as the Company's most significant transactions are settled in USD.

#### Foreign currency translation

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

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

#### Income statement

##### Gross loss

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sales', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit/loss'.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration, premises and bad debts.

##### Profit from investments in subsidiaries

The item includes dividend received from subsidiaries in so far as the dividend does not exceed the accumulated earnings in the subsidiary in the period of ownership.

##### Financial income

Financial income is recognised in the income statements at the amounts that concern the financial year. Net financials include interest income as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

##### Balance sheet

##### Investments in subsidiaries

Investments in subsidiaries are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary during the period of ownership are accounted for as a reduction in the cost of acquisition.

Gains or losses on disposal of subsidiaries are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal including non-amortised goodwill and anticipated costs of disposal. Gains or losses are recognised in the income statement as financial income or financial expenses.

##### Impairment of fixed assets

The carrying amount of investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 2 Staff costs

The Company has no employees.

USD'000	2019	2018
<b>3 Financial income</b>		
Interest receivable, group entities	49	2
	<u>49</u>	<u>2</u>
<b>4 Financial expenses</b>		
Interest expenses, group entities	398	1,165
	<u>398</u>	<u>1,165</u>

#### 5 Investments

USD'000	Investments in group enterprises
Cost at 1 January 2019	96,983
Disposals	-43,408
Cost at 31 December 2019	<u>53,575</u>
Value adjustments at 1 January 2019	-42,194
Reversal of prior year impairment losses	42,069
Value adjustments at 31 December 2019	-125
Carrying amount at 31 December 2019	<u>53,450</u>

Name	Legal form	Domicile	Interest
Eagle Ottawa Hungary Kft.	Kft.	Hungary	100.00%
Eagle Ottawa (Thailand) Co., Ltd.	Ltd.	Thailand	99.99%

#### 6 Share capital

The Company's share capital has remained DKK 30,001 thousand over the past 5 years.

#### 7 Non-current liabilities other than provisions

Of the long-term liabilities, USD´000 0 falls due for payment after more than 5 years after the balance sheet date.

#### 8 Collateral

The Company has not placed any assets or other items as security for loans at 31 December 2019.



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 9 Related parties

##### Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Lear Corporation	USA	<a href="http://ir.lear.com/financials.cfm">http://ir.lear.com/financials.cfm</a>