

Piaster Revisorerne

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AGC Automotive Glass Danmark A/S

CVR-no. 32 55 76 51

Roholmsvej 12 F
2620 Albertslund

Annual Report 2017

(Financial year 1 January 2017 - 31 December 2017)

The Annual Report is presented and
adopted at the Annual General Meeting of
shareholders on the 29 June 2018

Cristiano Rossi
Chairman of the meeting

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Management's Statement

The Board of Directors and the Executive Board have today considered and approved the Annual Report of 1 January 2017 - 31 December 2017 for AGC Automotive Glass Danmark A/S.

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

In our opinion the Financial Statements give a true and fair view of the Company's assets and liabilities, financial position and results of operations for the financial year ended 31 December 2017.

In our opinion the Management's Review gives a true and fair statement regarding the content in the Management's Review.

We recommend the Annual Report approved at the Annual General Meeting.


Albertslund, 29 June 2018

Executive Board:




Kim Stølsved Jørgensen

Board of Directors:



Michel Spina

Frédéric Gillot



Kim Stølsved Jørgensen

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Albertslund, 29 June 2018

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Kim Stølsved Jørgensen

Board of Directors:

Michel Spina



Frédéric Gillot

Kim Stølsved Jørgensen

Independent Auditor's Reports

To the Shareholders of AGC Automotive Glass Danmark A/S

We have performed an extended review of the Financial Statements of AGC Automotive Glass Danmark A/S for the financial year 1 January 2017 - 31 December 2017, which comprise income statement, balance sheet, notes and accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. We conducted our extended review in accordance with the Danish Business Authority's assurance standard for small enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared under the Danish Financial Statements Act.

This requires that we comply with the Danish Act on Approved Auditors and Audit Firms and FSR – Danish Auditors' Code of Ethics and that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

Conclusion

Based on the extended review, in our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company operations for the financial year 1 January 2017 - 31 December 2017, in accordance with the Danish Financial Statements Act.

Independent Auditor's Reports (-continued)

Emphasis of matter - Uncertainty connected with recognition or measurement

We draw the attention to note 11 in the Financial Statement. In this note management has provided information regarding uncertainty connected with recognition or measurement of the goodwill due to indications of impairment. Management has described that the restructuring of the group will insure future profits to justify the valuation of the goodwill. Our conclusion is not modified regarding this matter.

Emphasis of matter - Going Concern

We draw the attention to note 12 in the Financial Statement. In this note management has provided information regarding uncertainties relating to going concern due to negative equity, future operations, and subordinated loan letter from group companies. Our conclusion is not modified regarding this matter.

Statement on Management's Review

Management is responsible for Management's Review.

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

In connection with our extended review of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated. Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

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

Independent Auditor's Reports (-continued)

Birkerød, 29 June 2018

Piaster Revisorerne,
statsautoriseret revisionsaktieselskab
CVR. no.: 25 16 00 37



Niels Kristian Tordrup Nielsen
State Authorized Public Accountant
mne35462

Company details

Company details	AGC Automotive Glass Danmark A/S Roholmsvej 12 F 2620 Albertslund
	CVR no.: 32 55 76 51
	Founded: 28 October 2009
	Registered office: Albertslund
	Financial year: 1 January - 31 December
Executive Board	Kim Stølsved Jørgensen
Board of Directors	Michel Spina Frédéric Gillot Kim Stølsved Jørgensen
Auditor	Piaster Revisorerne, Statsautoriseret Revisionsaktieselskab Abildgårdsparken 8A 3460 Birkerød

Management's Review

Primary activities of the Company

The company's activity is supplying windscreens for cars, train and shipping industries and suppliers to these industries.

Uncertainty connected with recognition or measurement

The company has in 2017 purchased the operations from the group company acquired in December 2016, due to intercompany restructuring and merger of the operations.

In 2017 the joint operations have incurred a substantial loss, which is an indication of impairment.

After year end the company has been involved in a further group restructuring, see description in "Significant events occurred after the end of the financial year". The restructuring agreement stipulate that the company going forward will invoice group based on the operations performed in Denmark. The agreement has been made so the Danish Company will be maintaining a profit that will cover the amortizations off goodwill. On this basis management has judged the valuation of goodwill and it is management opinion that based on this agreement there are no impairment of the goodwill.

Development in activities and financial affairs

Going concern

The company's continued operation is dependent on the company obtaining sufficient financing to maintain operations until 31 December 2018. Management has stated that they have received a letter of subordination of debt to Group Company's regarding the t.DKK 40.339. The restructuring of the group and the new agreement will make sure that the company will be profitable in going forward, but that the company is reliant on the Group loans that are subordinated and that group will cover the invoices for services performed. Bases on this, management has prepared under the assumption of continued operations.

The company has in 2017 purchased activity from the company's subsidiary in Denmark. The activity was acquired to support the company's restructuring process.

The company's financial performance is not considered satisfying.

Significant events occurred after the end of the financial year

The company has after year end been involved in group restructuring, transferring the ownership of the stock and the sales process to group companies. The company will continued with their operations on behalf of group companies and will receive payment for the services performed for group companies.

Income statement 1 January - 31 December

DKK	Notes	2017	2016
Gross profit		4.889.101	13.326.489
Staff costs	1	-8.363.105	-7.177.312
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss	2	-933.439	-547.257
Other operating expenses		-286.822	-266.563
Operating profit		-4.694.265	5.335.357
Income from investments in group enterprises	3	7.366.466	0
Impairment of financial assets	3	-9.070.570	0
Financial income		25.046	9.605
Financial expenses		-143.486	-43.295
Profit before tax		-6.516.809	5.301.667
Tax on profit for the year	4	1.037.886	147.305
Profit for the year		-5.478.923	5.448.972
Proposed distribution of results			
Retained earnings		-5.478.923	5.448.972
Proposed dividend recognised in equity		0	0
Total distribution		-5.478.923	5.448.972

Balance sheet at 31 December

DKK

Assets

	Notes	2017	2016
Goodwill	5	8.496.869	0
Intangible assets		8.496.869	0
Fixtures, fittings, tools and equipment	6	1.698.228	602.933
Property, plant and equipment		1.698.228	602.933
Long-term investments in group enterprises	7	600.000	9.670.570
Other receivables	8	1.366.509	984.823
Financial fixed assets		1.966.509	10.655.393
Fixed assets		12.161.606	11.258.326
Manufactured goods and goods for resale		13.270.464	7.649.568
Prepayments for goods		0	272.214
Inventories		13.270.464	7.921.782
Trade receivables		4.163.474	3.112.502
Receivables from group enterprises		9.349.692	11.613.576
Other receivables		162.496	350.482
Short-term tax receivables from group enterprises		1.304.886	0
Deferred tax assets		310.000	577.000
Prepayments		105.072	30.796
Receivables		15.395.620	15.684.356
Cash and cash equivalents		88.097	1.654.406
Current assets		28.754.181	25.260.544
Assets		40.915.787	36.518.870

Balance sheet at 31 December

DKK

Equity and liabilities

	Notes	2017	2016
Share capital		500.000	500.000
Retained earnings		-7.996.000	-2.517.077
Proposed dividend recognised in equity		0	0
Equity	9	-7.496.000	-2.017.077
Payables to group enterprises		15.970.570	14.170.570
Lease commitments		501.020	143.493
Long-term liabilities other than provisions	10	16.471.590	14.314.063
Short-term part of long-term liabilities other than provisions	10	27.060.933	21.330.262
Trade payables		2.826.401	782.620
Other payables		2.052.863	2.109.002
Short-term liabilities other than provisions		31.940.197	24.221.884
Liabilities other than provisions		48.411.787	38.535.947
Equity and liabilities		40.915.787	36.518.870
Uncertainty connected with recognition or measurement	11		
Uncertainties relating to going concern	12		
Contingent liabilities	13		
Mortgages and collaterals	14		
Special items	15		
Consolidated accounts	16		

Notes

DKK

	<u>2017</u>	<u>2016</u>
1 Staff costs		
Wages and salaries	7.690.605	6.654.059
Post-employment benefit expense	537.669	480.663
Social security contributions	134.831	42.590
	<u>8.363.105</u>	<u>7.177.312</u>
Average number of full time employees	<u>23</u>	<u>19</u>
2 Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		
Impairment loss, goodwill	217.868	0
Depreciation, fixtures, fittings, tools and equipment	715.571	547.257
	<u>933.439</u>	<u>547.257</u>
3 Income from investments in group enterprises		
Income from investments in group enterprises contains of dividend received from investment in group enterprises. Impairment loss is due to the subsidiary's sale of activity and subsequent distribution of dividends to AGC Automotive Glass Danmark A/S. Impairment losses should be seen in conjunction with dividend received to give a true and fair view.		
4 Tax on profit for the year		
Tax expense on ordinary activities	-1.304.886	0
Adjustment of deferred tax	267.000	-147.305
	<u>-1.037.886</u>	<u>-147.305</u>

Notes

DKK

	<u>2017</u>	<u>2016</u>
5 Goodwill		
Cost at 1 January	0	0
Additions	<u>8.714.737</u>	<u>0</u>
Cost at 31 December	<u>8.714.737</u>	<u>0</u>
Amortisations at 1 January	0	0
Amortisation for the year	0	0
Impairment loss	<u>217.868</u>	<u>0</u>
Amortisations at 31 December	<u>217.868</u>	<u>0</u>
Carrying amount at 31 December	<u>8.496.869</u>	<u>0</u>
6 Fixtures, fittings, tools and equipment		
Cost at 1 January	4.102.485	3.842.472
Additions	1.827.202	260.013
Disposals	<u>-1.602.075</u>	<u>0</u>
Cost at 31 December	<u>4.327.612</u>	<u>4.102.485</u>
Depreciations at 1 January	3.499.552	2.952.295
Depreciation for the year	715.572	547.257
Depreciation on disposals for the year	<u>-1.585.740</u>	<u>0</u>
Depreciations at 31 December	<u>2.629.383</u>	<u>3.499.552</u>
Carrying amount at 31 December	<u>1.698.228</u>	<u>602.933</u>
Financial leased assets included in fixtures, fittings, tools and equipment	<u>999.068</u>	

Notes

DKK

	2017	2016
7 Long-term investments in group enterprises		
Cost at 1 January	9.670.570	0
Additions	0	9.670.570
Cost at 31 December	9.670.570	9.670.570
Revaluations at 1 January	0	0
Impairment loss	-9.070.570	0
Revaluations at 31 December	-9.070.570	0
Carrying amount at 31 December	600.000	9.670.570

Impairment loss has been described in note 3.

Information from the latest financial statements

	Ownership Percentage	Share Capital	Profit for the year	Equity
AGC Viborg A/S Viborg Company No. 14 32 24 85	100%	600.000	6.418.749	600.000

The company has been liquidated the 5 March 2018.

8 Other receivables		
Cost at 1 January	984.823	809.750
Additions	381.686	175.073
Cost at 31 December	1.366.509	984.823
Revaluations at 1 January	0	0
Revaluations at 31 December	0	0
Carrying amount at 31 December	1.366.509	984.823

Notes

DKK

	2017	2016
9 Equity		
Share capital at 1 January	500.000	500.000
Share capital at 31 December	500.000	500.000
Retained earnings at 1 January	-2.517.077	-7.966.049
Proposed distribution of results this year	-5.478.923	5.448.972
Retained earnings at 31 December	-7.996.000	-2.517.077
Proposed dividend recognised in equity at 1 January	0	0
Dividend paid	0	0
Proposed distribution of results	0	0
Proposed dividend recognised in equity at 31 December	0	0
Equity 31 December	-7.496.000	-2.017.077

10 Long-term liabilities other than provisions

	Total debt 31 December	Repayment next year	Long-term part	Unpaid debt after 5 years
Payables to group enterprises	42.684.060	26.713.490	15.970.570	0
Lease commitments	848.463	347.443	501.020	0
	43.532.523	27.060.933	16.471.590	0

Notes

DKK

11 Uncertainty connected with recognition or measurement

The company has in 2017 purchased the operations from the group company acquired in December 2016, due to intercompany restructuring and merger of the operations.

In 2017 the joint operations have incurred a substantial loss, which is an indication of impairment.

After year end the company has been involved in a further group restructuring, see description in "Significant events occurred after the end of the financial year". The restructuring agreement stipulate that the company going forward will invoice group based on the operations performed in Denmark. The agreement has been made so the Danish Company will be maintaining a profit that will cover the amortizations off goodwill. On this basis management has judged the valuation of goodwill and it is management opinion that based on this agreement there are no impairment of the goodwill.

12 Uncertainties relating to going concern

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13 Contingent liabilities

The company is a subsidiary in joint taxation with AGC Viborg A/S and CMC Biologics A/S. The companies in the joint taxation are jointly liable on corporation taxes and taxes on dividends, interest and royalties.

14 Mortgages and collaterals

None.

Notes

DKK

15 Special items

The company has received a dividend from a subsidiary of t.DKK 7.366. Due to dividend paid out from subsidiary in connection with sale of activity and settlement off the company, impairment loss of t.DKK 9.071 on shares in subsidiary has settled due to loss on activities in subsidiary.

16 Consolidated accounts

The consolidated financial statements can be obtained from, which comprise the smallest and largest group:

Largest group:

Asahi Glass Co., Ltd.

1-5-1, Marunouchi,

Chiyoda-ku, Tokyo 100-8405, Japan

Smallest group:

Nordglass Sp. z o.o

75-211 Koszalin ul.Bohaterów W-wy 11, Poland

Accounting policies

The Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with election from reporting class C.

The accounting policies are consistent with those of last year.

General

Reporting currency

The Annual Report is presented in Danish kroner (DKK).

In general regarding accounting and measuring

Income is recognized in the income statement when they are earned. Furthermore are all costs, depreciations and write downs recognized in the income statement when incurred.

Assets are recognized in the balance sheet when it is probable that future economical benefits will accrue to the company and the assets value can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economical benefits will be deducted from the company and the value can be measured reliably.

On initial recognition assets and liabilities are measured to cost price. Thereafter assets and liabilities are measured as described for each entry.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Accounting policies

Income statement

Gross profit

With reference to section 32 of the Danish Financial Statement Act, the items “Revenue” to and including “Other external expenses” are consolidated into one item designated “Gross profit”.

Revenue

Revenue includes invoiced sales of goods and rendering of services, recognition is done, when

- delivery and transfer of risk to the buyer has taken place before year end
- a committing sales agreement exists
- sales price is determined, and
- payment is received, or there are reasonable security that it will be received

Revenue is recognized excluding value added tax and after deduction of provisions rebates and trade discounts relating to the sale.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, bad debt, premises, operating lease agreements etc.

Staff costs

Staff costs comprise costs such as wages and salaries, pension costs and other social security benefits ect. to the company's employees.

Dividends from group enterprises

Received dividends in the financial year from group enterprises are recognized in the income statement.

Accounting policies

Impairment of financial assets

A financial asset or group of financial assets is impaired and impairment losses are incurred if:

- there is objective evidence of impairment as a result of a loss event that occurred after the initial recognition of the asset and up to the balance sheet date
- the loss event had an impact on the estimated future cash flows of the financial asset or the group of financial assets, and
- a reliable estimate of the loss amount can be made

Financial items

Financial income and expenses are recognized in the income statement with the amounts related to the year. Financial income and expenses comprise interest receivable and payable, realised and unrealised capital gains on securities and currency translation adjustments.

Tax expense

Tax on income for the year, consisting of the year's current tax and deferred tax, is recognized in the income statement to the extent that it relates to the income or loss for the year and on equity to the extent that it relates there to.

Accounting policies

Balance sheet

Intangible assets

Acquired goodwill is measured at historic cost less accumulated amortisation and impairment losses. Goodwill is depreciated over the estimated useful economic life. The useful life is set at 10 years due to the fact the no reliable estimate of the useful life can made. The amortization period is based on a evaluation of the Company's market position and earnings profile.

Gains and losses on disposals are determined as the difference between selling price less sales cost and carrying amount at time of disposal and are recognized in the income statement. Gain or loss is recognized under other operating income or other operating expenses.

Impairment of intangible assets

The carrying amount of intangible assets is every year reviewed in order to determine if there are indications of impairment exceeding the amount expressed by amortisations. If this is the case a impairment test is carried out in order to determine if the recoverable amount is lower than the carrying amount. The assets are written down to this lower value.

Recoverable amount for the asset is determined as the highest value of net sales price and the capital value. If it is not possible to determine the recoverable amount for the individual asset, assets are assessed together with the smallest group of assets where it is possible to determine a reliable evaluation of the recoverable amount.

Assets where it is not possible to determine an individual capital value because the asset does not generate future cash flows is assessed together with the group of assets which they can be attributed to.

Accounting policies

Property, plant and equipment

Property, plant, fixtures, fittings, tools and equipment are measured at historic cost less accumulated depreciation and impairment losses.

Historic cost comprise the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Assets are depreciated on a straight-line basis over the expected useful economic lives of the assets:

	<u>Useful life</u>	<u>Expected scrap value</u>
Fixtures, fittings, tools and equipment	2-5 years	0-20%

Asset acquisitions below the taxable limit is fully written off in the year of acquisition.

Gains and losses on disposals are determined as the difference between selling price less sales cost and carrying amount at time of disposal and are recognized in the income statement. Gain or loss is recognized under other operating income or expenses.

Impairment of property, plant and equipment

The carrying amount of property, plant and equipment is every year reviewed in order to determine if there are indications of impairment exceeding the amount expressed by depreciations and amortisations. If this is the case an impairment test is carried out in order to determine if the recoverable amount is lower than the carrying amount. The assets are written down to this lower value.

Recoverable amount for the asset is determined as the highest value of net sales price and the capital value. If it is not possible to determine the recoverable amount for the individual asset, assets are assessed together with the smallest group of assets where it is possible to determine a reliable evaluation of the recoverable amount.

Assets where it is not possible to determine an individual capital value because the asset does not generate future cash flows is assessed together with the group of assets which they can be attributed to.

Accounting policies

Financial fixed assets

Investments in group enterprises

Investments in group enterprises are recognized at historic cost less accumulated impairment losses. If the historic cost exceeds the recoverable amount the investment is written down to this lower value.

Inventories

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

Goods for resale, raw materials and consumables comprises purchase price plus delivery costs.

The cost of finished goods and work in progress comprises the cost of raw materials, direct labor and direct production costs.

The net realisable value of inventories is determined taking into account marketability, obsolescence and development in expected sales price less completion costs and costs incurred to effectuate the sale.

Receivables

Receivables are measured at amortized cost which corresponds in all material respects to nominal value. The value is reduced with provisions for expected bad debts.

Cash and bank balances

Cash comprises cash balances and bank balances.

Dividends

Dividends expected to be paid in respect of the year are stated as a separate line item under equity.

Current tax and current deferred tax

Current tax liabilities and current tax assets are recognized in the balance sheet as estimated tax on the taxable income for the year, adjusted for change in tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Deferred tax is measured according to the balance sheet liability method on all timing differences between the tax and accounting value of assets and liabilities.

Accounting policies

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

Deferred income tax is measured using tax rules and tax rates that apply by the balance sheet date when the deferred tax asset is realised or the deferred income tax liability is settled. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

Liabilities

Other liabilities are measured at amortized cost, corresponding to the nominal value.