

AGC Automotive Glass A/S 2020


Roholmsvej 12F
DK-2620 Albertslund

CVR no. 32 55 76 51

Annual report 2020

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

25 June 2021



Chairman

Advokat

Cristiano Rossi
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AGC Automotive Glass A/S 2020
Annual report 2020
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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of AGC Automotive Glass A/S 2020 for the financial year 1 January – 31 December 2020.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

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

25 June 2021
Executive Board:

Michael Østergaard

Michael Østergaard, Jun 24, 2021 09:37 GMT+2

Michael Rewers Østergaard

Board of Directors:

Michel Spina

Michel Spina, Jun 24, 2021 10:33 GMT+2

Michel Spina

Richard Hussey

Richard Hussey, Jun 24, 2021 09:56 GMT+2

Richard Charles Hussey

Michael Østergaard

Michael Østergaard, Jun 24, 2021 09:37 GMT+2

Michael Rewers Østergaard



The independent auditor's extended review report on the financial statements

To the shareholder of AGC Automotive Glass A/S 2020

Conclusion

We have performed an extended review of the financial statements of AGC Automotive Glass A/S 2020 for the financial year 1 January – 31 December 2020 comprising 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.

Based on the work performed, it is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

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 in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibility for the extended review of the financial statements" section of our report.

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

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

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

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

Auditor's responsibility for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures in order to obtain additional assurance for our conclusion.

An extended review comprises procedures primarily consisting of making enquiries of Management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on these financial statements.



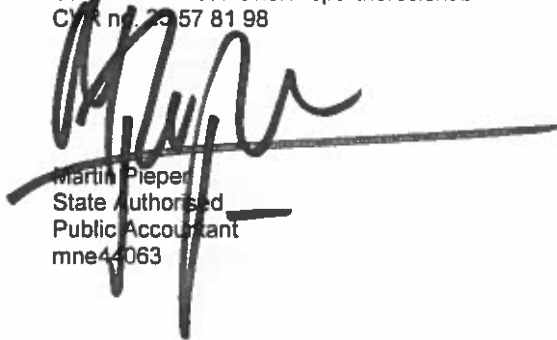
The independent auditor's extended review report on the financial statements

Copenhagen, 25 June 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 23 57 81 98



Martin Pieper
State Authorised
Public Accountant
mne44063

MS

RCH

MRO

Financial statements 1 January – 31 December

Income statement

DKK	Note	2020	2019
Gross profit		9,771,836	3,463,534
Staff costs	2	-9,226,007	-9,567,701
Depreciation, amortisation and impairment losses	3	-134,330	-7,482,812
Other operating costs		<u>-332,726</u>	<u>-276,392</u>
Profit/loss before financial income and expenses		78,773	-13,863,371
Other financial income		206,754	86,973
Other financial expenses	4	<u>-187,808</u>	<u>-278,936</u>
Profit/loss before tax		97,719	-14,055,334
Tax on profit/loss for the year	5	<u>-28,613</u>	<u>1,400,986</u>
Profit/loss for the year		<u>69,106</u>	<u>-12,654,348</u>
Proposed profit appropriation/distribution of loss			
Retained earnings		<u>69,106</u>	<u>-12,654,348</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2020	31/12 2019
ASSETS			
Fixed assets			
Property, plant and equipment	6		
Plant and machinery		<u>124,220</u>	<u>258,552</u>
Investments			
Deposits		<u>1,332,293</u>	<u>1,314,675</u>
Total fixed assets		<u>1,456,513</u>	<u>1,573,227</u>
Current assets			
Receivables			
Trade receivables		112,883	85,156
Receivables from group entities		8,226,192	9,726,157
Other receivables		346,433	335,726
Short-term tax receivables from group enterprises		1,632,727	2,689,932
Prepayments		<u>121,658</u>	<u>118,993</u>
		<u>10,439,893</u>	<u>12,955,964</u>
Cash at bank and in hand		<u>1,897,473</u>	<u>1,476,444</u>
Total current assets		<u>12,337,366</u>	<u>14,432,408</u>
TOTAL ASSETS		<u><u>13,793,879</u></u>	<u><u>16,005,635</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2020	31/12 2019
EQUITY AND LIABILITIES			
Equity			
Share capital		500,000	500,000
Retained earnings		-24,174,989	-24,244,095
Total equity		<u>-23,674,989</u>	<u>-23,744,095</u>
Liabilities			
Non-current liabilities			
Payables to group entities		<u>33,533,291</u>	<u>34,642,192</u>
Current liabilities			
Short term part of long-term liabilities		1,716,627	3,942,710
Trade payables		312,764	195,943
Other payables		<u>1,906,186</u>	<u>968,885</u>
		<u>3,935,577</u>	<u>5,107,538</u>
Total liabilities		<u>37,468,868</u>	<u>39,749,730</u>
TOTAL EQUITY AND LIABILITIES		<u><u>13,793,879</u></u>	<u><u>16,005,635</u></u>
Capital resources	7		
Contingent liabilities	8		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 31 December 2019, as previously reported	500,000	-24,197,597	-23,697,597
Adjustment of material misstatement*	0	-46,498	-46,498
Equity at 31 December 2019, adjusted	500,000	-24,244,095	-23,744,095
Proposed distribution of net profit	0	69,106	69,106
Equity at 31 December 2020	<u>500,000</u>	<u>-24,174,989</u>	<u>-23,674,989</u>

* For further description, cf. page 9 Accounting Policies, "Adjustments to prior years"

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of AGC Automotive Glass A/S 2020 for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year, except for the matter described below regarding adjustment to prior years.

Adjustments to prior years

Based on an assessment of the Company's leasing contracts for vehicles, it has been assessed that these are to be considered as operational leasing and not finance leasing. Previously all leased vehicles were accounted for as finance leasing. As this has a material effect on the fixed assets and liabilities relating to the previously capitalized leasing, we have corrected it in the financial statement. This has resulted in an adjustment of the opening balance in the financial statement. This has had an effect of - 46.498 DKK on the equity, and reduction of tangible assets of 492.867 DKK, and leasing debt of 446.369 as well as a reclassification between depreciations and other external expenses of 464.611 DKK and financial expenses and other external expenses of 35.729 DKK.

Principal activities

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

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.

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".

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Revenue

Revenue includes handling fees from intercompany parties.

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.

Financial income and expenses

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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

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:

Fixtures, fittings, tools and equipment	2-5 years
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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.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

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.

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 at bank and in hand

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.

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.

Financial statements 1 January – 31 December

Notes

	<u>2020</u>	<u>2019</u>
2 Staff costs		
DKK		
Wages and salaries	8,529,465	8,736,254
Pensions	597,241	671,953
Other social security costs	<u>99,301</u>	<u>159,494</u>
	<u>9,226,007</u>	<u>9,567,701</u>
Average number of full-time employees	<u>24</u>	<u>25</u>
3 Depreciation, amortisation and impairment losses		
Amortisation, goodwill	0	1,246,207
Impairment, goodwill	0	6,004,455
Depreciation, fixtures, fittings, tools and equipment	<u>134,330</u>	<u>232,150</u>
	<u>134,330</u>	<u>7,482,812</u>
4 Other financial expenses		
DKK		
Interest expense to group entities	<u>125,563</u>	<u>116,992</u>
Other financial costs	<u>62,245</u>	<u>161,944</u>
	<u>187,808</u>	<u>278,936</u>
5 Tax on profit/loss for the year		
Tax expense/income on ordinary activities	-259,026	-1,739,834
Adjustment of deferred tax	277,409	310,000
Tax prior years	<u>10,230</u>	<u>28,848</u>
	<u>28,613</u>	<u>-1,400,986</u>

Financial statements 1 January – 31 December

Notes

6 Fixtures, fittings, tools and equipment

DKK	Fixtures and fittings, tools and equipment
Cost at 1 January 2020	2,783,581
Additions for the year	0
Disposals for the year	<u>-60,292</u>
Cost at 31 December 2020	<u>2,723,289</u>
Depreciation and impairment losses at 1 January 2020	-2,525,031
Depreciation for the year	-134,330
Depreciation and impairment losses for the year on assets sold	<u>60,292</u>
Depreciation and impairment losses at 31 December 2020	<u>-2,599,069</u>
Carrying amount at 31 December 2020	<u>124,220</u>

7 Capital resources

The Company's equity at 31 December 2020 amounts to -23,674,989 DKK, whereby the entire share capital has been lost.

Management has made an assessment over the assumptions related to going concern, and believes that the Company is going concern.

The company is reliant on the Group loans that are subordinated. Management has received a letter of subordination of debt to Group Company's of 33.533.291 DKK. Based on this, management has prepared the financial statements under the assumption of continued operations.

8 Contingent liabilities

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

The company is committed to pay rent at termination of contracts regarding leased premises and cars. The rent commitment at 31 December 2020 amounts to t.DKK 2.907.