



Piaster Revisorerne
vi giver bedre råd

AGC Automotive Glass Danmark A/S

CVR-no. 32 55 76 51

Roholmsvej 12 F
2620 Albertslund

Annual Report 2019

(Financial year 1 January 2019 - 31 December 2019)

The Annual Report is presented and
adopted at the Annual General Meeting of
shareholders on the
/ 2020

Christiano 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 2019 - 31 December 2019 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 2019.

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, 3 July 2020

Executive Board:

Michael Rewers
Østergaard

Board of Directors:

Michel Spina

Richard Charles Hussey

Michael Rewers
Østergaard

The independent practitioner's report

To the shareholders of AGC Automotive Glass Danmark A/S

Opinion

We have audited the Financial Statements of AGC Automotive Glass Danmark A/S for the financial year 1 January 2019 - 31 December 2019, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January 2019 - 31 December 2019 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 "Practitioner's responsibilities 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 conclusion.

Material uncertainty concerning 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.

The independent practitioner's report (-continued)

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.

Practitioner's responsibilities 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 to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of 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 the financial statements.

The independent practitioner's report (-continued)

Statement on 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 extended review 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 extended review, 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 Financials 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 Statements Act. We did not identify any material misstatement in the Management's review.

Allerød, 3 July 2020

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

Niels Kristian Tordrup Mørk
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	Michael Rewers Østergaard
Board of Directors	Michel Spina Richard Charles Hussey Michael Rewers Østergaard
Auditor	Piaster Revisorerne, Statsautoriseret Revisionsaktieselskab Engholm Parkvej 8 3450 Allerød

Management's Review

Primary activities of the Company

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

Revenue is based on Group Performance Split.

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 2020. Management has stated that they have received a letter of subordination of debt to Group Company's regarding the t.DKK 34.642. The company is reliant on the Group loans that are subordinated and that group will cover the invoices for services performed. Based on this, management has prepared under the assumption of continued operations.

The company's financial performance is dissatisfying due to group loss on performance split and write down off goodwill.

The financial performance is affected by management accounting estimates and the special items are presented in the notes.

Significant events occurred after the end of the financial year

After the end of the financial year, there was an outbreak of the disease COVID19. The spread of Coronavirus as well as a partial shutdown of society has led to greater financial uncertainty. The company is currently affected to a limited extent by the outbreak, but it is difficult to assess the full impact for the financial year.

Income statement 1 January - 31 December

DKK	Notes	2019	2018
Gross profit		4.010.373	11.450.283
Staff costs	1	-9.567.701	-11.611.826
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss	2	-7.947.423	-2.205.989
Other operating expenses		-276.392	-2.006.586
Operating profit		-13.781.143	-4.374.118
Financial income		86.973	12.127
Financial expenses		-314.666	-201.625
Profit before tax		-14.008.836	-4.563.616
Tax on profit for the year	3	1.400.986	969.869
Profit for the year		-12.607.850	-3.593.747
Proposed distribution of results			
Retained earnings		-12.607.850	-3.593.747
Proposed dividend recognised in equity		0	0
Total distribution		-12.607.850	-3.593.747

Balance sheet at 31 December

DKK

Assets

	Notes	2019	2018
Goodwill	4	0	7.250.662
Intangible assets		0	7.250.662
Fixtures, fittings, tools and equipment	5	751.419	1.390.770
Property, plant and equipment		751.419	1.390.770
Other receivables	6	1.314.675	1.260.162
Financial fixed assets		1.314.675	1.260.162
Fixed assets		2.066.094	9.901.594
Trade receivables		85.156	597.556
Receivables from group enterprises		9.726.157	14.622.440
Other receivables		335.726	539.984
Short-term tax receivables from group enterprises		2.689.932	1.966.801
Deferred tax assets		0	310.000
Prepayments		118.993	193.770
Receivables		12.955.964	18.230.551
Cash and cash equivalents		1.476.444	1.569.273
Current assets		14.432.408	19.799.824
Assets		16.498.502	29.701.418

Balance sheet at 31 December

DKK

Equity and liabilities

	Notes	2019	2018
Share capital		500.000	500.000
Retained earnings		-24.197.597	-11.589.747
Proposed dividend recognised in equity		0	0
Equity		-23.697.597	-11.089.747
Payables to group enterprises		34.642.192	17.770.570
Lease commitments		167.029	446.195
Long-term liabilities other than provisions	7	34.809.221	18.216.765
Short-term part of long-term liabilities other than provisions	7	4.222.050	20.599.604
Trade payables		195.943	749.310
Other payables		968.885	1.225.486
Short-term liabilities other than provisions		5.386.878	22.574.400
Liabilities other than provisions		40.196.099	40.791.165
Equity and liabilities		16.498.502	29.701.418
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Statement of changes in equity 1. January - 31. December

	2019	2018
Share capital		
Beginning balance	500.000	500.000
End balance	500.000	500.000
Retained earnings		
Beginning balance	-11.589.747	-7.996.000
Profit (loss)	-12.607.850	-3.593.747
Transferred from share premium	0	0
End balance	-24.197.597	-11.589.747
Proposed dividend recognized in equity		
Beginning balance	0	0
Dividend paid	0	0
Profit (loss)	0	0
End balance	0	0
Equity	-23.697.597	-11.089.747

Notes

DKK

	2019	2018
1 Staff costs		
Wages and salaries	8.736.254	10.783.838
Post-employment benefit expense	671.953	712.461
Social security contributions	159.494	115.527
	9.567.701	11.611.826
Average number of full time employees	25	28
2 Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		
Amortisation, goodwill	1.246.207	1.246.207
Impairment, goodwill	6.004.455	0
Depreciation, fixtures, fittings, tools and equipment	696.761	959.782
	7.947.423	2.205.989
3 Tax on profit for the year		
Tax expense on ordinary activities	-1.739.834	-950.098
Adjustment of deferred tax	310.000	-19.771
Tax prior years	28.848	0
	-1.400.986	-969.869
4 Goodwill		
Cost at 1 January	8.714.737	8.714.737
Cost at 31 December	8.714.737	8.714.737
Amortisations at 1 January	1.464.075	217.868
Amortisation for the year	1.246.207	1.246.207
Impairment	6.004.455	0
Amortisations at 31 December	8.714.737	1.464.075
Carrying amount at 31 December	0	7.250.662

Notes

DKK

	<u>2019</u>	<u>2018</u>
5 Fixtures, fittings, tools and equipment		
Cost at 1 January	5.068.671	4.674.904
Additions	118.123	393.767
Disposals	-1.038.600	0
Cost at 31 December	<u>4.148.194</u>	<u>5.068.671</u>
Depreciations at 1 January	3.677.901	2.718.119
Depreciation for the year	696.761	959.782
Depreciation on disposals for the year	-977.887	0
Depreciations at 31 December	<u>3.396.775</u>	<u>3.677.901</u>
Carrying amount at 31 December	<u>751.419</u>	<u>1.390.770</u>
Financial leased assets included in fixtures, fittings, tools and equipment	<u>492.867</u>	<u>994.392</u>
6 Other receivables		
Cost at 1 January	1.260.162	1.366.509
Additions	54.513	-106.347
Cost at 31 December	<u>1.314.675</u>	<u>1.260.162</u>
Revaluations at 1 January	<u>0</u>	<u>0</u>
Revaluations at 31 December	<u>0</u>	<u>0</u>
Carrying amount at 31 December	<u>1.314.675</u>	<u>1.260.162</u>

Notes

DKK

7 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	38.584.902	3.942.710	34.642.192	0
Lease commitments	446.369	279.340	167.029	0
	39.031.271	4.222.050	34.809.221	0

8 Uncertainties relating to going concern

The company's continued operation is dependent on the company obtaining sufficient financing to maintain operations until 31 December 2020. Management has stated that they have received a letter of subordination of debt to Group Company's regarding the t.DKK 34.642. 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.

9 Significant events occurring after end of reporting period

After the end of the financial year, there was an outbreak of the disease COVID19. The spread of Coronavirus as well as a partial shutdown of society has led to greater financial uncertainty. The company is currently affected to a limited extent by the outbreak, but it is difficult to assess the full impact for the financial year.

10 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. The rent commitment at 31 December 2020 amounts to t.DKK 1.836.

Notes

DKK

11 Mortgages and collaterals

Regarding the leases assets off 492 tDKK there are retention of ownership clauses.

12 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

13 Special items

The financial statements are effected by the following Special Items:

1. Write down of goodwill accounted with approx. 6 mio. DKK under the line Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss
2. Write down of receivables incl. VAT from prior periods of approx. 500 tDKK expensed under other operating income
3. Write down of Deferred Tax Assets of 310 tDKK expenses under tax for the year

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.

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

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.

Accounting policies

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.