

# Goodyear Danmark A/S

c/o Accura Advokatpartnerselskab  
Tuborg Boulevard 1, 2900 Hellerup

CVR no. 54 03 73 17

## Annual report 2019

Approved at the Company's annual general meeting on 27 April 2020

Chairman:



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Henrik Juul Hansen

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Goodyear Danmark A/S 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 development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Hellerup, 27 April 2020  
Executive Board:

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Erich Fric

Board of Directors:



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Henrik Juul Hansen  
Chairman

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Erich Fric

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Paula Holmes

## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Goodyear Danmark A/S 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 development in the Company's operations and financial matters and the results of the Company's operations and financial position.

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

Hellerup, 27 April 2020  
Executive Board:

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Erich Fric

Board of Directors:

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Henrik Juul Hansen  
Chairman



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Erich Fric

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Paula Holmes

## Independent auditor's report

To the shareholders of Goodyear Danmark A/S

### Opinion

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.

We have audited the Financial Statements of Goodyear Danmark A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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

### 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, 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.

### 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 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 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 these financial statements.

## Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.
- ▶ 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 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.

Hellerup, 27 April 2020  
PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31



Henrik Hornbæk  
State Authorised Public Accountant  
mne32802

## Management's review

### Company details

Name	Goodyear Danmark A/S
Address, Postal code, City	c/o Accura Advokatpartnerselskab Tuborg Boulevard 1, 2900 Hellerup
CVR no.	54 03 73 17
Established	30 June 1925
Registered office	Gentofte
Financial year	1 January - 31 December
Website	<a href="http://www.goodyear.dk">www.goodyear.dk</a>
Board of Directors	Henrik Juul Hansen, Chairman Erich Fric Paula Holmes
Executive Board	Erich Fric
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44, 2900 Hellerup

## Management's review

### Financial highlights

DKK'000	2019	2018	2017	2016	2015
<b>Key figures</b>					
Gross profit	28,019	31,189	27,058	27,062	28,127
Operating profit/loss	3,434	2,500	1,876	3,913	1,968
Profit for the year	2,381	1,829	1,398	2,989	1,113
<b>Balance sheet</b>					
Fixed assets	482	0	0	0	0
Non-fixed assets	53,656	50,049	32,380	26,467	34,177
Total assets	54,138	50,049	32,380	26,467	34,177
Investment in property, plant and equipment	813	0	0	0	0
Share capital	500	500	500	500	500
Equity	4,997	2,616	5,787	11,389	8,400
Current liabilities other than provisions	48,884	47,433	26,593	15,078	25,777
<b>Financial ratios</b>					
Return on assets	6.6%	6.1%	6.4%	12.9%	5.8%
Return on equity	62.6%	43.5%	16.3%	30.2%	13.3%
<b>Other</b>					
Average number of employees	11	11	11	10	11

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations. For terms and definitions, please see the accounting policies.

## Management commentary

### Business review

#### Principal activities

The principle activities of the company are import and distribution of tires for passenger cars, trucks, motorcycles and other vehicles to retailers, car dealerships and wholesalers, who in turn sell the products to their end customers in Denmark. Examples of brands included in the product range are Goodyear, Dunlop, Fulda, Debica and Sava.

#### Financial review

The gross margin for the year is TDKK 28,019 compared to TDKK 31,189 last year. The results from ordinary activities after tax are TDKK 2,381 compared to 1,829 last year.

The management considers the result to be satisfactory.

#### Outlook

In the first quarter of 2020, alongside most countries in Europe, Denmark has been affected by the COVID-19 virus outbreak. The Danish government has reacted implementing a number of extraordinary measures to combat its effects, that will have a significant business impact throughout 2020.

This will negatively impact the results of Goodyear Denmark for 2020, however at this point in time, based on our current estimates of how long these extraordinary measures will last and continue to impact our business, we do not expect to incur material losses in 2020. Goodyear Danmark AS is financed through the Group's cash pool, which is considered sufficient to support continued operations.



## Management's review

### Special risks

#### Price risks

The company is a sales company and does not purchase raw materials. All raw material purchases and manufacturing is performed in other group companies who sell tires to Goodyear Danmark AS, to sell in the local market. There is a risk, for the Goodyear Group, that raw material price increases cannot be passed on to the customer. The company does not consider this risk to have material impact on sales, since it would affect competition equally.

#### Currency risks

The company sells tires on the Danish market in DKK, while tires are purchased from a group company in EUR, hence the company is affected by fluctuations in exchange rates. It is the company's policy not to hedge commercial currency risks.

#### Interest rate risk

The company does not hold any external debt. As the interest-bearing debt is intercompany and given the current and forecasted low level of interest rates, the company does not consider this risk to have material impact on earnings.

#### Knowledge resources

It is crucial for the company to be able to attract and keep employees with the right level of education and/ or experience. This applies for the sales force employed by the Danish company as well as for the employees in the Swedish company serving all Nordic entities.

#### Impact on the external environment

The company has a legal producer responsibility for the tires the company sell on the local market. The legislated producer responsibility is set to ensure old tires are disposed of in an environmentally acceptable manner. In Denmark this responsibility is fulfilled by reporting and paying environmental taxes to the Danish tax authorities.

Goodyear Danmark AS is wholly owned by the parent company The Goodyear Tire & Rubber Company. The Goodyear Tire & Rubber Company annually publishes a sustainability report ("Corporate Responsibility Report") which covers the entire global group's operations.

The majority of the global group's factories have environmental management systems that are certified in accordance with ISO 14001. The transport agreements that exist between suppliers and companies in the global group state that the supplier of freight shall have the quality standards ISO 14001 and ISO 9001: 2000.

The policy regarding Environmental, Health & Safety sets out requirements regarding, among other things, setting group-wide goals to reduce environmental impact, increase sustainability of materials, processes and products and to minimize waste. and greenhouse gas emissions.

#### Research and development activities

The research and development activities are carried out in other group companies. Development activities primarily consist of the development of more efficient products with better grip that are safer and lasts longer.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK'000	2019	2018
	Gross profit	28,019	31,189
3	Distribution costs	-11,994	-13,877
3	Administrative expenses	-12,591	-14,812
	Operating profit	3,434	2,500
4	Financial income	44	73
5	Financial expenses	-389	-206
	Profit before tax	3,089	2,367
6	Tax for the year	-708	-538
	Profit for the year	2,381	1,829

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2019	2018
	<b>ASSETS</b>		
	Fixed assets		
7	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	482	0
		<u>482</u>	<u>0</u>
	Total fixed assets	<u>482</u>	<u>0</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	40,727	33,013
	Receivables from group enterprises	1,638	2,048
8	Deferred tax assets	843	1,551
	Other receivables	1	1
	Prepayments	142	123
		<u>43,351</u>	<u>36,736</u>
	Cash	10,305	13,313
	Total non-fixed assets	<u>53,656</u>	<u>50,049</u>
	<b>TOTAL ASSETS</b>	<u>54,138</u>	<u>50,049</u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK'000	2019	2018
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
	Share capital	500	500
	Retained earnings	4,497	2,116
	<b>Total equity</b>	<b>4,997</b>	<b>2,616</b>
	Liabilities other than provisions		
9	Non-current liabilities other than provisions		
	Lease liabilities	257	0
		<b>257</b>	<b>0</b>
	Current liabilities other than provisions		
	Lease liabilities	225	0
	Trade payables	4,863	4,535
	Payables to group enterprises	10,212	19,967
	Loans from group enterprises	27,694	15,488
	Other payables	5,890	7,443
		<b>48,884</b>	<b>47,433</b>
	<b>Total liabilities other than provisions</b>	<b>49,141</b>	<b>47,433</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>54,138</b>	<b>50,049</b>

- 1 Accounting policies
- 2 Going concern and events after the balance sheet date
- 10 Contractual obligations and contingencies, etc.
- 11 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2019	500	2,116	2,616
12	Transfer, see "Appropriation of profit"	0	2,381	2,381
	Equity at 31 December 2019	500	4,497	4,997

The share capital consists of 5 shares, each with a nominal value of DKK 100.000. No shares hold particular rights.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Goodyear Danmark A/S for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year except for the implementation of IFRS 15 and 16.

#### Changes in accounting policies

With effect for the financial year 2019, Goodyear Danmark A/S has chosen to apply the options cf. the Danish Financial Statements Act of applying IFRS 15, Revenue from contracts with customers, and IFRS 16, Leases, within the framework. Thus, the Company has changed its accounting policies, cf. below.

Goodyear Danmark A/S's accounting policies have been changed as it is Management's assessment that the changed accounting policies give a more true and fair view of the financial position and the results of the Company. Moreover, the change means that the Company now applies the same accounting policies as the rest of the Goodyear Group, to which the Company belongs.

#### •IFRS 15, Revenue from contracts with customers

The Company has changed its accounting policy for the recognition of revenue from contracts with customers. This means that the Company applies IFRS 15 for recognition and measurement of revenue.

The change of accounting policy is based on the transitional rules of IFRS 15:

- comparative figures have not been restated;
- contracts completed before 1 January 2019 according to the previous accounting policy are not reassessed.

IFRS 15 are applied to transactions carried out on or after 1 January 2019 or transactions that were in progress at the beginning of the financial year.

The change of accounting policy has had no effect on revenue, net profit, total assets and equity.

#### •IFRS 16, Leases

#### The effect of IFRS 16

Effective from 1 January 2019, Goodyear Danmark A/S implemented the new accounting standard, IFRS 16 Leases, using the modified retrospective transitional method, and consequently, the comparative figures have not been made but are still presented in accordance with IAS 17. The accounting policy of IAS 17 is presented separately, if it differs significantly from the accounting policy of IFRS 16.

Compared to previous years, the Group must now recognise all leases, with a few exceptions, in the balance sheet, including operating leases. This implies that the Group must recognize a lease commitment measured at the present value of the future lease payment, as described below, and a corresponding leased asset adjusted for payments to the lessor prior to the commencement of the lease, and incentive payments received from the lessor. The Company has decided not to recognise directly related costs to the leased asset.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Pursuant to the transitional provisions of IFRS 16, the Company has decided when implementing the standard:

- Not to recognize leases with a term of less than 12 months or of a low value
- Not to reassess whether a contract is or comprises a lease
- To determine a discount rate on a portfolio of leases with similar characteristics

When assessing the future lease payments, the Company has reviewed its operating leases and identified the lease payments relating to a lease component that are fixed or variable but change concurrently with changes in an index or an interest. The Company has decided not to recognise payments related to service components as part of the lease liability.

In relation to leases on operating equipment, the Company has assessed that the expected lease term corresponds to the non-cancellable term as the Company has not historically exercised the extension options for similar leases.

When discounting the lease payments to present value, the Company used its incremental borrowing rate, which is the costs of obtaining external financing for a corresponding asset with a financing period corresponding to the term of the lease denominated in the currencies in which lease payments are settled.

The effect of the implementation of IFRS 16

At the implementation of IFRS 16, the Company recognised a leased asset of DKK 813 thousand and a lease liability of DKK 813 thousand.

The leased assets are depreciated on a straight-line basis over the expected lease term, which is:

- Operating equipment, 1-4 years

When measuring the lease liability, leases are applied the incremental borrowing rate dependent on the quarter it is booked and length of contract.

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company Goodyear Dunlop Tires Europe B.V.

#### Basis of recognition and measurement

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

##### 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

#### Revenue

Revenue from contracts with customers is recognised on the basis of transfer of control, which according to IFRS 15 takes place at the time when control of the product delivered passes to the customer.

Control is considered passed to the customer when:

- a binding sales agreement has been made;
- delivery has been made before year end;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

#### Gross profit

The items revenue, production costs and other operating income have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

#### Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, exhibitions and amortisation/depreciation.

#### Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

#### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses 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

###### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

###### Leases

Leases are recognised in the balance sheet at the calculated amount of the lease liability. The lease liability is calculated at the present value of the lease payments calculated by applying the interest rate implicit in the lease or the Company's incremental borrowing rate as discount rate if the interest rate implicit in the lease is not available. Lease assets are depreciated and written down for impairment under the same policy as for the Company's other fixed assets.

The Company has chosen to apply the exemptions concerning short-term and low-value leases. Therefore, such lease assets are not recognised as assets and liabilities in the balance sheet. The costs are recognised in the income statement on a straight-line basis over the lease term.

The lease liability is recognised in the balance sheet under debt and is adjusted for prepaid lease payments on a current basis. At the same time, interest is added on the liability. Interest expenses are charged to the income statement on a current basis.

###### 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.

###### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years. Prepayments comprise prepaid expenses concerning insurance premiums.

## 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.

##### Equity

##### Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### 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 on office premises 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.

##### Other payables

Other payables are measured at net realisable value.

##### Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

#### 2 Going concern and events after the balance sheet date

In the first quarter of 2020, alongside most countries in Europe, Denmark has been affected by the COVID-19 virus outbreak. The Danish government has reacted implementing a number of extraordinary measures to combat its effects, that will have a significant business impact throughout 2020.

This will negatively impact the results of Goodyear Denmark for 2020, however at this point in time, based on our current estimates of how long these extraordinary measures will last and continue to impact our business, we do not expect to incur material losses in 2020. Goodyear Danmark AS is financed through the Group's cash pool, which is considered sufficient to support continued operations.

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	2019	2018
<b>3 Staff costs</b>		
Wages/salaries	7,575	8,544
Pensions	822	846
Other social security costs	27	32
Other staff costs	123	108
	<u>8,547</u>	<u>9,530</u>
Average number of full-time employees	<u>11</u>	<u>11</u>
<b>4 Financial income</b>		
Exchange gain	44	73
	<u>44</u>	<u>73</u>
<b>5 Financial expenses</b>		
Interest expenses, group entities	379	197
Other financial expenses	10	9
	<u>389</u>	<u>206</u>
<b>6 Tax for the year</b>		
Deferred tax adjustments in the year	708	538
	<u>708</u>	<u>538</u>
<b>7 Property, plant and equipment</b>		
		Fixtures and fittings, other plant and equipment
DKK'000		
Additions		<u>813</u>
Cost at 31 December 2019		<u>813</u>
Revaluations at 1 January 2019		<u>0</u>
Revaluations at 31 December 2019		<u>0</u>
Depreciation		<u>331</u>
Impairment losses and depreciation at 31 December 2019		<u>331</u>
Carrying amount at 31 December 2019		<u>482</u>
Property, plant and equipment include finance leases with a carrying amount totalling		<u>482</u>
Depreciated over		<u>1-4 years</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	2019	2018
<b>8 Deferred tax</b>		
Deferred tax at 1 January	-1,551	-2,089
Deferred tax of the result for the year	708	538
Deferred tax at 31 December	<u>-843</u>	<u>-1,551</u>
<b>Deferred tax relates to:</b>		
Tax loss	-843	-1,551
	<u>-843</u>	<u>-1,551</u>
<b>Analysis of the deferred tax</b>		
Deferred tax assets	-843	-1,551
	<u>-843</u>	<u>-1,551</u>

The Company's total deferred tax assets amount to TDKK 3,664 end 2019.

The Company's unrecognised part of the tax asset amounts to TDKK 2,821.

### 9 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2019	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Lease liabilities	482	225	257	0
	<u>482</u>	<u>225</u>	<u>257</u>	<u>0</u>

### 10 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2019	2018
Rent and lease liabilities	0	1,346
	<u>0</u>	<u>1,346</u>

The company implemented IFRS 16, Leases as per 1 January 2019, therefore no Rent and lease liabilities end of December 2019.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 11 Related parties

##### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Goodyear Dunlop Tires Europe B.V.	Herikerbergweg 238, Luna Arena, 1101 CM Amsterdam Zuidoost, Netherlands	<a href="http://www.goodyear.com">www.goodyear.com</a>

##### Related party transactions

Goodyear Danmark A/S has transactions with related parties which constitute a number of enterprises in Goodyear Dunlop Tires Group.

The company is a wholly owned subsidiary of Goodyear Dunlop Tires Europe B.V. - Herikerbergweg 238, Luna Arena, 1101 CM Amsterdam Zuidoost, Netherlands. The ultimate Parent Company is The Goodyear Tire and Rubber Company, 1144 East Market Street Akron, Ohio 44316-0001. The company is incorporated into the consolidated financial statements of this company.

The consolidated financial statements can be obtained from this company.

#### 12 Appropriation of profit

Recommended appropriation of profit  
Retained earnings

2,381	1,829
2,381	1,829