

# BENTELER Automotive Tønder A/S

Kærgårdsvej 5  
6270 Tønder

CVR no. 32 57 11 90

## Annual report 2020

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

31 March 2021

Dr. Henning von Watzdorf  
chairman



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**BENTELER Automotive Tønder A/S**  
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 BENTELER Automotive Tønder A/S 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.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

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

Tønder, 31 March 2021  
Executive Board:

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Hubert Koopmann

Board of Directors:

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Dr. Henning von Watzdorf  
Chairman

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Natascha Wolski

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Jeton Lapi

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Bertrand Faulconnier



## **Independent auditor's report**

### **To the shareholders of BENTELER Automotive Tønder A/S**

#### **Opinion**

We have audited the financial statements of BENTELER Automotive Tønder A/S 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.

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 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We 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 audit 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 responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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.

### 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.



## Independent auditor's report

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

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

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

Kolding, 31 March 2021

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Nikolaj Møller Hansen  
State Authorised  
Public Accountant  
mne33220

Michael E. K. Rasmussen  
State Authorised  
Public Accountant  
mne41364

**BENTELER Automotive Tønder A/S**  
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CVR no. 32 57 11 90

## Management's review

### Company details

BENTELER Automotive Tønder A/S  
Kærgårdsvej 5  
6270 Tønder

CVR no.:	32 57 11 90
Established:	1 November 2009
Registered office:	Tønder
Financial year:	1 January – 31 December

### Board of Directors

Dr. Henning von Watzdorf, Chairman  
Natascha Wolski  
Jeton Lapi  
Bertrand Faulconnier

### Executive Board

Hubert Koopmann

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Jupitervej 4, st.  
DK-6000 Kolding  
CVR no. 25 57 81 98

### Annual general meeting

The annual general meeting will be held on 31 March 2021.

## Management's review

### Financial highlights

DKKm	2020	2019	2018	2017	2016
<b>Key figures</b>					
Revenue	420	534	543	443	444
Gross profit/loss	115	125	138	134	137
Operating profit/loss	4	9	11	3	5
Profit/loss from financial income and expenses	-1	-1	-1	-1	-1
Profit for the year	3	6	8	2	3
Fixed assets	75	97	107	86	93
Current assets	116	108	117	128	102
Total assets	192	205	224	214	195
Contributed capital	1	1	1	1	1
Equity	39	62	63	55	78
Provisions	8	5	5	6	6
Non-current liabilities other than provisions	0	3	20	20	0
Current liabilities other than provisions	144	135	136	133	111
Investment in property, plant and equipment	6	21	37	9	18
<b>Ratios</b>					
Gross margin	27.4%	23.4%	25.4%	30.2%	30.9%
Operating margin	1.0%	1.7%	2.0%	0.7%	1.1%
Return on invested capital	0.1%	4.4%	4.9%	1.7%	2.4%
Current ratio	80.6%	78.6%	74.9%	83.9%	92.0%
Return on equity	5.9%	9.6%	13.6%	3.0%	7.7%
Solvency ratio	20.3%	30.2%	28.1%	25.7%	40.0%

The financial ratios have been calculated as follows:

Gross margin 
$$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$$

Operating margin 
$$\frac{\text{Operating profit/loss} \times 100}{\text{Revenue}}$$

Return on invested capital 
$$\frac{\text{Operating profit/loss} \times 100}{\text{Average invested capital}}$$

Current ratio 
$$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$$

Invested capital 
$$\text{Operating intangible assets and property, plant and equipment plus net working capital}$$

Return on equity 
$$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$$

Solvency ratio 
$$\frac{\text{Equity ex. non-controlling interests at year-end} \times 100}{\text{Total equity and liabilities at year-end}}$$

## Management's review

### Operating review

#### Principal activities

BENTELER Automotive Tønder A/S is primarily engaged in the production and sale of aluminium parts for the car industry.

#### Development in activities and financial position

The year 2020 was negatively impacted by the COVID-19 pandemic. Revenue for the year came in at DKK 419.7 million. Profit after tax reached DKK 2.6 million. Both the previous year's figures and the budget figures could not be realised due to the consequences of the pandemic. However, thanks to the improvement in operating performance in recent years and cost improvements, the Company once again enjoyed profitability.

#### Outlook

Now that BENTELER Automotive Tønder A/S has also begun to recover from the consequences of the Covid 19 pandemic in the second half of 2020, the goal in 2021 is to continue this positive trend. To this end, the focus will remain on our core competencies and processes and the associated consistent optimization of our profitability. Another key focus is to continuously ensure high quality for our customers. In addition, the increasing performance of the last years has positively influenced the recognition of BENTELER Automotive Tønder A/S within the BENTELER Group. Therefore, our expectation is that the positive trend from the second half of 2020 will continue in 2021, provided sales are not clouded by another wave of the pandemic. Due to this, we are expecting a slight increase in our sales and also a slight increase in our EBIT compared to 2020.

#### COVID-19 and going concern

The year 2020 was negatively impacted by the COVID-19 pandemic due to close-down of production during the spring of 2020. Despite the negative impact from the COVID-19 pandemic, the Company reported a profit before tax of DKK 3.0 million and positive cash flows from operating activities of DKK 41.2 million. In 2020, the Company distributed extraordinary dividends of DKK 25.0 million and invested DKK 6.4 million in production lines. Due to the extraordinary dividends and investment in production lines, the Company is dependent on credit facilities within the Benteler Group cash pool to be maintained.

It is Management's assessment that the risk of debt repayment claims from the Group regarding net drawing on the group cash pool account, is low and does not represent a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern.

#### Corporate social responsibility

The financial success of the BENTELER Group is directly tied to corporate responsibility – for employees, the environment and society. We address global challenges such as climate change and urbanisation through value-based governance, technical innovation, and social engagement. We actively involve our employees in this process, with the constant aim of promoting sustainable thinking and action.

Long-term, responsible value creation is of central importance to BENTELER. The success of BENTELER is based on active, long-term relationships with customers, employees, suppliers, works council and the local community at our plant.

As part of the overall strategy and commitment to corporate social responsibility, the Company has defined three focus areas for corporate social responsibility: human resources, human rights and compliance.

## Management's review

### Operating review

#### Human resources, human rights and compliance

Successful collaboration relies on trust-based dialog. Clearly communicated objectives, combined with innovative spirit and a willingness to change, help us to meet our stakeholders' expectations, continuously improve our work and thereby strengthen our competitiveness. In addition to fierce competition, the current challenges include increased internationalisation of the business, changing market conditions and an increasingly changeable economic environment.

In order to promote our employees, we worked in 2020 on the further expansion of professional talent management, for which existing processes and tools were further professionalised, and new programs were developed and expanded. While HR management plays a key role in implementation, our managers ultimately have shared responsibility for successful talent management. Once again during the year, we raised their awareness of this important task and offered them appropriate preparation through a wide range of events and formats. Our objective remains to fill as many positions as possible internally.

We offer our employees competitive rates of pay. In addition to basic salary, this includes the usual market bonus and a range of fringe benefits, depending on the grouping. We regulate the evaluation and grading of core tasks, pay and fringe benefits globally with a uniform system.

The way we treat all employees is based on respect. Nobody should be personally discriminated against – neither because of national origin, skin color, gender, religion, handicap nor lifestyle. We have appropriate guidelines for dealing with each other and with business partners in a respectful manner as well as organizational precautions. We also respect the need to achieve a better work-life balance for women and men. BENTELER therefore supports flexible working hours and the possibility of part-time employment. BENTELER guarantees equal opportunities by applying a gender-neutral assessment system and fair remuneration.

The global market is characterised by increasing competitive pressure and a changing economic environment. We are convinced that we can only meet these and future challenges successfully with excellently trained employees. That is why we systematically invest in their further development. In this, it is important to recognise and promote the employees' individual strengths. For this reason, BENTELER offers tailor-made courses with which employees at all levels can fully exploit their professional potential. In order to develop tailor-made training and further education measures, employees and managers conduct appropriate feedback discussions as part of their annual performance assessments.

Compliance at BENTELER concerns the obligation to maintain integrity and conduct our business in an ethical way. This means compliance with legal provisions and the fulfilment of other ethical standards and requirements set by the Company itself. The latter are enshrined particularly in the Guidelines and Code of Conduct. Every BENTELER employee is responsible for ensuring that his or her actions comply with these principles. The managers also have a particular duty to act as role models in view of their personnel responsibility. Any infringement of these principles may lead not only to possible legal penalties but also to disciplinary consequences.

Our Code of Conduct covers the following areas:

1. Social responsibility and legal compliance
2. Interaction with employees
3. Competition and antitrust law
4. Corruption, gifts and benefits
5. International trade
6. Environmental protection
7. Data protection
8. Relationships with business partners.

BENTELER has given a commitment in its Guidelines and Code of Conduct to prevent corruption and comply with principles of fair competition and export control regulations. These three subjects are the focal points of the BENTELER Group's Compliance Management System.

## Management's review

### Operating review

Compliance in these areas is guaranteed among other things by training, guidelines, instructions and advice and legal information. In addition, the four-eyes principle applies throughout the Group. To implement the Compliance program and resolve any doubtful cases, the BENTELER Group has an organisational structure with multiple compliance bodies.

The Company is actively working with the Company values, ambition, courage and respect in order to be prepared for the future risks and challenges posed by demographic change and the subsequent shortage of specialists. In 2020, 15 employees left the Company voluntarily, which was lower than in 2019, with a number of 18 employees.

However, the Company was able to reoccupy all vacancies. Respect for human rights is part of the Company value, respect, and therefore we are satisfied to be able to report no known violation of human rights in connection with our business, and we do not expect any major risk, since most of our suppliers are based in Denmark or within the European Union. Potential new suppliers are evaluated for compliance with the human rights before nominated as supplier to the Company.

The Company has a strong view on rejecting all forms of corruption, and all employees, including Management, take part in mandatory cooperate training programs on a regular basis to identify and reject corruption. Nevertheless, it is a risk that the employees do not follow the cooperate guideline for anti-corruption, and the employees behaviour towards suppliers and customers are closely monitored by Management. The Company has not identified any breaches of the anti-corruption policy in 2020 or earlier years.

To promote a uniform understanding of compliance across the Company, we will offer specific trainings for our employees in 2021 to avoid any risk regarding corruption or antitrust law.

### Goals and policies for the underrepresented gender

The Company is of the opinion that diversification among its employees, including gender quotation, contributes positively to the working environment and strengthens performance and competitiveness. The Company's target is that within 4 years, the underrepresented gender is to account for 25% of the board members (which is one board member). This is unchanged from last year, and the target for the underrepresented gender is achieved as the board currently consists of one female and three male members.

For the purpose of employment and recruitment for executive positions, as part of other management levels, the Company intends to hire candidates from the underrepresented gender provided that both male and female candidates with the relevant qualifications are represented. The principle applies to both internal as well as external vacancies. In 2020, the underrepresented gender accounted for 20% of the executive positions in the Company.

### Environment and climate impact

BENTELER sees economic benefits and environmental aspects as closely intertwined, because anything that has a positive impact on the environment is often also economically sensible. We strive for more efficient manufacturing processes and develop sustainable technologies in close cooperation with our customers.

In corporate practice, environmental protection is a cross-sector task that involves all BENTELER Group's teams and locations. The scope of industrial responsibility is broad: it ranges from water protection, immission control and waste management to energy management and emissions trading. It goes without saying that BENTELER complies with all environmentally relevant laws and regulations. In 2020, there were no violations and no limits were exceeded.

## **Management's review**

### **Operating review**

To reduce energy consumption and hence the associated emissions, efficiency and resource conservation are key components of BENTELER's integrated transport logistics. This is based on standard processes applied worldwide, setting out conditions for collaboration with logistics service providers. For instance, the transparency of all logistics processes is guaranteed by a system-supported transport management solution. Combined transport – for example by rail and ship – can be used where appropriate. Emissions-intensive air freight should be excluded as far as possible.

In order to guarantee effective protection of resources and the environment at our site, our production facility has certified environmental and/or energy management in accordance with ISO 14001:2015 or ISO 50001.

### **Research and development activities**

Together with car manufacturers, the Company undertakes regular product development. Research and development are recognised as an expense in the income statement prompted by the uncertainty surrounding future earnings.

## Financial statements 1 January – 31 December

### Income statement

DKK'000	Note	2020	2019
<b>Revenue</b>	3	419,747	533,956
Changes in inventories of finished goods and work in progress		-287,383	-379,479
Other operating income	4	13,334	3,575
Other external costs		<u>-30,525</u>	<u>-33,029</u>
<b>Gross profit</b>		115,173	125,023
Staff costs	5	-81,261	-93,183
Depreciation, amortisation and impairment losses		-27,818	-15,748
Other operating costs		<u>-1,676</u>	<u>-7,577</u>
<b>Profit before financial income and expenses</b>		4,418	8,515
Other financial income	6	5,993	869
Other financial expenses	7	<u>-7,376</u>	<u>-2,156</u>
<b>Profit before tax</b>		3,035	7,228
Tax on profit/loss for the year	8	<u>-456</u>	<u>-1,625</u>
<b>Profit for the year</b>	9	<u><u>2,579</u></u>	<u><u>5,603</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2020	31/12 2019
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>	10		
Acquired patents and licenses		<u>46</u>	<u>144</u>
<b>Property, plant and equipment</b>	11		
Land and buildings		11,817	14,411
Property, plant and equipment under construction		7,558	15,004
Plant and machinery		41,780	50,273
Fixtures and fittings, tools and equipment		<u>13,943</u>	<u>16,802</u>
		<u>75,098</u>	<u>96,490</u>
<b>Total fixed assets</b>		<u>75,144</u>	<u>96,634</u>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		39,491	39,775
Work in progress		7,877	9,944
Finished goods and goods for resale		<u>5,770</u>	<u>8,224</u>
		<u>53,138</u>	<u>57,943</u>
<b>Receivables</b>			
Trade receivables		17,568	18,272
Receivables from group entities		0	1,170
Receivables from participating interests		15,943	12,272
Other receivables		25,545	16,284
Deferred tax asset	12	2,800	0
Corporation tax		1,404	1,774
Prepayments		<u>0</u>	<u>667</u>
		<u>63,260</u>	<u>50,439</u>
<b>Total current assets</b>		<u>116,398</u>	<u>108,382</u>
<b>TOTAL ASSETS</b>		<u>191,542</u>	<u>205,016</u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK'000	Note	31/12 2020	31/12 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	13	500	500
Retained earnings		38,831	61,252
<b>Total equity</b>		<u>39,331</u>	<u>61,752</u>
<b>Provisions</b>			
Provisions for deferred tax	14	7,411	4,887
Other provisions		450	450
<b>Total provisions</b>		<u>7,861</u>	<u>5,337</u>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Other payables	15	0	2,799
<b>Current liabilities other than provisions</b>			
Prepayments received from customers		252	252
Trade payables		71,228	67,497
Payables to group entities		35,943	45,844
Payables to participating interests		3,424	6,107
Other payables	15	33,503	15,428
		<u>144,350</u>	<u>135,128</u>
<b>Total liabilities other than provisions</b>		<u>144,350</u>	<u>137,927</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>191,542</u>	<u>205,016</u>
<b>Fees to auditor appointed at the general meeting</b>	16		
<b>Contractual obligations, contingencies, etc.</b>	17		
<b>Related party disclosures</b>	18		
<b>Disclosure of events after the balance sheet date</b>			

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2020	500	61,252	61,752
Transferred over the profit appropriation	0	2,579	2,579
Extraordinary dividends paid	0	-25,000	-25,000
<b>Equity at 31 December 2020</b>	<b>500</b>	<b>38,831</b>	<b>39,331</b>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of BENTELER Automotive Tønder A/S for 2020 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

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

A few restatements have been made of the comparative figures as a result of reclassifications.

#### Omission of cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are included in the cash flow statement in the consolidated financial statements of BENTELER International Aktiesengesellschaft, Salzburg, Austria.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates 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, payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms © 2020.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

#### Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to the inventory of goods for resale.

#### Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

##### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, excluding reimbursements from public authorities.

Staff costs also include costs for recruitment agencies relating to the use of temporary workers.

##### Other operating costs

Other operating costs comprise items secondary to the activities of the entity, including losses on the disposal of intangible assets and property, plant and equipment.

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

##### Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

### Balance sheet

#### Intangible assets

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining life of the patent, and licences are amortised over the contract period, however, not exceeding 5 years.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	20 years
Plant and machinery	10-14 years
Fixtures and fittings, tools and equipment	5-10 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

##### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

##### Inventories

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

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as the maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

#### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable is used as discount rate.

#### Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

#### Equity

##### *Dividends*

The expected dividend payment for the year is disclosed as a separate item under equity.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

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 tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

#### Provisions

Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at value in use.

Warranties comprise obligations to make good any defects within the warranty period of ## years. Provisions are recognised based on the Company's experience with warranties. Provisions expected to be maintained for more than one year from the balance sheet date are discounted at a rate reflecting risk and the due date for payment.

#### Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

#### Segment information

Information is provided on geographical markets only, as the Company operates within the same business segment. Segment information is based on the Company's accounting.

## Financial statements 1 January – 31 December

### Notes

#### 2 Going concern

The year 2020 was negatively impacted by the COVID-19 pandemic due to close-down of production during the spring of 2020. Despite the negative impact from the COVID-19 pandemic, the Company reported a profit before tax of DKK 3.0 million and positive cash flows from operating activities of DKK 41.2 million. In 2020, the Company distributed extraordinary dividends of DKK 25.0 million and invested DKK 6.4 million in production lines. Due to the extraordinary dividends and investment in production lines, the Company is dependent on credit facilities within the Benteler Group cash pool to be maintained.

It is Management's assessment that the risk of debt repayment claims from the Group regarding the net drawing on the Group cash pool account is low and does not represent a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern.

#### 3 Segment information

##### Activities – primary segment

DKK'000	<u>Germany</u>	<u>Other European countries</u>	<u>North America</u>	<u>Total</u>
2020				
Revenue	328,318	75,172	16,257	419,747

DKK'000	<u>2020</u>	<u>2019</u>
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#### 4 Other operating income

Income from governmental relief packages	9,543	0
Income from impaired receivables	1,673	0
Sales of development and research activities	0	2,679
Other operating income	<u>2,118</u>	<u>896</u>
	<u>13,334</u>	<u>3,575</u>

#### 5 Staff costs

Interest income from group entities	74,174	85,160
Income from fixed asset investments	6,229	7,017
Other financial income	<u>858</u>	<u>1,006</u>
	<u>81,261</u>	<u>93,183</u>
Average number of full-time employees	<u>162</u>	<u>184</u>

Wages and salaries for 2020 include an amount of DKK 3,420 thousand regarding cost of recruitment agencies arising from the use of temporary workers (2019: DKK 9,229 thousand).

In accordance with section 98b (3) of the Danish Financial Statements Act, remuneration of the Board of Directors and Executive Board is not disclosed.

## Financial statements 1 January – 31 December

### Notes

DKK'000	<u>2020</u>	<u>2019</u>
<b>6 Other financial income</b>		
Other financial income	7	0
Exchange gains	<u>5,986</u>	<u>869</u>
	<u>5,993</u>	<u>869</u>
<b>7 Other financial expenses</b>		
Interest expense to group entities	669	766
Foreign exchange losses	331	836
Other financial expenses	<u>6,376</u>	<u>554</u>
	<u>7,376</u>	<u>2,156</u>
<b>8 Tax on profit for the year</b>		
Current tax for the year	732	1,644
Deferred tax for the year	<u>-276</u>	<u>-19</u>
	<u>456</u>	<u>1,625</u>
<b>9 Proposed profit appropriation</b>		
Retained earnings	<u>2,579</u>	<u>5,603</u>
<b>10 Intangible assets</b>		
DKK'000		<u>Acquired patents</u>
Cost at 1 January 2020		<u>8,150</u>
Cost at 31 December 2020		<u>8,150</u>
Amortisation and impairment losses at 1 January 2020		<u>-8,006</u>
Amortisation for the year		<u>-98</u>
Amortisation and impairment losses at 31 December 2020		<u>-8,104</u>
<b>Carrying amount at 31 December 2020</b>		<u>46</u>

## Financial statements 1 January – 31 December

### Notes

#### 11 Property, plant and equipment

DKK'000	Land and buildings	Property, plant and equipment under construction	Plant and machinery	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2020	47,561	15,004	144,841	26,550	233,956
Additions for the year	0	6,267	61	0	6,328
Transfers for the year	0	-993	993	0	0
Cost at 31 December 2020	47,561	20,278	145,895	26,550	240,284
Depreciation and impairment losses at 1 January 2020	-33,150	0	-94,568	-9,748	-137,466
Impairment losses for the year	0	-12,720	0	0	-12,720
Depreciation for the year	-2,594	0	-9,547	-2,859	-15,000
Depreciation and impairment losses at 31 December 2020	-35,744	-12,720	-104,115	-12,607	-165,186
<b>Carrying amount at 31 December 2020</b>	<b>11,817</b>	<b>7,558</b>	<b>41,780</b>	<b>13,943</b>	<b>75,098</b>

DKK'000

31/12 2020 31/12 2019

#### 12 Deferred tax asset

Deferred tax asset	2,800	0
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#### 13 Contributed capital

Contributed capital consists of 1 share of a nominal value of DKK 500 thousand.

All shares rank equally.

#### 14 Provision for deferred tax

Deferred tax at 1 January	4,887	4,906
Deferred tax adjustment for the year in the income statement	2,524	-19
	7,411	4,887

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

All non-current liabilities other than provisions are due within 1-5 years.

##### Other payables

0-1 years	33,503	15,429
1-5 years	0	2,799
	33,503	18,228

## Financial statements 1 January – 31 December

### Notes

#### 16 Fees to auditor appointed at the general meeting

DKK'000	2020	2019
Fees for statutory audit services	248	245
Tax advisory	50	48
Other services	105	53
	<u>403</u>	<u>346</u>

#### 17 Contractual obligations, contingencies, etc.

##### Operating lease obligations

The Company has entered into operating leases with a remaining term of 6-24 months and an average monthly lease payment of DKK 50 thousand, totalling DKK 2,571 thousand.

#### 18 Related party disclosures

BENTELER Automotive Tønder A/S' related parties comprise the following:

##### Control

BENTELER International Aktiengesellschaft, Schillerstrasse 25, 5020 Salzburg, Austria.

BENTELER International Aktiengesellschaft holds the majority of the contributed capital in the Company.

BENTELER Automotive Tønder A/S is part of the consolidated financial statements of BENTELER International Aktiengesellschaft, Salzburg, Austria, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of BENTELER International Aktiengesellschaft can be obtained by contacting the companies at the addresses above.

##### Related party transactions

DKK'000	2020	2019
Sale of goods	183,066	197,365
Other operating income	382	2,679
Purchase of goods	4,560	6,778
Purchase of other services	1,926	9,995
	<u>189,934</u>	<u>216,817</u>

Receivables from and payables to group entities are disclosed in the balance sheet, and interest expense is disclosed in note 7.