

Carglass A/S

**Naverland 2
2600 Glostrup**

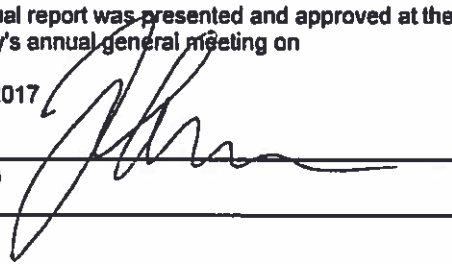
CVR no. 20 71 81 96

Annual report for the period 1 January – 31 December 2016

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

31 May 2017

chairman

A handwritten signature in black ink, written over a horizontal line. The signature is stylized and appears to be the name of the chairman.

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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 Carglass A/S for the financial year 1 January – 31 December 2016.

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 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

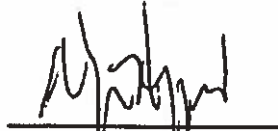
Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

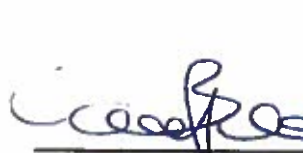
We recommend that the annual report be approved at the annual general meeting.


Glostrup, 31 May 2017
Executive Board:


Carina Bukkehave

Board of Directors:


Nigel Jeremy Doggett
Chairman


Carina Bukkehave


Jan-Eric Erichsen



Independent auditor's report

To the shareholder of Carglass A/S

Opinion

We have audited the financial statements of Carglass A/S for the financial year 1 January – 31 December 2016 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 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 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.



Independent auditor's report

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.

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.



Independent auditor's report

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.

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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 May 2017

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Klaus Rytz
State Authorised
Public Accountant

Carglass A/S
Annual report 2016
CVR no. 20 71 81 96

Management's review

Company details

Carglass A/S
Naverland 2
2600 Glostrup

Telephone: +45 70 11 99 11
Website: www.carglass.dk

CVR no.: 20 71 81 96
Registered office: Glostrup
Financial year: 1 January – 31 December

Board of Directors

Nigel Jeremy Doggett, Chairman
Carina Bukkehave
Jan-Eric Erichsen

Executive Board

Carina Bukkehave

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Management's review

Financial highlights

DKK'000	2016	2015	2014	2013	2012
Key figures					
Gross profit/loss	61,136	50,504	50,336	49,530	44,142
Ordinary operating profit/loss	-6,826	-8,241	-4,590	-3,170	-5,841
Net profit/loss for the year	-6,815	-8,243	-4,822	-3,417	-6,365
Total assets					
Equity	25,805	27,796	29,434	32,799	38,704
	201	7,016	15,259	19,881	5,798
Ratios					
Return on equity	-188.8%	-74.0%	-26.3%	-26.6%	-70.9%
Solvency ratio	0.8%	25.2%	51.8%	60.6%	15.0%
Return on assets	-25.5%	-28.8%	-14.8%	-8.9%	-14.8%

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". The financial ratios have been calculated as follows:

Return on equity
$$\frac{\text{Net profit for the year} \times 100}{\text{Average equity}}$$

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

Return on assets
$$\frac{\text{Net profit for the year} \times 100}{\text{Average assets}}$$

Management's review

Operating review

Principal activities

The Company's primary activity is vehicle glass repair and replacement.

Development in activities and financial position

Prior year's positive development continued in 2016 with a 13% increase in revenue. As the market in general has not increased, the Company has further grown its market share.

The Company's income statement for the year ended 31 December 2016 shows a net loss of DKK 6,815 thousand and the balance sheet at 31 December 2016 shows equity of DKK 201 thousand. The operating results this year were negatively impacted by strategic costs and are overall considered satisfactory. These activities are expected to have a positive impact on the operating results for 2017.

The Company's owners have issued a statement in which they commit to support operations for the coming year.

Events after the balance sheet date

No events have occurred after the financial year end which could significantly impact the Company's financial position.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2016	2015
Gross profit		61,136	50,504
Staff costs	3	-62,447	-54,101
Depreciation, impairment losses on property, plant and equipment		-5,515	-4,644
Profit/loss before financial income and expenses		-6,826	-8,241
Other financial income		121	39
Other financial expenses	4	-110	-41
Profit/loss before tax		-6,815	-8,243
Tax on profit/loss for the year		0	0
Profit/loss for the year	5	-6,815	-8,243

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
ASSETS			
Fixed assets			
Intangible assets	6		
Software		129	891
Goodwill		5,801	9,040
		<u>5,930</u>	<u>9,931</u>
Property, plant and equipment	7		
Fixtures and fittings, tools and equipment		1,451	1,781
Leasehold improvements		201	304
Assets under construction		2,995	0
		<u>4,647</u>	<u>2,085</u>
Investments			
Deposits		1,697	948
		<u>1,697</u>	<u>948</u>
Total fixed assets		<u>12,274</u>	<u>12,964</u>
Current assets			
Inventories			
Finished goods and goods for resale		1,497	3,629
		<u>1,497</u>	<u>3,629</u>
Receivables			
Trade receivables		9,936	7,579
Receivables from group entities		43	18
Other receivables		103	299
Prepayments		1,931	1,737
		<u>12,013</u>	<u>9,633</u>
Cash at bank and in hand		21	1,570
Total current assets		<u>13,531</u>	<u>14,832</u>
TOTAL ASSETS		<u>25,805</u>	<u>27,796</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
EQUITY AND LIABILITIES			
Equity	8		
Share capital		1,005	1,005
Retained earnings		-804	6,011
Total equity		<u>201</u>	<u>7,016</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Banks, current liabilities		321	0
Trade payables		3,781	3,792
Payables to group entities		9,465	5,389
Other payables		12,037	11,599
		<u>25,604</u>	<u>20,780</u>
Total liabilities other than provisions		<u>25,604</u>	<u>20,780</u>
TOTAL EQUITY AND LIABILITIES		<u>25,805</u>	<u>27,796</u>
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Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2016	1,005	6,011	7,016
Transferred over the distribution of loss	<u>0</u>	<u>-6,815</u>	<u>-6,815</u>
Equity at 31 December 2016	<u>1,005</u>	<u>-804</u>	<u>201</u>

The changes in the share capital for the past five years can be specified as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Balance at 1 January 2016	1,005	1,005	1,005	1,004	1,004
Capital increase	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>
	<u>1,005</u>	<u>1,005</u>	<u>1,005</u>	<u>1,005</u>	<u>1,004</u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Carglass A/S for 2016 has been prepared in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

— Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

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 s.a. D'leteren n.v., Belgium.

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement provided that delivery and transfer of risk to the buyer has been made before year end and that the income can be reliably measured and is expected to be received. Revenue is measured excluding VAT and taxes charged on behalf of third parties.

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

Expenses for raw materials and consumables

Expenses for raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

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.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, 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 scheme, etc.

Tax on profit/loss 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

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation and write-downs. Goodwill is amortised on a straight-line basis over the expected useful life, which is estimated at 10 years.

Software

Software is measured at cost with deduction of accumulated amortisation. Software depreciation is based on a straight-line basis over the expected useful life, which is estimated at 3-5 years.

Property, plant and equipment

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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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:

Fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	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.

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.

Investments

Investments consist of deposits and are measured at cost.

Impairment of 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.

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.

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

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

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

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The objective indicators used in relation to portfolios are determined on the basis of past payment default.

Prepayments

Prepayments comprise prepaid expenses regarding subsequent financial years.

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.

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.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

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.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Financial liabilities

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.

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.

2 Development in the Company's activities and financial position

Loss for the year amounted to DKK 6,815 thousand, and the Company's equity amounted to positive DKK 201 thousand at 31 December 2016.

The Company's owners have issued a statement in which they commit to support operations for the coming year.

Financial statements 1 January – 31 December

Notes

3 Staff costs

DKK'000	2016	2015
Wages and salaries	56,925	49,409
Pensions	4,217	3,626
Other social security costs	1,305	1,066
	<u>62,447</u>	<u>54,101</u>
Average number of full-time employees	<u>164</u>	<u>139</u>

Pursuant to section 98 B(3) of the Danish Financial Statements Act, remuneration of the Executive Board has not been disclosed.

4 Other financial expenses

Interest expense, group entities	58	10
Interest expense, exchange losses and similar expenses	<u>52</u>	<u>31</u>
	<u>110</u>	<u>41</u>

5 Proposed distribution of loss

Retained earnings	<u>-6,815</u>	<u>-8,243</u>
	<u>-6,815</u>	<u>-8,243</u>

6 Intangible assets

DKK'000	Software	Goodwill	Total
Cost at 1 January	2,769	32,080	34,849
Additions	24	0	24
Cost at 31 December 2016	<u>2,793</u>	<u>32,080</u>	<u>34,873</u>
Impairment losses and depreciation at 1 January 2016	-1,878	-23,040	-24,918
Depreciation	<u>-786</u>	<u>-3,239</u>	<u>-4,025</u>
Impairment losses and depreciation at 31 December 2016	<u>-2,664</u>	<u>-26,279</u>	<u>-28,943</u>
Carrying amount at 31 December 2016	<u>129</u>	<u>5,801</u>	<u>5,930</u>

Financial statements 1 January – 31 December

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7 Property, plant and equipment

DKK'000	Fixtures and fittings, tools and equipment	Leasehold improvements	Assets under construction	Total
Cost at 1 January 2016	10,249	5,121	0	20,491
Additions	1,036	27	2,995	4,058
Disposals	-45	0	0	-45
Cost at 31 December 2016	11,240	5,148	2,995	19,383
Depreciation and impairment losses at 1 January 2016	-8,468	-4,817	0	-13,285
Depreciation	-1,366	-130	0	-1,496
Disposals	45	0	0	45
Depreciation and impairment losses at 31 December 2016	-9,789	-4,947	0	-14,736
Carrying amount at 31 December 2016	1,451	201	2,995	4,647

8 Equity

The share capital consists of 1,005 shares of a nominal value of DKK 1,000 thousand. No shares carry any special rights.

9 Contingent liabilities and other financial obligations

Rent payments concerning interminable contracts amount to DKK 11,860 thousand (2015: DKK 882 thousand)

Payments under operating leases concerning cars amount to DKK 12,138 thousand (2015: DKK 12,529 thousand)

10 Related party disclosures

Carglass A/S' related parties comprise the following:

Control

Carglass Autoglass b.v., Jeroen Boschlaan 220, 5613 GD Eindhoven, The Netherlands

Carglass Autoglass b.v. holds the majority of the share capital in the Company.

Carglass Autoglass b.v. is part of the consolidated financial statements of Belron SA, Luxembourg, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Belron SA can be obtained by contacting the Company.

Financial statements 1 January – 31 December

Notes

Belron SA is part of the consolidated financial statements of s.a. D'leteren n.v., Belgium, which is the largest group in which the Company is included as a subsidiary.

The consolidated financial statements of s.a. D'leteren n.v. can be obtained by contacting the Company.

Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.