

Guardian Middle East Investments ApS

c/o Lassen Richard
Amaliegade 31, 1256 København K

CVR no. 29 13 88 69

Annual report 2018

Approved at the Company's annual general meeting on 17 June 2019

Chairman:



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Peter Lambert





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Statement by Management

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Guardian Middle East Investments ApS for the financial year 1 January - 31 December 2018.

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 financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 17 June 2019

Executive Board:

Gábor Harakály

Board of Directors:

Peter Malling Lambert
Chairman

Ana Martinez de Lecea Noain

Caroline Geneviève Nicole
Charpentier

Independent auditor's report

To the shareholders of Guardian Middle East Investments ApS

Opinion

We have audited the financial statements of Guardian Middle East Investments ApS for the financial year 1 January - 31 December 2018, which comprise accounting policies, income statement, balance sheet, and notes. 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 financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 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.

Independent auditor's report

- ▶ 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 note 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.

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.

Copenhagen, 17 June 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Peter Gath
State Authorised
Public Accountant
mne19718



Mads Heinkov
State Authorised
Public Accountant
mne41284



Management's review

Company details

Guardian Middle East Investments ApS
c/o Lassen & Ricard
Amaliegade 31
DK-1256 København K

CVR no. 29 13 88 69
Established: 30 September 2005
Registered office: Copenhagen
Financial year: 1 January - 31 December

Board of Directors

Peter Malling Lambert, Chairman
Ana Martinez de Lecea Noain
Caroline Geneviève Nicole Charpentier

Executive Board

Gábor Harakály

Auditor

Ernst & Young
Godkendt Revisionspartnerselskab
Osvald Helmuths Vej 4
DK-2000 Frederiksberg

Bank

Bank Mendes Gans N.V.
Herengracht 619
1017 CE, Amsterdam
The Netherlands

Management's review

Main activity

The Company's main activity is the holding of shares in other companies.

Development in activities and financial matters

Profit for the year amounts to EUR 2,448,687, which is primarily attributable to the dividend payment from the associate. For 2019, the Board of Directors expects a profit similar to the profit in 2018.

Events after the balance sheet date

No events have occurred after the balance sheet date that could materially affect the annual report for 2018.

Ownership

The Company's parent company, which prepares consolidated financial statements in which the Company is included as a subsidiary, is Guardian Europe S.à.r.L, Luxembourg, and the Company's ultimate parent company is Koch Industries Inc., USA.

The consolidated financial statements of the foreign parent company may be obtained at the following address:

Guardian Europe S.à.r.L
19, rue du Puits Romain
L-8070 Bertrange
Luxembourg

The Company is included in the consolidated financial statements of the ultimate parent company, which may be obtained at the following address:

Koch Industries Inc.
4111 E. 37th Street North, Wichita
Kansas 67220
USA

Financial statements for the period 1 January - 31 December

Accounting policies

The annual report of Guardian Middle East Investments ApS for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The financial statements have been prepared in accordance with the same accounting policies as last year.

Recognition and measurement

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 reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

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

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

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 at 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 at 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.

Non-current assets, purchased in foreign currency, are measured at the exchange rates at the transaction date.

Income statement

Financial income and expenses

Financial income and expenses comprise interest income and expense, realised and unrealised foreign exchange gains and losses as well as surcharges and refunds in respect of the corporation tax.

Dividend from investments in associates is recognised in the income statement in the year of declaration. Distributions of dividend where the dividend exceeds the profit for the year or where the carrying amount of the Company's investments in the associate exceeds the carrying amount of the associates' net asset value will be evidence of impairment, meaning that an impairment test must be conducted.

Financial statements for the period 1 January - 31 December

Tax for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement. The recognised tax expense relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

Balance sheet

Investments

Investments in associates have been measured at cost in the financial statements less impairment.

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and 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 base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry forwards, 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 and jurisdiction.

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. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

Financial statements for the period 1 January - 31 December

Income statement

Note	EUR	2018	2017
1	Administrative expenses	-8,621	-7,618
	Profit/loss before financial income and expenses	-8,621	-7,618
	Dividend from subsidiary	3,081,867	0
	Financial income	0	0
	Financial expenses	0	0
	Profit/loss before tax	3,073,246	-7,618
2	Tax for the year	-624,559	0
	Profit/loss for the year	<u>2,448,687</u>	<u>-7,618</u>
Proposed distribution of profit/loss			
	Transferred to equity reserves	2,448,687	-7,618
		<u>2,448,687</u>	<u>-7,618</u>

Financial statements for the period 1 January - 31 December

Balance sheet

Note	EUR	2018	2017
	ASSETS		
	Non-current assets		
	Investments		
3	Investments in associates	21,033,753	21,033,753
	Total non-current assets	<u>21,033,753</u>	<u>21,033,753</u>
	Current assets		
	Total receivables		
	Receivables from group entities	33,184	42,684
		<u>33,184</u>	<u>42,684</u>
	Cash at bank and in hand	3,081,813	0
	Total current assets	<u>3,114,997</u>	<u>42,684</u>
	Total assets	<u><u>24,148,750</u></u>	<u><u>21,076,437</u></u>
	 EQUITY AND LIABILITIES		
	Equity		
4	Share capital	21,600,000	21,600,000
	Retained earnings	1,917,191	-531,496
	Total equity	<u>23,517,191</u>	<u>21,068,504</u>
	Current liabilities		
	Corporation tax	624,559	0
	Other payables	7,000	7,933
	Total liabilities	<u>631,559</u>	<u>7,933</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>24,148,750</u></u>	<u><u>21,076,437</u></u>
5	Contractual obligations and contingencies, etc.		
6	Mortgages and security		

Financial statements for the period 1 January - 31 December

Notes

1 Employees

The Company has no employees (2017: no employees), and no remuneration or bonuses were paid to the Board of Directors in 2018.

EUR	2018	2017
2 Corporation tax		
Tax for the year	624,559	0
Adjustment of deferred tax	0	0
	<u>624,559</u>	<u>0</u>

3 Investments

EUR	Investments in associates
Cost at 1 January	21,033,753
Additions	0
Cost at 31 December	<u>21,033,753</u>
Value adjustments at 1 January	0
Value adjustments for the year	0
Value adjustments at 31 December	0
Carrying amount at 31 December	<u>21,033,753</u>
Company	Ownership
Guardian Zoujaj International Float Glass Co. I.L.c., United Arab Emirates	45%

4 Equity

EUR	Share capital	Retained earnings	Total
Equity at 1 January	21,600,000	-531,496	21,068,504
Retained earnings	0	2,448,687	2,448,687
Equity at 31 December	<u>21,600,000</u>	<u>1,917,191</u>	<u>23,517,191</u>

The share capital consists of 21,600,000 shares of nominally EUR 1.

5 Contractual obligations and contingencies, etc.

The Company is jointly taxed with Philips-Medisize Holdings A/S. The Company is jointly and severally liable with the other company in the joint taxation for Danish corporation taxes and withholding dividend, interests and royalties within the joint taxation group.

6 Mortgages and security

The Company has no mortgages and has not provided any security.