

*Atlas Sikkerhedssko A/S
Saxovej 4
6000 Kolding*

CVR-no: 17 76 62 01

*ANNUAL REPORT
1. januar - 31. december 2016
(23. accounting year)*

Approved at the annual General Meeting of the Company on 7/6 2017

Chairman of the meeting

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MANAGEMENT'S STATEMENT

Today the Board of Directors and the Executive Board have discussed and approved the Annual Report of Atlas Sikkerhedssko A/S for the period 1. januar - 31. december 2016.

In our opinion, the financial statements give a true and fair view of the Company's assets, equity, liabilities and financial position at 31. december 2016 and of its financial performance for the period 1. januar - 31. december 2016.

In our opinion the Management commentary includes a fair review of the matters described.

We recommend that the Annual Report be approved by the Annual General Meeting.

Kolding, den 7. juni 2017

Directors

Werner Schabsky

Border

Hendrik Schabsky
Formand

Werner Schabsky

Benny Boeger

To the shareholders in Atlas Sikkerhedssko A/S

Auditor's report on the financial statements

Conclusion

We have audited the Financial Statements of Atlas Sikkerhedssko A/S for the period 1. januar - 31. december 2016, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the 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 2016, and of the results of the Company operations for the period 1. januar - 31. december 2016 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of financial statements in conformity with the Danish Financial Statements Act. Management is also responsible for the internal control that it deems necessary for 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 responsible for auditing the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the company 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.

INDEPENDENT AUDITOR'S REPORT

Statement on Management commentary

Management is responsible for Management's Review

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Financial Statements Act.

Except for this matter and based on the procedures performed, it is our opinion that the management commentary is consistent with the financial statements and has been prepared in accordance with the criteria laid down in the Financial Statements Act.

Vojens, den 7. juni 2017

ND REVISION VOJENS
registreret revisionsanpartsselskab


Carsten Enderhansl HD
Registreret revisor

COMPANY INFORMATION

The Company	Atlas Sikkerhedssko A/S Saxovej 4 6000 Kolding
	Phone: 74 53 45 13 Homepage: www.atlas-schuhe.de E-mail: atlas-sikkerhedssko@mail.dk CVR-no.: 17 76 62 01 Founded: 1. april 1994 Financial year: 1. januar - 31. december
Board of directors	Hendrik Schabsky, formand Werner Schabsky Benny Boeger
Executive board	Werner Schabsky
Bank	Danske Bank Nørregade 21 6100 Haderslev
Accountant	ND REVISION VOJENS registreret revisionsanpartsselskab Østergade 28 6500 Vojens
Main activity	The company's aim is, according til the articles of association to trade and imports af safetyshoes

Main activities of the Company

As in previous years, the main activities of the Company is according til the articles of association to trade and imports of safetyshoes.

Development in the activities and the financial situation of the Company

The income statement for the accounting period shows a result of DKK 700.349. The balance sheet shows equity of DKK 4.862.771.

Management considers the results of the year to be satisfactory.

Material events after the reporting date

No events have occurred after the reporting date that may materially affect the financial position of the company.

INCOME STATEMENT
1. JANUAR - 31. DECEMBER 2016

	2016	2015 kr. 1000
GROSS PROFIT	1.892.035	889
1 Staff costs	-935.122	-790
2 Amortisation, depreciation and impairment losses - intangible assets and property, plant and equipment.....	-44.460	-44
	<hr/>	<hr/>
OPERATING PROFIT OR LOSS	912.453	55
Other financial income	518	40
Other financial expenses.....	-14.139	-10
	<hr/>	<hr/>
PROFIT OR LOSS BEFORE TAX	898.832	85
3 Tax on net profit for the year.....	-198.483	-16
	<hr/>	<hr/>
PROFIT OR LOSS FOR THE YEAR	700.349	69
	<hr/> <hr/>	<hr/> <hr/>
 PROPOSED DISTRIBUTION OF NET PROFIT		
Proposed dividends for the year	372.500	225
Retained earnings	327.849	-156
	<hr/>	<hr/>
SETTLEMENT OF DISTRIBUTION TOTAL	700.349	69
	<hr/> <hr/>	<hr/> <hr/>

BALANCE SHEET AT 31. DECEMBER 2016
ASSETS

	2016	2015 kr. 1000
Other plant, fixtures and operating equipment	128.193	173
Property, plant and equipment	128.193	173
Deposits	106.050	0
Investments	106.050	0
NON-CURRENT ASSETS	234.243	173
Finished goods and goods for resale.....	502.451	720
Inventories	502.451	720
Trade receivables	759.285	758
Corporate income tax.....	118.370	425
Accruals	36.663	35
Receivables	914.318	1.218
Cash	4.972.444	4.764
CURRENT ASSETS	6.389.213	6.702
ASSETS	6.623.456	6.875

BALANCE SHEET AT 31. DECEMBER 2016
EQUITY AND LIABILITIES

	2016	2015 kr. 1000
Contributed capital	1.000.000	1.000
Retained earnings	3.490.271	3.162
Proposed dividends for the year	372.500	225
4 EQUITY	4.862.771	4.387
Provision for deferred tax	1.100	2
PROVISIONS	1.100	2
Trade creditors	1.116.897	1.881
Other accounts payable.....	630.438	593
Accruals	12.250	12
Short-term payables	1.759.585	2.486
PAYABLES	1.759.585	2.486
EQUITY AND LIABILITIES	6.623.456	6.875

NOTES

	2016	2015 kr. 1000
1 Staff costs		
Number of people employed	2	2
Wages and salaries.....	893.481	734
Pensions	33.075	46
Other social security costs	8.566	10
Staff costs total	935.122	790
2 Amortisation, depreciation and impairment losses - intangible assets and property, plant and equipment		
Other fixtures and fittings, tools and equipment	44.460	44
Amortisation, depreciation and impairment losses - intangible assets and property, plant and equipment total	44.460	44
3 Tax on net profit for the year		
Calculated tax on net profit for the year	198.748	17
Adjustment of deferred tax	-1.100	-1
Adjustment of prior year tax.....	835	0
Tax on net profit for the year total	198.483	16

NOTES

	Opening balance	Dividends distributed	Proposed distribution of net profit	Closing balance
4 Equity				
Contributed capital	1.000.000	0	0	1.000.000
Retained earnings	3.162.422	0	327.849	3.490.271
Proposed dividends for the year	225.000	-225.000	372.500	372.500
	<u>4.387.422</u>	<u>-225.000</u>	<u>700.349</u>	<u>4.862.771</u>

Development in contributed capital within the past 5 years

Balance start	1.000.000
	<u>1.000.000</u>

The share capital is divided as follows:

x shares of nom.....	1.000.000
	<u>1.000.000</u>

GENERAL INFORMATION

The financial statements of Atlas Sikkerhedssko A/S for the financial year 2016 have been prepared in conformity with the provisions of the Financial Statements Act on class B enterprises.

The accounting policies applied in the financial statements are consistent with those of the previous year. The reporting currency is Danish kroner.

Recognition and measurement in general

The financial statements have been prepared under the historical cost convention.

Income is recognised in the income statement when earned. Value adjustments of financial assets and liabilities measured at fair value or amortised cost are also recognised in the income statement. Costs incurred to generate the earnings for the year are also recognised in the income statement, including amortisation, depreciation, impairment losses and provisions as well as reversals resulting from changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future financial benefits will flow to the Company and it is possible to obtain a reliable measurement of the individual assets.

Liabilities are recognised in the balance sheet when it is probable that future financial benefits will flow from the Company and it is possible to obtain a reliable measurement of the individual liabilities.

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

Anticipated losses and risks arising before the presentation of the financial statements and confirming or disconfirming facts and circumstances known at the reporting date are taken into consideration at recognition and measurement.

The functional currency used is Danish kroner. All other currencies are considered foreign currencies.

Foreign currency translation

Foreign currency transactions are translated at the exchange rates ruling at the transaction dates. Gains and losses arising from movements between the exchange rates at the date of the individual transaction and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, accounts payable and other monetary items denominated in a foreign currency, but not settled at the reporting date, are translated at the exchange rates ruling at the reporting date. Exchange rate differences between the exchange rates at the reporting date and the date of the individual transaction are recognised in the income statement as financial income or financial expenses.

INCOME STATEMENT

General information

Certain income and expenses have been aggregated in the item designated 'Gross profit' with reference to section 32 of the Financial Statements Act.

Gross profit

Gross profit is a combination of the items of 'Revenue', 'Change in inventories of finished goods, work in progress and goods for resale', 'Other operating income', 'Cost of raw materials and consumables' and 'Other external costs'.

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end. Revenue is recognised exclusive of VAT and net of sales discounts.

Other operating income and expenses

Other operating income and expenses comprise items relating to activities secondary to the activities of the enterprise, including profit and loss from the disposal of property, plant and equipment.

Cost of raw materials and consumables

Cost of raw materials and consumables includes the cost of goods purchased less discounts and changes in inventories for the year.

Other external expenses

Other external expenses include costs for sales, advertising, administration, premises, bad debts, rental expenses under operating leases, etc.

Staff costs

Staff costs include wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement from the Government.

Financial income and expenses

Financial income and expenses are recognised in the income statement based on the amounts which relate to the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses on securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme. Dividends from other equity investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit for the year

Tax for the year comprises current tax and changes in deferred tax. The share attributable to the profit or loss for the year is recognised in the income statement, and the share attributable directly to equity is recognised directly in equity.

BALANCE SHEET**Property, plant and equipment**

Property, plant and equipment is measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of a composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Depreciation is calculated using the straight-line method over the following estimated useful lives of the individual assets and their residual values:

	<u>User time</u>	<u>Residual value</u>
Plant and machinery	3-5 år	0-20 %
Tools and equipment	3-5 år	0-20 %

Gains or losses arising from the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amounts at the time of sale. Gains or losses are recognised in the income statement as other operating income or other operating expense.

Inventories

Inventories are measured at cost using weighted average prices. Where the net realisable value is lower than cost, the inventories are written down to this lower value.

The cost of goods for resale, raw materials and consumables is the landed cost.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs incurred to perform sales. The value is determined taking into consideration marketability, obsolescence and development in expected selling price.

ACCOUNTING POLICIES

Receivables

Receivables are measured at amortized cost, which normally corresponds to the nominal value. The value is reduced by an allowance for expected impairment losses.

Impairment of accounts receivable past due is established on individual assessment of receivables.

Dividends

Proposed dividends for the year are recognised as a separate item under equity. Proposed dividends are recognised as a liability when approved by the Annual General Meeting.

Corporate income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the balance sheet as calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured using the balance-sheet liability method on temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases. In cases where the tax base can be determined under alternative taxation rules, such as in relation to shares, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are measured at their anticipated net realisable value, either by elimination in tax on future earnings or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at their net realisable values.

Payables

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between proceeds and nominal value is recognised in the income statement over the life of the financial instrument(s).

Other payables, comprising trade payables and amounts owed to Group enterprises and associates and other accounts payable, are measured at amortised cost, which normally corresponds to the nominal value.