AT&F Europe ApS

Møgelgårdsvej 6, DK-8520 Lystrup, Denmark

CVR no. 32 13 84 62

Annual report 2016

Approved at the Company's annual general meeting on 20 April 2017

Chairman of the meeting:

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Michael Nørup

Contents

Management's review

Today, the Executive Board have discussed and approved the annual report of AT&F Europe ApS 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 financial position at 31 December 2016 and of the results of its operations for the financial year 1 January – 31 December 2016.

By end of 2016, the share capital is lost. The company expects to restore the share capital by future operations.

As previous years, the parent company will provide the Company the indispensability funds honoring Company obligations that exist at 31 December 2016 and future obligations, arising from the ordinary operation in the coming 12 months from this financial statement.

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.

Aarhus, 20 April 2017
Executive Board:

Kenneth Mark Ripich | Michael Forde Ripich

Independent auditor's report

To the shareholders of AT&F Europe ApS

Opinion

We have audited the financial statements of AT&F Europe ApS for the financial year 1 January - 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 Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of company at 31 December 2016, and of the results of the company operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis of 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 as Management determines is necessary to enable the preparation a financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are in-adequate, to modify our opinion. Our conclusion is 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.

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.

Aarhus, 20 April 2017
Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik P. Jensen

Henrik Pungvig Jensen
State Authorised
Public Accountant

Management' review

Management commentary

Business review

The objects for which the Company is established are to hold shares, and to undertake, perform and carry on all such other things as the Executive Board deems incidental to the attainment of such objects.

Recognition and measurement uncertainties

By end 2016, the share capital is lost. The company expects to restore the share capital by future operations.

Financial statements 1 January – 31 December

Income statement

Note	DKK'000	2016	2015
	Gross margin	-26	-18
2	Financial income	275	238
3	Financial expenses	-904	-1.908
	Profit/loss before tax	-655	-1.688
4	Tax for the year	0	0
	Profit/loss for the year	-655	-1.688
	Recommended appropriation of profit/loss		
	Transferred to reserves under equity	-655	-1.688
		-655	-1.688

Financial statements 1 January – 31 December

Balance sheet

Note	DKK'000	2016	2015
	ASSETS		
	Non-current assets		
	Financial assets		
6	Investments in group companies	61	61
	Amounts owed by group enterprises	5.701	5.562
	Other receivables	5.613	5.477
		11.375	11.100
	Total non-current assets	11.375	11.100
	Current assets		
	Receivables		
5	Deferred tax asset	63	63
		63	63
	Cash	307	333
	Total current assets	370	396
	TOTAL ASSETS	11.745	11.496
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	125	125
	Profit and loss account	-4.799	-4.144
	Total equity	-4.674	-4.019
	Non-current liabilities		
	Amounts owed to group enterprises	14.022	13.579
	Total non-current liabilities	14.022	13.579
	Current liabilities		
	Payables to group entities	2.397	1.936
	Other payables	0	0
	Total current liabilities	2.397	1.936
	Total liabilities	16.419	15.515
	TOTAL EQUITY AND LIABILITIES	11.745	11.496

1 Accounting policies

Financial statements 1 January – 31 December

Notes

1 **Accounting policies**

The annual report of AT&F Europe ApS for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities.

Financial statements are prepared using the same accounting policies as last year.

Effective 1 January 2016, the Company has early adopted act no. 738 of 1 July 2015. This implies no changes in the recognition and measurement.

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 rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at closing rates. 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.

Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date.

Income statement

Gross margin:

External expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses comprise expenses relating to distribution, sale, advertising, administration, premises, bad debts, operating leases, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expense, charges in respect of finance leases, realised and unrealised 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.

Dividend from investments in subsidiaries 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 subsidiary exceeds the carrying amount of the subsidiary's net asset value will be evidence of impairment, meaning that an impairment test must be conducted.

Tax for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

Balance sheet

Financial assets

Investments in subsidiaries are measured at cost. Cost includes the consideration measured at fair value plus direct purchase costs. In case of evidence of impairment, an impairment test must be conducted. Investments are written down to the lower of the carrying amount and the recoverable amount.

Impairment of non-current assets

The carrying amount of investments in subsidiaries is tested annually for evidence of impairment other than the decrease in value reflected by amortisation/depreciation.

Impairment tests are conducted on individual assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Equity

Income 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 measured at the value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net assets are measured at net realisable values.

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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities comprising amounts owed to credit institutions, trade payables and payables to group enterprises are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Notes

DKK'000	2016	2015
2 Financial income		
Interest income group companies	139	120
Other interest income	136	118
	275	238

	2016	2015
3 Financial expenses		
Foreign exchange losses	506	1.574
Interest expense group companies	398	334
	904	1.908

	2016	2015
4 Tax for the year		
Adjustment of the deferred tax charge for the year	0	0
	0	0

	2016	2015
5 Deferred tax		
Opening deferred tax	63	63
Changes during the year	0	0
	63	63

6 **Investments in associated companies**

Key figures for the Company's associated companies at 31 December 2016:

Name and registered office (DKK)	Ownership interest
Composhield Holding ApS	49%

Other associated companies

Name and registered office (DKK)	Ownership interest
Composhield Holding ApS ownership share in Composhield A/S	97%
Composhield A/S ownership share in Container Shelter System A/S	100%
Composhield A/S ownership share in Composhield Poland sp. z.o.o	100%
Composhield A/S ownership share in Composhield Ohio, Inc.	100%
Composhield Ohio, Inc. ownership share in AMTANK Armor, LLC	49%

7 **Share capital**

DKK'000	2016	2015
The share capital comprises:		
Share capital, 1250 shares of DKK 100 nominal value each	125	125
	125	125