

Omni Technical Solutions A/S

Gothersgade 175, 2nd floor left,
1123 Copenhagen K

Annual report for 2016

For the Danish Business Authority

The annual report is presented and approved at
the Annual General Meeting

on APRIL 20, 2017

Mads Hansen

Conductor

CVR no. 30 91 51 19

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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 Omni Technical Solutions 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.

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2016 and of the results of the Group's and the Company's operations and consolidated cash flows 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 Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

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

Copenhagen, 20 April 2017

Executive Board:



Lars Blavnsfeldt
CEO

Board of Directors:



Jens Josefsen
Chairman



Mikael Konnerup



Martin Rasmussen



Lars Blavnsfeldt



Per Stjernqvist

Independent auditors' report

To the shareholders of Omni Technical Solutions A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Omni Technical Solutions A/S for the financial year 1 January – 31 December 2016, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Group and the Parent Company, as well as consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2016 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows 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 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 consolidated financial statements and the parent company financial statements" section of our report. We are independent of the Group 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent auditors' report

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 these consolidated financial statements and parent company 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 skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Group's and the Parent 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 consolidated financial statements and the parent company 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 Group's and the Parent 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 consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, 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 Group and the Parent Company to cease to continue as a going concern.

Independent auditors' report

- ▶ Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the note disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements or the parent company 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 our procedures, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent company 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.

Odense, 20 April 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Per Gurslev
State Authorised
Public Accountant



Søren Smedegaard Hvid
State Authorised
Public Accountant

Management's review

Company details

Omni Technical Solutions A/S
c/o Industri Udvikling II K/S
Gothersgade 175, 2. tv.
1123 Copenhagen K
Denmark

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CVR No.: 30 91 51 19
Established: 16 October 2007
Registered office: Copenhagen

Board of Directors

Jens Josefsen, Chairman
Mikael Konnerup
Lars Blavnsfeldt
Per Stjernqvist
Martin Rasmussen

Executive Board

Lars Blavnsfeldt, CEO

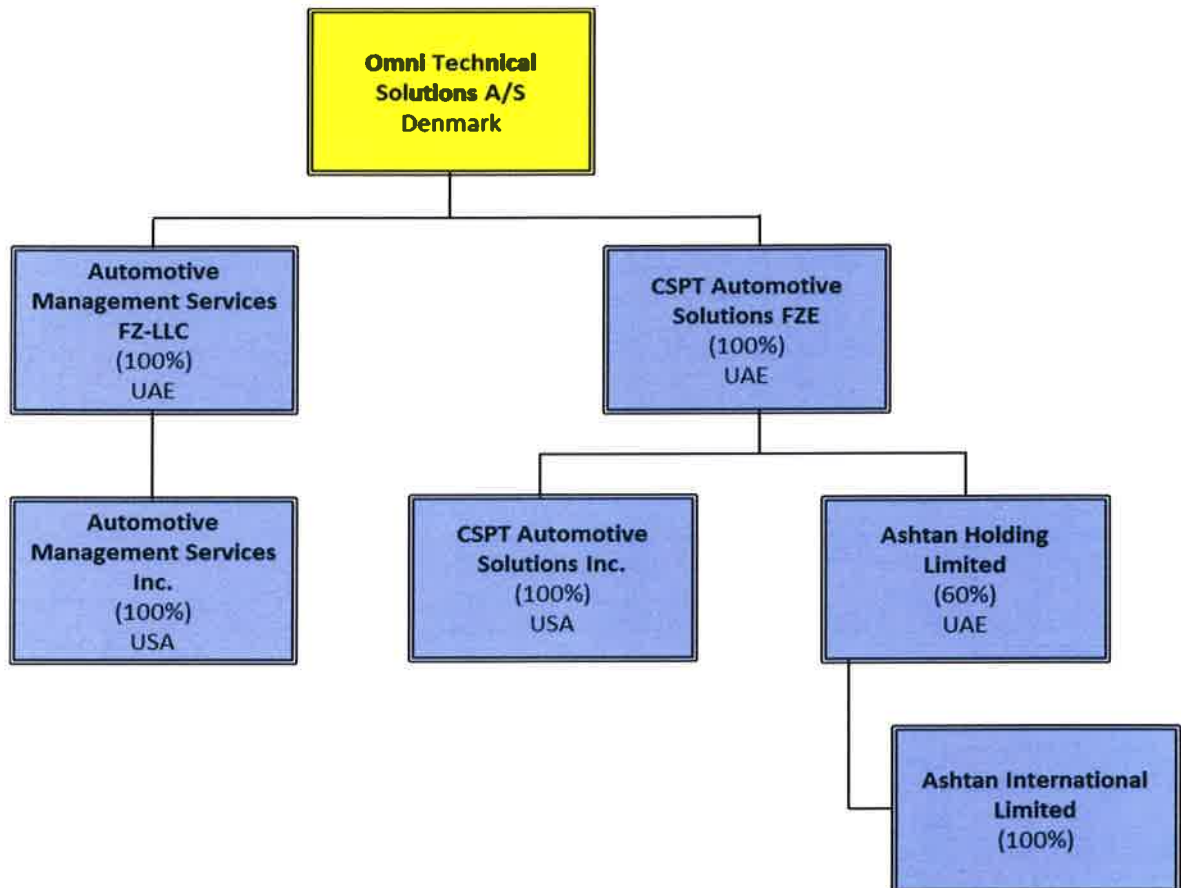
Auditors

Ernst & Young
Godkendt Revisionspartnerselskab
Englandsgade 25,
DK-5100 Odense C

Annual general meeting

The annual general meeting is to be held at the Company's address on 20 April 2017.

Group chart



Shareholders

Shareholders holding more than 5% of the share capital are:

AMS Holdings A/S, Copenhagen
Industri Udvikling II K/S, Copenhagen

Management's review

Financial highlights for the Group

Amounts in USD'000	2012	2013	2014	2015	2016
Key figures					
Revenue from continuing operations	109,024	128,899	142,579	151,502	138,005
Operating profit from continuing operations (EBIT)	10,085	9,847	12,038	11,207	8,713
Profit/loss from financial income and expenses	-607	-725	-1,171	-1,653	-639
Profit before tax from continuing operations	9,478	9,122	10,867	9,554	8,074
Profit for the year from continuing operations	9,172	8,399	10,024	8,708	7,667
Profit/loss for the year from discontinued operations	28	-4,375	-10,268	-8,665	-879
Profit/loss for the year	9,200	4,024	-244	43	6,788
Assets					
Non-current assets	28,152	22,177	16,963	16,487	15,613
Current assets	38,559	40,676	50,186	44,092	43,850
Assets from continuing operations	66,711	62,853	67,149	60,579	59,463
Assets from discontinued operations	52,412	33,406	20,683	0	0
Total assets	119,124	96,259	87,832	60,579	59,463
Equity					
Share capital	4,046	4,046	4,046	4,046	4,046
Equity	37,181	36,434	36,663	30,309	28,166
Liabilities					
Non-current liabilities	11,781	11,945	10,081	8,241	0
Current liabilities	34,269	25,789	28,595	22,009	31,320
Liabilities from continuing operations	46,050	37,734	38,676	30,004	31,320
Liabilities from discontinued operations	34,532	20,891	12,492	0	0
Total liabilities	80,582	58,625	51,168	30,004	31,320
Cash flows					
Cash flows from operating activities	16,346	24,808	4,565	22,431	10,872
Cash flows from investing activities	-5,650	-3,202	-3,244	-1,848	-1,709
Cash flows from financing activities	-27,465	-7,159	-3,397	-8,670	-17,214
Change in net cash funds	-16,769	14,448	-2,076	11,913	-8,051
Financial ratios					
Operating margin from continuing operations	9.3%	7.6%	8.4%	7.4%	6.3%
Return on investments from continuing operations	16.3%	15.6%	18.5%	17.5%	14.5%
Return on equity from continuing operations	25.0%	22.8%	27.4%	26.0%	26.2%
Solvency ratio	31.2%	37.9%	41.7%	50.0%	47.4%
Average number of employees from continuing operations					
	1,782	1,675	1,845	1,897	1,901

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Management's review

Operating review

Principal activity

The business foundation for Omni Technical Solutions A/S is, through subsidiaries, to offer maintenance, rental and fleet management of vehicles and equipment in areas of the world where there are limited maintenance capabilities, e.g. in conflict areas or in inaccessible areas such as mining operations, etc.

Cooperation with international Government Agencies, also accounts for a considerable part of operations in 2016.

Development in activities and financial position

Performance for the year

In 2016, the Group realised revenue of USD 138.0 million from its continuing operations in Afghanistan, Liberia, Somalia, Uganda, Kazakhstan, UAE and the USA against USD 151.5 million in 2015.

In 2016, operating profit from continuing operations for the year/EBIT in Omni Technical Solutions amounted to USD 8.7 million.

The Group sales revenue in 2016 is lower compared to prior year resulting from a decreased demand for spare parts and one major contract ended in the year. The decline in profit for continuing operations in 2016 compared to 2015 is directly attributed to reduced sales.

By the end of 2016, total receivables in the Group amounted to USD 17.3 million against USD 12.0 million by the end of 2015. All material receivables have been paid after the end of the financial year.

Total inventories amounted to USD 8.5 million at the end of 2016 against USD 9.4 million the year before.

There is no non current liabilities at year end against USD 8.2 million in 2015.

Investments

The Group has invested USD 1.7 million in other intangible assets and property, plant and equipment. No investments in subsidiaries took place in 2016.

Outlook

The Group revenue is expected to increase in 2017 compared to 2016. Furthermore, 2017 is expected to deliver a satisfactory profitability level.

Management's Review

The Group's expectations are derived from activity plans created from cooperation with international Government Agencies, which account for a considerable part of operations, both historically and going forward in 2017.

Liquidity and capital resources

At 31 December 2016, the Group's equity amounted to USD 28.2 million, representing 47.4% of the balance sheet total.

Based on the annual report for 2016, the budget for 2017 and the forecast for the coming years and continued close cooperation with the Group's bank, it is the Management's view that the Group will have sufficient credit facilities.

Events after the balance sheet date

Since the end of the financial year, no events have occurred, which, in our opinion, will have a negative impact on the evaluation of the annual report.

Special risks

General risks

The Group is exposed to the political risks that are involved when operating in parts of the world, which are often subject to unrest.

Financial risks

Currency risks

As the Group primarily buys and sells in USD, the above exposure is considered immaterial.

Credit risks

The business foundation for the Group is to provide high quality automotive services to international and local organisations deemed to pose only an insignificant credit risk in the opinion of the Management.

CSR

The Group's primary areas of business are the Middle East, Africa, Central Asia and USA.

The Group wishes to develop its core business and meet its strategic challenges in an economically and socially sound way. This means that the Group will live up to the legislation of the countries and communities in which they operate and that it will implement voluntary activities and efforts of a socially responsible nature to achieve its strategic objectives.

Management's Review

Omni Technical Solution strives to protect human rights in every aspect of its operations. This has resulted in the Group establishing the Afghan Women's Organization in Kabul and the Kabul Karate Club. During 2016 the Group continued to support these initiatives, which together helped over 260 local Afghan people work or train in a safe secure environment.

Reference is made to the activities on the company webpage <http://www.o-t-s.dk/index.html#corporate-social-responsibility>.

The Group has also developed an anti-corruption policy which is applicable to all Group employees, partners and suppliers. This policy clearly states that the Group does not accept any form of bribery, corruption or the like. Group suppliers must also accept this policy to remain suppliers of the Group.

The Company has not adopted a separate policy for reducing its impact on the climate as we assess that our activities have only had a limited impact thereon.

Objectives and policies for the underrepresented sex

The Group believes that diversity among employees, including equal distribution of the sexes, give a positive work environment and strengthen the Company.

Omni Technical Solutions' Board of Directors is elected by the shareholders, and Management has no influence on the choice of these.

Omni Technical Solutions always strives to have the best qualified people in each position regardless of nationality, gender, religion, etc; hence the Group does not provide specific targets for the share of the potentially under-represented sex.

It is the Company's objective that at least one woman should be represented on the Board of Directors at the end of 2018. As at the end of 2015, there were no women on the Board of Directors. This has not changed in 2016 as there was no change in incumbents in the Board of Directors.

It is our policy that management jobs should be taken up by the best qualified candidates, and at the same time we wish to upgrade women management talents. When employing persons for management positions, at least one of each gender should be represented among the last three candidates. The share of women leaders remained unchanged compared to the end of 2015.

Financial statements 1 January - 31 December 2016

Accounting policies

The annual report of Omni Technical Solutions A/S for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Effective 1 January 2016, the Company has adopted act no. 738 of 1 June 2015. This implies changes in the recognition and measurement in the following areas:

1. Yearly reassessment of residual values of property, plant and equipment
2. Amortisation period, intangible assets

Re 1: In future, residual values of property, plant and equipment are subject to annual reassessment. The Company has no significant residual values relating to property, plant and equipment. Consequently, the change is made in accordance with section 4 of the executive order on transitional provisions with future effect only as a change in accounting estimates with no impact on equity.

Re 2: Intangible assets are amortised over the useful life of the assets. The amortisation period in respect of goodwill extends from 5 to 20 years. Previously, the maximum amortisation period in respect of intangible assets was 20 years. The changes has been made with future effect as a change in accounting estimate.

None of the above changes impacts on the income statement or the balance sheet for 2016 or the comparative figures.

Apart from the above changes as well as new and changed presentation and disclosure requirements, which follow from act no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Omni Technical Solutions A/S, and subsidiaries in which Omni Technical Solutions A/S directly or indirectly holds more than 50% of the voting rights or over which it otherwise exercises control.

The consolidated financial statements have been prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated.

In the consolidated financial statements, the items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are disclosed separately.

Financial statements 1 January - 31 December 2016

Accounting policies

Business combinations

Recently acquired or formed entities are recognised in the consolidated financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated in respect of recently acquired or sold entities.

Gains or losses on disposal of subsidiaries and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated selling costs.

Corporate acquisitions are accounted for using the purchase method according to which the acquired entity identifiable assets and liabilities are measured at fair value at the date of acquisition. Restructuring costs recognised in the acquired entity before the date of acquisition and not agreed as part of the acquisition are part of the acquisition balance sheet and, hence, the calculation of goodwill. Costs relating to restructuring decided by the acquiring entity must be recognised in the income statement. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset.

Negative differences (negative goodwill) are recognised as income in the income statement at the time of acquisition when the general revenue recognition criteria are met.

Goodwill and negative goodwill from acquired entities may be adjusted until 12 months after the year of acquisition.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' ownership share or at the non-controlling interests' proportionate share of the fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated into USD 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.

Financial statements 1 January - 31 December 2016

Accounting policies

Receivables and payables and other monetary items denominated in foreign currencies are translated into USD 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.

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at average exchange rates for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign entities to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Foreign exchange adjustments of balances with separate foreign subsidiaries which are considered part of the total investment in the subsidiary are taken directly to equity. Foreign exchange gains and losses on loans and derivative financial instruments designated as hedges of foreign subsidiaries are also recognised directly in equity.

Income statement

Revenue

Income from the sale of products is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Income from the sale of services, which include service contracts is recognised on a straight-line basis as the services are rendered.

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

Direct costs

Direct costs comprise costs, including salaries, incurred in generating the year's revenue. Such costs include direct and indirect costs related to raw materials and consumables, wages and salaries, rent and leases.

Other income

Other income comprises items secondary to the entities' activities, including gains on disposal of intangible assets and items of property, plant and equipment. In the parent company other income also comprise management fee.

Financial statements 1 January - 31 December 2016

Accounting policies

Sales and distribution costs

Sales and distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, advertising, and exhibitions.

Administrative expenses

Administrative expenses comprise costs incurred in the year to manage and administer the Company, including expenses related to administrative staff, management, office premises, office expenses and amortisation/depreciation.

Other costs

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

Profit/loss after tax from investments in subsidiaries

The proportionate share of the profit/loss after tax of the individual subsidiaries is recognised in the income statement of the Parent Company after full elimination of intra-group profits/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on 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 for the year

The tax expense for the year, which comprises the year's current tax charge and changes in the deferred tax charge – including changes arising from changes in tax rates – is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Financial statements 1 January - 31 December 2016

Accounting policies

Balance sheet

Intangible assets

Goodwill and other intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is between 5 and 20 years. The amortisation period is fixed on the basis of the expected repayment horizon, longest for strategically acquired business enterprises with strong market positions and long-term earnings profiles.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Other intangible assets are amortised on a straight-line basis over 5 years.

Gains and losses on the disposal of other intangible assets are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other income or other expenses, respectively.

Amortisation is recognised as administrative expenses.

Property, plant and equipment

Leasehold improvements, hire equipment, technical equipment and machines as well as fixtures and fittings 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 when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries.

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.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Leasehold improvementst	4 years
Technical equipment and fixtures	5-10 years
Company cars	2-4 years

Financial statements 1 January - 31 December 2016

Accounting policies

The basis of depreciation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

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

Depreciation is recognised in the income statement as administrative costs.

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

Investments in subsidiaries

Investments in subsidiaries are measured according to the equity method.

Investments in subsidiaries are measured at the proportionate share of the entities' net asset value calculated in accordance with the Group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the purchase method of accounting.

Investments in subsidiaries with negative net asset values are measured at USD 0 (nil), and any amounts owed by such entities are written down in so far as the amount receivable is considered irrecoverable. If the Parent Company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries is recognised in the reserve for net revaluation according to the equity method in equity where the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be declared before the annual report of Omni Technical Solutions A/S is adopted are not taken to the net revaluation reserve.

The purchase method of accounting is applied to corporate acquisitions, see the above description under "Consolidated financial statements".

Impairment of assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries is tested annually for impairment.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. Assets are written down to the lower of the carrying amount and the recoverable amount.

Financial statements 1 January - 31 December 2016

Accounting policies

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the net present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

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

Inventories

Inventories comprise goods for resale. Inventories are measured at cost, comprising the basic purchase price of the goods with the addition of cost directly related to the acquisition. 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.

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 net 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.

Prepayments

Prepayments recognised under "Current assets" comprise expenses incurred concerning subsequent financial years.

Equity

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

Financial statements 1 January - 31 December 2016

Accounting policies

Dividends

Dividend proposed for the year is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is disclosed as a separate item under equity.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Presentation of discontinued operations

Discontinued operations comprise a separate, major line of business whose activities and cash flows are clearly distinguishable, operationally and for financial reporting purposes, from the Company's other lines of business and where the line of business has either been disposed of or separated as held for sale and the sale is expected to be effected within one year in accordance with a formal plan. Discontinued operations also include entities which are classified as "held for sale" in connection with the acquisition.

The profit/loss from discontinued operations and value adjustments after tax of related assets and liabilities and gains and losses on disposal are presented as a separate line item in the income statement, and comparative figures are restated accordingly. Revenue, expenses, value adjustments and tax relating to discontinued operations are disclosed in the notes. Assets and relating liabilities in respect of discontinued operations are presented as separate line items in the balance sheet without restatement of comparative figures, and the main items are specified in the notes.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from corporate acquisitions are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of entities are recognised up until the date of disposal.

Financial statements 1 January - 31 December 2016

Accounting policies

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and income taxes paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and financial assets.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, and payment of dividend to shareholders.

Net cash funds

Net cash fund comprise cash funds and short-term debt to credit institutions.

Segment information

Segment information is excluded for competitive reasons.

Financial statements 1 January - 31 December 2016

Accounting policies

Financial ratios

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin from continuing operations:

$$\frac{\text{Operating profit/loss from continuing operations} \times 100}{\text{Revenue from continuing operations}}$$

Return on investment from continuing operations:

$$\frac{\text{Operating profit/loss from continuing operations} + \text{financial income}}{\text{Average assets from continuing operations}}$$

Return on equity from continuing operations:

$$\frac{\text{Profit/loss for the year from continuing operations} \times 100}{\text{Average equity}}$$

Solvency ratio:

$$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$$

Income statement

For the period 1 January - 31 December 2016

Notes	USD'000	Group		Parent company		
		2016	2015	2016	2015	
		Revenue	138,005	151,502	0	0
		Direct costs	83,024	92,231	0	0
		Contribution margin	54,981	59,271	0	0
		Other income	0	1,500	3,328	3,480
		Other costs	4,884	7,223	0	0
		Gross profit	50,097	53,548	3,328	3,480
		Sales and distribution costs	314	495	4	4
1, 2		Administrative expenses	41,070	41,846	3,247	3,891
		Operating profit/loss from continuing operations	8,713	11,207	77	-415
3		Shares of net profit/loss in subsidiaries	0	0	7,804	10,228
4		Financial income	70	0	226	46
4		Financial expenses	709	1,653	397	1,133
		Profit before tax from continuing operations	8,074	9,554	7,709	8,726
5		Tax on profit for the year	-407	-846	0	0
		Profit/loss for the year from continuing operations	7,667	8,708	7,709	8,726
6		Profit/loss for the year from discontinued operations	-879	-8,665	-879	-8,252
		Profit/loss for the year	6,788	43	6,830	474
		Breakdown of the consolidated results				
		Shareholders	6,830	474		
		Non-controlling interests	43	431		
			6,788	43		

Balance sheet
at 31 December

Notes USD'000

	Group		Parent company	
	2016	2015	2016	2015
ASSETS				
Non-current assets				
Intangible assets				
1 Goodwill	12,577	13,794	0	0
1 Other intangible assets	1,428	964	74	83
	<u>14,005</u>	<u>14,758</u>	<u>74</u>	<u>83</u>
Property, plant and equipment:				
2 Leasehold improvements	364	406	0	0
2 Technical equipment and fixtures	696	660	20	24
2 Company cars	548	663	0	0
	<u>1,608</u>	<u>1,729</u>	<u>20</u>	<u>24</u>
Investments				
3 Investments in subsidiaries	0	0	23,607	18,804
	<u>15,613</u>	<u>16,487</u>	<u>23,701</u>	<u>18,911</u>
Total non-current assets				
Inventories	<u>8,478</u>	<u>9,427</u>	<u>0</u>	<u>0</u>
Receivables from service contracts etc	17,305	12,034	0	0
3 Receivables from subsidiaries and shareholders	0	159	3,310	77
Other receivables	2,464	3,726	188	21,945
7 Prepayments	5,797	3,271	305	126
	<u>25,567</u>	<u>19,190</u>	<u>3,804</u>	<u>22,148</u>
Cash funds	<u>9,806</u>	<u>15,475</u>	<u>2,056</u>	<u>1,146</u>
Total current assets	<u>43,850</u>	<u>44,092</u>	<u>5,860</u>	<u>23,294</u>
TOTAL ASSETS	<u>59,463</u>	<u>60,579</u>	<u>29,561</u>	<u>42,205</u>

Balance sheet

at 31 December

Notes USD'000

EQUITY AND LIABILITIES

	Group		Parent company	
	2016	2015	2016	2015
Equity				
Share capital	4,046	4,046	4,046	4,046
Revaluation according to the equity method	0	0	22,761	17,958
Treasury shares	-108	-108	-108	-108
Retained earnings	23,538	26,371	1,467	8,413
Reserve for development costs	690	0	0	0
Equity attributable to equity holders of Omni Technical Solutions A/S	28,166	30,309	28,166	30,309
Non-controlling interest	-22	21	0	0
Total equity	28,144	30,330	28,166	30,330
Liabilities other than provisions				
8 Non-current liabilities				
Payables to shareholders	0	8,241	0	8,241
	0	8,241	0	8,241
Current liabilities:				
Trade payables	18,242	13,442	135	127
Bank debt	5,201	2,819	0	0
5 Corporation tax payable	294	290	0	0
Payables to subsidiaries and shareholders	756	183	756	2,839
Prepayments from customers	1,345	403	0	0
9 Other payables	5,483	4,872	505	689
Total current liabilities	31,320	22,009	1,395	3,656
Total liabilities other than provisions	31,320	30,250	1,395	11,896
TOTAL EQUITY AND LIABILITIES	59,463	60,579	29,561	42,205

Cash flow statement

For the period 1 January - 31 December 2016

USD'000	Group	
	2016	2015
Cash flows from operating activities		
Profit before tax	8,074	9,554
Profit/loss for the year from discontinued operations with cash effect	-879	0
Depreciation/amortisation for the year	2,479	2,366
Profit on disposal of property and equipment	102	0
Paid taxes	0	-564
Funds generated from operations	9,776	11,356
Change in inventory	950	-1,288
Change in receivables, prepayments	-6,535	16,386
Change in receivables from and payables to subsidiaries and shareholders	730	1,613
Change in trade payables	4,800	-4,534
Change in other payables, prepayments/deferred income, etc.	1,151	-1,102
Cash flows from operating activities	10,872	22,431
Investing activities		
Net value of purchase and sale of non-current assets	-1,709	-1,888
Investment in subsidiaries, minority share	0	40
Cash flows from investing activities	-1,709	-1,848
Financing activities		
Dividends paid	-8,973	-6,829
Non-current liabilities	-8,241	-1,841
Cash flows from financing activities	-17,214	-8,670
Change in net cash funds for the year	-8,051	11,913
Net cash funds at 1 January 2016	12,656	743
Change in net cash funds	-8,051	11,913
Net cash funds at 31 December 2016	4,604	12,656

The item "net cash funds" represents cash funds plus short-term debt to credit institutions.

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements

Statement of changes in equity

At 31 December

USD'000	Group						
	Share capital	Treasury shares	Retained earnings	Reserve for development costs	Total	Minority Shares	Total equity
Equity at 1 January 2015	4,046	-108	32,726	0	36,663	0	36,663
Payment of dividends	0	0	-6,829	0	-6,829	0	-6,829
Transfers during the year	0	0	0	0	0	452	452
Transferred from profit appropriation account	0	0	474	0	474	-431	43
Equity at 31 December 2015	4,046	-108	26,371	0	30,309	21	30,330
Payment of dividend	0	0	-8,973	0	-8,973	0	-8,973
Transferred from profit appropriation account	0	0	6,830	0	6,830	-43	6,788
Reserve for development costs	0	0	-690	690	0	0	0
Equity at 31 December 2016	4,046	-108	23,538	690	28,166	-22	28,144

Liquidity and capital resources

Based on the Group's budgets for 2017 and forecasts for the following years, positive self-financing from operating activities is expected, primarily via positive operating results.

Based on the annual report for 2016, the budget for 2017 and the forecast for the coming years and continued close cooperation with the Group's bank, it is Management's view that the Group will have sufficient credit facilities.

USD'000	Parent company					
	Share capital	Reserve acc. to the equity method	Proposed dividends	Treasury shares	Retained earnings	Total
Equity at 1 January 2015	4,046	17,341	0	-108	15,385	36,663
Payment of dividends	0	0	-6,829	0	0	-6,829
Transferred from profit appropriation account	0	617	6,829	0	-6,972	474
Equity at 31 December 2015	4,046	17,958	0	-108	8,413	30,309
Payment of dividend	0	0	-8,973	0	0	-8,973
Transferred from profit appropriation account	0	4,803	8,973	0	-6,946	6,830
Equity at 31 December 2016	4,046	22,761	0	-108	1,467	28,166

The share capital comprises 21,000,000 shares of a nominal amount of DKK 1. No shares carry special rights. The share capital has remained unchanged since the establishment of the Company.

Treasury shares amount to 63,000 shares of a nominal amount of DKK 1, which is equivalent to 0.30% of the total share capital.

Notes to the financial statements

Notes USD'000

1 INTANGIBLE ASSETS

	Group		Parent company
	Goodwill	Other intangible assets	Other intangible assets
Cost at 1 January 2016	24,185	1,159	113
Additions during the period	0	777	24
Disposal during the period	0	-36	0
Cost at 31 December 2016	24,185	1,899	137
Amortisation and impairment at 1 January 2016	10,392	195	30
Amortisation regarding the period's disposals	0	-12	0
Amortisation for the period	1,217	290	33
Amortisation and impairment at 31 December 2016	11,609	472	63
Carrying amount at 31 December 2016	12,577	1,428	74
Carrying amount at 31 December 2015	13,793	964	83
Amortisation for the year are allocated in the income statement as follows:			
Administrative expenses	1,217	290	33

Goodwill Amortisation

Goodwill is amortized using the maximum period of 20 years. The amortization period adopted is well supported using the CGU/NPV CF valuation method, where the valuation has proven to be significantly greater than original cost of goodwill.

2 PROPERTY, PLANT AND EQUIPMENT

	Group		
	Leasehold improvements	Technical equipment and fixtures	Company cars (technical equipment)
Cost at 1 January 2016	2,073	3,195	2,813
Additions during the year	174	435	326
Disposal at cost	-17	-105	-148
Cost at 31 December 2016	2,230	3,524	2,992
Depreciation at 1 January 2016	1,667	2,535	2,150
Depreciation on disposals for the year	-5	-82	-115
Depreciation for the period	204	375	409
Depreciation at 31 December 2016	1,866	2,828	2,444
Carrying amount at 31 December 2016	364	696	548
Carrying amount at 31 December 2015	407	660	662
Depreciation for the year are allocated in the income statement as follows:			
Administrative expenses	204	375	409

Notes to the financial statements

Notes USD'000

2 PROPERTY, PLANT AND EQUIPMENT

	Parent company	
	Technical equipment and fixtures	Company cars (technical equipment)
Cost at 1 January 2016	113	66
Additions during the year	12	0
Disposal at cost	-1	-66
Cost at 31 December 2016	123	0
Depreciation at 1 January 2016	89	66
Depreciation for the period	15	0
Depreciation at 31 December 2016	104	0
Carrying amount at 31 December 2016	20	0
Carrying amount at 31 December 2015	24	0
Depreciation for the year is allocated in the income statement as follows:		
Administrative expenses	15	

3 Investments in subsidiaries

at 31 December

USD'000

	Parent company	
	2016	2015
Cost at 1 January	846	19,918
Deconsolidation, Tinnan Pty Ltd	0	-19,072
Cost at 31 December	846	846
Adjustments at 1 January	17,958	17,341
Dividends	-3,000	-26,700
Profit for the period	7,804	4,857
Deconsolidation, Tinnan Pty Ltd	0	22,950
Amortisation of goodwill	0	-490
Impairment of goodwill	0	0
Value adjustments at 31 December	22,761	17,958
Carrying amount at 31 December	23,607	18,804

Investments in subsidiaries are specified as follows:

USD'000	Ownership	Share capital	Equity at 31 December	Profit/loss for the period at 31 December
Automotive Management Service FZ LLC	100%	273	18,890	6,869
CSPT Automotive Solutions FZE	100%	136	4,716	934
Carrying amount at 31 December 2016			23,607	7,804

Receivables from subsidiaries and shareholders

at 31 December

USD'000

	Group		Parent company	
	2016	2015	2016	2015
Carrying amount at 1 January	159	1,632	77	4,538
Additions for the year	-159	-1,473	3,233	-4,461
Carrying amount at 31 December	0	159	3,310	77

Receivables from shareholders amounting to USD Nil thousand (2015: USD 159 thousand)

Notes to the financial statements

Notes USD'000

4 FINANCIAL INCOME AND EXPENSES

	Group		Parent company	
	2016	2015	2016	2015
Financial income				
Interest income from subsidiaries	0	0	156	46
Other financial income	70	0	70	0
	<u>70</u>	<u>0</u>	<u>226</u>	<u>46</u>
Financial expenses				
Interest expenses to subsidiaries	0	0	37	13
Interest expenses to shareholders	326	469	326	469
Other interest expenses	223	236	34	21
Other financial expenses	160	948	0	629
	<u>709</u>	<u>1,653</u>	<u>397</u>	<u>1,133</u>

5 CORPORATION TAX PAYABLE

	Group		Parent company	
	2016	2015	2016	2015
Corporation tax payable at 1 January	290	174	0	0
Tax on profit for the year	407	846	0	0
Tax in jointly taxed subsidiaries	-403	-166		
Tax paid during the year	0	-564	0	0
Corporation tax payable at 31 December	<u>294</u>	<u>290</u>	<u>0</u>	<u>0</u>

6 DISCONTINUED OPERATIONS

	Group		Parent company	
	2016	2015	2016	2015
Operations:				
Revenue	0	5,686	0	0
Direct costs	0	4,095	0	0
Contribution margin from discontinued operations	<u>0</u>	<u>1,591</u>	<u>0</u>	<u>0</u>
Other income	0	0	0	456
Other costs	0	3,246	0	0
Gross profit from discontinued operations	<u>0</u>	<u>-1,655</u>	<u>0</u>	<u>456</u>
Sales and distribution costs	0	28	0	0
Administrative expenses	879	2,848	879	0
Impairments and amortisation on goodwill	0	-490	0	-490
Operating loss from discontinued operations	<u>-879</u>	<u>-5,021</u>	<u>-879</u>	<u>-34</u>
Profit/loss after tax in subsidiaries	0	0	0	-5,371
Financial income	0	0	0	340
Financial expenses	0	456	0	0
Loss before tax from discontinued operations	<u>-879</u>	<u>-5,477</u>	<u>-879</u>	<u>-5,065</u>
Tax on profit for the year from discontinued operations	0	0	0	0
Loss after tax from discontinued operations	<u>-879</u>	<u>-5,477</u>	<u>-879</u>	<u>-5,065</u>
Deconsolidation:				
Deconsolidation of equity in discontinued operations	0	3,878	0	3,878
Loss of capital contribution	0	-7,065	0	-7,065
Loss for the year from discontinued operations	<u>-879</u>	<u>-8,665</u>	<u>-879</u>	<u>-8,252</u>

7 PREPAYMENTS

Prepayments comprise payments in advance for rent of operating facility, offices, insurance, etc.

Notes to the financial statements

Notes USD'000

8 NON-CURRENT LIABILITIES

	Group		Parent company	
	2016	2015	2016	2015
Liabilities are allocated as follows:				
Payables to shareholders				
Long-term	0	8,241	0	8,241
	0	8,241	0	8,241
Total liabilities	0	8,241	0	8,241
Liabilities are included in the balance sheet as follows:				
Non-current liabilities	0	8,241	0	8,241
	0	8,241	0	8,241
Liabilities' payment plan:				
2-5 years	0	8,241	0	8,241
	0	8,241	0	8,241

9 OTHER PAYABLES

	Group		Parent company	
	2016	2015	2016	2015
Staff payables	3,718	3,676	476	439
Other payables	1,765	1,196	29	250
	5,483	4,872	505	689

Other payables include pre-billed parts not yet delivered, accrued VAT, GST and other public taxes and other creditors, etc

Notes USD'000

10 CHARGES, COLLATERAL AND CONTINGENT LIABILITIES

Group

The Group has provided bank guarantees to customers and suppliers at a total value of USD 477 thousand

At the balance sheet date, the Group's noncancelable rent payments amounted to USD 55 thousand

Parent company

The parent company has provided guarantee for the bank debt of Automotive Management Service FZ LLC and CSPT Automotive Solutions FZE

As collateral for the Group's bank balances, shares in the subsidiary Automotive Management Service FZ LLC worth AED 1,000,000 are deposited in the bank at a carrying amount of USD 18.9 million

Notes to the financial statements

11 FEES FOR AUDITORS APPOINTED AT ANNUAL GENERAL MEETING

	Group		Parent company	
	2016	2015	2016	2015
Total fee to Ernst & Young	192	113	122	55
Audit fees	95	94	40	38
Tax consultancy services	23	2	8	0
Other fees	75	17	75	17
	192	113	122	55

12 EMPLOYEES

	Group		Parent company	
	2016	2015	2016	2015
Wages, salaries and remuneration	23,671	25,538	1,939	2,079
Pension contributions	72	185	0	2
Other social security costs	761	742	28	30
Other staff costs	6,140	4,967	252	174
	30,643	31,432	2,220	2,285
Remuneration to the Board of Directors and the Executive Board	685	638	685	638
Average number of employees in the period was	1,901	1,897	11	12

13 RELATED PARTY DISCLOSURES

Section 98c(7) of the Danish Financial Statements Act is applied regarding related party transactions

The related parties of Omni Technical Solutions A/S are:

Related parties exercising significant influence

Related parties exercising significant influence comprise the subsidiary, as mentioned in note 1, shareholders, the Group's Board of Directors and the Executive Boards, executive employees and their family members. Further, other companies in which the above persons have substantial interests.

Subsidiaries

The Group's subsidiaries are as follows:
Automotive Management Service FZ LLC, Dubai, UAE, 100%
CSPT Automotive Solutions FZE, Dubai, UAE, 100%

14 PROFIT AND LOSS APPROPRIATED AS FOLLOWS:

	Parent company	
	2016	2015
Transferred to next year	-6,946	-6,972
Paid Interim dividend	8,973	6,829
Transferred to reserve according to the equity method	4,803	617
	6,830	474