Omni Technical Solutions A/S

Gothersgade 175, 2nd floor left,
1123 Copenhagen K

Annual report for 2017

For the Danish Business Authority
The annual report is presented and approved at the Annual General Meeting
on 25 April 20 18
Conductor

CVR no. 30 91 51 19

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Omni Technical Solutions A/S for the financial year 1 January - 31 December 2017.

The annual report has been 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 2017 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the financial year 1 January – 31 December 2017.

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

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

Dubai UAE, 25 April 2018

Executive Board:

Lars Blavnsfeldt
CEO

Board of Directors:

Jens Josefsen
Chairman

Lars Blavnsfeldt

Mikael Rønnerup

Per Stjernqvist

Martin Rasmussen

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 2017, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes, for both the Group and the Parent Company, and a 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 2017 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 2017 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" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the 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.

Management's responsibilities for the 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 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 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 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 financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 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 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- 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.

Independent auditors' report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Odense, 25 April 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid State Authorised Public Accountant MNE no.: mne31450	Rasmus Berntsen State Authorised Public Accountant MNE no.: mne35461

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

Telephone:	+45 33 36 89 96
Fax:	+45 33 36 89 90

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

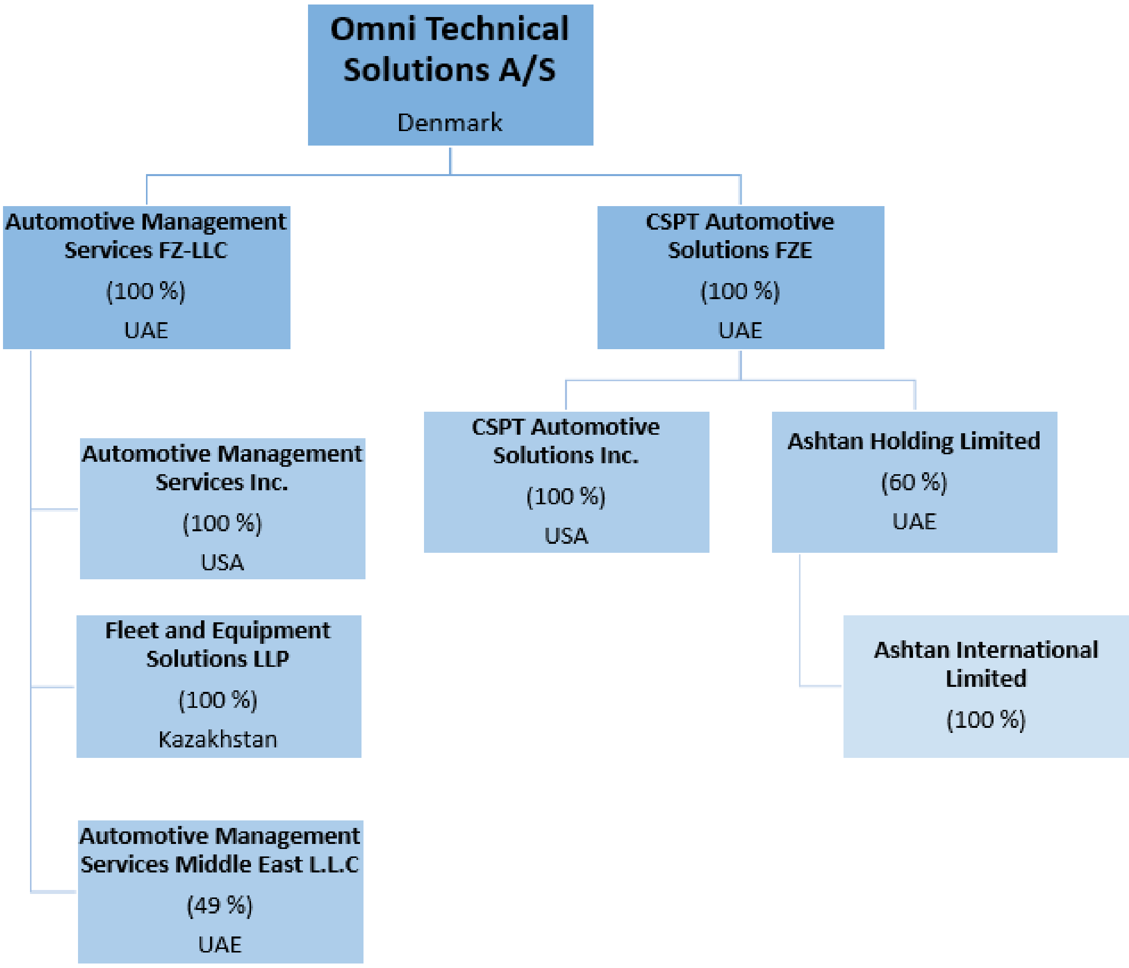
Auditors

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

Annual general meeting

The annual general meeting is to be held at OMNI Technical Solutions A/S office at Jumeirah Lakes Towers, Office 2404, Saba Tower 1, Cluster E Dubai, UAE on 25 April 2018.

Group chart



Shareholders

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

No Lemon Invest A/S, Copenhagen
Industri Udvikling II K/S, Copenhagen

Management's review

Financial highlights for the Group

Amounts in USD'000	2013	2014	2015	2016	2017
Key figures					
Revenue	128.899	142.579	151.502	138.005	179.794
Operating profit (EBIT)	**9.847**	**12.038**	**11.207**	**8.713**	**8.630**
Profit/loss from financial income and expenses	-725	-1.171	-1.653	-639	-551
Profit before tax	9.122	10.867	9.554	8.074	8.136
Profit for the year from continuing operations	**8.399**	**10.024**	**8.708**	**7.667**	**7.684**
Profit/loss for the year from discontinued operations	-4.375	-10.268	-8.665	-879	0
Profit/loss for the year	4.024	-244	43	6.788	7.684
Non-current assets	22.177	16.963	16.487	15.613	19.442
Current assets	40.676	50.186	44.092	43.850	53.820
Assets from continuing operations	**62.853**	**67.149**	**60.579**	**59.463**	**73.262**
Assets from discontinued operations	33.406	20.683	0	0	0
Total assets	**96.259**	**87.832**	**60.579**	**59.463**	**73.262**
Share capital	4.046	4.046	4.046	4.046	4.046
Equity	**36.434**	**36.663**	**30.309**	**28.166**	**23.934**
Non-current liabilities	11.945	10.081	8.241	0	2.964
Current liabilities	25.789	28.595	22.009	31.320	46.468
Liabilities from continuing operations	**37.734**	**38.676**	**30.004**	**31.320**	**49.431**
Liabilities from discontinued operations	20.891	12.492	0	0	0
Total liabilities	**58.625**	**51.168**	**30.004**	**31.320**	**49.431**
Cash flows from operating activities	24.808	4.565	22.431	10.872	9.506
Cash flows from investing activities	-3.202	-3.244	-1.848	-1.709	-1.787
Cash flows from financing activities	-7.159	-3.397	-8.670	-17.214	-9.036
Change in net cash funds	**14.448**	**-2.076**	**11.913**	**-8.051**	**-1.317**
Financial ratios					
Operating margin from continuing operations	7,6%	8,4%	7,4%	6,3%	4,8%
Return on investments from continuing operations	15,6%	18,5%	17,5%	14,5%	13,0%
Return on equity from continuing operations	22,8%	27,4%	26,0%	26,2%	29,5%
Solvency ratio	37,9%	41,7%	50,0%	47,4%	32,7%
Average number of employees	**1.675**	**1.845**	**1.897**	**1.901**	**2.082**

Financial ratios are calculated in accordance with the recommendations of the Danish Finance Society.

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.

Development in activities and financial position

Performance for the year

In 2017, the Group realised revenue of USD 179.8 million from operations in Afghanistan, Somalia, Kazakhstan, UAE, USA as well as Global Field Support against USD 138.0 million in 2016.

In 2017, operating profit for the year/EBIT in Omni Technical Solutions amounted to USD 8.6 million.

The Group sales revenue in 2017 is higher compared to prior year. The profit in 2017 is on par compared to 2016.

In 2017, AMS was awarded a large successor contract of ATEMP in Afghanistan which was an important success and milestone for the group.

By the end of 2017, total receivables in the Group amounted to USD 21.9 million against USD 17.3 million by the end of 2016. All material receivables have been paid after the end of the financial year.

Total inventories amounted to USD 6.2 million at the end of 2017 against USD 8.5 million the year before.

The non current liabilities at year end came at USD 3 million against USD NIL in 2016.

Investments

The Group has invested USD 1.9 million in other intangible assets and property, plant and equipment.

Automotive Management Services FZ-LLC is working on forming a new company jointly owned with a partner at an ownership of 25% to AMS. The primary purpose of the entity is to supply repair and maintenance services including spare parts in Saudi Arabia.

Outlook

The Group revenue in 2018 is expected to be similar level as 2017.

Management’s Review

2018 is expected to deliver a lower profitability compared to prior year due change in business mix. However, satisfactory profitability is to be expected.

Liquidity and capital resources

At 31 December 2017, the Group’s equity amounted to USD 23.9 million, representing 32.7% of the balance sheet total.

Based on the annual report for 2017, the budget for 2018 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

The Board of Directors have decided to close CSPT due to lack of required sustainable profitable business despite many good efforts on business development throughout various geographies and market segments. The closure will not have any material financial impact on the Group.

Except from the above, no events have occurred since the end of the financial year, 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

Management's Review

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.

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 (AWO) in Kabul and the Kabul Karate Club. During 2017 the Group continued to support these initiatives.

The AWO enabled Afghan women to learn tailoring skills, create and sell products, thereby providing for themselves and their families. The Kabul Karate Club enabled Afghan youth to train, exercise, learn discipline and soft skills, thereby supporting their personal development. Combined these 2 projects helped over 260 local Afghan people work or train in a safe secure environment in 2017.

Reference is made to the activities on the company webpage http://www.o-t-s.dk/.

The Group has also developed an anti-corruption policy which is applicable to all Group employees and partners. This policy clearly states that the Group does not accept any form of bribery or corruption. In 2017 this document was updated to reflect changes in Group customer contracts and further to improve control regarding anti-money laundering. All Group counterparties, including suppliers and customers must also accept this policy to engage and maintain their relationships with the Group.

This has enabled the Group to be confident in its adherence to laws and regulations in the geographies and stakeholder parameters within which it operates.

The Company has not adopted a separate policy for reducing its impact on both the climate and environment as it assess that its activities have only 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 of 5 members 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 2016, there were no women on the Board of Directors. This has not changed in 2017 as there was no change in incumbents in the Board of Directors as a resolution was proposed and adopted to re-elect the existing members, since there were no suitable alternative candidates.

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 2016.

Financial statements 1 January - 31 December 2017

Accounting policies

The annual report of Omni Technical Solutions A/S for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

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

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.

Financial statements 1 January - 31 December 2017

Accounting policies

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.

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.

Financial statements 1 January - 31 December 2017

Accounting policies

Income statement

Revenue

Income from the sale of spare parts 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.

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.

Financial statements 1 January - 31 December 2017

Accounting policies

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 2017

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

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.

Financial statements 1 January - 31 December 2017

Accounting policies

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.

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.

Financial statements 1 January - 31 December 2017

Accounting policies

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.

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.

Financial statements 1 January - 31 December 2017

Accounting policies

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.

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.

Financial statements 1 January - 31 December 2017

Accounting policies

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 2017

Accounting policies

Financial ratios

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

Operating margin from continuing operations:

Operating profit/loss from continuing operations x 100
Revenue from continuing operations

Return on investment from continuing operations:

Operating profit/loss from continuing operations + financial income x 100
Average assets from continuing operations

Return on equity from continuing operations:

Profit/loss for the year from continuing operations x 100
Average equity

Solvency ratio:

Equity at year end x 100
Total equity and liabilities at year end

Income statement

For the period 1 January - 31 December 2017

Notes	USD'000	Group 2017	Group 2016	Parent company 2017	Parent company 2016
	Revenue	179,794	138,005	0	0
	Direct costs	123,138	83,024	0	0
	Contribution margin	**56,656**	**54,981**	**0**	**0**
	Other income	0	0	3,226	3,328
	Other costs	6,218	4,884	0	0
	Gross profit	**50,438**	**50,097**	**3,226**	**3,328**
	Sales and distribution costs	481	314	32	4
1, 2	Administrative expenses	41,327	41,070	3,892	3,247
	Operating profit/loss from continuing operations	**8,630**	**8,713**	**-698**	**77**
3	Shares of net profit/loss in subsidiaries	0	0	8,405	7,804
3	Share of Net Profit/Loss in Associates	57	0	0	0
4	Financial income	18	70	133	226
4	Financial expenses	569	709	74	397
	Profit before tax from continuing operations	**8,136**	**8,074**	**7,766**	**7,709**
5	Tax on profit for the year	-452	-407	0	0
	Profit/loss for the year from continuing operations	**7,684**	**7,667**	**7,766**	**7,709**
6	Profit/loss for the year from discontinued operations	0	-879	0	-879
	Profit/loss for the year	**7,684**	**6,788**	**7,766**	**6,830**
	Breakdown of the consolidated results				
	Shareholders	7,766	6,830		
	Non -controlling interests	82	43		
		7,684	**6,788**		

Balance sheet

at 31 December

Notes	USD'000	Group 2017	Group 2016	Parent company 2017	Parent company 2016
	ASSETS				
	Non-current assets				
	Intangible assets				
1	Goodwill	11,379	12,577	0	0
1	Other intangible assets	2,473	1,428	40	74
		13,852	14,005	40	74
	Property, plant and equipment:				
2	Leasehold improvements	131	364	4	0
2	Technical equipment and fixtures	653	696	41	20
2	Company cars	456	548	0	0
		1,240	1,608	45	20
	Investments				
3	Investments in subsidiaries	0	0	19,514	23,607
3	Investments in associated companies	57	0	0	0
		57	0	19,514	23,607
	Other non current assets				
	Receivables from service contracts etc.	4,293	0	0	0
	Total non-current assets	**19,442**	**15,613**	**19,598**	**23,701**
	Inventories	6,196	8,478	0	0
	Receivables from service contracts etc.	21,894	17,305	0	0
3	Receivables from subsidiaries and shareholders	726	0	4,621	3,310
	Other receivables	2,866	2,464	38	188
7	Prepayments	10,544	5,797	134	305
8	Deferred tax asset	91	0	0	0
		36,121	25,566	4,793	3,804
	Cash funds	11,502	9,806	1,530	2,056
	Total current assets	**53,820**	**43,850**	**6,323**	**5,860**
	TOTAL ASSETS	**73,262**	**59,463**	**25,923**	**29,560**

Balance sheet

at 31 December

Notes USD'000

EQUITY AND LIABILITIES

Notes		Group 2017	Group 2016	Parent company 2017	Parent company 2016
	Equity				
	Share capital	4,046	4,046	4,046	4,046
	Revaluation according to the equity method	0	0	18,667	22,761
	Treasury shares	-108	-108	-108	-108
	Retained earnings	17,979	23,538	1,328	1,467
	Reserve for development costs	2,015	690	0	0
	Equity attributable to equity holders of Omni Technical Solutions A/S	23,934	28,166	23,934	28,166
	Non-controlling interest	-103	-22	0	0
	Total equity	**23,830**	**28,144**	**23,934**	**28,166**
	Liabilities other than provisions				
9	**Non-current liabilities:**				
	Loans	2,964	0	0	0
	Total Non-current liabilities	2,964	0	0	0
	Current liabilities:				
	Trade payables	25,688	18,242	72	135
	Bank debt	8,214	5,201	0	0
5	Corporation tax payable	337	294	0	0
	Payables to subsidiaries and shareholders	807	756	807	756
	Prepayments from customers	88	1,345	0	0
10	Other payables	11,334	5,483	1,111	505
	Total current liabilities	46,468	31,320	1,989	1,395
	Total liabilities other than provisions	**49,431**	**31,320**	**1,989**	**1,395**
	TOTAL EQUITY AND LIABILITIES	**73,262**	**59,463**	**25,923**	**29,560**

11 Charges, collateral and contingent liabilities
12 Fees for auditors appointed at annual general meeting
13 Employees
14 Related party disclosures
15 Appropriation of profit and loss

Cash flow statement

For the period 1 January - 31 December 2017

USD'000	Group 2017	Group 2016
Cash flows from operating activities		
Profit before tax	8,136	8,074
Profit/loss for the year from discontinued operations with cash effect	0	-879
Depreciation/amortisation for the year	2,176	2,479
Loss on disposal of property and equipment	74	102
Paid taxes	-499	0
Funds generated from operations	**9,887**	**9,776**
Change in inventory	2,281	950
Change in receivables, prepayments	-14,030	-6,535
Change in receivables from and payables to subsidiaries and shareholders	-674	730
Change in trade payables	7,446	4,800
Change in other payables, prepayments/deferred income, etc.	4,596	1,151
Cash flows from operating activities	**9,506**	**10,872**
Investing activities		
Net value of purchase and sale of non-current assets	-1,730	-1,709
Investment in associates	-57	0
Cash flows from investing activities	**-1,787**	**-1,709**
Financing activities		
Dividends paid	-12,000	-8,973
Non-current liabilities	2,964	-8,241
Cash flows from financing activities	**-9,036**	**-17,214**
Change in net cash funds for the year	**-1,317**	**-8,051**
Net cash funds at 1 January 2017	4,604	12,656
Change in net cash funds	-1,317	-8,051
Net cash funds at 31 December 2017	**3,288**	**4,604**

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 2016	4,046	-108	26,371	0	30,309	21	30,330
Payment of dividends	0	0	-8,973	0	-8,973	0	-8,973
Transferred from profit appropriation account	0	0	6,830	0	6,830	-43	6,787
Reserve for development costs			-690	690			
Equity at 31 December 2016	4,046	-108	23,538	690	28,166	-22	28,144
Payment of dividend	0	0	-12,000	0	-12,000	0	-12,000
Transferred from profit appropriation account	0	0	7,766	0	7,766	-82	7,685
Reserve for development costs	0	0	-1,325	1,325	0	0	0
Equity at 31 December 2017	4,046	-108	17,979	2,015	23,934	-103	23,830

Liquidity and capital resources

Based on the Group's budgets for 2018 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 2017, the budget for 2018 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 2016	4,046	17,958	0	-108	8,413	30,309
Payment of dividends	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
Payment of dividend	0	0	-12,000	0	0	-12,000
Transferred from profit appropriation account	0	-4,095	12,000	0	-139	7,766
Equity at 31 December 2017	4,046	18,667	0	-108	1,328	23,934

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.

There has been no changes to the share capital in the past five years.

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 2017	24,185	1,899	137
Additions during the period	0	1,351	0
Disposal during the period	0	-50	0
Cost at 31 December 2017	**24,185**	**3,200**	**137**
Amortisation and impairment at 1 January 2017	11,609	471	63
Amortisation regarding the period´s disposals	0	-32	0
Amortisation for the period	1,198	289	34
Amortisation and impairment at 31 December 2017	**12,807**	**727**	**97**
Carrying amount at 31 December 2017	**11,379**	**2,473**	**40**
Carrying amount at 31 December 2016	**12,577**	**1,429**	**74**
Amortisation for the year are allocated in the income statement as follows:			
Administrative expenses	1,198	289	34

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 2017	2,229	3,524	2,992
Additions during the year	51	353	140
Disposal at cost	-818	-433	-123
Cost at 31 December 2017	**1,463**	**3,444**	**3,008**
Depreciation at 1 January 2017	1,866	2,828	2,444
Depreciation on disposals for the year	-669	-391	-92
Depreciation for the period	134	355	201
Depreciation at 31 December 2017	**1,331**	**2,792**	**2,552**
Carrying amount at 31 December 2017	**131**	**653**	**456**
Carrying amount at 31 December 2016	**364**	**696**	**548**
Depreciation for the year are allocated in the income statement as follows:			
Administrative expenses	134	355	201

Notes to the financial statements

Notes USD'000

2 PROPERTY, PLANT AND EQUIPMENT

	Parent company		
	Leasehold improvements	Technical equipment and fixtures	Company cars (technical equipment)
Cost at 1 January 2017	0	123	0
Additions during the year	5	35	0
Disposal at cost	0	0	0
Cost at 31 December 2017	**5**	**158**	**0**
Depreciation at 1 January 2017	0	104	0
Depreciation for the period	1	13	0
Depreciation at 31 December 2017	**1**	**117**	**0**
Carrying amount at 31 December 2017	**4**	**41**	**0**
Carrying amount at 31 December 2016	**0**	**20**	**0**

Depreciation for the year is allocated in the income statement as follows:

Administrative expenses		14

3 Investments in subsidiaries and associated companies

at 31 December

USD'000	Group		Parent company	
	2017	2016	2017	2016
Cost at 1 January	0	0	846	846
Additions during the year	0	0	0	0
Cost at 31 December	**0**	**0**	**846**	**846**
Adjustments at 1 January	0	0	22,761	17,958
Dividends	0	0	-12,500	-3,000
Profit for the period	57	0	8,405	7,804
Value adjustments at 31 December	**57**	**0**	**18,667**	**22,761**
Carrying amount at 31 December	**57**	**0**	**19,514**	**23,607**

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	18,568	8,676
CSPT Automotive Solutions FZE	100%	136	947	-271
Carrying amount at 31 December 2017			**19,514**	**8,405**

Investments in associated companies are specified as follows:

USD'000	Ownership	Share capital	Equity at 31 December	Profit/loss for the period at 31 December
Automotive Management Services FZ-LLC (Sharjah)	25%	27	255	228
			255	**228**

Receivables from subsidiaries and shareholders

at 31 December

USD'000	Group		Parent company	
	2017	2016	2017	2016
Carrying amount at 1 January	0	159	3,310	77
Additions for the year	726	-159	1,311	3,233
Carrying amount at 31 December	**726**	**0**	**4,621**	**3,310**

Receivables from shareholders amounting to USD Nil thousand (2016: USD 159 thousand)

Notes to the financial statements

Notes USD'000

4 FINANCIAL INCOME AND EXPENSES

	Group		Parent company	
	2017	2016	2017	2016
Financial income				
Interest income from subsidiaries	14	0	133	156
Other financial income	4	70	0	70
	18	**70**	**133**	**226**
Financial expenses				
Interest expenses to subsidiaries	0	0	0	37
Interest expenses to shareholders	0	326	0	326
Other interest expenses	457	223	39	34
Other financial expenses	112	160	34	0
	569	**709**	**74**	**397**

5 CORPORATION TAX PAYABLE

	Group		Parent company	
	2017	2016	2017	2016
Corporation tax payable at 1 January	294	290	0	0
Tax on profit for the year	361	407	0	0
Tax in jointly taxed subsidiaries	0	-403	0	0
Tax paid during the year	-409	0	0	0
Corporation tax deferred	91	0	0	0
Corporation tax payable at 31 December	337	294	0	0

6 DISCONTINUED OPERATIONS

	Group		Parent company	
	2017	2016	2017	2016
Operations:				
Revenue	0	0	0	0
Direct costs	0	0	0	0
Contribution margin from discountinued operations	**0**	**0**	**0**	**0**
Other income	0	0	0	0
Other costs	0	0	0	0
Gross profit from discontinued operations	**0**	**0**	**0**	**0**
Sales and distribution costs	0	0	0	0
Administrative expenses	0	879	0	879
Impairments and amortisation on goodwill	0	0	0	0
Operating loss from discontinued operations	**0**	**-879**	**0**	**-879**
Profit/loss after tax in subsidiaries	0	0	0	0
Financial income	0	0	0	0
Financial expenses	0	0	0	0
Loss before tax from discontinued operations	**0**	**-879**	**0**	**-879**
Tax on profit for the year from discontinued operations	0	0	0	0
Loss after tax from discontinued operations	**0**	**-879**	**0**	**-879**
Deconsolidation:				
Deconsolidation of equity in discontinues operations	0	0	0	0
Loss of capital contribution	0	0	0	0
Loss for the year from discontinued operations	**0**	**-879**	**0**	**-879**

7 PREPAYMENTS

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

8 Deferred tax asset

At 31 December 2017, the group recognised an asset totalling USD 91 thousand. The tax asset consists of tax loss carry-forward from CSPT Automotive Solutions FZE.

Based on budgets, Management considers it likely that there will be future taxable income against which non-utilised tax losses can be offset.

Notes to the financial statements

Notes USD'000

9 NON-CURRENT LIABILITIES

	Group 2017	Group 2016	Parent company 2017	Parent company 2016
Liabilities are allocated as follows:				
Loans				
Short-term	2,964	0	0	0
Long-term	2,964	0	0	0
Total liabilities	5,928	0	0	0
Liabilities are included in the balance sheet as follows:				
Current liabilities	2,964	0	0	0
Non-current liabilities	2,964	0	0	0
	5,928	0	0	0
Liabilities' payment plan:				
More than 5 years	0	0	0	0
2-5 years	2,964	0	0	0
0-1 years	2,964	0	0	0
	5,928	0	0	0

10 OTHER PAYABLES

	Group 2017	Group 2016	Parent company 2017	Parent company 2016
Staff payables	3,676	3,718	733	476
Current Portion of longterm loan	2,964	0	0	0
Other payables	4,694	1,765	378	29
	11,334	**5,483**	**1,111**	**505**

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

Notes USD'000

11 CHARGES, COLLATERAL AND CONTINGENT LIABILITIES

Group

The Group has provided bank guarantees to customers and suppliers at a total value of USD 1,407 thousand.

At the balance sheet date, the Group's noncancelable rent payments amounted to USD 0 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 18.6 million

Notes to the financial statements

12 FEES FOR AUDITORS APPOINTED AT ANNUAL GENERAL MEETING

	Group		Parent company	
	2017	2016	2017	2016
Total fee to Ernst & Young	423	192	354	122
Audit fees	99	95	42	40
Tax consultancy services	25	23	13	8
Other fees	299	75	299	75
	423	192	354	122

13 EMPLOYEES

	Group		Parent company	
	2017	2016	2017	2016
Wages, salaries and remuneration	24,507	23,671	2,404	1,939
Pension contributions	60	72	0	0
Other social security costs	648	761	24	28
Other staff costs	7,458	6,140	234	252
	32,674	**30,643**	**2,661**	**2,220**
Remuneration to the Board of Directors and the Executive Board	690	573	690	573
Average number of employees in the period was	**2,082**	**1,901**	**9**	**11**

14 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%

15 PROFIT AND LOSS APPROPRIATED AS FOLLOWS:

	Parent company	
	2017	2016
Transferred to next year	-139	-6,946
Paid Interim dividend	12,000	8,973
Transferred to reserve according to the equity method	-4,095	4,803
	7,766	**6,830**