

# AMS Holdings A/S

Gothersgade 175, 2nd floor left, 1123 Copenhagen K

CVR no. 32 88 97 51



## Annual report 2016

Approved at the Company's annual general meeting on 5 May 2017

Chairman:

**EY**

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### Statement by Management on the annual report

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of AMS Holdings 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.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

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

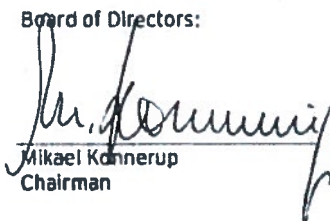
We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 5 May 2017  
Executive Board:



Lars Blavnsfeldt  
CEO

Board of Directors:



Mikael Kønnerup  
Chairman



Lars Blavnsfeldt



Martin Rasmussen

## Independent auditor's report

To the shareholders of AMS Holdings A/S

### Opinion

We have audited the financial statements of AMS Holdings A/S for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations 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 financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and 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 financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 skepticism throughout the audit. We also:

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

- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are 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 Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

#### Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Odense, 5 May 2017

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Per Gunslev  
State Authorised  
Public Accountant



Søren Smedegaard Hvid  
State Authorised  
Public Accountant



## **Management' review**

### **Management commentary**

#### **Business review**

The business foundation of AMS Holdings A/S is to own and administer investments in other companies as well as any activity related hereto.

The Company owns shares in Omni Technical Solutions A/S.

#### **Financial review**

The profit for the year in AMS Holdings A/S amounted to USD 2.9 million. The Board of Directors finds the results of operations acceptable.

#### **Events after the balance sheet date**

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

The Company has planned a merger with its parent company No Lemon Invest A/S. No Lemon Invest A/S shall be the continuing company in the merger. The merger plan has been adopted.

## Financial statements 1 January - 31 December

### Income statement

Note	USD '000	2016	2015
	Administrative expenses	-387	-11
	<b>Operating profit/loss</b>	-387	-11
2	Profit after tax in associates	3,110	-21
3	Financial income	216	19
4	Financial expenses	-69	-65
	<b>Profit/loss before tax</b>	2,870	-78
	Tax for the year	0	0
	<b>Profit/loss for the year</b>	2,870	-78
	<b>Recommended appropriation of profit/loss</b>		
	Transferred to reserves under equity	-3,165	1,833
	Transferred to reserve for net revaluation	0	-1,911
	Dividend proposed for the year	6,035	0
		2,870	-78

## Financial statements 1 January - 31 December

### Balance sheet

Note	USD'000	<u>2016</u>	<u>2015</u>
	<b>ASSETS</b>		
	Fixed assets		
	Financial assets		
2	Investments in associates	17,038	18,322
	<b>Total fixed assets</b>	<u>17,038</u>	<u>18,322</u>
	<b>Non-fixed assets</b>		
	Receivables		
	Receivables from parent company	6,035	1,992
	Receivables from associates	250	139
	Other receivables	6	0
	<b>Total non-fixed assets</b>	<u>6,291</u>	<u>2,131</u>
	<b>TOTAL ASSETS</b>	<u><u>23,329</u></u>	<u><u>20,453</u></u>



## Financial statements 1 January - 31 December

### Balance sheet

Note	USD '000	<u>2016</u>	<u>2015</u>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	89	89
	Retained earnings	17,194	20,359
	Dividend proposed for the year	6,035	0
	<b>Total equity</b>	<u>23,318</u>	<u>20,448</u>
	<b>Current liabilities</b>		
	Payables to shareholders	8	0
	Other payables	3	5
	<b>Total current liabilities</b>	<u>11</u>	<u>5</u>
	<b>Total liabilities</b>	<u>11</u>	<u>5</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u>23,329</u>	<u>20,453</u>

- 1 Accounting policies
- 5 Contractual obligations and contingencies, etc.



## Financial statements 1 January - 31 December

### Statement of changes in equity

USD '000	Share capital	Reserve acc. to the equity method	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2015	89	1,911	18,526	1,591	22,117
Dividend distribution	0	0	0	-1,591	-1,591
Transfer, see "Appropriation of profit/loss"	0	-1,911	1,833	0	-78
<b>Equity at 1 January 2016</b>	<b>89</b>	<b>0</b>	<b>20,359</b>	<b>0</b>	<b>20,448</b>
Transfer, see "Appropriation of profit/loss"	0	0	-3,165	6,035	2,870
<b>Equity at 31 December 2016</b>	<b>89</b>	<b>0</b>	<b>17,194</b>	<b>6,035</b>	<b>23,318</b>

There have been no changes to the share capital since the establishment.  
500,000 shares of DKK 1 equal to USD 89,074

## Financial statements 1 January - 31 December

### Notes

#### 1 Accounting policies

The annual report of AMS Holdings A/S for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities.

The Company operates with USD as its operational functional currency as the associate presents its annual report in USD. Accordingly, this annual report has been presented in USD.

The DKK/USD exchange rate applied was 7.0528 at 31 December 2016 and 6.8471 at 1 January 2016.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at closing rates. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currency are measured at the exchange rate at the transaction date.

#### Income statement

##### Administrative expenses

Administrative expenses comprise costs incurred during the year for management and administration, including expenses for auditors and legal partners, etc.

##### Profit/loss after tax from investments in associates

The proportionate share of the results after tax of the individual associates is recognized in the income statement after elimination of the proportionate share of intra-group profit/losses.

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, realised and unrealised gains and losses, payables and transactions denominated in foreign currencies.

##### Tax for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

## Financial statements 1 January - 31 December

### Notes

#### 1 Accounting policies (continued)

##### Balance sheet

##### Financial assets

Investments in associates are measured according to the equity method.

Investments in associates are measured at the proportionate share of the enterprises' net asset values 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.

Net revaluation of investments in associates is recognised in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds cost.

##### Impairment of fixed assets

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

Impairment tests are conducted on individual assets or groups of assets when there is evidence of impairment.

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

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

##### Receivables

Receivables are measured at amortised cost.

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

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

## Financial statements 1 January - 31 December

### Notes

#### 1 Accounting policies (continued)

##### Equity

##### Reserve for net revaluation according to the equity method

Net revaluation of investments in associates 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.

##### *Dividend*

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 financial year is presented as a separate line item under "Equity".

##### Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

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

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

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

Other liabilities are measured at net realisable value.

## Financial statements 1 January - 31 December

### Notes

USD '000	2016	2015	
<b>2 Investments in associates</b>			
Cost at 1 January	19,782	19,782	
Cost at 31 December	19,782	19,782	
Adjustments at 1 January	-1,460	1,910	
Payment of dividends	-4,394	-3,349	
Share of profit for the year after tax	3,110	-21	
Value adjustments at 31 December	-2,744	-1,460	
Carrying amount at 31 December	17,038	18,322	
Key figures for the Company's associate at 31 December 2016:			
Name and registered office (USD '000)	Ownership interest	Equity	Profit/loss for the year
Omni Technical Solutions A/S, Copenhagen	48.82%	28,166	6,830
Share at 31 December 2016		13,751	3,363
Goodwill at 1 January 2016		3,540	
Amortisation for the year		-253	-253
Carrying amount at 31 December		17,038	3,110
		2016	2015
<b>3 Financial income</b>			
Interest income from shareholders		184	0
Interest income from associates		32	19
		216	19
<b>4 Financial expenses</b>			
Interest expenses from associates		0	-19
Other financial expenses		-69	-46
		-69	-65

## Financial statements 1 January - 31 December

### Notes

#### 5 Contractual obligations and contingencies, etc.

The Company is jointly taxed with other Danish group companies. As a group company, together with the other companies included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties. The jointly taxed enterprises' total known net liabilities to SKAT are stated in the administrative company's financial statements, No Lemon Invest A/S, Reg.No. 33 95 22 52. Any subsequent corrections to the joint taxation income and withholding tax, etc. may result in an increased liability for the Company.