



**KJAER & KJAER A/S**  
**Groennemosevej 6**  
**DK-5700 Svendborg**  
**CVR-no. 25 47 31 08**

**Annual Report**  
**1 JANUARY - 31 DECEMBER 2020**

**Presented and adopted at the general meeting**

Svendborg 14 May 2021

Chairman

\_\_\_\_\_

Mads Kiær

A blue handwritten signature, likely of Mads Kiær, written over a horizontal line.

## Table of contents

---

	<u>Page</u>
Statement by Management	1
Independent auditors' reports	2
Financial highlights	4
Management's review	5
Profit and loss account	6
Balance sheet	7
Cash flow statement	9
Statement of changes in equity	10
Notes to the annual report	11
Accounting policies	14
Company details	17

The Board of Directors and the Executive Management have today considered and approved the annual report of Kjaer & Kjaer A/S for the financial year 1 January to 31 December 2020.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 01.01.2020 - 31.12.2020.

We believe that the management review contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

**Svendborg, 23 April 2021**

**Management**



Richard Valentin Nijhout

**Board of directors**



Mads Kjær  
(Chairman)



Richard Valentin Nijhout



Flemming Eltang

**To the Shareholder of KJAER & KJAER A/S****Opinion**

We have audited the Financial Statements of KJAER & KJAER A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity, cash flows, notes and a summary of significant 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 assets, liabilities and financial position of the Company at 31 December 2020 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

**Basis for Opinion**

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

**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 the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

**Statement on Management's Review**

Management is responsible for Management's Review.

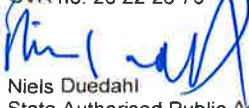
Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, we conclude that 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 Management's Review.

Svendborg, 23 April 2021  
BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70



Niels Duedahl  
State Authorised Public Accountant  
MNE no. mne11644

## Financial highlights

4

M.DKK

	m.DKK	2016	2017	2018	2019	2020
Net turnover		106	130	121	90	68
Gross profit		20	20	22	18	12
Gross contribution		12	9	10	15	10
Earnings before interest, tax and depreciations	EBITDA	7	4	6	11	7
Earnings before interest and tax	EBIT	7	4	6	11	7
Financial items, net		-1	-1	-2	1	1
Earnings before Tax	EBT	6	2	4	12	8
Tax		-1	-1	-1	-3	-2
Earnings after tax	EAT	5	2	3	9	6
Fixed assets		1	1	1	0	0
Inventories		29	32	31	20	19
Trade receivables		18	23	11	10	9
Other current assets		1	2	3	0	2
<b>Total assets</b>		<b>49</b>	<b>57</b>	<b>46</b>	<b>57</b>	<b>30</b>
Current liabilities		-38	-32	-37	-12	-21
<b>Capital employed</b>		<b>11</b>	<b>25</b>	<b>9</b>	<b>25</b>	<b>9</b>
Equity		40	44	45	55	33
Interest bearing debt, net		-28	-18	-36	-37	-24
Total balance		117	111	115	91	65
<b>Ratios:</b>						
EBITDA-margin		6,5%	2,9%	4,9%	12,2%	10,7%
Earnings to equity ratio	ROE	12,8%	4,4%	6,7%	18,0%	13,9%
Solidity ratio		34,0%	39,4%	39,3%	60,4%	50,4%

*In the description of accounting policies all key ratios have been defined.*

**Main activity**

Kjaer & Kjaer A/S provides automotive mobility solutions tailor made to organizations operating in the International Aid and Development sector, delivering high quality vehicles, motorcycles, parts, accessories as well as a number of supporting services such as worldwide logistical support, insurance and financing. Through an extensive network of local dealers and service partners, customers are provided quality aftersales services.

Kjaer & Kjaer A/S is a subsidiary of Kjaer Group A/S. Kjaer & Kjaer adheres to the Kjaer Group Way Of Management and Corporate Social Responsibility policy, whereby Kjaer & Kjaer is committed to the principles articulated in the United Nations Global Compact (UNGC). Kjaer & Kjaer further confirms support for a cleaner environment by joining the UN's environmental initiative "Caring for the Climate".

**Development in activities and finances**

The international aid and development sector is characterized by organizations which operate both on an international and a local level, managing projects of different character and size. The business is also influenced by single larger deliveries which vary year by year and as such are difficult to forecast.

The International Aid & Development segment, experienced a market performance lower than expected due to change of focus and funding of our customers, when the pandemic continued progressing around the world.

**Profit/loss for the year compared to future expectations**

In 2020 Kjaer & Kjaer realised a turnover of DKK 68 million, down DKK 22 million compared to 2019. Other external expenses remained at same level as in 2019 at DKK 7 million resulting in EBIT at DKK 7 million, down DKK 4 million compared to 2019. Earnings after tax were DKK 6 million. The result is considered satisfactory.

**Significant events after the end of the financial year**

No events have occurred after the end of the financial year of material importance for the company's financial position.

**Corporate social responsibility**

Kjaer & Kjaer further supports for United Nations SDG2030 goals and with focus on SDG Goal 13 for a better climate and also for a cleaner environment by joining the UN's environmental initiative "Caring for the Climate". The company started in 2020 a campaign, Move-to-Green, to introduce CO2 neutral electric vehicles in aid and development organizations fleets in Africa.

**Special risks**

The company is working systematically with risk management with the aim of minimizing, spreading and insuring risks. Given the company's market focus on developing countries we consider country risks and exchange rate risks to be of special importance to the company in addition to ordinary accepted risks within automotive trade and distribution.

Insurance has been taken out against political risks to inventories in countries outside OECD.

Significant transaction based exchange rate risks are being hedged in order to maintain low exposure to commercial exchange rate risks.

**Future expectations**

For 2021 the result is expected to be an EAT of DKK 2-3 million.

The Covid19 pandemic and the impact on markets in form of lock downs- and travel restrictions is an unknow uncertainty for 2021.

## Profit and loss account 1st January - 31st December 2020

6

DKK 1,000

Note		Year 2020	Year 2019
1	Net turnover	67.842	89.937
2	Other operating income	2.583	0
	Cost of goods sold	-56.327	-72.358
	Other external expenses	<u>-3.809</u>	<u>-3.072</u>
	<b>Gross contribution</b>	<b>10.289</b>	<b>14.507</b>
3	Staff expenses	<u>-3.061</u>	<u>-3.736</u>
	<b>Earnings before interest, tax and depreciations</b>	<b>7.228</b>	<b>10.771</b>
		<b>EBITDA</b>	
	<b>Earnings before interest and tax</b>	<b>7.228</b>	<b>10.771</b>
		<b>EBIT</b>	
4	Financial income	2.252	5.118
5	Financial expenses	<u>-1.645</u>	<u>-4.301</u>
	<b>Earnings before tax</b>	<b>7.835</b>	<b>11.588</b>
		<b>EBT</b>	
6	Tax on current years profit	<u>-1.724</u>	<u>-2.550</u>
7	<b>EARNINGS AFTER TAX</b>	<b><u>6.111</u></b>	<b><u>9.038</u></b>
		<b>EAT</b>	



DKK 1,000

Note

	Year 2020	Year 2019
<b>Assets</b>		
8 Inventories	18.932	20.234
Trade receivables	9.176	9.820
Receivables on group companies	34.680	59.658
Other receivables	1.626	445
9 Deferred tax assets	362	480
<b>Receivable</b>	<u>45.844</u>	<u>70.403</u>
Liquid funds	<u>465</u>	<u>0</u>
<b>Total current assets</b>	<u>65.241</u>	<u>90.637</u>
<b>TOTAL ASSETS</b>	<u>65.241</u>	<u>90.637</u>

DKK 1,000

## Note

	Year 2020	Year 2019
<b>Liabilities</b>		
Share capital	20.000	20.000
Unrealised exch. adj. on hedging of future transactions	1.330	416
Result carried forward	11.527	5.416
Proposed dividend for the year	0	29.000
<b>Total equity</b>	<u>32.857</u>	<u>54.832</u>
Other provisions for liabilities	0	760
<b>PROVISION FOR LIABILITIES</b>	<u>0</u>	<u>760</u>
Other liabilities	270	117
<b>10 Long-term liabilities</b>	<u>270</u>	<u>117</u>
Bank debts	8.531	19.919
Prepayments from customers	6.759	3.502
Payable to suppliers	10.718	4.002
Payable to group companies	2.762	2.790
<b>11 Corporation tax payable</b>	1.863	2.526
Other accounts payable	1.481	2.189
<b>Total current liabilities</b>	<u>32.114</u>	<u>34.928</u>
<b>Liabilities</b>	<u>32.384</u>	<u>35.045</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>65.241</u>	<u>90.637</u>

12 Recourse guarantee commitments and contingent liabilities

13 Related parties

14 Significant events after the end of the financial year

15 Consolidated financial statements

## Cash flow statement

9

DKK 1,000

		Year 2020	Year 2019
Earnings before interest, tax and depreciations	EBITDA	7.228	10.771
Financial transactions		607	817
Taxes paid		-2.526	-2.550
Adjustment for other non-cash operating items		1.172	533
Change in current assets		765	14.977
Inventory		1.302	11.157
Trade receivable		644	1.627
Other outstandings amounts		-1.181	2.193
Change in short-term debt		8.657	-26.840
Prepayments from customers		3.257	-961
Payable to suppliers		6.716	-25.669
Other accounts payable		-1.316	-210
<b>Cash flow from operations</b>		<b>15.903</b>	<b>-2.292</b>
Paid dividend to shareholders		-29.000	0
Loan to group companies		24.950	11.309
<b>Cash flow from financial transactions</b>		<b>-4.050</b>	<b>11.309</b>
<b>Cash flow of the year, net</b>		<b>11.853</b>	<b>9.017</b>
Liquid funds, beginning of the year		-19.919	-28.936
<b>Liquid funds, end of the year</b>		<b>-8.066</b>	<b>-19.919</b>
<b>Specified as follows:</b>			
Liquid funds		465	0
Bank debts		-8.531	-19.919
<b>Liquid funds net, end of the year</b>		<b>-8.066</b>	<b>-19.919</b>

DKK 1,000

	Share capital	Unrealised exch.adj. on hedging of future transactions	Carried forward	Proposed dividend for the year	Total equity
<b>Balance 1 January 2019</b>	20.000	0	25.378	0	45.378
Proposed distribution of profit	0	0	-19.962	29.000	9.038
Change in unrealised hedging	0	416	0	0	416
<b>Balance 31 December 2019</b>	<b>20.000</b>	<b>416</b>	<b>5.416</b>	<b>29.000</b>	<b>54.832</b>
Paid dividend	0	0	0	-29.000	-29.000
Proposed distribution of profit	0	0	6.111	0	6.111
Change in unrealised hedging	0	914	0	0	914
<b>Balance 31 December 2020</b>	<b>20.000</b>	<b>1.330</b>	<b>11.527</b>	<b>0</b>	<b>32.857</b>

*The share capital is split in 20,000 shares at nominal value of 1 t.DKK each.*

*No changes in the share capital has been made for the last 5 years.*

DKK 1,000

	Year 2020	Year 2019
<b>1 Net turnover</b>		
<b>Net turnover by activities</b>		
International Aid & Development	67.842	89.937
	<b>67.842</b>	<b>89.937</b>
<b>Net turnover by regions</b>		
Africa	55.939	69.219
Asia & Middle East	9.765	18.883
Other	2.138	1.835
	<b>67.842</b>	<b>89.937</b>
<b>2 Other operating income</b>		
Commission income, refunds and compensation etc.	2.583	0
	<b>2.583</b>	<b>0</b>
<b>3 Staff expenses</b>		
Salaries and wages employees	-2.646	-3.330
Pensions	-349	-302
Other staff expenses	-66	-104
	<b>-3.061</b>	<b>-3.736</b>
Average number of full-time employees	<b>5</b>	<b>7</b>
<b>4 Financial income</b>		
Financial income etc. from group companies	2.252	2.706
Other financial income	0	2.412
	<b>2.252</b>	<b>5.118</b>
<b>5 Financial expenses</b>		
Financial expenses etc. from group companies	-328	-506
Other financial expenses	-1.317	-3.795
	<b>-1.645</b>	<b>-4.301</b>
<b>6 Tax on current years profit</b>		
Danish tax payable on the year's estimated tax assessment	-1.605	-2.409
Adjustments for previous years	0	0
The year's change in deferred tax	-119	-141
<b>Tax on current years profit</b>	<b>-1.724</b>	<b>-2.550</b>

DKK 1,000

	Year 2020	Year 2019
<b>7 Proposed distribution of profit:</b>		
Proposed dividend for the year	0	29.000
Carried forward	6.111	-19.962
	<u>6.111</u>	<u>9.038</u>
<b>8 Inventories</b>		
Manufactured goods and goods for resale	17.932	16.219
Prepayments for goods	1.000	4.015
	<u>18.932</u>	<u>20.234</u>
<b>9 Deferred tax assets</b>		
<b>Opening balance</b>	<b>480</b>	<b>621</b>
Transferred to/from corporation tax	0	0
Accounted for in Profit and Loss	-119	-141
	<u>363</u>	<u>480</u>
<b>Closing balance</b>	<b>363</b>	<b>480</b>
Property, plant and equipment	303	403
Inventories	59	77
	<u>362</u>	<u>480</u>
<i>Net value is recognised in the balance sheet as follows:</i>		
<i>Deferred tax assets:</i>	<u>362</u>	<u>480</u>
	<u>362</u>	<u>480</u>

The tax asset is primarily attributable to differences on tangible fixed assets. The tax asset is recognized on the basis of the expectations to the positive tax profits for the next couple of years, and the tax asset is then expected to be fully utilized.

**10 Long-term liabilities**

	31/12 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2019 total liabilities	Current portion at the beginning of the year
Other liabilities	270	0	270	117	0
<b>Long-term liabilities</b>	<u>270</u>	<u>0</u>	<u>270</u>	<u>117</u>	<u>0</u>

**11 Corporation tax payable**

Balance beginning of the year	2.526	2.550
Adjustments for previous years	0	-24
Paid during the year, net	-2.526	-2.550
Transferred from deferred tax	0	0
Tax on equity movements	258	141
Tax on this years profit	1.605	2.409
<b>Taxes payable end of year</b>	<u>1.863</u>	<u>2.526</u>

DKK 1,000

<b>12 Recourse guarantee commitments and contingent liabilities</b>	<b>Actual debt</b>	<b>Maximum liability</b>
The company has guaranteed for bank debt and guarantees in the parent company Kjaer Group A/S and Auto Kjaer A/S	25.302	40.000
The company has guaranteed for other financial Letter of Guarantees issued in security for liabilities in Kjaer Group A/S.	37.409	50.000
On the basis of joint VAT registration the company is liable for Kjaer Group A/S total VAT liabilities.	<u>0</u>	Unlimited
Total commitments for liabilities in associated companies	<u><u>62.711</u></u>	
Operational lease contracts on company care have been concluded for the years 2019-21		85

**Joint liabilities**

The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of THE WAY FORWARD ApS, which serves as management company for the joint taxation.

**13 Related parties**

The following related parties have a controlling interest in Kjaer & Kjaer A/S

Kjaer Group A/S  
Grønnemosevej 6  
5700 Svendborg, Denmark  
Vat no.: DK 81 31 72 16

Kjaer Group A/S owns 100% of the shares in Kjaer & Kjaer A/S

The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

**14 Significant events after the year end of the financial year**

No events have occurred after the end of the financial year of material importance for the company's financial position.

**15 Consolidated financial statements**

Kjaer & Kjaer A/S is consolidated with Kjaer Group A/S, Svendborg (CVR no.: 81 31 72 16) which is the smallest consolidation, and is consolidated with The Way Forward ApS, Copenhagen (CVR no.: 25 47 31 59) which is the largest consolidation.

The annual report of Kjaer & Kjaer A/S for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C medium enterprises.

The accounting policies applied for the financial statements are consistent with those applied last year.

#### **Recognition and measurement**

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the group and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the group has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the group, and the value of the liabilities can be measured reliably.

On initial recognition assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the Profit and loss account when earned, whereas costs are recognised by the amounts attributable to this financial year. Value adjustments of financial assets and liabilities are recorded in the income statement as financial income or financial expenses.

#### **Foreign currency translation**

On initial recognition foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies, that have not been settled at the balance sheet date, are translated using the exchange rate at the balance sheet date. Exchange rate differences arising between the rate at the transaction date and the rate at the payment date or the balance sheet date, are recognised in the income statement. Fixed assets purchased in foreign currencies are translated using historical rates. Accordingly inventories are measured at the ruling rate of exchange at date of purchase.

#### **Derivative financial instruments**

On initial recognition in the balance sheet derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging of a recognised asset or liability are recorded in the Profit and loss account together with changes in the value of the assets or the liabilities hedged.

For derivative financial instruments not complying with the requirements for treatment as hedging instruments, changes in fair value are recognised instantly in the Profit and loss account as financial income or financial expenses.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are entered in the balance sheet and recognised directly on the equity.

### **PROFIT AND LOSS**

#### **Net turnover**

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### **Other operating income**

Other operating income comprise income of secondary nature as viewed in relation to the Company's primary activities, including material exceptional gains from the sale of intangible assets and property, plant and equipment, subsidies, rental income, etc.

#### **Cost of goods sold**

Cost of goods sold comprises direct and indirect costs incurred to earn revenue, including depreciation and maintenance of lease cars as well as realised and unrealised capital gains and losses on payables and transactions in foreign currencies.

#### **Other external expenses**

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.



**Staff costs**

Staff costs comprise salaries and wages as well as social security costs, pension contributions, etc for the Company's staff.

**Financial income and expenses**

These items comprise interest income and expenses as well as tax surcharge and repayment under the Danish Tax Prepayment Scheme.

**Income taxes**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the Profit and loss account by the portion attributable to the profit/loss for the year. In the event that items recognised directly on equity result in changes to the tax liabilities of the company, the impact of such changes is set off when the entry is made on the equity.

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred tax is recognised and measured applying the liability method on all temporary differences between the carrying amount and tax-based value of assets and liabilities. The tax value of the assets is calculated based on the planned use of each asset.

Deferred tax is measured based on the tax regulations and tax rates of the relevant countries that will be in effect, using the laws at the balance sheet date, when the deferred tax is estimated to be triggered as current tax. Changes in deferred tax resulting from changed tax rates are recognised in the income statement.

Deferred tax assets, including the tax value of carrying forward tax losses, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

The Company is jointly taxed with Parent and its Danish Group enterprises. The current Danish income tax is allocated among the jointly taxed Danish companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

**THE BALANCE SHEET****Inventories**

Inventories consist of vehicles, motorcycles and spare parts.

Inventories are measured at the lower of cost using the FIFO method and net realisable value. Financing costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less provisions for bad debts.

**Equity**

Dividends are recognised as a liability at the time of adoption at the general meeting. The proposed dividends for the financial year are disclosed as a separate item under equity.

**Financial liabilities**

Financial liabilities are recognised at amortised cost, which usually corresponds to nominal value.

**THE CASHFLOW STATEMENT**

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the company's cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are calculated as the gross profit less other external and staff expenses adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investment transactions comprises the purchase and sale of property, plant and equipment.

Cash flows from financing activities comprise raising and instalment on long-term debt, receivables and payable to group companies and payment of dividend.

Cash and cash equivalents comprise cash less short-term bank debt.

**KEY FIGURES**

Financial highlights are defined and calculated as per below:

**EBITDA**

Earnings before depreciations, interests, tax and minority interests

**EBIT**

Earnings before interest, tax and minority interests

**Gross margin**

Gross profit \* 100 / Net Turnover

**EBITDA margin**

EBITDA \* 100 / Net Turnover

**Earnings to Equity ratio (ROE)**

Earnings after tax \* 100 / Average equity

**Solidity ratio**

Total equity \* 100 / Total assets

**Company**

Kjaer & Kjaer A/S  
Grønnemosevej 6  
5700 Svendborg  
Denmark

CVR no.: 25 47 31 08  
Established: 16 June 2000  
Registered office: Svendborg  
Financial year: 1 January - 31 December  
Web-site: [www.kjaer.com](http://www.kjaer.com)  
E-mail: [info@kjaer.com](mailto:info@kjaer.com)

**Board of directors**

Mads Kjær (Chairman)  
Richard Valentin Nijhout  
Flemming Eltang

**Management**

Richard Valentin Nijhout

**Auditors**

BDO Statsautoriseret revisionsaktieselskab  
Grønnemosevej 6  
5700 Svendborg  
Denmark