

Auto Kjaer A/S
Grønnemosevej 6
5700 Svendborg
Central Business Registration No
34600872

Annual report 2018

The Annual General Meeting adopted the annual report on 29.04.2019

Chairman of the General Meeting

Name: Mads Krarup Kjær

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Entity details

Entity

Auto Kjaer A/S
Grønnemosevej 6
5700 Svendborg

Central Business Registration No: 34600872

Founded: 26.06.2012

Registered in: Svendborg

Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Mads Krarup Kjær
Richard Valentin Nijhout
Flemming Eltang

Executive Board

Richard Valentin Nijhout

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Tværkajen 5
Postboks 10
5100 Odense C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Auto Kjaer A/S for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary 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, 29.04.2019

Executive Board

Richard Valentin Nijhout

Board of Directors

Mads Krarup Kjær

Richard Valentin Nijhout

Flemming Eltang

Independent auditor's report

To the shareholders of Auto Kjaer A/S

Opinion

We have audited the financial statements of Auto Kjaer A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including 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 Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Odense, 29.04.2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Lars Knage Nielsen

State Authorised Public Accountant

Identification number (MNE) mne10074

Management commentary

Primary activities

Auto Kjaer A/S act as an experienced and professional supplier of project vehicles and transportation solutions for International Commercial companies, governmental and non-governmental organizations, primarily in Africa.

With the flexibility of no tied link to a specific brand, we have access to a large international network of stock of vehicles, motorbikes and trucks. Further, we are in very close partnership with freight forwarder, insurer and other long relationship suppliers, which ensures to receive a very competitive and secure delivery. Auto Kjaer A/S supports manufactures and bigger dealer groups/distributors having old or slow moving stocks to find end users for them.

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

Development in activities and finances

After a long period with no activity and without staff, has Auto Kjaer A/S started operations third quarter of 2017, with 2 employees with the above formed concept.

The loss for the year was DKK 317 thousand as a result of low sales. The result is considered unsatisfactory by the management.

Looking ahead and in 2019 the company is seeking opportunities to do specific projects that can generate income.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Gross profit/loss		56.703	(119.000)
Staff costs		<u>(884.775)</u>	<u>(559.167)</u>
Operating profit/loss		(828.072)	(678.167)
Other financial income	1	421.460	591.404
Other financial expenses	2	<u>(188)</u>	<u>(175.197)</u>
Profit/loss before tax		(406.800)	(261.960)
Tax on profit/loss for the year	3	<u>89.496</u>	<u>57.565</u>
Profit/loss for the year		<u>(317.304)</u>	<u>(204.395)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(317.304)</u>	<u>(204.395)</u>
		<u>(317.304)</u>	<u>(204.395)</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Raw materials and consumables		<u>0</u>	<u>1.088.324</u>
Inventories		<u>0</u>	<u>1.088.324</u>
Receivables from group enterprises		9.625.549	9.547.484
Income tax receivable		92.165	90.229
Joint taxation contribution receivable		<u>90.229</u>	<u>0</u>
Receivables		<u>9.807.943</u>	<u>9.637.713</u>
Cash		<u>45.493</u>	<u>62.984</u>
Current assets		<u>9.853.436</u>	<u>10.789.021</u>
Assets		<u>9.853.436</u>	<u>10.789.021</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital	4	10.000.000	10.000.000
Retained earnings		(290.401)	36.365
Equity		9.709.599	10.036.365
Bank loans		23.184	0
Prepayments received from customers		0	589.950
Other payables		120.653	162.706
Current liabilities other than provisions		143.837	752.656
Liabilities other than provisions		143.837	752.656
Equity and liabilities		9.853.436	10.789.021
Contingent liabilities	5		
Related parties with controlling interest	6		
Group relations	7		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	10.000.000	36.365	10.036.365
Fair value adjustments of hedging instruments	0	(9.462)	(9.462)
Profit/loss for the year	0	(317.304)	(317.304)
Equity end of year	10.000.000	(290.401)	9.709.599

Notes

	2018	2017
	DKK	DKK
1. Other financial income		
Financial income arising from group enterprises	421.432	591.404
Interest income	28	0
	421.460	591.404

	2018	2017
	DKK	DKK
2. Other financial expenses		
Financial expenses from group enterprises	0	94.191
Other financial expenses	188	81.006
	188	175.197

	2018	2017
	DKK	DKK
3. Tax on profit/loss for the year		
Tax on current year taxable income	(89.496)	(132.366)
Change in deferred tax for the year	0	74.735
Adjustment concerning previous years	0	66
	(89.496)	(57.565)

	Number	Par value	Nominal
		DKK	value
			DKK
4. Contributed capital			
Shares	10.000	1.000	10.000.000
	10.000		10.000.000

5. Contingent liabilities

The Company participates in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. The liability, however, does not exceed an amount equalling the share of capital held by the company, which is owned directly or indirectly by the ultimate parent.

The Company has guaranteed for bank debt in Kjaer Group A/S (Parent) and Kjaer & Kjaer A/S. Actual liabilities totals DKK 28.954k with a maximum total DKK 35.000k.

Notes

6. Related parties with controlling interest

The following are considered related parties with controlling influence on Auto Kjaer A/S:

Kjaer Group A/S, Grønnemosevej 6, 5700 Svendborg, Denmark (Business Registration No 81 31 72 16)

7. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Kjaer Group A/S, Grønnemosevej 6, 5700 Svendborg, Denmark (Business Registration No 81 31 72 16)

Accounting policies

Reporting class

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C enterprises.

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

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity 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 Entity, and the value of the liability 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 financial statement 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 income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

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 differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of raw materials and consumables and external expenses.

Revenue

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

Accounting policies

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary write-downs of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for stationery and office supplies, etc.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with Parent and all its Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Inventories

Inventories are measured at the of lower 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.

Accounting policies

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Income tax payable or receivable

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.

Cash

Cash comprises bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.