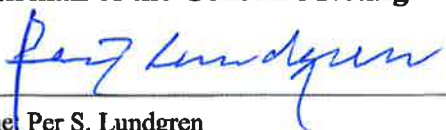


Auto Kjaer A/S
Central Business Registration No
34600872
Grønnemosevej 6
5700 Svendborg

Annual report 2015

The Annual General Meeting adopted the annual report on 25.05.2016

Chairman of the General Meeting



Name: Per S. Lundgren

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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: 01.01.2015 - 31.12.2015

Board of Directors

Per S. Lundgren
Richard V. Nijhout
Flemming Eltang

Executive Board

Richard V. 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 01.01.2015 - 31.12.2015.

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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

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, 25.05.2016

Executive Board

Richard V. Nijhout

Board of Directors



Per S. Lundgren



Richard V. Nijhout



Flemming Eltang

Independent auditor's reports

To the owner of Auto Kjaer A/S

Report on the financial statements

We have audited the financial statements of Auto Kjaer A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Odense, 25.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Lars Knøge Nielsen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

Auto 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 as well as given access to the Kjaer Group's center of operational excellence located in Johannesburg, South Africa.

Auto Kjaer A/S is a subsidiary of Kjaer Group A/S. AutoKjaer adheres to the Kjaer Group Way Of Management and Corporate Social Responsibility policy, whereby AutoKjaer is committed to the principles articulated in the United Nations Global Compact (UNGC). AutoKjaer 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.

Faced with the arrival of record number of asylum seekers and shrinking levels of public sympathy, more and more countries are using their foreign aid budgets to foot the bill of feeding and housing newcomers and thus diverting funds from projects and activities in e.g. Sub-Saharan Africa. This will continue to negatively impact the core customers and improve only late 2016 or early 2017.

AutoKjaer has reacted to those unexpected challenges by initiating various initiatives to get aligned with the expected level of business activity. 2015 has thus been a tough year with significant impact on our business but while this is of course unsatisfactory and disappointing, it is more a reflection of the size of the market downturn than it is a measure of the operational performance of the business which was overall satisfying. The business success builds on a number of strengths: high quality international brands, ability to deliver comprehensive service solutions, a way of management firmly anchored in internationally recognized principles and standards and talented and professional employees who can find innovative solutions. This combination gives the customers peace of mind, higher return on assets as well as time and resources to concentrate on their main activities and fulfil their ambitions. By continuing to invest in the strengths of the company, we are confident in our ability to withstand the difficult market environment and strengthen our position going forward.

In 2016 turnover and earnings after tax are expected at the similar or higher level than in 2015.

Management commentary

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.

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

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.

Accounting policies

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.

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.

Income taxes

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.

Receivables

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

Accounting policies

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, 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.

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.

Other financial liabilities

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

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Revenue		2.651.291	0
Costs of raw materials and consumables		(2.724.980)	(4)
Other external expenses		<u>(268.298)</u>	<u>(246)</u>
Operating profit/loss		(341.987)	(250)
Other financial income	1	370.104	312
Other financial expenses	2	<u>(103.564)</u>	<u>(39)</u>
Profit/loss from ordinary activities before tax		(75.447)	23
Tax on profit/loss from ordinary activities	3	<u>14.765</u>	<u>(6)</u>
Profit/loss for the year		<u>(60.682)</u>	<u>17</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(60.682)</u>	<u>17</u>
		<u>(60.682)</u>	<u>17</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Raw materials and consumables		683.482	2.929
Inventories		683.482	2.929
Receivables from group enterprises		13.457.612	10.635
Deferred tax assets		37.367	0
Other short-term receivables		7.744	0
Income tax receivable		12.099	32
Receivables		13.514.822	10.667
Current assets		14.198.304	13.596
Assets		14.198.304	13.596

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Contributed capital	4	10.000.000	10.000
Retained earnings		<u>132.909</u>	<u>189</u>
Equity		<u>10.132.909</u>	<u>10.189</u>
Bank loans		3.522.330	3.128
Debt to group enterprises		529.565	255
Other payables		<u>13.500</u>	<u>24</u>
Current liabilities other than provisions		<u>4.065.395</u>	<u>3.407</u>
Liabilities other than provisions		<u>4.065.395</u>	<u>3.407</u>
Equity and liabilities		<u>14.198.304</u>	<u>13.596</u>
Contingent liabilities	5		
Related parties with control	6		
Consolidation	7		

Statement of changes in equity for 2015

	Contributed capital DKK	Other reser- ves DKK	Retained earnings DKK	Total DKK
Equity beginning of year	10.000.000	0	189.214	10.189.214
Other adjustments	0	7.729	0	7.729
Tax of equity postings	0	(3.352)	0	(3.352)
Transfer to reserves	0	(4.377)	4.377	0
Profit/loss for the year	0	0	(60.682)	(60.682)
Equity end of year	10.000.000	0	132.909	10.132.909

Notes

	2015 DKK	2014 DKK'000
1. Other financial income		
Financial income arising from group enterprises	370.104	312
	<u>370.104</u>	<u>312</u>

	2015 DKK	2014 DKK'000
2. Other financial expenses		
Financial expenses from group enterprises	7.107	12
Other financial expenses	96.457	27
	<u>103.564</u>	<u>39</u>

	2015 DKK	2014 DKK'000
3. Tax on ordinary profit/loss for the year		
Current tax	22.185	6
Change in deferred tax for the year	(37.367)	0
Adjustment relating to previous years	417	0
	<u>(14.765)</u>	<u>6</u>

	Number	Par value DKK	Nominal value DKK
4. Contributed capital			
Shares	10.000	1.000,00	10.000.000
	<u>10.000</u>		<u>10.000.000</u>

	2015 DKK	2014 DKK	2013 DKK	2012 DKK
Changes in contributed capital				
Contributed capital beginning of year	10.000.000	10.000.000	10.000.000	0
Increase of capital	0	0	0	10.000.000
Contributed capital end of year	<u>10.000.000</u>	<u>10.000.000</u>	<u>10.000.000</u>	<u>10.000.000</u>

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

Notes

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 122,081k.

The Company has guaranteed for other financial Letter of Guarantees, DKK 17,686k, issued in security for liabilities in Kjaer Group A/S (Parent) and Kjaer & Kjaer A/S.

6. Related parties with control

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. Consolidation

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

The Way Forward ApS, Business Registration No 25 47 31 59, Copenhagen, Denmark

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

Kjaer Group A/S, Business Registration No 81 31 72 16, Svendborg, Denmark