

**Motorcare Services Holding  
A/S**  
Grønnemosevej 6  
5700 Svendborg  
Central Business Registration No  
34600880

**Annual report 2017**

The Annual General Meeting adopted the annual report on 16.05.2018

**Chairman of the General Meeting**

---

Name: Mads Krarup Kjær

## Contents

	<b><u>Page</u></b>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2017	7
Balance sheet at 31.12.2017	8
Statement of changes in equity for 2017	10
Notes	11
Accounting policies	13

## Entity details

### Entity

Motorcare Services Holding A/S  
Grønnemosevej 6  
5700 Svendborg

Central Business Registration No: 34600880

Founded: 26.06.2012

Registered in: Svendborg

Financial year: 01.01.2017 - 31.12.2017

### Board of Directors

Mads Krarup Kjær  
Richard Valentin Nijhout  
Hans Jørgen Malmose Nyegaard

### 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 Motorcare Services Holding A/S for the financial year 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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, 16.05.2018

### Executive Board

Richard Valentin Nijhout

### Board of Directors

Mads Krarup Kjær

Richard Valentin Nijhout

Hans Jørgen Malmlose  
Nyegaard

# Independent auditor's report

## To the shareholders of Motorcare Services Holding A/S

### Opinion

We have audited the financial statements of Motorcare Services Holding A/S for the financial year 01.01.2017 - 31.12.2017, 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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 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 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, 16.05.2018

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Lars Knage Nielsen

State Authorised Public Accountant

Identification number (MNE) mne10074

## Management commentary

### Primary activities

The company's activities consists of owning shares in companies registered in developing countries which are active in the automotive industry.

### Development in activities and finances

The collapse in commodity prices and significant devaluation of the core currencies in previous years is still challenge the market terms. Even though the oil and commodity prices finally started a recovery in the major mining, construction, oil and gas projects they are slowly gaining momentum again and will take 2-3 years before the market returns to significant growth.

The subsidiaries was prepared for this situation and adjusted for the new market situation by accelerating programs to reduce cost and capital employed, while on the same time delivering on its core value proposition with continued high customer satisfaction. The outcome led to a strengthened market position.

Therefore the result for the year was improved by DKK 0.5 million to DKK -1.0 million and considered satisfactory under the given market conditions.

For 2018 a result is expected which is better than 2017.

### 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 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Other external expenses		(74.101)	(89)
<b>Operating profit/loss</b>		<b>(74.101)</b>	<b>(89)</b>
Income from investments in group enterprises		(949.888)	(1.411)
Other financial income		59.019	56
Other financial expenses	1	0	(11)
<b>Profit/loss before tax</b>		<b>(964.970)</b>	<b>(1.455)</b>
Tax on profit/loss for the year	2	3.000	10
<b>Profit/loss for the year</b>		<b>(961.970)</b>	<b>(1.445)</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		(961.970)	(1.445)
		<b>(961.970)</b>	<b>(1.445)</b>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Investments in group enterprises		23.275.080	24.746
<b>Fixed asset investments</b>	3	<b>23.275.080</b>	<b>24.746</b>
<b>Fixed assets</b>		<b>23.275.080</b>	<b>24.746</b>
Receivables from group enterprises		930.516	1.296
Deferred tax		72.000	72
Income tax receivable		3.000	10
<b>Receivables</b>		<b>1.005.516</b>	<b>1.378</b>
<b>Cash</b>		<b>6.058</b>	<b>1.416</b>
<b>Current assets</b>		<b>1.011.574</b>	<b>2.794</b>
<b>Assets</b>		<b>24.286.654</b>	<b>27.540</b>

## Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Contributed capital	4	35.188.560	35.189
Retained earnings		<u>(10.926.862)</u>	<u>(8.167)</u>
<b>Equity</b>		<u><b>24.261.698</b></u>	<u><b>27.022</b></u>
Payables to group enterprises		0	481
Income tax payable		0	24
Other payables		<u>24.956</u>	<u>13</u>
<b>Current liabilities other than provisions</b>		<u><b>24.956</b></u>	<u><b>518</b></u>
<b>Liabilities other than provisions</b>		<u><b>24.956</b></u>	<u><b>518</b></u>
<b>Equity and liabilities</b>		<u><b>24.286.654</b></u>	<u><b>27.540</b></u>
Contingent liabilities	5		
Related parties with controlling interest	6		
Group relations	7		

## Statement of changes in equity for 2017

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	35.188.560	(8.166.560)	27.022.000
Exchange rate adjustments	0	(1.798.332)	(1.798.332)
Profit/loss for the year	0	(961.970)	(961.970)
<b>Equity end of year</b>	<b>35.188.560</b>	<b>(10.926.862)</b>	<b>24.261.698</b>

## Notes

	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>1. Other financial expenses</b>		
Financial expenses from group enterprises	0	11
	<b>0</b>	<b>11</b>

	<b>2017</b>	<b>2016</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>2. Tax on profit/loss for the year</b>		
Tax on current year taxable income	(3.000)	(10)
	<b>(3.000)</b>	<b>(10)</b>

	<b>Investment s in group enterprises DKK</b>
<b>3. Fixed asset investments</b>	
Cost beginning of year	31.635.610
Additions	1.278.000
<b>Cost end of year</b>	<b>32.913.610</b>
Impairment losses beginning of year	(6.890.310)
Exchange rate adjustments	(1.798.332)
Share of profit/loss for the year	(949.888)
<b>Impairment losses end of year</b>	<b>(9.638.530)</b>
<b>Carrying amount end of year</b>	<b>23.275.080</b>

	<b>Registered in</b>	<b>Corpo- rate form</b>	<b>Equity inte- rest %</b>
Investments in group enterprises comprise:			
Motorcare Services Lda.	Maputo, Mozambique	Lda.	40,0
Motorcare Services Ltd.	Kampala, Uganda	Ltd.	40,0

## Notes

	<u>Number</u>	<u>Par value DKK</u>	<u>Nominal value DKK</u>
<b>4. Contributed capital</b>			
A shares	5.864.760	1	5.864.760
B shares	<u>29.323.800</u>	1	<u>29.323.800</u>
	<b><u>35.188.560</u></b>		<b><u>35.188.560</u></b>

### 5. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which The Way Forward ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc. for the jointly taxed companies, also 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

### 6. Related parties with controlling interest

The following are considered related parties with controlling influence on Motorcare Services Holding A/S:

Kjaer Group A/S, Grønnemosevej 6, 5700 Svendborg, Danmark (Business registration no: 81 31 72 16)

IFU – Investment fund for developing countries, Fredericiagade 27, 1310 Copenhagen K, Denmark

### 7. Group relations

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

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

### Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

### 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.

When recognising foreign subsidiaries that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

## Accounting policies

### Income statement

#### Other external expenses

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

#### Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

#### Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains 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 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 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

#### Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

#### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns 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 computed on this year's taxable income, adjusted for prepaid tax.

### Cash

Cash comprises cash in hand and bank deposits.

### Other financial liabilities

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