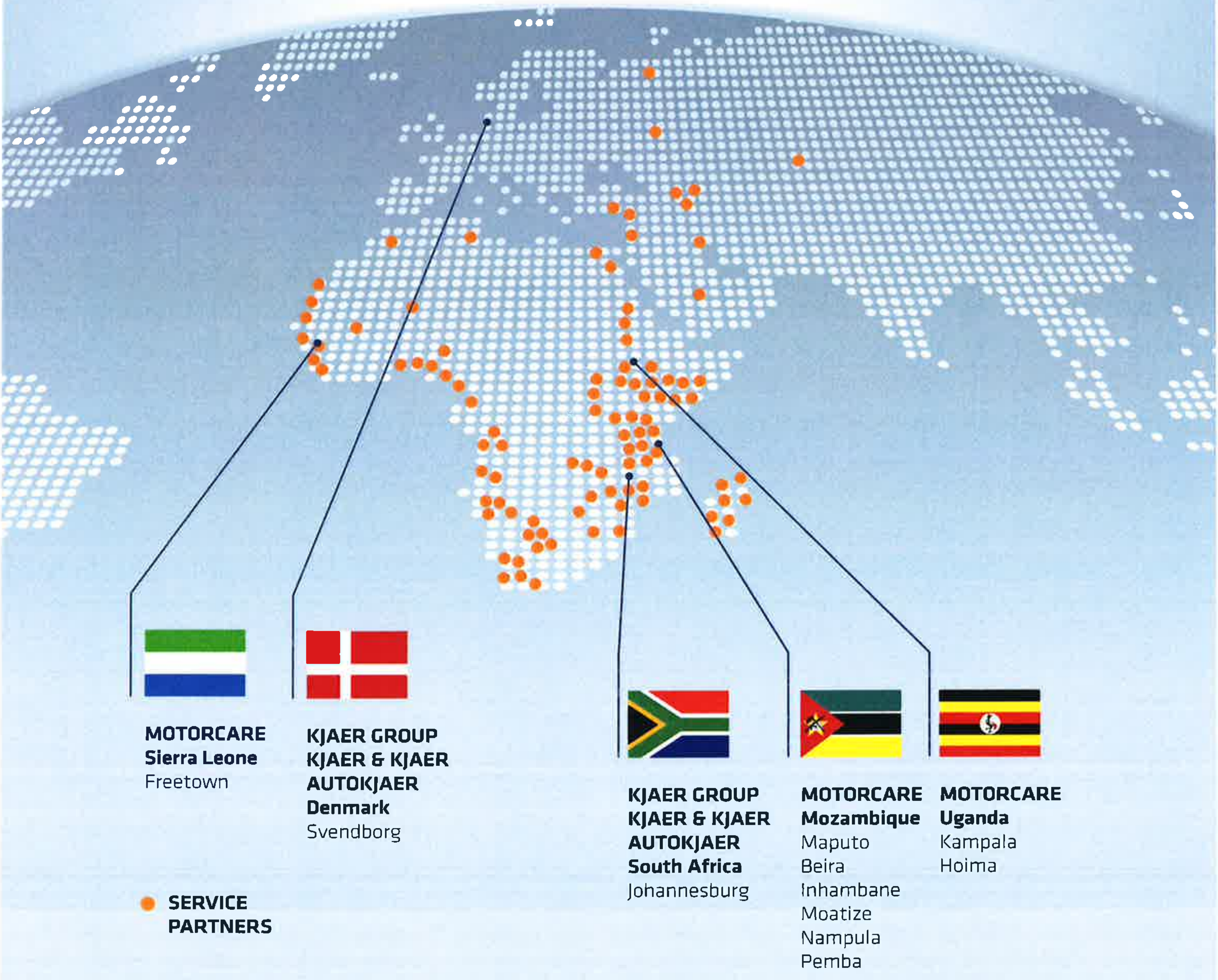
KJAER GROUP A/S
Central Business Registration No: 81 31 72 16
Grønnemosevej 6, DK - 5700 Svendborg.
Annual Report 2016
Annual General Meeting:
To be held on May 24, 2017 at 11.00 AM at the companies address.
Presented and adopted at the general meeting:

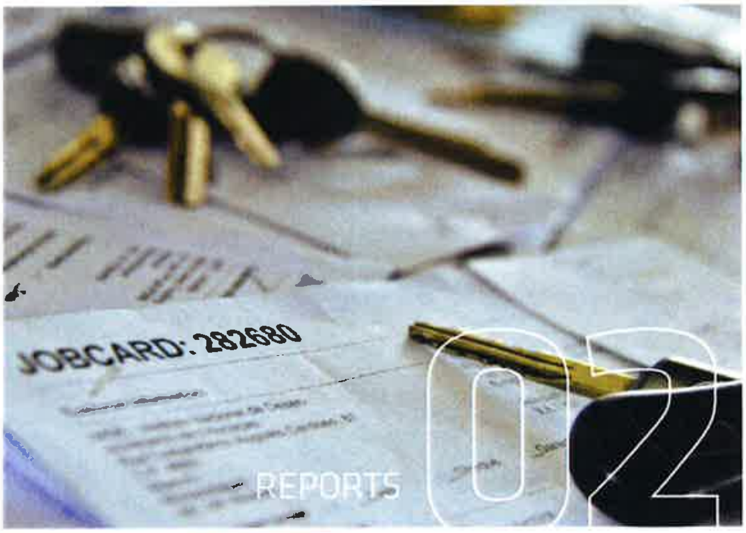
Flemming Schmidt, Chairman

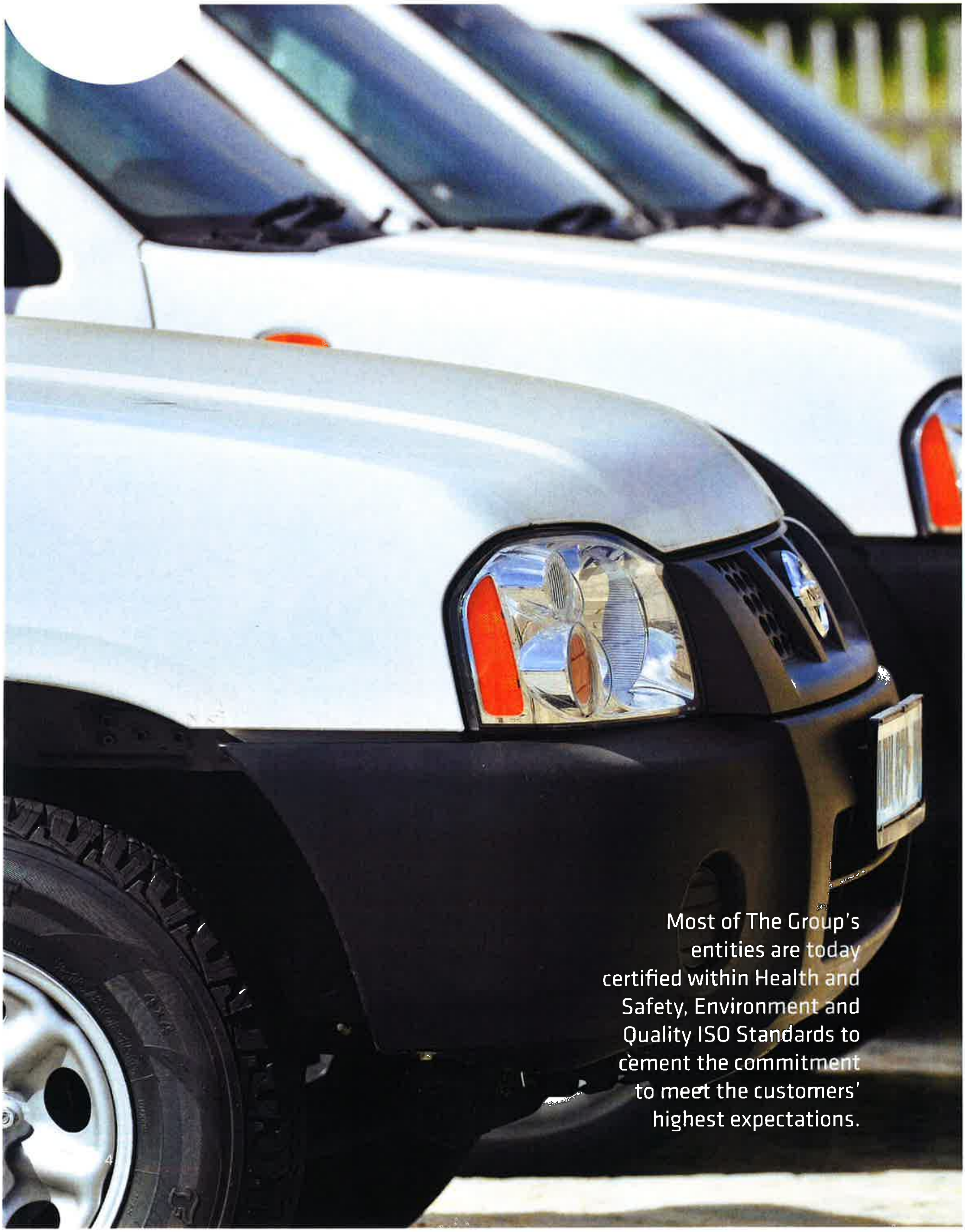
ANNUAL REPORT 2016


MOTORCARE
Sierra Leone
Freetown
KJAER GROUP
KJAER & KJAER
AUTOKJAER
Denmark
Svendborg
KJAER GROUP
KJAER & KJAER
AUTOKJAER
South Africa
Johannesburg
MOTORCARE
Mozambique
Maputo
Beira
Inhambane
Moatize
Nampula
Pemba
MOTORCARE
Uganda
Kampala
Hoima
SERVICE
PARTNERS

CONTENTS

KJAER GROUP WAY OF MANAGEMENT





Most of The Group's entities are today certified within Health and Safety, Environment and Quality ISO Standards to cement the commitment to meet the customers' highest expectations.

About

KJAER GROUP

KJAER GROUP was established as a car dealership by Mr. Christian Kjaer in Svendborg in 1962. Today the Group provides automotive mobility solutions internationally and employs 378 people.

The Group holds a leading position within it's business areas in Mozambique, Uganda and Sierra Leone where we operate distributions, fully owned workshops and service facilities under the name of MOTORCARE.

Globally, KJAER & KJAER and AUTO KJAER deliver vehicles, motorcycles, parts, accessories, insurance and finance solutions to customers in the International Aid and Development sector (NGOs, the UN, the EU, etc.). KJAER GROUP's ambition and Way Of Management is to develop the business in a profitable and responsible way and it is the objective that social and environmental goals are pursued in the same manner as the financial targets.

The "Triple Bottom Line" principle is an integrated part of the "KJAER GROUP Way Of Management" and the UN's principles for sustainability (the UN Global Compact), which KJAER GROUP endorsed in 2003, are an important point of reference for all activities.

MOTOR CARE

Based on international standards and certifications, it is MOTORCARE's value proposition to offer automotive mobility solutions to business-to-business as well as individual customers as close as possible to their place of operation. In addition to highest quality trucks, buses, light commercial and passenger vehicles, passenger tyre's, parts and accessories, the customers are provided one-stop, maintenance, service and repair services as well as insurance, financial and fleet management solutions. It is the overall ambition to be the preferred services provider and MOTORCARE therefore has high focus on continuously increasing the portfolio of leading products and services available to the professional customer.

KJAER KJAER

AUTO KJAER

Provide 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 Group's center of operational excellence located in Johannesburg, South Africa.

HIGHLIGHTS

For most of 2016, the market conditions turned out to be more challenging than the year before. However, despite a 31% decrease in turnover, KJAER GROUP managed to double the operating profit to DKK 18 million (DKK 9 million) and increase cash flow from operations to DKK 46 million (DKK 26 million).

46
DKK million
OPERATIONAL CASH FLOW

18
DKK million
OPERATING PROFIT

74
DKK million
NET INTEREST BEARING DEBT

Following a collapse in commodity prices, significant devaluation of the Group's core currencies and a significant change in investments away from emerging markets, it was very difficult to estimate the future income of 2016. Nevertheless we had full confidence in our ability to withstand the difficult market environment and to strengthen our position going forward. Little did we know, the Group's market would continue to be a struggle. Even though oil and commodity prices finally started a slow recovery in the beginning of the year, the damage was already done. Major mining, construction, oil and gas projects had been cancelled or put on hold across the world; this created USD shortage and devaluation of local currencies, and had a significant impact on the market, basically across all industries.

MOTORCARE in Mozambique (one of the Group's key countries) felt the impact severely; especially for the local economy, which has seen local currency devalue with an average of 5% per month for the first 9 months of the year and an estimated 50% reduction in the automotive market.

MOTORCARE was more prepared this year-around and adjusted to the new market situation by accelerating programs to reduce cost and capital employed, while at the same time delivering on its core value proposition with continued high customer satisfaction. The outcome lead to a strengthened market position. In the International Aid & Development segment, the demand grew below expectations. However, with an extended aftersales service offering and a focus on optimization, KJAER & KJAER increased earnings and operating cash flow compared to the year before.

ADJUSTMENTS MADE TO THE NEW MARKET SITUATION AND CONTINUED FOCUS ON THE CORE VALUE PROPOSITION HAS LED TO A STRENGTHENED MARKET POSITION

The Group equity totalled DKK 102 equal to a ratio of 39% of total assets excluding liquid funds. The equity was affected negatively by exchange rate adjustments of net assets in subsidiaries of DKK 20 million. This was caused by the significant year-end fluctuations in local currencies, in Mozambique in particular.

The Group was impacted significantly by the market and exchange rate developments in Mozambique, resulting in a 31% decrease in turnover, but by focusing on margin improvement and cost optimization across all units, EBITDA doubled to DKK 18 million (DKK 9 million) with an EAT of DKK -0.9 million (DKK -7 million). KJAER GROUP's operating activities cash flow was DKK 46 million (DKK 26 million), which was used primarily to reduce the total net financial debt to DKK 74 million (DKK 103 million), in line with the objective to strengthen the Group's position for the expected upswing in the market. As in the beginning of 2016, the market remains a struggle and future income is very difficult and uncertain to determine. Nevertheless, overall market conditions do seem to have stabilized and we are cautiously optimistic for an improvement in the market demand in the second half of 2017.

STRATEGY

The Group's business strategy is to deliver top quality automotive services in emerging economies; our ambition is to build leading positions in selected markets.

Over the past few years, investments have been completed in core markets to strengthen availability of our product and service offerings further, and through this also improve the competitive position of The Group.

The business success builds on a number of strengths; high quality international brands, ability to deliver full service solutions as close as possible to the customers' place of operation, a way of management firmly anchored in internationally recognized principles and standards (UN Global Compact, ISO certification) and talented and professional employees, who create innovative solutions.

This combination gives the customers peace of mind, higher return on assets as well as the time and resources to concentrate on their main activities and fulfil their ambitions. As a consequence of the change in market conditions in 2015, business unit strategies were updated and the Group's priorities were changed. These changes required all business units to accelerate programmes to increase efficiency, decrease cost and capital employed, without losing competitive advantage and customer focus. The initiatives taken were successfully executed in 2016 and are expected to be in place for most of 2017 as well.

We still strive to deliver a return on invested capital after tax (ROIC) at the level of 12-15%, but with the market conditions and the low interest environment, a mid to high single digit level is considered acceptable.

THE BUSINESS SUCCESS BUILDS ON A NUMBER OF STRENGTHS

- **A way of management firmly anchored in internationally recognized principles and standards (UN Global Compact, ISO Certification).**
- **Talented and professional employees who can create innovative solutions.**
- **Ability to deliver full service solutions as close as possible to the customers' place of operation.**
- **High quality international brands.**

Group 2017 GUIDANCE

Global trade and GDP is still growing, though not at the same rates as we have become accustomed to. For two of The Group's core markets, Mozambique and Uganda, GDP growth is officially projected to 5-6% in 2017, but a real impact on the automotive market depends on realization of oil and gas projects in both countries. While there are positive signs, it is unlikely that there will be any real impact until the second half of 2017.

MOTORCARE expects a better result in 2017 in line with or slightly better than 2016, due to continued focus on cost optimization. In 2016 (in Europe in particular), the refugee crisis required significant allocation from the foreign aid budgets to foot the bill of feeding and housing the newcomers. This has diverted funds from projects and activities in Sub-Saharan Africa, for example. This will continue to impact the core customers of KJAER & KJAER negatively, which expects a result on the same level as 2016.

While The Group's guidance for 2017 is subject to considerable uncertainty, a result is expected to improve from that of 2017. No events have occurred after the balance sheet date (and up to date) that influence the evaluation of this annual report.

WE HAVE CONFIDENCE IN OUR ABILITY TO STRENGTHEN OUR POSITION GOING FORWARD

Key Figures
5 YEARS

DKK million
Note
Key figures from the consolidated annual report:

		2012	2013	2014	2015	2016
Net turnover		710	580	532	455	312
Gross profit, excluding Other operating income		133	120	116	94	82
Earnings before interests, tax and depreciations	EBITDA	49	37	32	9	18
Earnings before interests and tax	EBIT	39	27	19	-5	6
Net financial items		-6	-8	-8	-9	-6
Earnings before tax	EBT	33	19	12	-13	0
Tax		-13	-5	-6	5	-1
Minority shareholders' part		0	2	1	2	1
Earnings after tax	EAT	20	15	7	-7	0
Fixed assets		75	107	105	111	107
Inventories		113	94	119	105	81
Trade receivables		117	66	85	53	56
Other current assets		9	11	8	9	9
Total assets (excluding deferred tax and liquid funds)		**315**	**279**	**317**	**279**	**253**
Current liabilities, excluding bank debt		-67	-43	-54	-59	-78
Capital employed		**247**	**235**	**263**	**220**	**174**
Equity		131	136	129	99	79
Minority interests		0	21	20	26	23
Equity		**131**	**157**	**149**	**125**	**102**
Deferred tax		3	-1	-6	-8	-2
Interest bearing debt, net		114	79	121	103	74
Total balance		331	304	354	319	276
Dividend for the year		6	12	2	0	0
Dividend for the year (%)		28%	82%	33%	0%	0%
Investments in tangible fixed assets, gross		32	53	22	12	10
Average number of full-time employees		340	368	403	378	321
Ratios:						
Gross margin, excluding other operating income		18,7%	20,6%	21,9%	20,6%	26,4%
EBITDA-margin		6,8%	6,3%	5,9%	2,0%	5,9%
Interest coverage (EBITDA/Financial items)		7,8	4,4	4,1	1,1	3,2
Gearing (Net interest bearing debt/EBITDA)		2,3	2,1	3,8	11,3	4,0
Growth in EBITDA		-1%	-24%	-14%	-71%	102%
Return on invested capital after tax	ROIC	12%	9%	4%	-2%	2%
Return on equity	ROE	16%	11%	4%	-5%	0%
Equity ratio		40%	55%	45%	43%	39%
Equity value of nom. 1,000 DKK share	DKK	9 345	9 765	10 339	7 954	6 364
Adjust. equity value for share pricing	DKK	8 970	8 900	10 200	8 378	6 461

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

KJAER GROUP

WAY OF MANAGEMENT

VALUES

To ensure a platform for growth, KJAER GROUP has chosen to adopt a value based approach to Management in order to create a culture of caring and decency combined with independent decision making with the aim of finding and implementing sustainable solutions.

KJAER GROUP aims to solidify our status as a preferred partner to customers with the ambition to deliver top quality automotive services in emerging economies in order to ensure a predictable and sustainable increase in the overall enterprise value.

VALUES

PROFESSIONALISM
Fact-based and competent in everything we do. This is how we conduct our business and how we interact with each other.

RESPECT
Mutual respect between colleagues, partners, customers and other stakeholders we interact with is fundamental for us.

HONESTY
We aim to conduct ourselves and business matters with the utmost honesty in all that we do, ensuring that we are reliable and honor our promises and commitments.

DEDICATION
The success of every customer and partner is the key to our success.

CORPORATE SOCIAL RESPONSIBILITY

To further strengthen that the businesses are developing in a profitable as well as responsible manner, the principles of the "Triple Bottom Line" was introduced in 2008.

The overall objective of these principles are rooted in ensuring that social and environmental goals are pursued in the same manner as financial goals. Based on the Group's vision and values, specific targets and policies were defined for Financial as well as Social and Environmental performance:

Targets and activities for the individual areas have been set and internal follow-up applying the Balanced Scorecard process has been adopted.

External reporting takes place via the affiliation to the UN's principles for sustainability, the UN Global Compact, which the Group endorsed in 2003. The report; Communication on Progress (COP), is available at http://www.unglobalcompact.org or on http://www.kjaergroup.com/media/183659/COP2016.pdf

*In accordance with Section 99 b of the Danish Financial Statements Act, reporting on gender diversity in management bodies is included in the COP report.

TRIPPLE BOTTOM LINE

ENVIRONMENTAL

> Our entities operate with the lowest possible impact on the environment.
> Ensuring we conduct environmentally-friendly initiatives and projects relevant to our business.

FINANCIAL

> We aim towards sustainable and predictable growth.
> Increased enterprise value.
> Solidify our status as the preferred partner to international customers.
> Developing a sustainable and profitable company for investment ventures.

SOCIAL

> Creating a happy, healthy and safe workplace.
> Providing fair and competitive compensation.

HSEQ STANDARDS

WHY THIS MATTERS TO KJAER GROUP

A key measure of meeting the "Triple Bottom Line" goals has been achieving certification in International Standards within Health and Safety, Environment and quality.

In 2012 we initiated the implementation of an integrated Health and Safety, Environment and Quality Management System in accordance with International standards OHSAS 18001, ISO 14001 and ISO 9001.

Implementation of the three standards have had a noticeable positive effect in the daily operation, made a safer workplace, increased quality management in all departments and ensured best possible protection of the environment.

Maintaining and continuous development within the standards are as important as the implementation. A yearly surveillance audit has been carried out and passed successfully and we are now ready for re-certification in 2017. Though HSEQ management system still needs focus and attention it now has become part of our culture. Initiatives have been prepared to maintain and continue to develop the ISO management system within the standards and to secure focus from the organization.

RESULTS

> The integrated HSEQ Management System is now a natural part of our daily operations.
> We successfully passed the yearly surveillance audit.

NEXT STEPS

> We are preparing for re-certification in the three International Standards, OHSAS 18001, ISO 14001 and ISO 9001.
> We are initiating the transition to the 2015 revised version of the three International Standards.

ZERO

CORRUPTION TOLERANCE

WE SUPPORT

BREAK THE CORRUPTION CHAIN

Another significant element of the KJAER GROUP Way of Management is a zero tolerance approach towards corruption.

KJAER GROUP has raised awareness on corruption through various channels in the past by trying to establish a professional climate of honesty, transparency and accountability in every aspect of the company. A group anti-corruption policy was implemented in 2013 and states the code of conduct for all KJAER GROUP employees. It covers among others payments and gifts, partner assessment, risk evaluation and whistle-blower procedures.

In the past three years, KJAER GROUP has been supporting the "Break the Corruption Chain" initiative set out by the UN in order to curb corruption that hinders Millennium Development Goals. This year's campaign to raise awareness for anti-corruption was implemented with the use of T-shirts for all employees and local discussions. Positive feedback was received from employees, partners, customers and local authorities, which we believe will have a long-term effect in the societies where we operate. Through showing how serious everyone at KJAER GROUP is about combatting corruption, we not only perpetuate an internal anti-corruption culture in our company, but also promote customer trust.

NO Payments || NO Gifts

NO Free travel || NO Free social entertainment

OUR PROGRESS

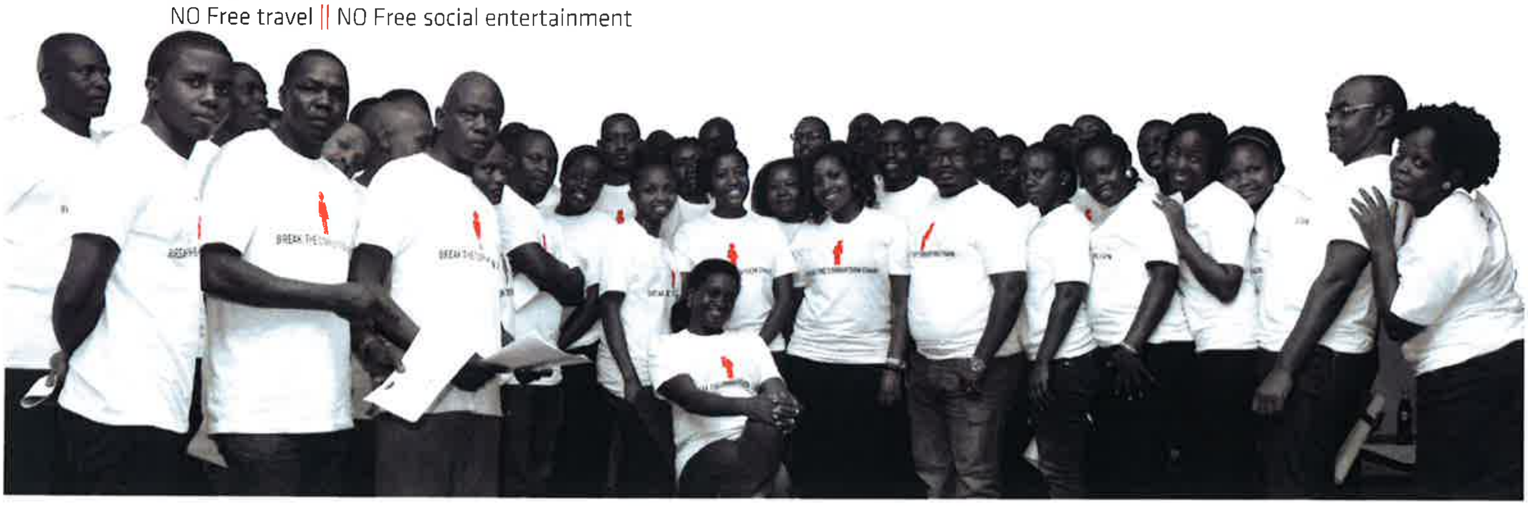
Honesty, The Group's core value, forms the basis for The Group's anti-corruption policy in 2013.

Policy signed by management and introduced to all employees. In 2014 the #breakthechain campaign was rolled out on the UN International Anti-Corruption Day. In 2015 on the UN International Anti-Corruption Day, the "ZERO Tolerance for Corruption" theme was debated across The Group in small teams.

In 2016 the #breakthechain campaign was implemented with use of T-shirts, statements and local discussions. The economic, social and business damage produced by engaging in corrupt acts was discussed and ideas were shared on how to ensure that the core value of honesty in all business dealings are upheld.

RESULTS

UN Global Compact annual "Communication On Progress" (COP) report, has become an integrated part of doing business.



Risk MANAGEMENT

Given The Group's focus on developing countries, we consider exchange rate risks and fluctuations to be of special importance to the company, in addition to ordinarily accepted risks within automotive trade and distribution. The Group's most significant risks in financial terms are our branches in Mozambique and Uganda. Insurance has been taken out against political risks to inventories, with coverage in the event of war or confiscation. African subsidiaries' results and equities are measured in USD.

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

Corporate GOVERNANCE

THE BOARD OF DIRECTORS

In accordance with Article 10 of the articles of association, KJAER GROUP A/S shall be managed by a Board of Directors consisting of 3 to 6 members, who are elected by the General Meeting for a term of one year at a time. The Directors may be re-elected. Today, the Board consists of 3 members. The Board of Directors shall elect its own Chairman and appoint a Management Board. The Board of Directors shall be in charge of the overall management of the Company's affairs and activities. The Management Board (Executive Management) appointed by the Board of Directors shall be in charge of the day-to-day management of the Company. The Board normally meets 5-6 times per year and is otherwise convened when or if deemed necessary by the Chairman.

EXECUTIVE MANAGEMENT

Executive Management functions as the day to day management and currently consists of Per S. Lundgren (CEO) and Richard V. Nijhout (COO).

REMUNERATION OF MANAGEMENT

The remuneration payable to Executive Management is based on what is considered competitive in relation to size, market conditions, activities and is reviewed annually by a Remuneration Committee established by the Board.

INDEPENDENT AUDIT

KJAER GROUP A/S and the Group's annual accounts are audited by a state-authorized audit firm appointed annually at the Annual General Meeting. The current audit firm of KJAER GROUP A/S and the consolidated accounts is Deloitte.

Financial
STATEMENT

PROFIT AND LOSS ACCOUNT

Turnover

In 2016 the market conditions in the Group's markets continued being very challenging due to significant devaluations of the Group's core currencies and further contraction of the core markets. The Group realized turnover of DKK 312 million down 31% from DKK 455 million in 2015. Despite the challenging condition the Group maintained the market share on the core markets.

Gross Profit

Gross profit was DKK 84 million, down from DKK 96 million the year before. With higher focus on exchange rate management and efficiency programs the Group managed to increase gross margins to 26.4% from 20.6% in 2015.

EBIT

EBIT for the year was realized at DKK 6 million, an increase of DKK 11 million from DKK -5 million in 2015. The Group's overhead costs was reduced by 24% to DKK 66 million from DKK 86 million in 2015 as a result of cost savings initiatives introduced in 2015 and the devaluation of core currencies.

Financial items

Financial items were realized at DKK -6 million (2015: DKK -9 million), resulting in earnings before tax (EBT) of DKK 0.2 million (2015: DKK -13 million).

Tax

Tax amounted to DKK -1 million (2015: DKK +5 million). The effective tax rate was 498% due to withholding taxes of DKK 1 million.

Earnings After Tax

The Group's earnings after tax totalled DKK -1 million (2015: DKK -8 million). The result was lower than expected, however considering the development in the Group's market conditions the result is considered satisfactory.

BALANCE SHEET

As of 31 December 2016, KJAER GROUP 's assets totalled DKK 224 million (DKK 255 million).

Assets

Tangible assets totalled DKK 101 million (DKK 104 million). Inventories and trade receivables amounted to DKK 137 million (DKK 158 million). The decrease of DKK 21 million is a result of Initiatives to reduce capital employed as well as the lower sales volume.

Liabilities

The equity totalled DKK 102 million (DKK 125 million), equivalent to a solidity ratio of 37% (39%).
Current liabilities amounted to DKK 166 million (DKK 189 million), of which bank debt was DKK 88 million (DKK 130 million).

CASH FLOW STATEMENT

Earnings before interest, taxes, depreciations and amortization (EBITDA) was DKK 18 million (DKK 9 million) and cash flow from operations DKK 46 million (DKK 26 million).

The positive cash flow is a result of initiatives implemented to reduce capital employed in addition to the lower turnover and activity level.

Cash flow from investments was DKK -5 million (DKK -9 million). Cash flow from financial items was DKK -6 million (DKK +4 million) mainly from higher purchase of own shares. The total net cash flow for the year was positive with DKK 36 million (DKK +21 million).

Statement

BY MANAGEMENT

The Board of Directors and the Executive Management have today considered and approved the annual report of KJAER GROUP A/S for the financial year 1 January 2016 to 31 December 2016.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of The Group's and the Parent's financial position at 31 December 2016 and of their financial performance as well as the consolidated cash flow for the financial year 1 January 2016 to 31 December 2016.

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.

Executive Management

Per Schierning Lundgren, CEO

Richard Valentin Nijhout, COO

Board of Directors

Mads Krarup Kjaer, Chairman

Hilton Mer, Board member

Steven Michael Ford, Board member

Independent AUDITORS' REPORT

TO THE SHAREHOLDERS OF KJAER GROUP A/S

OPINION

We have audited the consolidated financial statements and the parent financial statements of Kjaer Group A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2016, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent financial statements* section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent'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 consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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, 24 April 2017

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Lars Knage Nielsen
State-Authorised Public Accountant

Profit and Loss Account
1 JANUARY - 31 DECEMBER '16

DKK 1.000
Note

Note			PARENT COMPANY		GROUP	
			2016	2015	2016	2015
1	Net turnover		76 960	144 470	312 384	455 183
2	Other operating income		22 026	21 290	1 607	1 676
	Cost of goods sold		-72 279	-141 537	-229 985	-361 338
	Gross profit		**26 707**	**24 223**	**84 005**	**95 521**
	Other external expenses		-5 320	-6 946	-29 303	-40 705
3	Staff expenses		-11 926	-12 418	-36 251	-45 662
	Earnings before interests and tax and depreciations	**EBITDA**	**9 461**	**4 859**	**18 451**	**9 154**
4	Depreciations		-2 949	-2 881	-12 408	-13 975
	Earnings before interest and tax	**EBIT**	**6 512**	**1 978**	**6 042**	**-4 821**
5	Share of profit in subsidiaries		-1 288	-7 430	0	0
6	Other financial income		302	194	25	154
6	Financial expenses		-4 463	-5 215	-5 841	-8 808
	Earnings before tax	**EBT**	**1 063**	**-10 473**	**227**	**-13 475**
7	Tax on current years profit		-746	3 846	-1 132	5 145
	EARNINGS AFTER TAX	**EAT**	**317**	**-6 627**	**-905**	**-8 330**

Balance sheet as per

31 DECEMBER '16

DKK 1.000
Note

Note	ASSETS	PARENT COMPANY Dec '16	PARENT COMPANY Dec '15	GROUP Dec '16	GROUP Dec '15
9	Software	5 963	7 515	5 963	7 515
	Aquired intangible fixed assets	**5 963**	**7 515**	**5 963**	**7 515**
	Land and Buildings	0	0	75 189	74 884
	Other tools and equipment	1 902	2 374	25 424	28 972
9	**Tangible fixed assets**	**1 902**	**2 374**	**100 613**	**103 856**
5	Investments in subsidiaries	152 679	162 922	0	0
5	Investments in associates	0	0	0	0
12	Deferred tax assets	8 838	9 118	10 161	13 380
	Financial fixed assets	**161 516**	**172 040**	**10 161**	**13 380**
	Total fixed assets	**169 381**	**181 929**	**116 736**	**124 751**
10	**Inventories**	**1 833**	**1 405**	**81 234**	**105 495**
	Trade receivables	441	0	55 950	52 922
	Receivables on subsidiaries	49 324	67 502	0	0
	Corporation tax receivales	2 396	1 820	6 202	3 225
	Other receivables	274	836	2 472	5 006
	Prepaid expenses	295	1 079	298	1 079
	Accounts receivables	**52 730**	**71 237**	**64 922**	**62 233**
	Liquid funds	**6**	**0**	**13 577**	**26 527**
	Total current assets	**54 569**	**72 642**	**159 734**	**194 255**
	TOTAL ASSETS	**223 951**	**254 571**	**276 470**	**319 006**

Balance sheet as per
31 DECEMBER '16

DKK 1.000
Note

Note	LIABILITIES	PARENT COMPANY Dec '16	PARENT COMPANY Dec '15	GROUP Dec '16	GROUP Dec '15
11	Share capital	12 435	12 435	12 435	12 435
	Equity method transfer to net revaluation reserve	27 383	38 580	0	0
	Result carried forward	39 322	47 896	66 705	86 476
	Minority interests	0	0	22 508	25 937
	Total equity	**79 140**	**98 911**	**101 648**	**124 848**
12	**Provision for deferred tax**	**3 109**	**4 547**	**8 383**	**5 311**
	Bank debts	40 698	63 395	88 054	129 749
	Prepayments from customers	0	0	15 132	11 366
	Payable to suppliers	12 141	12 072	43 263	19 957
	Payable to subsidiaries / parent company	83 452	67 817	3 856	7 589
	Corporation tax payable	0	0	687	359
	Other accounts payable	5 412	7 829	15 447	19 826
	Total current liabilities	**141 703**	**151 113**	**166 439**	**188 847**
	TOTAL LIABILITIES	**223 951**	**254 571**	**276 470**	**319 006**

13 Change in working capital
14 Pawnings
15 Leasing commitments
16 Contingent liabilities
17 Related parties
18 Fee for auditors elected by the general meeting

Statement of changes in equity
PARENT COMPANY

DKK 1.000
Note

PARENT COMPANY	Share capital	Equity method transfer to net revaluation reserve	Result carried forward	Proposed dividend for the year	Total equity
Balance 31st December 2014	**12 435**	**70 376**	**44 104**	**1 650**	**128 566**
Dividend paid	0	0	0	-1 650	-1 650
Purchase & dividend of own shares	0	0	-820	0	-820
Exchange rate adjustments of investments in subs.	0	-12 070	-5 949	0	-18 019
Change in unrealised hedging	0	-2 642	103	0	-2 539
Proposed distribution of current years profit	0	-17 084	10 457	0	-6 627
Balance 31st December 2015	**12 435**	**38 580**	**47 896**	**0**	**98 911**
Purchase & dividend of own shares	0	0	-6 023	0	-6 023
Exchange rate adjustments of investments in subs.	0	-17 595	-237	0	-17 831
Change in unrealised hedging	0	3 790	-23	0	3 766
Proposed distribution of current years profit	0	2 608	-2 291	0	317
Balance 31st December 2016	**12 435**	**27 383**	**39 322**	**0**	**79 140**

Statement of changes in equity

GROUP

DKK 1.000
Note

GROUP	Share capital	Minority Interest	Result carried forward	Proposed dividend for the year	Total equity
Balance 31st December 2014	**12 435**	**19 990**	**114 481**	**1 650**	**148 556**
Capital increase	0	5 850	0	0	5 850
Dividend paid	0	0	0	-1 650	-1 650
Purchase & dividend of own shares	0	0	-820	0	-820
Exchange rate adjustm. of Net assets in subssidiaries	0	1 800	-18 019	0	-16 219
Change in unrealised hedging	0	0	-2 539	0	-2 539
Proposed distribution of profit	0	-1 703	-6 627	0	-8 330
Balance 31st December 2015	**12 435**	**25 937**	**86 476**	**0**	**124 848**
Purchase & dividend of own shares	0	0	-6 023	0	-6 023
Exchange rate adjustm. of Net assets in subssidiaries	0	-2 205	-17 831	0	-20 037
Change in unrealised hedging	0	0	3 767	0	3 767
Proposed distribution of profit	0	-1 224	317	0	-907
Balance 31st December 2016	**12 435**	**22 508**	**66 705**	**0**	**101 648**

Cash flow STATEMENT

DKK 1.000
Note

Note			GROUP 2016	GROUP 2015
	Earnings before interests and tax and depreciations	EBITDA	18 451	9 154
	Adjustments for other non-cash items		-7 362	1 974
13	Change in working capital		43 507	30 428
	Financial items		-5 816	-8 654
	Taxes paid		-2 403	-7 303
	Cash flow from operations		**46 377**	**25 599**
	Investments in tangible assets		-10 049	-12 324
	Sale of tangible assets		5 446	3 423
	Cash flow from investments		**-4 602**	**-8 901**
	Dividend paid		0	-1 650
	Purchase and dividend of own shares		-6 023	-820
	Capital increase from minority interests		0	6 955
	Cash flow from financial items		**-6 023**	**4 485**
	Cash flow of year, net		**35 752**	**21 183**
	Liquid funds, beginning of the year		-103 222	-121 033
	Exchange adjustments of liquid funds		-7 007	-3 372
	Liquid funds, end of the year		**-74 477**	**-103 222**
	Specified as follows:			
	Liquid funds		13 577	26 527
	Bank debts		-88 054	-129 749
	Liquid funds, end of the year		**-74 477**	**-103 222**

Notes to the

ANNUAL REPORT

DKK 1.000
Note

Note		Parent Company 2016	Parent Company 2015	Group 2016	Group 2015
1	**Net turnover**				
	Net turnover by activities				
	International Aid & Development	0	0	106 468	122 291
	Distribution	76 960	144 470	205 916	332 891
		76 960	**144 470**	**312 384**	**455 183**
	Net turnover by regions				
	Africa	76 960	144 470	297 891	422 636
	Europe	0	0	695	2 369
	North America	0	0	744	0
	Asia & Middle East	0	0	13 054	30 178
		76 960	**144 470**	**312 384**	**455 183**
2	**Other operating income**				
	Management fees from subsidiaries	22 026	20,781	398	0
	Commission income, refund and compensation etc.	0	509	1,209	1 676
		22 026	**21 290**	**1 607**	**1 676**
3	**Staff expenses**				
	Salaries and executive management	4 676	5 180	4,676	5, 180
	Board of Directors fees	766	700	766	700
	Salaries and wages other employees	5 899	5 776	29 623	38 318
	Pensions	318	341	762	904
	Other staff expenses	267	421	424	560
		11 926	**12 418**	**36 251**	**45 662**
	Average number of full-time employees	12	14	321	378
4	**Depreciations**				
	Software	2 169	2 205	2 169	2 205
	Buildings	0	0	4 199	4 327
	Other tools and equipment	780	754	6 629	7 989
	Loss/profit, sale of tangible assets	0	-78	-588	-546
		2 949	**2 881**	**12 408**	**13 975**

Notes to the
ANNUAL REPORT

DKK 1.000
Note

	PARENT COMPANY	
	Investment in associates	Investment in subsidiaries
5 Financial fixed assets		
Purchase value:		
At the beginning of the year	1 604	124 342
Additions	0	954
End of the year	1 604	125 295
Revaluations:		
At the beginning of the year	-1 604	38 580
Exchange rate adjustment	0	-17 595
Change in unrealised hedging	0	3 790
Share of result	0	-1 288
Change in internal profit on inventories	0	-15
Dividends received	0	3 911
End of the year	-1 604	27 383
Book value end of the year	**0**	**152 679**

Investments in subsidiaries and associates

Enterprises includes ownership of shares in following subsidiaries, which are valued at equity value and all included in the Group consolidated accounts:

Name / Subsidiaries	**Address**	**Land / country**	**Ownership ***
Kjaer & Kjaer A/S	Grønnemosevej 6, 5700 Svendborg	Denmark	100%
Auto Kjaer A/S	Grønnemosevej 6, 5700 Svendborg	Denmark	100%
Motorcare Services Holding A/S	Grønnemosevej 6, 5700 Svendborg	Denmark	67%
Kjaer Group (Pty) Ltd.	Hampton Office Park, 20 Georgian Crescent, Bryanston	South Africa	100%
Motorcare Lda.	Rua Kanwalanga 141, Maputo	Mozambique	100%
Motorcare Services Lda.	Rua de França, Parcela 3, Bairro de Carrupeia, Nampula	Mozambique	67%
Motorcare Mozambique Lda.	Rua Kanwalanga 141, Maputo	Mozambique	100%
Motorcare Uganda Ltd.	Jinja Road 95, Kampala	Uganda	100%
Motorcare Serivces Uganda Ltd.	Buhinga Bujumbura Division, Hoima	Uganda	67%
Motorcare (SL) Ltd	58C Lightfoot Boston Road, Freetown	Sierra Leone	100%
Associates			
MyC4 A/S	Sankt Annæ Plads 19 2 th, 1250 København K	Denmark	4%

** For shares in subsidiaries where the ownership deviates from the voting rights, the voting rights are presented.*

Notes to the

ANNUAL REPORT

DKK 1.000
Note

		PARENT COMPANY	
		2016	2015
6	**Financial income/expenses from inter company accounts**		
	Financial income from subsidiaries	302	194
	Financial expenses to subsidiaries	-2 340	-2 194

		Parent Company		Group	
		2016	2015	2016	2015
7	**Tax on current years profit**				
	Tax payable on the year's estimated tax assessment	310	1 063	-2 666	-11 746
	Withholding tax on management fee from subsidiaries	-518	-418	-961	0
	Withholding tax on dividend	291	-282	291	0
	The year's change in deferred tax	-829	348	2 178	13 966
	Adjustments previous years	0	-151	27	-351
	Adjustment of tax rate on deferred tax	0	-738	0	-866
	Impairment of Danish tax assets	0	-2 387	0	-2 387
	Reversed provision on withholding taxes	0	7 107	0	6 529
		-746	**3 846**	**-1 132**	**5 145**
8	**Proposed distribution of profit**				
	Equity method transfer to net revaluation reserve	2 608	-17 084	0	0
	Minority interest	0	0	-1 224	-1 703
	Result carried forward	-2 291	10 457	317	-6 627
		317	**-6 627**	**-907**	**-8 330**

Notes to the
ANNUAL REPORT

DKK 1.000
Note

PARENT COMPANY

	Software	Land and buildings	Other tools and equipment
9 Tangible & acquired intangible fixed assets continued			
Purchase value:			
At the beginning of the year	10 605	0	5 886
Additions	617	0	308
End of the year	**11 222**	**0**	**6 194**
Accumulated depreciations and impairment losses:			
At the beginning of the year	-3 090	0	-3 512
Depreciations of the year	-2 169	0	-780
End of the year	**-5 259**	**0**	**-4 292**
Book value end of the year	**5 963**	**0**	**1 902**

GROUP

	Software	Land and buildings	Other tools and equipment
Purchase value:			
At the beginning of the year	10 605	110 810	64 675
Exchange rate adjustments	0	3 732	2 135
Additions	617	2 174	7 257
Disposals	0	0	-8 582
End of the year	**11 222**	**116 716**	**65 486**
Accumulated depreciations and iimpairment losses:			
At the beginning of the year	-3 090	-35 926	-35 703
Exchange rate adjustments	0	-1 210	-1 154
Depreciations of the year	-2 169	-4 391	-6 928
Depreciated on sold assets	0	0	3 723
End of the year	**-5 259**	**-41 527**	**-40 062**
Book value end of the year	**5 963**	**75 189**	**25 424**

Notes to the

ANNUAL REPORT

DKK 1.000
Note

		PARENT COMPANY		GROUP	
		2016	2015	2016	2015
10	**Inventories**				
	Manufactured goods and goods for resale	1 371	1 362	80 067	105 452
	Prepayments for goods	462	43	1 167	43
		1 833	**1 405**	**81 234**	**105 495**

		Share Capital
11	Share capital	
	Last 5 years changes in share capital:	
	Share capital January 1 2012	13 973
	Capital reduction 2014	-1 538
		12 435
	The share capital at end of year is split in:	
	A shares	5 000
	B shares	7 435
		12 435

Treasury shares (B shares)	Nominal Value	% of Share Capital
At the beginning of the year	140	1,1%
End of the year additions	656	5,3%
	796	**6,4%**

Purchase of own share is implemented according to previously agreed incentive programs

Notes to the
ANNUAL REPORT

DKK 1.000
Note

Note		PARENT COMPANY		GROUP	
		Dec '16	Dec '15	Dec '16	Dec '15
12	Provision for deferred tax				
	Opening	-4 571	-1 795	-8 069	-6 439
	Exchange rate adjustment	0	723	3 968	2 367
	Transferred to/from corporation tax	-1 937	1 239	1 818	-3 867
	Accounted for in Profit and Loss	829	-2 300	-2 332	-4 253
	Accounted for on Equity	-49	-2 438	2 838	4 123
		-5 729	**-4 571**	**-1 777**	**-8 069**
	Tangible fixed assets	-3 049	-3 923	13 557	7 163
	Financial fixed assets	3 110	4 547	-4 748	-3 307
	Inventories	-412	-365	285	-1 856
	Accounts receivables	0	0	-979	-145
	Other provisions	-2	0	-242	-965
	Tax loss carry forward	-5 377	-4 830	-9 650	-8 959
		-5 729	**-4 571**	**-1 777**	**-8 069**
	Reported as:				
	Deferred tax assets	8 838	9 118	10 161	13 380
	Provision for deferred tax	3 109	4 547	8 383	5 311
		-5 729	**-4 571**	**-1 777**	**-8 069**
	Tax loss carry forward not included	3 999	4 357	3 999	4 357
	Withholding tax on result carried forward, not declared	813	2 733	813	2 733

1) Withholding tax payable on not declared result carried forward in the companies in Mozambique. Management do not expect declaration of dividend in the forseeable future.

Note		GROUP	
		2016	2015
13	**Change in working capital**		
	Change in current assets:		
	Inventories	24 261	2,443
	Trade receivable	-3 028	25,788
	Prepaid expenses	781	-527
	Other various outstandings	2 534	598
	Change in short-term debt:		
	Prepayments from customers	3 766	2 599
	Payable to subsidiaries	-3 733	-6 912
	Payable to suppliers	23 306	10 324
	Other accounts payable	-4 380	-3 886
	Change in working capital	**43 507**	**30 428**

Notes to the

ANNUAL REPORT

DKK 1.000
Note

	Registered deed	Actual liability	Booked value of Assets
14 Pawnings			
MOTORCARE Uganda Ltd.:			
In security for bank lines in MOTORCARE Uganda Ltd. a Letter of mortgage has been issued in the company's premises on Plot 95, Jinja Road, Kampala.	7 590	5 726	9 792
For same bank debt the company has issued letter of debenture in all Fixed and floating assets belonging to the company.	9 178	5 726	42 381
KJAER & KJAER A/S			
Inventories are under retention of title from supplier.		9 631	9 631

	PARENT COMPANY		GROUP	
	Dec '16	**Dec '15**	**Dec '16**	**Dec '15**
15 Lease commitments				
Operating lease contracts on company cars have been concluded for the years 2016 to 2018.	0	0	289	383
16 Contingent liabilities				
The balance sheet dates total amount of forward exchange contracts. In the annual report profits and losses are accounted for according to balance sheet date rates.	0	76 798	0	91 141
Rental contacts for premises have been concluded for the years 2016 to 2023.	7 926	9 033	8 513	10 163

Parent company
The company has committed to repurchase 9% own shares from employees at Equity value. 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 and 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.

	Actual debt	Maximum liability
The parent company has guaranteed for bank debt in the subsidiaries KJAER & KJAER A/S and AUTO KJAER A/S	41 630	50 000
The parent company has guaranteed financial Letter of Guarantees issued in security for liabilities in the subsidiaries KJAER & KJAER A/S and AUTO KJAER A/S	2 121	50 000
On the basis of joint VAT registration the company is liable for VAT debt in KJAER & KJAER A/S.	0	unlimited
The parent company has issued guarantee for debt to suppliers in KJAER & KJAER A/S	9 631	49 420

DKK 1.000
Note

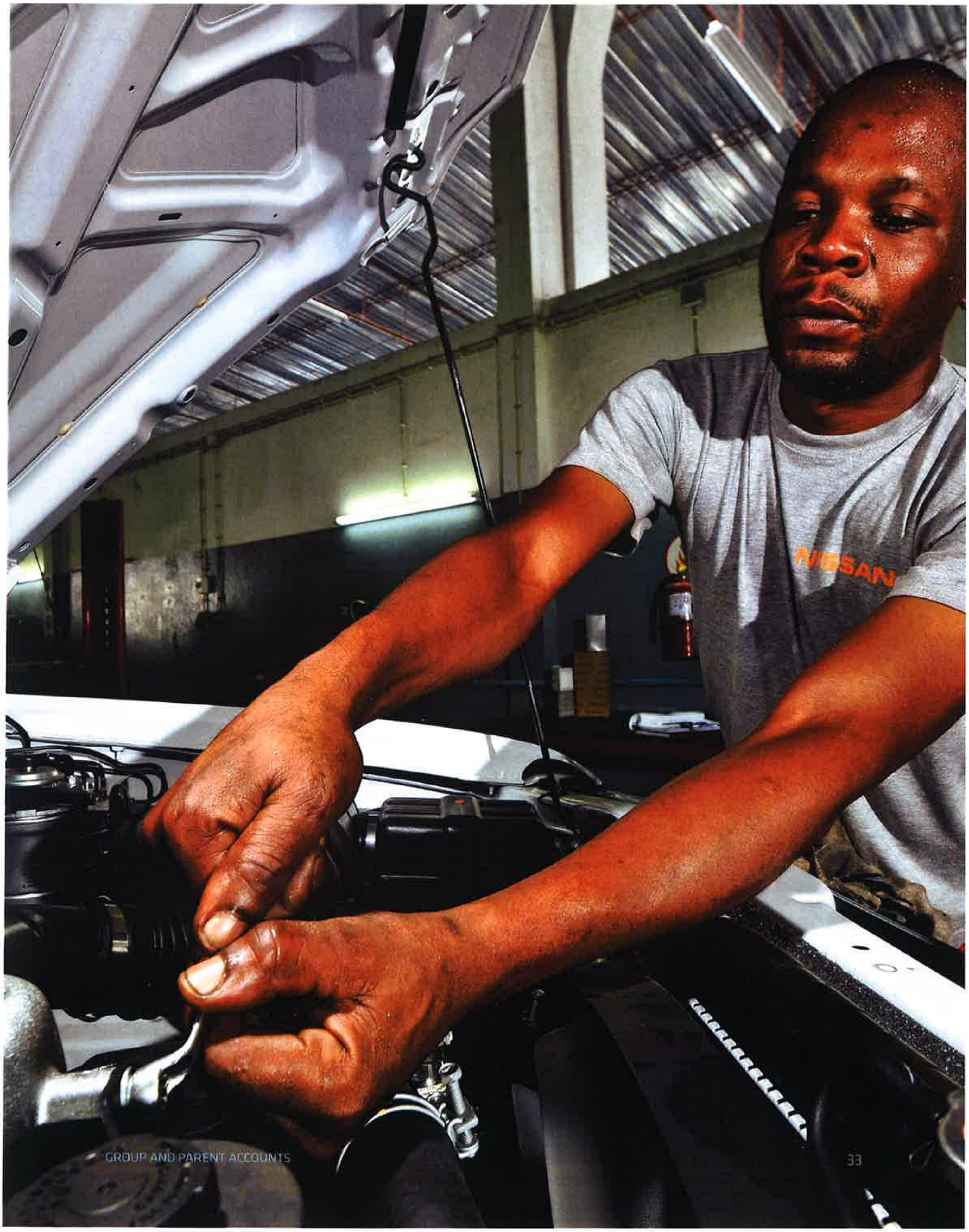
17 The following are considered related parties with controlling influence on KJAER GROUP A/S:

Related party:	Basis for control:
The Way Forward ApS, Sankt Annæ Plads 19 2 th	90% share ownership
1250 København K	Exercise of management
The company's Management and Board	

The Way Forward ApS is 100% owned by Mads Kjær personally. The company is, besides to be the principle shareholder in Kjaer Group A/S, a private investment company applied for Mads Kjær's non-automotive activities. There are no liabilities or significant intercompany debt between The Way Forward ApS and Kjaer Group A/S or its subsidiaries.
Kjaer Group A/S owns treasury shares equal to 6.4% of the share capital. The other shares are owned by employees. No other shareholders own more than 5% of the share capital or voting rights.
Remuneration to Management and Board of Directors is disclosed in note number 3.
Kjaer Group A/S and its subsidiaries are consolidated into the Group accounts for The Way Forward ApS, Svendborg.

	GROUP	
	2016	**2015**
18 Fee for auditor elected by the general meeting		
Fee for auditor elected by the General Meeting		
Fees to auditors:		
Audit	1 126	1 078
Tax advice	122	85
Declaration fees	0	10
Other fees	42	49
	1 290	**1 222**

Deloitte is elected as auditor in the entire group.


NISSAN

Accounting POLICIES

The annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C large enterprises and generally accepted accounting principles.

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

Recognition and measurement
Assets are recognized in the balance sheet when it is likely as a result of a prior event that future economic benefits will flow to the company and the value of the assets can be measured reliably.

Liabilities are recognized in the balance sheet when the company has a legal or constructive obligation as a result of a prior event, and it is likely that future economic benefits will flow out of the company 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 prior to the 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 recognized in the Profit and loss account when earned, whereas costs are recognized 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 recognized 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.

On recognition of independent foreign subsidiaries, the income statements of such enterprises are translated using the year's average rates of exchange. 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 to the exchange rates at the balance sheet date are recognized directly on equity.

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 recognized 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 recognized asset or liability are recorded in the Profit and loss account together with changes in the value of the assets or the liabilities hedged.

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 recognized directly on the equity.

Changes in the fair value of derivative financial instruments, which serves the purpose of hedging net investments in independent foreign subsidiaries or associates are recognized directly on the Equity.

Consolidated Annual Report
The consolidated annual report comprises the parent company and Group enterprises controlled by the parent.

Consolidation
The consolidated financial statements have been prepared on the basis of the financial statements of the subsidiaries and the parent by combining uniform items and eliminating shares of profit in subsidiaries, intra-group accounts and intra-group interest and profit.

For all main items the accounting policies are similar for all enterprises in the Group. Items from subsidiaries are recognized in full in the consolidated financial statements.

The Profit and loss account is thus an expression of the overall operating activities of the group as an aggregate financial entity just as the status of the group provides a general overview of the assets and liabilities of the enterprises of the Group. In the annual report of the parent, assets and investments in subsidiaries are measured at equity value plus goodwill paid. The parent company equity is thus equal to the equity of The Group.

Accounting POLICIES

Newly acquired enterprises
The purchase method is applied in the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date.

Allowance is made for the tax effect of the restatements. Positive/negative differences in amount (goodwill/badwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognized under intangible assets/prereceived income, and they are amortized systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years.

Profits or losses from divestment of equity investments
Profits or losses from divestment or winding up of subsidiaries are calculated as the difference between selling price or settlement price and the carrying amount of the net assets at the time of divestment or winding up, inclusive of nonamortized goodwill and estimated divestment or winding up expenses.

Profit or losses by divestment or winding up of subsidiaries are accounted for in the Profit and loss respectively under Other income or Other expenses.

PROFIT AND LOSS ACCOUNT

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

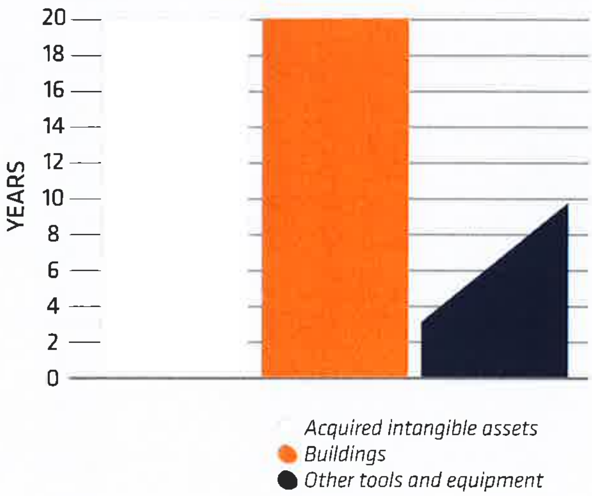
Other operating income
Other operating income comprise income of a secondary nature as viewed in relation to the Company's primary activities, including material exceptional gains from the sale of intangible assets and property, plant and equipment, subsidies, rental income, licence income, etc.

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

Depreciations
Depreciation of acquired intangible assets, premises, plant and equipment with a limited useful life is carried out straight-line on the basis of the expected economic and technical lives of these assets which are generally determined as follows:



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 recognized in the Profit and loss account by the portion attributable to the profit/loss for the year.

In the event that items recognized 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 recognized in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Accounting POLICIES

Deferred tax is recognized and measured by 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 recognized in the income statement.

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

The Company is jointly taxed with all of its wholly owned Danish subsidiaries. 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

Tangible and acquired intangible fixed assets.
Fixed assets with limited service time are entered at cost less depreciations. Cost comprises the acquisition price, costs directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

Financing costs are recognized in the income statement.

In the event that the recoverable amount is lower than the carrying amount, the asset in question is written down.

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price minus selling costs and carrying amount at the time of sale.

Profits or losses are recognized in the income statement as an adjustment to depreciation and impairment losses, or under other operating income if the selling price exceeds original cost.

Investments in subsidiaries and associates
Investments in subsidiaries and associates are recognized and measured under the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unrealized intra-group profits or losses.

The Company's share of the enterprises' profits or losses after elimination of unrealized intra-group profits and losses is recognized in the income statement.

Subsidiaries and associates with a negative equity value are measured at zero value, and any receivables from these enterprises are written down by the Company's share of such negative equity if it is deemed irrecoverable. If the negative equity exceeds the amount receivable, the remaining amount is recognized under provisions if the Company has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in subsidiaries and associates is transferred to reserve for net revaluation according to the equity method under equity. Investments in subsidiaries and associates are written down to the lower of recoverable amount and carrying amount.

Inventories
Inventories consist of cars, motorcycles and spare parts, including cars on lease contracts. Inventories are measured at the lower of cost using the FIFO method and net realizable value. Financing costs are not included in cost.

Cars on lease contracts are measured at cost less accumulated depreciation and write-downs.

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

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

Equity
Dividends are recognized 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.

Accounting
POLICIES

Lease commitments
Lease payments on operating leases are recognized on a straight-line basis in the income statement over the term of the lease.

Financial liabilities
Financial liabilities are recognized at amortized cost, which usually corresponds to nominal value.

The Cash Flow 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.

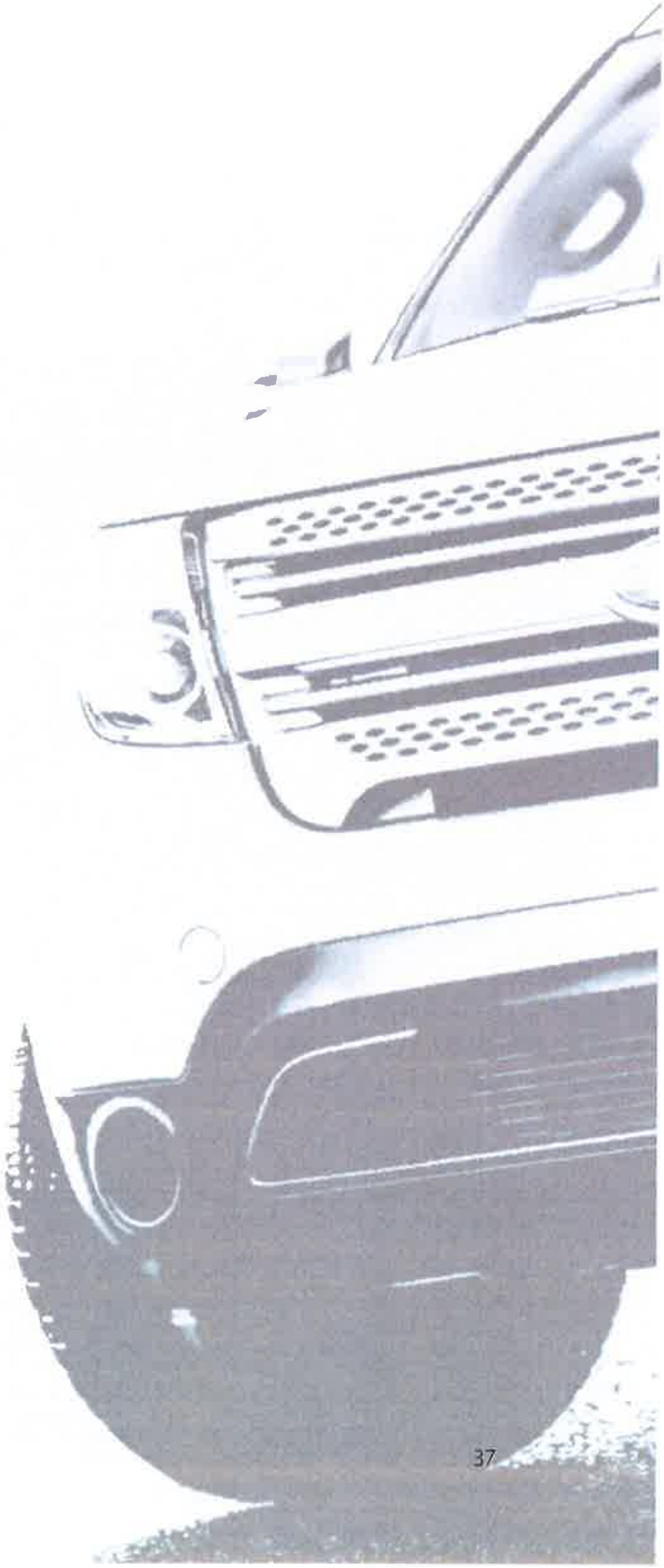
Cash flows from operating activities are calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

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 and payment of dividend.

Cash and cash equivalents comprise cash and securities with insignificant price risk less short-term bank debt.

Segment Information
Disclosures are provided on business activities as the primary segment. The segmental disclosures comply with the group's accounting policies and internal financial management.



DEFINITIONS

EBITDA
Earnings before depreciations, interests, tax and minority interests

EBIT
Earnings before interests, tax and minority interests

NOPLAT
EBIT - tax on EBIT adjusted for non-cash element of withholding taxes

Capital employed
Total assets – payable to suppliers and other current liabilities

Net interest bearing debt
Interest bearing liabilities + debt to credit institutions - liquid funds

Gross margin
Gross profit * 100 / Net Turnover

EBITDA margin
EBITDA * 100 / Net Turnover

Interest coverage
EBITDA * 100 / Financial income and expenses, net

Gearing
Net interest bearing debt * 100 / EBITDA

Growth in EBITDA
Growth in EBITDA * 100 / EBITDA 2013

Return on capital employed (ROIC)
NOPLAT * 100 / Average capital employed

Return on equity
Earnings after tax * 100 / Average equity

Equity ratio
Total equity * 100 / Total assets excluding liquid funds

Equity value of nom. 1000 DKK shares
Total Equity excl. minority interests / number of shares

Adjust. Equity value for share pricing
Total equity excl. minority interests - Dividends and unreal. exch. adj. in Equity /Number of shares

Company DETAILS

Company
KJAER GROUP A/S
Grønnemosevej 6, 5700 Svendborg
Denmark
Member of UN's Global Compact Network

VAT no.: DK 81 31 72 16
Phone: (+45) 62 22 11 11
Fax: (+45) 62 22 44 22
Web-site: www.kjaergroup.com
E-mail: info@kjaergroup.com

Board of directors
Mads Kjær, Chairman
Hilton Mer, Board member
Steven Ford, Board member

Executive Management
Per S. Lundgren, CEO
Richard V. Nijhout, COO

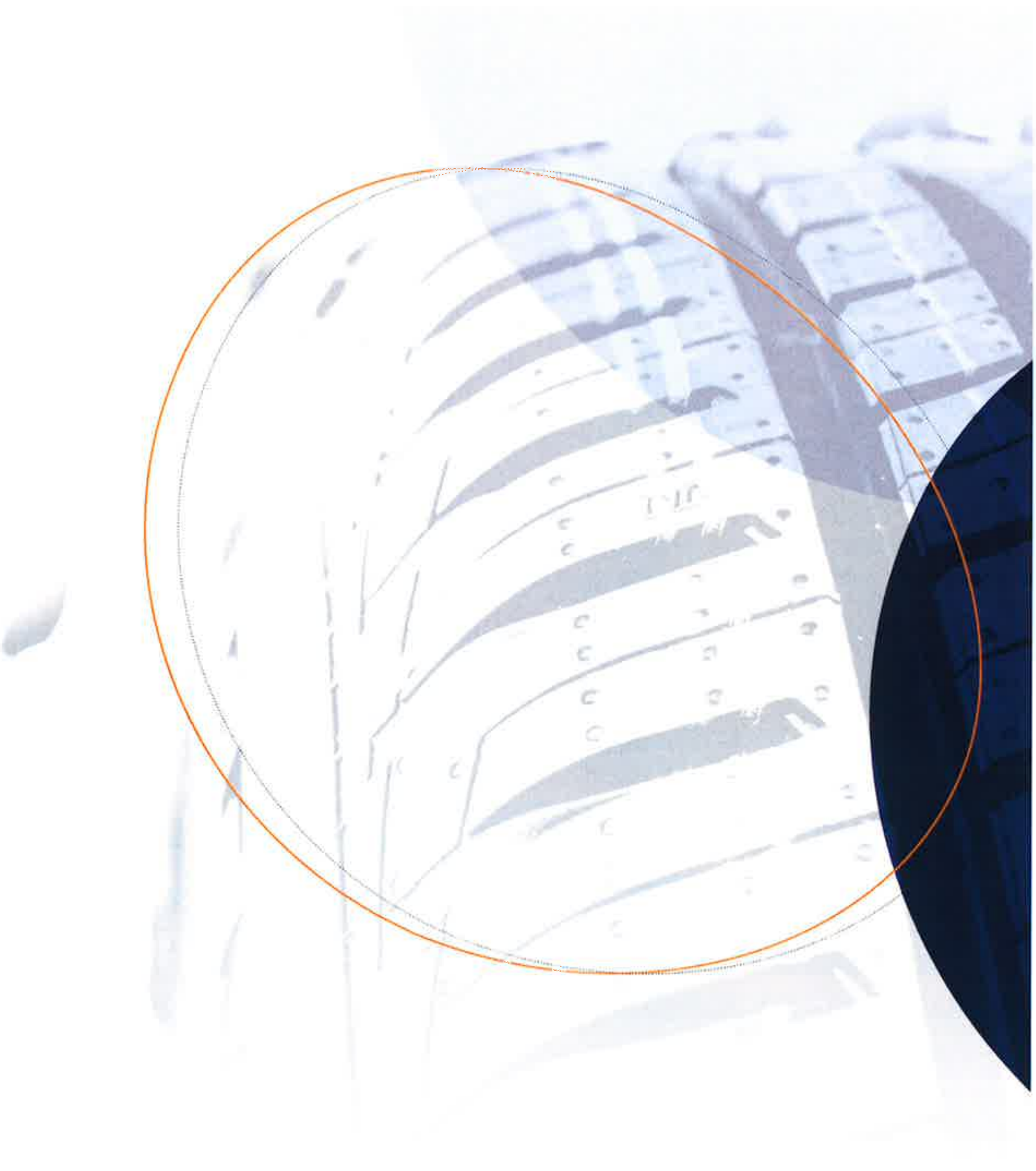
Revision / Auditors
Deloitte, Statsautoriseret Revisionspartnerselskab
Tværkajen 5, 5100 Odense C
Denmark

Member of UN's Global Compact Network

Phone: (+45) 63 14 66 00
Fax: (+45) 63 14 66 12
Web-site: www.deloitte.dk
E-mail: odense@deloitte.dk

Annual General Meeting:
To be held on 24 May 2017 11:00 am - 12: 00 pm
at the company's address in Svendborg.

Presented and adopted at the general meeting:
Chairman



KJAER GROUP

Grønnemosevej 6, 5700 Svendborg, Denmark
Phone +45 62 221 111 | www.kjaergroup.com

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