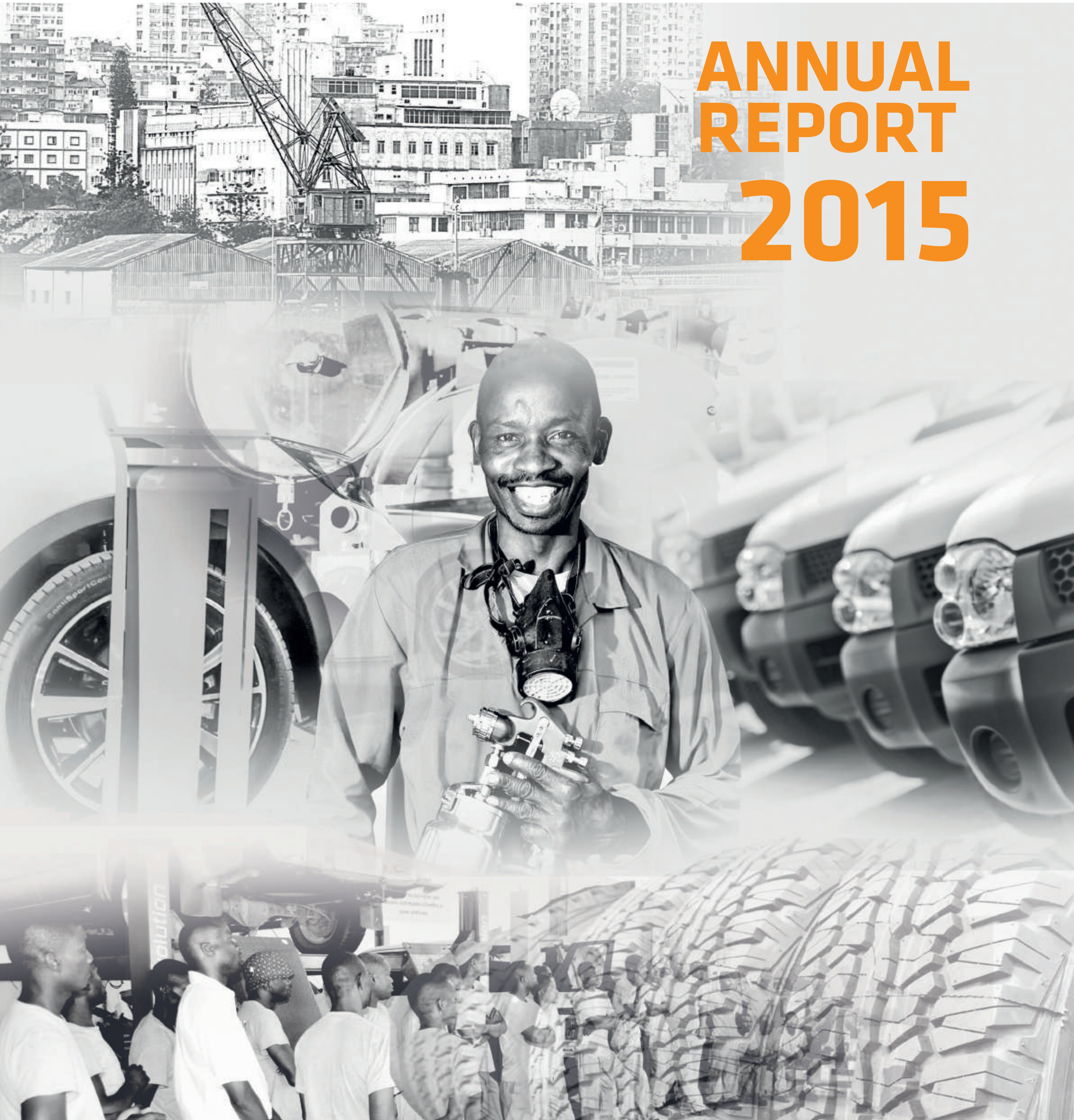
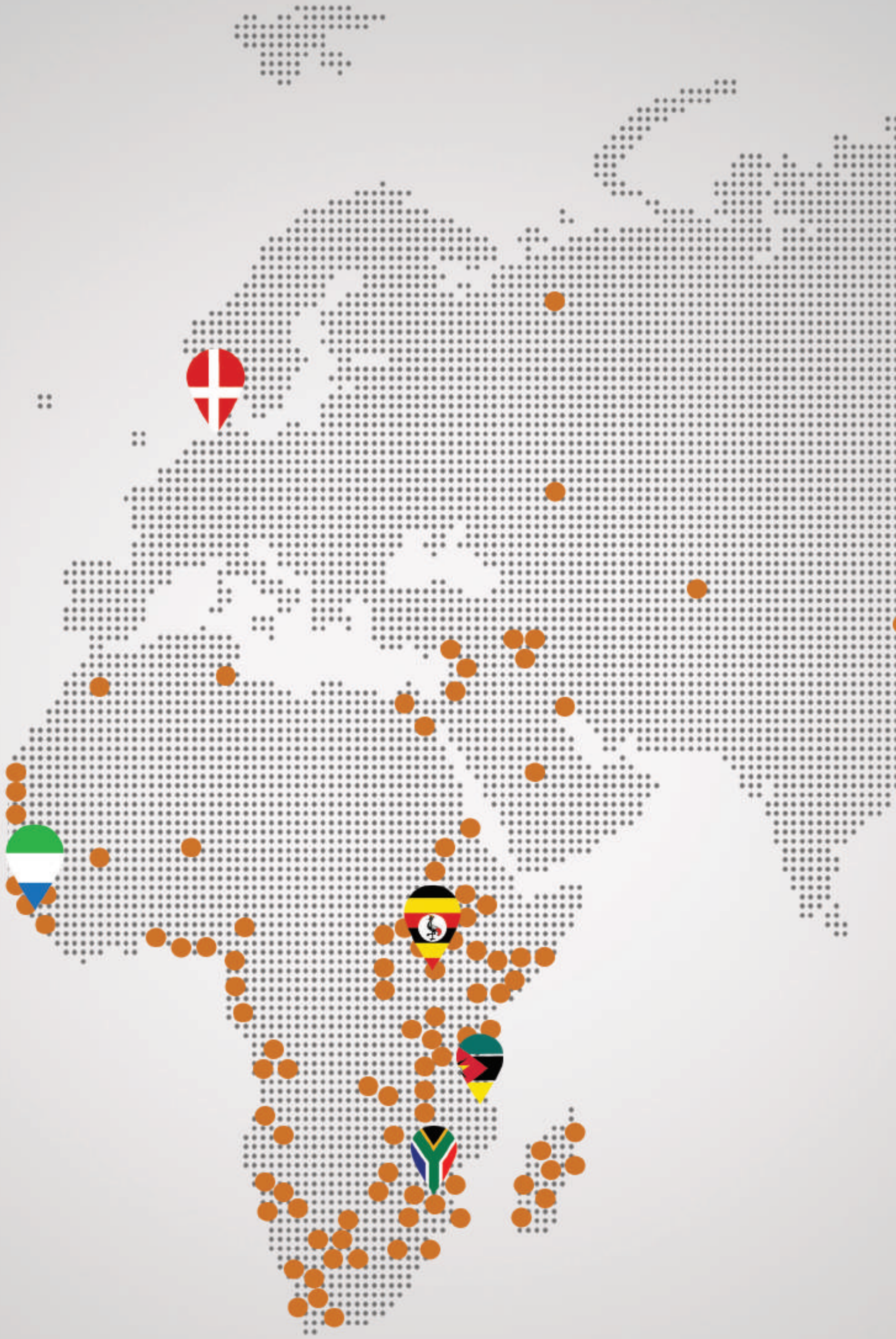
KJAER GROUP A/S
Central Business Registration No: 81 31 72 16
Groennemosevej 6, DK - 5700 Svendborg.
Annual Report 2015
Annual General Meeting:
To be held on 13 May 2016 11:00 am - 12: 00 pm at the companies address.
Presented and adopted at the general meeting:

Flemming Schmidt, Chairman

ANNUAL REPORT 2015





MOTORCARE
Mozambique
Maputo
Beira
Inhambane
Moatize
Nampula
Pemba

MOTORCARE
Uganda
Kampala
Hoima

MOTORCARE
Sierra Leone
Freetown

KJAER GROUP
KJAER & KJAER
AUTOKJAER
South Africa
Johannesburg

KJAER GROUP
KJAER & KJAER
AUTOKJAER
Denmark
Svendborg

SERVICE
PARTNERS

CONTENTS

01

MANAGEMENT REVIEW

KJAER GROUP WAY OF MANAGEMENT

02

REPORTS

03

GROUP AND PARENT ACCOUNTS

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 its 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 AUTOKJAER 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.

MOTORCARE

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 tyres, 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 and AUTOKJAER

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.

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.

ISO 9001
ISO 14001
OHSAS 18001
BUREAU VERITAS
Certification
BUREAU VERITAS 1828


Continenta

HIGHLIGHTS

2015 has been a tough year with significant impact on our business and 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 for the operational performance of the business which was overall satisfying in terms of both margins, customer satisfaction and implementation of Health, Safety, Environment and Quality goals set for the year.

Driven by the collapse in the commodity prices, the surge in the USD and a significant change in flow of investments away from emerging markets, the market conditions in 2015 turned out to be considerably more challenging than expected. This resulted in key customers first delaying then cancelling new projects altogether, followed by reduction of existing activities and later adding cost containment and cost reductions on top of the business agenda. The speed with which the changes impacted the activities in the industries serviced by the Group was beyond our forecasts, and the expectations for 2015 had to be downgraded already in May/June.

The Group reacted to those unexpected challenges by implementing several cost reduction initiatives, cancelling various investments, introducing initiatives to reduce the overall capital employed and overall alignment with the expected level of business activity. The economic conditions, both macro and local, remained unpredictable throughout 2015 and our business and assets were significantly impacted by the large degree of volatility.

THE GROUP, HOWEVER, EXECUTED WELL ON THE CORRECTIVE ACTIONS TAKEN AND GENERATED A POSITIVE CASH FLOW FROM OPERATING ACTIVITIES

26
DKK million
OPERATIONAL CASH FLOW
(DKK -25 million)

220
DKK million
CAPITAL EMPLOYED
(DKK 263 million)

103
DKK million
NET INTEREST BEARING DEBT
(DKK 121 million)

Equity and minority interests totalled DKK 125 equal to a ratio of 43% of total assets excl. liquid funds. The equity was negatively affected by a tax impairment charge of DKK 4 million and exchange rate adjustment of net assets in subsidiaries of DKK 18 million caused by the significant year-end fluctuations in USD and local currencies. The impairment charge is based on a reassessment of the utilization of The Group's Danish deferred tax assets in relation to the expected lower Danish taxable income level caused by the current market conditions.

The Group delivered EBITDA of DKK 9 million (DKK 32 million) and EAT of DKK -7 million (DKK 7 million), which were negatively affected by exchange rate losses of DKK -5 million in addition to the impact from lower turnover in Mozambique primarily where a tightening of sales terms and conditions was introduced in the fourth quarter of 2015 to manage volatility and the impact on The Group's assets.

Looking to 2016 and beyond, the markets remain difficult and estimating future income under such circumstances is very difficult and uncertain but by continuing to focus on simplifying our organization, staying aligned with market reality in terms of both cost base and capital employed, we have confidence in our ability to withstand the difficult market environment and strengthen our position going forward.

STRATEGY

The Group's business is top quality automotive services in emerging economies and it's ambition is to build leading positions in selected markets.

Over the past few years, investments have been completed in core markets to further strengthen availability of our product and service offerings and through this 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 time and resources to concentrate on their main activities and fulfil their ambitions.

The developments in the global currency and commodity markets and the refugee crisis during 2015 have resulted in significant changes in both the flow of foreign direct investments and the flow of aid and development and it has fundamentally changed the short term outlook for all our businesses.

As a consequence business unit strategies were updated during the year to deal with an increasingly difficult market situation. The change in market conditions unfortunately necessitated a change in The Group's priorities requiring all business units to accelerate programmes to increase efficiency, decrease cost and capital employed, without losing competitive advantage and customer focus.

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

It continues to be the ambition to deliver a return on invested capital after tax (ROIC) at the level of 12-15%, but we have to accept that in a low interest environment and with a market downturn posing challenges across all the industries we service, at present this is not a realistic target. A mid to high single digit level is considered acceptable in the current market environment.

GROUP 2016 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 is projected to grow with 5-6% in 2016. Despite the strong headwinds experienced in 2015, medium term growth is projected to recover to 7-8% p.a. supported by massive investment in oil and gas projects. In these first months of the year, the markets are still suffering but are expected to slowly recover towards the second half of the year.

MOTORCARE expects a better result in 2016 mainly due to a less volatile development i.e. manageable development in currency and commodity prices.

Faced with the arrival of record numbers 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 the newcomers and thus diverting funds from projects and activities in e.g. Sub-Saharan Africa. This will continue to negatively impact the core customers of KJAER & KJAER which expects a result on the same level as 2015.

While The Group's guidance for 2016 is subject to considerable uncertainty, a result is expected which is better than that of 2015, closer to 2014 (DKK 7 million).

No events have occurred after the balance sheet date and up to today's date that influence the evaluation of this annual report.

POSSIBILITIES SHOW THEMSELVES TO THOSE WHO PREPARE WELL AND KJAER GROUP IS READY TO TAKE ADVANTAGE BY BALANCING CHALLENGES WITH THE NEED TO SEIZE OPPORTUNITIES WHEN THEY APPEAR

KEY FIGURES
5 YEARS

DKK million
Note

Key figures from the consolidated annual report:

		2011	2012	2013	2014	2015
Net turnover		730	710	580	532	455
Gross profit, excluding Other operating income		124	133	120	116	94
Earnings before interests, tax and depreciations	EBITDA	49	49	37	32	9
Earnings before interests and tax	EBIT	42	39	27	19	-5
Net financial items		-7	-6	-8	-8	-9
Earnings before tax	EBT	34	33	19	12	-13
Earnings after tax	EAT	21	20	15	7	-7
Fixed assets		58	75	107	105	111
Inventories		120	113	94	119	105
Trade receivables		120	117	66	85	53
Other current assets		7	9	11	8	9
Total assets (excluding deferred tax and liquid funds)		**305**	**315**	**279**	**317**	**279**
Current liabilities		-112	-67	-43	-54	-59
Capital employed		**194**	**247**	**235**	**263**	**220**
Equity		123	131	136	129	99
Minority interests		0	0	21	20	26
Interest bearing debt, net		64	114	79	121	103
Total balance		331	331	304	354	319
Dividend for the year		19	6	12	2	0
Dividend for the year (%)		91%	28%	82%	33%	0%
Investments in tangible fixed assets, gross		17	32	53	22	12
Average number of full-time employees		286	340	368	403	378
Ratios:						
Gross margin, excluding other operating income		16.9%	18.7%	20.6%	21.9%	20.6%
EBITDA-margin		6.7%	6.8%	6.3%	5.9%	2.0%
Interest coverage (EBITDA/Financial items)		6.6	7.8	4.4	4.1	1.1
Gearing (Net interest bearing debt/EBITDA)		1.3	2.3	2.1	3.8	11.3
Return on invested capital after tax	ROIC	14%	12%	9%	4%	-2%
Return on equity	ROE	17%	16%	11%	5%	-6%
Equity ratio		39%	40%	48%	39%	34%
Equity value of nom. 1,000 DKK share	DKK	8,777	9,345	9,765	10,339	7,954
Adjust. equity value for share pricing	DKK	8,290	8,970	8,900	10,200	8,378

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.

KJAER GROUP WAY OF MANAGEMENT

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" were introduced in 2008, representing The Group's Corporate Social Responsibility profile.

The overall objective of these principles is 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 is available at www.unglobalcompact.org or on www.kjaergroup.com/media/178361/COP2015.pdf . In accordance with the Section 99a and 99b of the Danish Financial Statements Act, reporting on gender diversity in management bodies is included in this report.

TRIPLE BOTTOM LINE

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.

ENVIRONMENTAL

> Our entities operate with the lowest possible impact on the environment.

> Ensuring we conduct environmentally-friendly initiatives and projects relevant to our business.

SOCIAL

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

HSEQ STANDARDS

OUR PROGRESS

In the implementation of the HSEQ standards various procedures and controls were implemented such as:

HEALTH AND SAFETY
Scheduled inspections of tools and equipment.

Risk and impact assessment inclusive of an incident register to avoid recurrence.

ENVIRONMENTAL
Waste management (separation, safe storage of oil).

Environmental risk and impact assessments in all our workshops and documented safe disposal of used oil.

QUALITY
Quality process matrix and legal register to ensure alignment and compliance with local legislation.

Implementation of management review to ensure focus on important quality issues.

RESULTS

In 2015, we achieved certification in OHSAS 18001, ISO 14001 and ISO 9001 in all branches throughout Mozambique and Uganda.
The benefit for our employees, customers and the environment are significant.

NEXT STEPS

The implementation of awareness campaigns to ensure continuation is managed inclusive of a Group HSEQ day for employees, customers and suppliers.
Furthermore, The Group will implement corrective and preventive actions.

WHY THIS MATTERS TO KJAER GROUP

A key measure of meeting the "Triple Bottom Line" goals has been the implementation and certification within Health, Safety, Environmental and Quality.
Completing the certification of the internationally acclaimed standards OHSAS 18001, ISO 14001 and ISO 9001 in our operation was therefore a major accomplishment for The Group in 2015.

ZERO
CORRUPTION TOLERANCE

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

Another significant element of the KJAER GROUP Way of Management is a zero tolerance approach towards corruption. As a result; 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, strategies to combat corruption have been implemented with special focus on one of the most important tools to combat corruption – knowledge.
The Group strongly supports and has aligned own initiatives with the global campaigns, launched by the United Nations.

BREAK THE CORRUPTION CHAIN

THE GLOBAL COMPACT
WE SUPPORT

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.

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" report, has become an integrated part of doing business.

RISK MANAGEMENT

KJAER GROUP is working systematically with risk management in order to reduce risks and manage insurance for our entities most exposed to various global risks.

Given The Group's focus on emerging 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. KJAER GROUP A/S's share value in foreign subsidiaries is partly hedged by the parent company in DKK terms via strategic forward exchange contracts for at least 50% of the shares' book value. Significant transaction-based exchange rate risks are being hedged in order to maintain low exposure to commercial exchange rate risks.

CORPORATE GOVERNANCE

KJAER GROUP A/S is the parent company in the KJAER GROUP, which consists of a number of independent legal entities. The principal shareholder, with a 90% shareholding, is "The Way Forward ApS", which is wholly owned by Mr. Mads Kjaer. The remaining shares are owned by the employees (8.6%) or have been bought by the company (1.1%).

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 2015 the market conditions in the Group's markets were very challenging due to the development in commodity prices and the appreciation of the USD. As a result the markets contracted in terms of activity and The Group realized a turnover of DKK 455 million compared to DKK 532 million in 2014, which is more a reflection of the size of the market downturn than of the operational performance of the business.

Gross Profit
Gross profit was DKK 96 million, down from DKK 118 million the year before, negatively impacted by DKK 5 million from exchange rate adjustments, and a lower turnover. Excluding exchange rate losses, gross margins were maintained at 2014 level.

EBIT
EBIT for the year was realized at DKK -5 million, a decrease of DKK 24 million from DKK 19 million in 2014.

Financial items
Financial items were realized at DKK -9 million (2014: DKK -8 million), resulting in earnings before tax (EBT) of DKK -13 million (2014: DKK 12 million).

Tax
Tax amounted to DKK +5 million (2014: -6 million), equivalent to a tax rate of 38% (2014: 50%). Changes in accounting estimates have impacted tax positively by a re-assessment on provision for withholding taxes amounting to DKK 6 million, and negatively by an impairment charge of the Danish tax assets amounting to DKK 2 million.

Earnings After Tax
The Group's earnings after tax totalled DKK -7 million (2014: DKK +7 million) as a result of the difficult market. The realized result for the year was impacted negatively by a number of external factors and is considered unsatisfactory. A number of initiatives to reduce overhead costs have been taken and will impact the coming year positively.

BALANCE SHEET

As of 31 December 2015, KJAER GROUP 's assets totalled DKK 319 million (DKK 354 million).

Assets
Tangible assets totalled DKK 104 million (DKK 96 million). Inventories and trade receivables amounted to DKK 158 million, (DKK 204 million). The decrease of DKK 46 million is a result of initiatives to reduce capital employed as well as the lower sales volume.

Liabilities
The equity totalled DKK 99 million (DKK 129 million), equivalent to a solidity ratio of 34% (39%). Including minority interests the solidity ratio was 43% (45%). Liabilities amounted to DKK 194 million (DKK 205 million), of which bank debt was DKK 130 million (DKK 143 million).

CASH FLOW STATEMENT

Earnings before interest, taxes, depreciations and amortization (EBITDA) was DKK 9 million (DKK 32 million) and cash flow from working capital was DKK 30 million (DKK -28 million). With payment of financial items (DKK -8 million) and payment of taxes (DKK -7 million), cash flow from operations was positive by DKK 26 million (DKK -25 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 -9 million (DKK -11 million). Cash flow from financial items was DKK +4 million (DKK -11 million) mainly from lower dividend payment of DKK 10 million and capital increase by minority interests of 7 million. The total net cash flow for the year was positive with DKK 21 million (DKK -47 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 2015 to 31 December 2015.

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 2015 and of their financial performance as well as the consolidated cash flow for the financial year 1 January to 31 December 2015.

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

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

Svendborg 27 April 2016

Direktion / Executive Management

Per S. Lundgren, CEO

Richard V. Nijhout, COO

Bestyrelse / Board of Directors

Mads Kjaer, Chairman

Tim Albertsen, Deputy Chairman

Pernille Ormholt Vang, Board member

INDEPENDENT AUDITORS' REPORTS

TO THE SHAREHOLDERS OF KJAER GROUP A/S

Report on the consolidated financial statements and parent financial statements

We have audited the consolidated financial statements and parent financial statements of KJAER GROUP A/S for the financial year 1 January to 31 December 2015, which comprise the profit and loss, balance sheet, statement of changes in equity, notes and accounting policies for the Group as well as for the Parent, and the consolidated cash flow statement. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and far 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.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent 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 consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the consolidated financial statements and parent 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 consolidated financial statements and parent 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 consolidated financial statements and parent 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 consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 December 2015, and of the results of their operations and cash flows for the financial year 1 January to 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the management review

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

On this basis, it is our opinion that the information provided in the management review is consistent with the consolidated financial statements and parent financial statements.

Odense 27 April 2016

DELOITTE
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Knage Nielsen
Statsautoriseret revisor

State Authorised
Public Accountant

GROUP AND PARENT ACCOUNTS

PROFIT AND LOSS ACCOUNT
1 JANUARY - 31 DECEMBER 2015

DKK 1,000		Parent company		Group	
Note		2015	2014	2015	2014
1	Net turnover	144,470	184,613	455,183	531,848
2	Other operating income	21,290	19,615	1,676	1,602
	Cost of goods sold	-141,537	-179,271	-361,338	-415,613
	Gross profit	**24,223**	**24,957**	**95,521**	**117,836**
	Other external expenses	-6,946	-7,309	-40,705	-40,923
3	Staff expenses	-12,418	-14,139	-45,662	-45,302
	Earnings before interests and tax and depreciations (EBITDA)	**4,859**	**3,509**	**9,154**	**31,612**
4	Depreciations	-2,881	-1,869	-13,975	-12,287
	Earnings before interest and tax (EBIT)	**1,978**	**1,640**	**-4,821**	**19,325**
5	Share of profit in subsidiaries	-7,430	8,438	0	0
6	Other financial income	194	704	154	193
6	Financial expenses	-5,215	-3,604	-8,808	-7,976
	Earnings before tax (EBT)	**-10,473**	**7,178**	**-13,475**	**11,542**
7	Tax on current years profit	3,846	-661	5,145	-5,773
	Group earnings	**-6,627**	**6,517**	**-8,330**	**5,770**
	Minority interests	0	0	1,703	747
	EARNINGS AFTER TAX (EAT)	**-6,627**	**6,517**	**-6,627**	**6,517**

	2015	2014
Proposed distribution of profit:		
Dividends	0	1,650
Subsidiaries revaluation surplus	-17,084	7,947
Result carried forward	10,457	-3,080
	-6,627	**6,517**

BALANCE SHEET AS PER 31 DECEMBER 2015

DKK 1,000 Note		Parent company		Group	
	Assets	**Dec-15**	**Dec-14**	**Dec-15**	**Dec-14**
8	Software	7,515	8,558	7,515	8,558
	Acquired intangible fixed assets	**7,515**	**8,558**	**7,515**	**8,558**
	Land and buildings	0	0	74,884	67,050
	Other tools and equiment	2,374	776	28,972	28,341
	Tangible fixed assets in progress	0	592	0	592
8	**Tangible fixed assets**	**2,374**	**1,368**	**103,856**	**95,984**
5	Investments in subsidiaries	162,922	147,013	0	0
5	Investments in associates	0	0	0	0
12	Deferred tax assets	9,118	10,095	13,380	14,740
	Financial fixed assets	**172,040**	**157,109**	**13,380**	**14,740**
	Total fixed assets	**181,929**	**167,035**	**124,751**	**119,282**
9	**Inventories**	**1,405**	**1,740**	**105,495**	**119,399**
	Trade receivables	0	0	52,922	84,944
	Receivables on subsidiaries	67,502	91,706	0	0
	Corporation tax receivables	1,820	0	3,225	932
	Other receivables	836	347	5,006	6,619
	Prepaid expenses	1,079	443	1,079	545
	Accounts receivables	**71,237**	**92,496**	**62,233**	**93,040**
	Liquid funds	**0**	**0**	**26,527**	**21,797**
	Total current assets	**72,642**	**94,236**	**194,255**	**234,236**
	TOTAL ASSETS	**254,571**	**261,271**	**319,006**	**353,518**

BALANCE SHEET AS PER 31 DECEMBER 2015

DKK 1,000		Parent company		Group	
Note					
	Liabilities	**Dec-15**	**Dec-14**	**Dec-15**	**Dec-14**
10	Share capital	12,435	12,435	12,435	12,435
	Equity method transfer to net revaluation reserve	38,580	70,376	0	0
	Result carried forward	47,896	44,104	86,476	114,481
	Dividend for the year	0	1,650	0	1,650
	Total equity	**98,911**	**128,566**	**98,911**	**128,566**
11	**Minority interests**	**0**	**0**	**25,937**	**19,990**
12	**Provision for deferred tax**	**4,547**	**8,301**	**5,311**	**8,301**
	Bank debts	63,395	42,590	129,749	142,830
	Prepayments from customers	0	0	11,366	9,642
	Payable to suppliers	12,072	3,291	19,957	10,404
	Payable to subsidiaries / parent company	67,817	68,194	7,589	14,501
	Corporation tax payable	0	0	359	19
	Other accounts payable	7,829	10,329	19,826	19,266
	Total current liabilities	**151,113**	**124,404**	**188,847**	**196,662**
	TOTAL LIABILITIES	**254,571**	**261,271**	**319,006**	**353,518**

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	Unrealized exch. adj on hedging of future transactions	Result carried forward	Proposed dividend for the year	Total equity
Balance 31 December 2013	**13,973**	**58,899**	**0**	**52,872**	**10,700**	**136,444**
Capital reduction	-1,538	0	0	1,538	0	0
Dividend paid	0	0	0	0	-10,700	-10,700
Extraordinary dividend paid	0	0	0	-500	0	-500
Purchase & dividend of own shares	0	0	0	658	0	658
Exchange rate adjustments of investments in subs.	0	7,640	0	-7,261	0	380
Change in unrealised hedging	0	-4,110	-123	0	0	-4,233
Proposed distribution of current years profit	0	7,947	0	-3,080	1,650	6,517
Reclassification to distributable reserves	0	0	123	-123	0	0
Balance 31 December 2014	**12,435**	**70,376**	**0**	**44,104**	**1,650**	**128,566**
Dividend paid	0	0	0	0	-1,650	-1,650
Purchase & dividend of own shares	0	0	0	-820	0	-820
Exchange rate adjustments of investments in subs.	0	-12,070	0	-5,949	0	-18,019
Change in unrealised hedging	0	-2,642	103	0	0	-2,539
Proposed distribution of current years profit	0	-17,084	0	10,457	0	-6,627
Reclassification to distributable reserves	0	0	-103	103	0	0
Balance 31 December 2015	**12,435**	**38,580**	**0**	**47,896**	**0**	**98,911**

STATEMENT OF CHANGES IN EQUITY, GROUP

DKK 1, 000
Note

Group	Share capital	Unrealized exch. adj on hedging of future transactions	Result carried forward	Proposed dividend for the year	Total equity
Balance 31 December 2013	**13,973**	**1,459**	**110,312**	**10,700**	**136,444**
Capital reduction	-1,538	0	1,538	0	0
Dividend paid	0	0	0	-10,700	-10,700
Extraordinary dividend paid	0	0	-500	0	-500
Purchase & dividend of own shares	0	0	658	0	658
Exchange rate adjustm. of Net assets in subssidiaries	0	0	380	0	380
Change in unrealised hedging	0	-4,084	-149	0	-4,233
Proposed distribution of profit	0	0	4,867	1,650	6,517
Reclassification	0	2,625	-2,625	0	0
Balance 31 December 2014	**12,435**	**-**	**114,481**	**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 adjustm. of Net assets in subssidiaries	0	0	-18,019	0	-18,019
Change in unrealised hedging	0	-2,638	99	0	-2,539
Proposed distribution of profit	0	0	-6,627	0	-6,627
Reclassification	0	2,638	-2,638	0	0
Balance 31 December 2015	**12,435**	**-**	**86,476**	**0**	**98,911**

CASH FLOW STATEMENT

DKK 1, 000 Note		Group	
		2015	**2014**
	Earnings before interests and tax and depreciations (EBITDA)	9,154	31,612
	Adj. for other non-cash items	1,974	-13,142
	Change in working capital	30,428	-28,167
13	Financial items	-8,654	-7,783
	Taxes paid	-7,303	-7,984
	Cash flow from operations	**25,599**	**-25,464**
	Investments in tangible assets	-12,324	-22,065
	Sale of tangible assets	3,423	11,524
	Cash flow from investments	**-8,901**	**-10,541**
	Dividend paid	-1,650	-11,200
	Purchase and dividend of own shares	-820	658
	Capital increase from minority interests	6,955	0
	Repayment on loans	0	-595
	Cash flow from financial items	**4,485**	**-11,137**
	Cash flow of the year, net	**21,183**	**-47,141**
	Liquid funds, beginning of the year	-121,033	-68,144
	Exchange adjustments of liquid funds	-3,372	-5,747
	Liquid funds, end of the year	**-103,222**	**-121,033**
	Specified as follows:		
	Liquid funds	26,527	21,797
	Bank debts	-129,749	-142,830
	Liquid funds, end of the year	**-103,222**	**-121,033**

NOTES TO THE ANNUAL REPORT

DKK 1,000 Note		Parent company		Group	
1	**Net turnover**	**2015**	**2014**	**2015**	**2014**
	Net turnover by activities				
	International Aid & Development	0	0	122,291	157,996
	Distribution	144,470	184,613	332,891	373,852
		144,470	**184,613**	**455,183**	**531,848**
	Net turnover by regions				
	Africa	144,470	184,613	422,636	429,144
	Europe	0	0	2,369	71,444
	North America	0	0	0	18,603
	Asia & Middle East	0	0	30,178	12,657
		144,470	**184,613**	**455,183**	**531,848**
2	**Other operating income**				
	Management fees from subsidiaries	20,781	19,032	0	0
	Commission income, refunds and compensation etc.	509	583	1,676	1,602
		21,290	**19,615**	**1,676**	**1,602**
3	**Staff expenses**				
	Salaries to executive management	5,180	4,499	5,180	4,499
	Board of Directors fees	700	700	700	700
	Salaries and wages other employees	5,776	7,964	38,318	38,488
	Pensions	341	334	904	758
	Other staff expenses	421	642	560	856
		12,418	**14,139**	**45,662**	**45,302**
	Average number of full-time employees	14	24	378	403
4	**Depreciations**				
	Software	2,205	1,073	2,205	1,073
	Buildings	0	0	4,327	4,451
	Other tools and equiment	754	803	7,989	7,518
	Loss/profit, sale of tangible assets	-78	-7	-546	-756
		2,881	**1,869**	**13,975**	**12,287**

NOTES TO THE ANNUAL REPORT

DKK 1,000
Note

		PARENT COMPANY	
5	**Financial fixed assets**	**Investment in associates**	**Invetsment in subsidiaries**
	Purchase value:		
	At the beginning of the year	1,604	76,637
	Additions	0	47,704
	Disposals	0	0
	End of the year	**1,604**	**124,342**
	Revaluations:		
	At the beginning of the year	-1,604	70,376
	Other adjustments	0	0
	Exchange rate adjustment	0	-11,197
	Change in unrealised hedging	0	-2,642
	Share of result	0	-7,430
	Change in internal profit on inventories	0	401
	Dividends received	0	-10,928
	End of the year	**-1,604**	**38,580**
	Book value end of the year	**0**	**162,922**

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%
Kjaer Group US Inc.	211 North Union Street, Suite 100, Alexandria, VA 22314	United States	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 subsidaries where the ownership deviates from the voting rights, the voting rights are presented.

NOTES TO THE ANNUAL REPORT

DKK 1,000

Note		PARENT COMPANY 2015	2014
6	**Financial income/expenses from intercompany accounts**		
	Financial income from subsidiaries	194	320
	Financial expenses to subsidiaries	-2,194	-1,619

Note		PARENT COMPANY 2015	2014	GROUP 2015	2014
7	**Tax on current years profit**				
	Tax payable on the year's estimated tax assessment	-4,710	-200	-11,746	-7,651
	The year's change in deferred tax	5,425	508	13,966	2,949
	Adjustments previous years	-151	-13	-229	-22
	Adjustment of tax rate on deferred tax	-738	-292	-866	-385
	Impairment of Danish tax assets	-2,387	0	-2,387	0
	Reversed provision on withholding taxes	6,407	-664	6,407	-664
		3,846	**-661**	**5,145**	**-5,773**

PARENT COMPANY

Note		Software	Other tools and equipment	Tangible Fixed Asset in progress
8	**Tangible & acquired intangible fixed assets**			
	Parent company			
	Purchase value:			
	At the beginning of the year	9,871	7,002	592
	Additions	1,162	2,477	-592
	Disposals	-428	-3,593	0
	End of the year	**10,605**	**5,886**	**0**
	Accumulated depreciations and impairment losses:			
	At the beginning of the year	-1,313	-6,226	0
	Depreciations of the year	-2,205	-754	0
	Depreciated on sold assets	428	3,468	0
	End of the year	**-3,090**	**-3,512**	**0**
	Book value end of the year	**7,515**	**2,374**	**0**

NOTES TO THE ANNUAL REPORT

DKK 1,000
Note

8 **Tangible & acquired intangible fixed assets, continued**

	GROUP			
	Software	**Land & Buildings**	**Other tools and Equipment**	**Tangile Fixed Assets**
Purchase value:				
At the beginning of the year	9,871	94,689	59,005	592
Exchange rate adjustments	0	13,123	5,827	0
Additions	1,162	2,998	8,755	-592
Disposals	-428	0	-8,911	0
End of the year	**10,605**	**110,810**	**64,675**	**0**
Accumulated depreciations and impariment losses:				
At the beginning of the year	-1,313	-27,638	-30,664	0
Exchange rate adjustments	0	-3,910	-3,104	0
Depreciation of the year	-2,205	-4,378	-7,969	0
Depreciated on sold assets	428	0	6,034	0
End of the year	**-3,090**	**-35,926**	**-35,703**	**0**
Book value end of the year	**7,515**	**74,884**	**28,972**	**0**

	PARENT COMPANY		**GROUP**	
9 **Inventories**	**2015**	**2014**	**2015**	**2014**
Manufactured goods and goods for resale	1,362	1,303	105,452	111,957
Prepayments for goods	43	437	43	7,442
	1,405	1,740	105,495	119,399

10 **Share capital**

	Share Capital
Last 5 years changes in share capital:	
Share capital January 1 2011	**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

	Nominal Value	**% Share of Capital**
Treasury shares (B shares)		
At the beginning of the year	59	0.4%
Additions	81	0.7%
End of the year	**140**	**1.1%**

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

NOTES TO THE ANNUAL REPORT

DKK 1, 000
Note

Note		Group 2015	Group 2014
11	**Minority interests**	**2015**	**2014**
	Minority interests at the beginning of the year	19,990	20,737
	Additions	5,850	0
	Exchange adjustments	1,800	0
	Share of profit/loss for the year	- 1,703	-747
	Minority interests end of year	**25,937**	**19,990**

Note		Parent company		Group	
12	**Provision for deferred tax**	**Dec-15**	**Dec-14**	**Dec-15**	**Dec-14**
	Tangible fixed assets	-3,924	-3,514	-6,128	245
	Financial fixed assets	4,547	8,303	3,066	8,845
	Inventories	-365	-484	-549	-3,504
	Accounts receiveables	0	0	869	-1,360
	Other provisions	0	-167	-499	-3,524
	Tax loss carry forward	-4,830	-5,932	-4,830	-7,141
		-4,572	**-1,795**	**-8,069**	**-6,439**
	Reported as:				
	Deferred tax assets	9,118	10,095	13,380	14,740
	Provision for deferred tax	4,547	8,301	5,311	8,301
		-4,572	**-1,795**	**-8,069**	**-6,439**
	Tax loss carry forward not included 22 %	4,357	0	4,357	0
	Withholding tax on result carried forward, not declared 1)	2,733	0	2,733	0

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

Note		Group 2015	Group 2014
13	**Change in working capital**	**2015**	**2014**
	Change in current assets:		
	Inventories	2,443	-15,824
	Trade receivable	25,788	-14,036
	Prepaid expenses	-527	168
	Other various outstandings	598	-6,451
	Change in short-term debt:		
	Prepayments from customers	2,599	-9,533
	Payable to subsidiaries	-6,912	14,151
	Payable to suppliers	10,324	-1,713
	Other accounts payable	-3,886	5,071
	Change in working capital	**30,428**	**-28,168**

NOTES TO THE ANNUAL REPORT

DKK 1, 000
Note

14 **Pawnings**

	Registered deed	Actual	Booked value
Group			
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.	7,342	1,680	10,108
For same bank debt the company has issued Letter of Debenture in all fixed and floating assets belonging to the company.	8,879	1,680	33, 774
KJAER & KJAER A/S			
Inventories are under retention of title from supplier.		1,563	1,563

NOTES TO THE ANNUAL REPORT

DKK 1,000
Note

Note		Parent Company Dec-15	Parent Company Dec-14	Group Dec-15	Group Dec-14
15	**Lease commitments**				
	Operating lease contracts on company cars have been concluded for the years 2016 to 2018.	0	120	383	451
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.	76,798	106,635	91,141	126,219
	Rental contacts for premisses have been concluded for the years 2016 to 2023.	9,033	20,700	10,163	23,003

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 AUTOKJAER A/S	62,208	135,000
The parent company has guaranteed financial letter of Guarantees issued in security for liabilities in the subsidiaries KJAER & KJAER A/S and AUTOKJAER A/S	1,906	100,000
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	1,563	63,332

NOTES TO THE ANNUAL REPORT

DKK 1,000
Note

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

Related party:

The Way Forward ApS, Sankt Annæ Plads 19, 2th

1250 København K

The company's Management and Board

Basis for control:

90% share ownership

Exercise of management

The Way Forward ApS is 100% owned by Mads Kjær personally. The company is, besides being 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 1.1% 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.

18 **Parent company and Group (common)**

	Group	
Fee for auditor elected by the General Meeting	**2015**	**2014**
Fees to auditors:		
Audit	1,078	896
Tax advice	85	184
Declaration fees	10	10
Other fees	49	154
	1,222	**1,244**
Audit		
Deloitte	1,078	811
PKF	0	85
	1,078	**896**
Tax advice		
Deloitte	85	156
PKF	0	28
	85	**184**
Declaration fees		
Deloitte	10	10
	10	**10**
Other fees		
Deloitte	49	154
	49	**154**
	1,273	**1,244**


UD TRUCKS

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/bad will) between cost of the acquired share and fair value of the assets and liabilities taken over are recognized under intangible assets/ pre received 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 non amortised 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

Net 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.

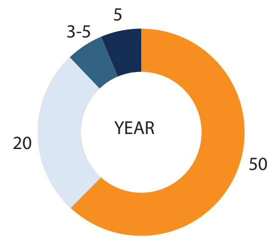
Other operating income
Other operating income comprise income of a secondary nature as viewed in relation to the Company's primary activities, including material exceptional gains from the sale of intangible assets and property, plant and equipment, subsidies, rental income, licence income, etc.

Cost of goods sold
Cost of goods sold comprise 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:



- Acquired intangible assets
- Buildings in Europe
- Buildings in developing countries
- Other tools and equipment

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 applying the liability method on all temporary differences between the carrying amount and taxbased 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 equaling 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

Key figures are calculated as per below:

EBITDA
Earnings before depreciations,
interests, tax and minority interests

EBIT
Earnings before interests, tax and minority interests

NO PLAT
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)
NO PLAT * 100 / Average capital employed

Return on equity
Earnings after tax * 100 / Average equity excl. minority
interests

Equity ratio
Total equity excl. minority interests *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 - 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
Tim Albertsen, Deputy chairman
Pernille Ormholdt Vang, Board member

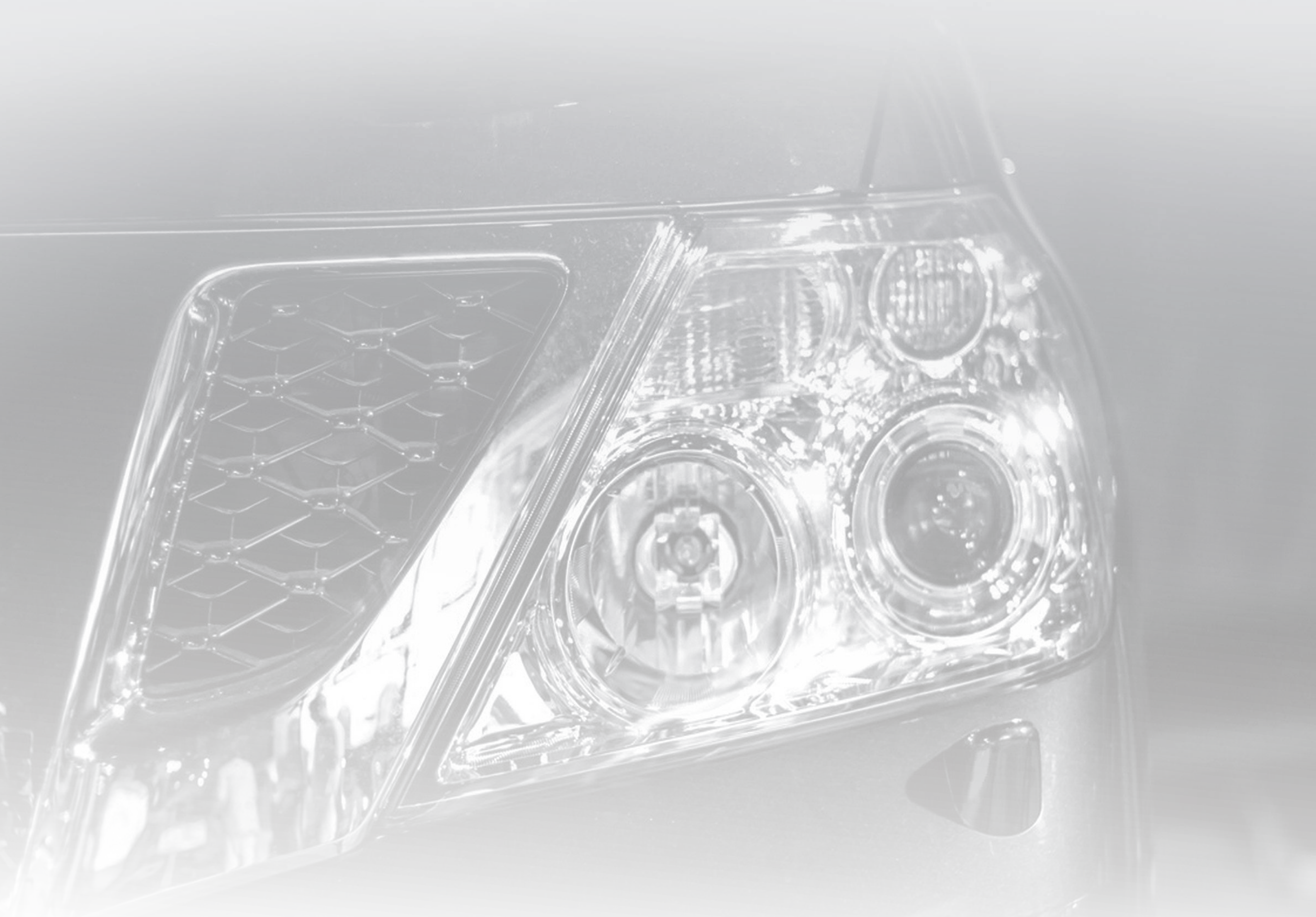
Executive Management
Per S. Lundgren, CEO
Richard V. Nijhout, COO

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 13 May 2016 11:00 am - 12: 00 pm
at the company's address in Svendborg.



KJAER GROUP

Groennemosevej 6, 5700 Svendborg, Denmark
Phone +45 62 221 111 / www.kjaergroup.com

AUTO KJAER KJAER KJAER MOTOR CARE