1 JANUARY - 31 DECEMBER 2020

2020
ANNUAL REPORT

Presented and adopted at the general meeting

Svendborg 14 May 2021

Chairman

Flemming Eltang

KJAER GROUP®

Grønnemosevej 6, 5700 Svendborg

CVR NO. DK 81317216


BRANCHES
SERVICE PARTNERS

MANAGEMENT REVIEW

01

4 About KJAER GROUP
7 Highlights
8 Strategy
8 Group 2021 Guidance
9 Key Figures: 5 years

REPORTS

KJAER GROUP WAY OF MANAGEMENT

02

10 Values
11 Sustainability
12 HSEQ Standards
13 Zero Corruption Tolerance
14 Corporate Governance/ Risk Management
16 Statement by Management
18 Independent Auditor's Report

GROUP & PARENT ACCOUNTS

03

20 Profit and Loss Account
21 Balance Sheet
23 Statement of changes in Equity
24 Cash Flow Statement
25 Notes to the Annual Report
34 Accounting Policies
38 Definitions
39 Company Details

01 MANAGEMENT REVIEW

ABOUT KJAER GROUP

In 1962, KJAER GROUP was established in Svendborg as a car-dealership by late Mr. Christian Kjaer. Today the Group provides automotive mobility solutions internationally and employs 240 people.

The Group holds a leading position within its business segments in Mozambique and Uganda where we operate distribution, fully owned workshops and service facilities under the name of MOTORCARE.
KJAER & KJAER delivers vehicles, motorcycles, parts and accessories to customers in the International Aid and Development sector.

KJAER GROUP's ambition and Way of Management is to develop the business in a profitable and responsible way, and it is the company's objective that social and environmental goals are prioritized in the same manner as the financial targets. The "Triple Bottom Line" principle is an integral part of the "KJAER GROUP Way of Management" and the United Nation's principles for sustainability (the UN Global Compact), which KJAER GROUP endorsed in 2003, are an important point of reference for all activities as well as our commitment and support to UN's Sustainable Development Goals (SDG) 2030.

In 2019 IFU swapped its shares in Motorcare Services in Uganda and Mozambique and became a shareholder in Kjaer Group A/S. IFU is an independent government-owned fund offering advisory services and risk capital to companies wishing to do business in developing countries and emerging markets.

KJAER KJAER

Provides automotive mobility solutions which are 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 receive quality aftersales, logistics and customer care services.

MOTOR CARE

Based on international standards and certifications, it is MOTORCARE’s value proposition to offer automotive mobility solutions to the market.
Our customers are provided one-stop maintenance, service and repair services as well as insurance, financial and fleet management solutions.
It is our overall ambition to be the preferred service provider.

HIGHLIGHTS

In 2020 the Group consolidated turnover decreased from DKK 376 million in 2019 by DKK 143 million (38%) to DKK 233 million. This was mainly due to the COVID-19 pandemic crisis and its economical impact on all the Group's markets combined with related disruption in supply of goods from our OEMs (Original Equipment suppliers).

Despite the adverse market conditions in Mozambique, MOTORCARE maintained its market share by focussed management on the main fleet customer segment. In Uganda, MOTORCARE's market share decreased as a consequence of the non availability of our most popular vehicle model (accountable for 50% of sales in 2019). Nevertheless, MOTORCARE's business units, in both countries, kept delivering on the Group's core value propositions resulting in further improved customer satisfaction.

KJAER & KJAER, operating in the International Aid & Development segment, experienced a market performance lower than expected due to change of focus and funding of our customers, when the pandemic continued progressing around the world.

As part of one of our goals to improve the Carbon footprint, KJAER GROUP initiated a campaign named "Move to Green" for the markets in which we operate. This campaign includes the supply of electric vehicles and scooters with related necessary electric charging facilities combined with support in after sales.

At the outbreak of the pandemic, the Group acted promptly and implemented a re-organization plan to anticipate and mitigate, as best as possible, the foreseeable negative impact of the COVID-19 crisis. The execution of the plan has been monitored on a monthly basis and corrective actions swiftly decided where necessary. Therefore, the result, although negative, is considered as acceptable compared to our expectations as from March 2020 for the year.

The Group's earnings before tax (EBT) are stated at DKK -0.8 million and the earnings after tax (EAT) are stated at DKK -1.4 million. The Group generated a positive cash flow of DKK 16 million, which was used to reduce net bank debt. The Group's equity totalled DKK 71 million, equal to a ratio of 40% of total assets (excluding liquid funds). KJAER GROUP A/S owns treasury shares equal to 1.7% of the share capital valued at zero.

16
DKK million
OPERATIONAL CASH FLOW

11
DKK million
OPERATING PROFIT

41
DKK million
NET INTEREST BEARING DEBT

STRATEGY

The Group's business strategy is to deliver top quality automotive sales and services in emerging markets and our ambition is to establish ourselves as market leaders in our selected areas of operation.

The success of our business is determined by a number of key factors including first of all high quality international brands, secondly the ability to deliver full service solutions within close proximity of our customers' area of operation. Another important key factor is the way of management that is firmly anchored in internationally recognized principles and standards (UN Global Compact, ISO certification) and finally the success relies on a team of talented and professional employees, who continuously provide sustainable solutions.

This combination of key factors assures our customers guaranteed higher return on assets, time and resources ensuring focus on their main activities to fulfill their targets.

As a consequence of the change in market conditions during the COVID-19 pandemic, the business units' strategies were updated, and the Group's priorities shifted. All business units rapidly implemented systems to improve efficiency, decrease operating costs and the capital employed, without losing competitive advantage and customer focus. The Group's headcount was adjusted in accordance with the pandemic crisis' impact on our business and markets.

GROUP 2021 GUIDANCE

The COVID-19 pandemic has overtaken the agenda of the world as well as in our markets.

The import of new vehicles into Mozambique and Uganda declined by 30-50% in 2020 and we expect only a slight market growth for 2021. Recovery of the market, from the impact of COVID-19, is expected to take 1-2 years before the markets are back on the level of 2019 volumes.

MOTORCARE will continue the focus on cost optimization, improved utilization of workshop facilities, pursuing spot business opportunities and act on the Budget 2021 as well as focus on the development of new business segments to increase our turnover and profitability. We foresee to deliver a positive result for 2021.

For KJAER & KJAER within the Aid & Development market, the COVID-19 and refugee crisis required significant allocation from foreign aid budgets to facilitate and cover the overall operational costs in Europe. This influenced a diversion of funds from scheduled aid projects and activities in Sub-Saharan Africa. On a positive note, we see opportunities for the green agenda in mobility by our customers looking for cleaner mobility solutions in form of the usage of electric vehicles.

For 2021 the Group's result is expected to be an EAT of 1-2 mDKK.

No events have occurred posterior to the balance-sheet date (up to the present date) that would influence the evaluation of this annual report.

KEY FIGURES – 5 YEARS

DKK million

Key figures from the consolidated annual report

		2016	2017	2018	2019	2020
Net turnover		312	316	332	376	233
Gross profit, excluding other operating income		82	77	80	82	57
Earnings before interest, taxes and depreciation	EBITDA	18	15	20	21	11
Earnings before tax and interest	EBIT	6	2	9	12	5
Net financial items		-6	-8	-8	-5	-5
Pre-tax earnings	EBT	0	-6	1	6	-1
Tax		-1	-1	-2	-4	-1
Minority shareholders' part		1	1	0	0	0
Earnings after tax	EAT	0	-6	-1	2	-1
Fixed assets		107	86	82	77	64
Inventories		81	76	79	64	61
Trade receivables		56	50	41	60	34
Other current assets		9	9	11	7	9
Liquid Funds		14	13	12	11	9
Total assets (excluding deferred taxes and liquid funds)		**253**	**221**	**212**	**207**	**168**
Current liabilities		-72	-74	-72	-63	-59
Capital employed		**181**	**147**	**141**	**144**	**108**
Equity		78	71	71	93	71
Minority interests		23	20	20	0	0
Equity		**100**	**91**	**90**	**93**	**71**
Deferred tax		-2	-10	-8	-7	-3
Interest-bearing debt, net		74	66	58	58	41
Financing		**173**	**147**	**141**	**144**	**108**
Total assets		**276**	**246**	**234**	**229**	**186**
Dividend for the year		0	0	0	0	0
Dividend for the year (%)		0%	0%	0%	0%	0%
Investments in tangible fixed assets, gross		10	9	6	4	3
Average number of full-time employees		321	288	271	275	241
Ratios:						
Gross margin, excluding other operating income		26,4%	24,4%	24,0%	21,9%	24,6%
EBITDA-margin		5,9%	4,8%	6,0%	5,6%	4,6%
Interest coverage (EBITDA/Financial items)		3,2	2,0	2,5	3,9	2,0
Gearing (Net interest-bearing debt/EBITDA)		4,0	4,4	2,9	2,7	3,8
Growth in EBITDA		102%	-18%	32%	6%	-49%
Return on invested capital after tax	ROIC	2%	0%	5%	7%	3%
Return on equity	ROE	0%	-6%	-1%	2%	-2%
Equity ratio		38%	39%	41%	43%	40%
Equity value of nom. 1,000 DKK share	DKK	6 364	5 691	5 672	5 987	4 581
Adjust. equity value for share pricing	DKK	6 461	5 643	5 721	5 999	4 534

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

02 REPORTS

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.

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.

SUSTAINABILITY

The Triple Bottom Line (TBL) principle was introduced in 2008 to ensure that the businesses are developing in a profitable as well as responsible manner.

Based on the Group's vision and values, specific targets and policies were defined for Financial as well as Social and Environmental performance. For us, this is sustainability.

SOCIAL TARGETS

- Creating a happy, healthy, safe workplace
- Providing fair, competitive compensation

ENVIRONMENTAL TARGETS

- All entities operating at the minimum of environmental impact
- Ensuring we conduct environmentally-friendly initiatives and projects relevant to our business

FINANCIAL TARGETS

- Striving for predictable, sustainable growth
- Increased enterprise value
- Solidifying our status as the preferred partner to international customers
- Developing a sustainably profitable company for investment ventures

ACTING RESPONSIBLY

KJAER GROUP is committed to the principles articulated in the United Nations Global Compact (UNGC), which we joined in November 2003. In 2007, we further confirmed our support for a cleaner environment by joining UN's environmental initiative, Caring for the Climate.

The UN's principles for sustainability (the UN Global Compact) are important as reference for all activities and are thus incorporated into the company's governance framework. Each year we report on our progress within the 10 main areas, in keeping with the principle of responsible business operation.

COMMITMENT AND SUPPORT TO SDG 2030

As a European business with operations and presence in emerging economies, we have an opportunity – an obligation – to influence, support and change some of the most challenging global issues.

Since 2018, we have taken our sustainability commitment a step further. We will support the 17 universal Global Sustainable Development Goals.

Certainly, all of the goals are important for the world, yet we focus on those in which we can have the most positive impact; to ensure decent, safe conditions for our employees to contribute to climate improvements and fight corruption in all forms.

COMMUNICATION ON PROGRESS

In the report "Communication on Progress" (COP), which represents our external Sustainability Report, the above-mentioned progress and results of our efforts are described.

It is available at **unglobalcompact.org** or on this direct link **https://www.kjaergroup.com/wp-content/uploads/2021/04/KJAER-GROUP-Sustainability-Report-2020.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.

HSEQ STANDARDS

WHY THIS MATTERS TO KJAER GROUP?
A key measure of meeting our "Triple Bottom Line" goals has been to achieve 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 has had a noticeably positive effect on our daily operations, provided for a safer workplace, increased quality management in all departments and ensured our commitment to protecting the environment to the best of our ability.

Maintaining high standards and continuous development within the standards are as important as their implementation.
In 2020, we were successfully recertified in all branches and at the same time made a transition of the OHSAS 18001 into the ISO 45001 standard.

New initiatives are continuously implemented in order to maintain and continue to develop the ISO management system within the standards.

International Organization for Standardization ISO 9001

International Organization for Standardization ISO 14001

International Organization for Standardization ISO 45001

ZERO TOLERANCE APPROACH TOWARDS CORRUPTION

WE SUPPORT UN GLOBAL COMPACT

UNITED AGAINST CORRUPTION

We have raised awareness regarding corruption through various channels in the past by establishing a professional climate of honesty, transparency and accountability in every facet of the company.

A Group Anti-corruption Policy was implemented in 2013 and states the code of conduct for all KJAER GROUP, MOTORCARE & KJAER & KJAER employees. It includes a clear policy in regard to payments and gifts, partner assessment, risk evaluation and whistle-blowing procedures.

In support of the UN Sustainable Development Goals (SDG 16), we take anti-corruption initiatives extremely seriously. Corruption is a dominant factor that drives countries toward economic failure and furthermore has a negative impact on the business and market in which we operate.

By participating in the UN's International Anti-corruption Day initiative on December 9, we are joining a global developmental trend that strives to combat corruption. In 2020, it was the sixth consecutive year that the Executive Management, the employees and our partners have focused on anti-corruption and discussed this in our business environment.

By showing how serious and committed everyone at KJAER GROUP's companies are about combating corruption, we not only perpetuate an internal anti-corruption culture in our company, but also promote customer trust.

CORPORATE GOVERNANCE

KJAER GROUP A/S is the parent company in the GROUP, which consists of a number of independent legal entities. The principal shareholder, with a 75% shareholding, is "The Way Forward ApS", which is wholly owned by Mr. Mads Kjær.

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 4 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 Mads K. Kjaer (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.

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 BDO.

RISK MANAGEMENT

KJAER GROUP is working systematically on risk management in order to reduce liabilities and manage the insurances for our entities, which are most exposed.

Given The Group's focus on emerging economies, we consider exchange rate risks and fluctuations to be of key importance, 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.


MOTORCARE
Recepção / Reception
SERVICE RECEPTION

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 spanning January 1 to December 31, 2020.

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 as of December 31, 2020 and of their financial performance as well as the consolidated cash flow for the financial year of January 1 to December 31, 2020.

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, April 23, 2021

Executive Management

Mads Krarup Kjaer, CEO

Richard Valentin Nijhout, COO

Board of Directors

Thomas Tolstrup Hansen, Chairman

Hans-Jørgen Nyegaard, Board member

Hans-Emil Kjaer

Hans-Emil Kjaer, Board member

Mikkel Kofod Christensen, Board member


HONDA
HONDA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF KJAER GROUP A/S

OPINION

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Kjaer Group A/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared under the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020, and of the results of the Group and Parent Company operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2020 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 Company Financial Statements" section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for 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 Company 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 Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company 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 Company 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 Company Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Parent Company 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 Company'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 Company 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 Company'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 Company 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company 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'S REVIEW

Management is responsible for Management's Review.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Consolidated Financial Statements or the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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 Management's Review.

Svendborg, April 23, 2021
BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Niels Duedahl
State Authorised Public Accountant
MNE no. mne11644

03 GROUP AND PARENT ACCOUNTS

PROFIT AND LOSS ACCOUNT

1 JANUARY - 31 DECEMBER '20

DKK 1.000

Note

			PARENT COMPANY		GROUP	
			2020	**2019**	**2020**	**2019**
1	Net turnover		73 339	130 001	232 760	376 241
2	Other operating income		4 425	6 734	3 085	111
	Cost of goods sold		-69 782	-123 667	-175 601	-293 793
	Gross profit		**7 982**	**13 068**	**60 244**	**82 559**
	Other external expenses		-4 714	-5 657	-20 289	-26 399
3	Staff expenses		-8 851	-10 150	-29 203	-35 104
	Earnings before interests and tax and depreciations	**EBITDA**	**-5 583**	**-2 739**	**10 752**	**21 056**
4	Depreciations		-600	-1 688	-6 194	-9 501
	Earnings before interest and tax	**EBIT**	**-6 183**	**-4 427**	**4 559**	**11 555**
5	Share of profit in subsidiaries		6 277	10 148	0	0
6	Other financial income		1 537	1 641	125	2 519
6	Financial expenses		-4 876	-5 816	-5 453	-7 909
	Earnings before tax	**EBT**	**-3 244**	**1 547**	**-768**	**6 165**
7	Tax on current years profit		1 809	119	-667	-4 499
8	**EARNINGS AFTER TAX**	**EAT**	**-1 435**	**1 666**	**-1 435**	**1 666**

BALANCE SHEET
as per 31st DECEMBER 2020

DKK 1.000
Note

Note		PARENT COMPANY		GROUP	
	ASSETS	**Dec '20**	**Dec '19**	**Dec '20**	**Dec '19**
	Software	695	773	695	773
9	**Aquired intangible fixed assets**	**695**	**773**	**695**	**773**
	Land and Buildings	0	0	55 594	63 486
	Other tools and equipment	1 037	442	8 138	12 295
9	**Tangible fixed assets**	**1 037**	**442**	**63 731**	**75 781**
5	Investments in subsidiaries	138 187	178 290	0	0
	Financial fixed assets	**138 187**	**178 290**	**0**	**0**
	Total fixed assets	**139 919**	**179 505**	**64 426**	**76 554**
10	**Inventories**	**2 046**	**0**	**60 597**	**64 481**
	Trade receivables	71	96	33 663	59 555
	Receivables on subsidiaries	16 508	28 220	0	0
	Corporation tax receivales	1 970	1 785	4 330	2 893
11	Deferred tax assets	8 487	8 536	8 979	10 339
	Other receivables	314	414	3 315	2 646
12	Prepaid expenses	1 510	977	1 506	971
	Accounts receivables	**28 860**	**40 028**	**51 793**	**76 404**
	Liquid funds	**377**	**1 621**	**9 415**	**11 303**
	Total current assets	**31 283**	**41 649**	**121 805**	**152 188**
	TOTAL ASSETS	**171 202**	**221 154**	**186 231**	**228 742**

BALANCE SHEET
as per 31st DECEMBER 2020

DKK 1.000
Note

Note	LIABILITIES	PARENT COMPANY Dec '20	PARENT COMPANY Dec '19	GROUP Dec '20	GROUP Dec '19
13	**Share capital**	**15 478**	**15 478**	**15 478**	**15 478**
	Equity method transfer to net revaluation reserve	0	34 457	0	0
	Currency translation reserve	0	0	-20 328	0
	Result carried forward	55 422	42 729	75 750	77 186
	Total equity	**70 900**	**92 664**	**70 900**	**92 664**
11	**Provision for deferred tax**	**0**	**0**	**5 630**	**3 762**
	Bank debts	25 313	22 354	50 236	68 847
	Prepayments from customers	0	0	12 977	12 366
	Payable to suppliers	23 541	22 495	36 838	32 109
	Payable to subsidiaries / parent company	48 922	75 957	722	972
	Corporation tax payable	0	0	0	696
	Other accounts payable	2 526	7 684	8 929	17 326
	Total current liabilities	**100 302**	**128 490**	**109 701**	**132 316**
	TOTAL LIABILITIES	**171 202**	**221 154**	**186 231**	**228 742**

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

STATEMENT OF CHANGES IN EQUITY

DKK 1.000
Note

PARENT COMPANY	Share capital	Equity method transfer to net revaluation reserve	Result carried forward	Total equity
Balance 31st December 2018	**12 435**	**23 243**	**34 858**	**70 536**
Subscription of new shares by conversion of Minority shares	3 043	0	16 450	19 493
Exchange rate adjustments of investments in subs.	0	553	0	553
Change in unrealised hedging	0	417	0	417
Proposed distribution of current years profit	0	10 244	-8 579	1 665
Balance 31st December 2019	**15 478**	**34 457**	**42 729**	**92 664**
Dividend received from subsidiary.	0	-29 000	29 000	0
Change in unrealised hedging	0	914	0	914
Exchange rate adjustments of investments in subs.	0	-6 371	-14 871	-21 242
Proposed distribution of current years profit	0	0	-1 436	-1 436
Balance 31st December 2020	**15 478**	**0**	**55 422**	**70 900**

GROUP	Share capital	Minority Interest	Currency translation reserve	Result carried forward	Total equity
Balance 31st December 2018	**12 435**	**19 505**	**0**	**58 101**	**90 041**
Misstatement previous years	0	-12	0	0	-12
Subscripton of new shares by conversion of Minority shares	3 043	-19 493	0	16 450	0
Exchange rate adjustm. of Net assets in subssidiaries	0	0	0	553	553
Change in unrealised hedging	0	0	0	417	417
Proposed distribution of profit	0	0	0	1 665	1 665
Balance 31st December 2019	**15 478**	**0**	**0**	**77 186**	**92 664**
Exchange rate adjustm. of Net assets in subssidiaries	0	0	-21 242	0	-21 242
Change in unrealised hedging	0	0	914	0	914
Proposed distribution of profit	0	0	0	-1 436	1 436
Balance 31st December 2020	**15 478**	**0**	**-20 328**	**75 750**	**70 900**

CASH FLOW STATEMENT

DKK 1.000
Note

Note			GROUP 2020	GROUP 2019
	Earnings before interests and tax and depreciations	EBITDA	10 752	21 056
	Exchange rate adjustments outside P&L		-16 167	-4 187
14	Change in working capital		25 265	-11 028
	Financial items		-5 327	-5 390
	Taxes paid		1 407	2 384
	Cash flow from operations		**15 931**	**2 836**
	Investments in tangible assets		-2 905	-3 772
	Sale of tangible assets		2 128	1 767
	Cash flow from investments		**-777**	**-2 005**
	Cash flow of year, net		**15 154**	**831**
	Liquid funds, beginning of the year		-57 546	-58 118
	Exchange adjustments of liquid funds		1 571	-259
	Liquid funds, end of the year		**-40 822**	**-57 546**
	Specified as follows:			
	Liquid funds		9 415	9 682
	Bank debts		-50 236	-67 227
	Liquid funds, end of the year		**-40 822**	**-57 546**

NOTES TO THE ANNUAL REPORT

DKK 1.000
Note

Note		PARENT COMPANY 2020	PARENT COMPANY 2019	GROUP 2020	GROUP 2019
1	**Net turnover**				
	Net turnover by activities				
	International Aid & Development	0	0	67 842	89 938
	Distribution	73 339	130 001	164 918	286 303
		73 339	**130 001**	**232 760**	**376 241**
	Net turnover by regions				
	Africa	73 339	130 001	220 857	355 523
	Rest of the world	0	0	11 903	20 718
		73 339	**130 001**	**232 760**	**376 241**
2	**Other operating income**				
	Management fees from subsidiaries	3 930	6 734	0	33
	Commission income, refund and compensation etc.	495	0	3 084	78
		4 425	**6 734**	**3 085**	**111**
3	**Staff expenses**				
	Salaries executive management	4 920	4 985	4 920	4 985
	Board of Directors fees	175	530	175	530
	Salaries and wages other employees	3 066	4 088	23 003	28 518
	Pensions	444	303	793	750
	Other staff expenses	246	244	312	320
		8 851	**10 150**	**29 203**	**35 104**
	Average number of full-time employees	7	10	241	275
4	**Depreciations**				
	Software	395	1 462	395	1 462
	Buildings	0	0	2 877	3 062
	Other tools and equipment	205	226	3 201	5 066
	Loss/profit, sale of tangible assets	0	0	-280	-88
		600	**1 688**	**6 194**	**9 501**

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	143 833
	Additions	0	2 886
	Disposals	0	0
	End of the year	**1 604**	**146 719**
	Revaluations:		
	At the beginning of the year	-1 604	34 457
	Exchange rate adjustment	0	-21 242
	Change in unrealised hedging	0	914
	Share of result	0	6 277
	Change in internal profit on inventories	0	62
	Dividents received	0	-29 000
	End of the year	**-1 604**	**-8 532**
	Book value end of the year	**0**	**138 187**

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	100%
Kjaer Group (Pty) Ltd.	9 Kinross Street, Germision South Gauteng 1401	South Africa	100%
Motorcare Lda.	Rua Kanwalanga 141, Maputo	Mozambique	100%
Motorcare Services Lda.	Rua de França, Parcela 3, Bairro de Carrupeia, Nampula	Mozambique	100%
Motorcare Mozambique Lda.	Rua Kanwalanga 141, Maputo	Mozambique	100%
Motorcare Uganda Ltd.	Jinja Road 95, Kampala	Uganda	100%

** For shares in subsidaries were the ownership deviates from the voting rights, the voting rights are presented.*

DKK 1.000

Note

Note		PARENT COMPANY 2020	PARENT COMPANY 2019
6	**Financial income/expenses from inter company accounts**		
	Financial income from subsidiaries	1 537	1 641
	Financial expenses to subsidiaries	-2 923	-3 186

Note		PARENT COMPANY 2020	PARENT COMPANY 2019	GROUP 2020	GROUP 2019
7	**Tax on current years profit**				
	Tax payable on the year's estimated tax assessment	1 970	1 541	-204	-1 830
	Withholding taxes	-279	-1 773	-280	-2 072
	The year's change in deferred tax	118	351	-183	-597
		1 809	**119**	**-667**	**-4 499**
8	**Proposed distribution of profit**				
	Equity method transfer to net revaluation reserve	0	10 244	0	0
	Result carried forward	-1 435	-8 579	-1 435	1 665
		-1 435	**-1 665**	**-1 435**	**1 665**

NOTES TO THE ANNUAL REPORT

DKK 1.000
Note

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	11 956	0	4 725
	Additions	317	0	800
	Disposals	0	0	0
	End of the year	**12 273**	**0**	**5 525**
	Accumulated depreciations and impairment losses:			
	At the beginning of the year	-11 183	0	-4 283
	Depreciations of the year	-395	0	-205
	Depreciated on sold assets	0	0	0
	End of the year	**-11 578**	**0**	**-4 488**
	Book value end of the year	**695**	**0**	**1 037**

	GROUP		
	Software	Land and buildings	Other tools and equipment
Purchase value:			
At the beginning of the year	11 956	111 703	59 574
Exchange rate adjustments	0	-10 368	-5 019
Additions	317	679	1 909
Disposals	0	0	-4 533
End of the year	**12 273**	**102 014**	**51 931**
Accumulated depreciations and impairment losses:			
At the beginning of the year	-11 183	-48 217	-47 279
Exchange rate adjustments	0	4 475	3 797
Depreciations of the year	-395	-2 679	-2 997
Depreciated on sold assets	0	0	2 685
End of the year	**-11 578**	**-46 420**	**-43 794**
Book value end of the year	**695**	**55 594**	**8 138**

Note		PARENT COMPANY		GROUP	
		2020	2019	2020	2019
10	**Inventories**				
	Manufactured goods and goods for resale	1 346	0	58 897	60 466
	Prepayments for goods	700	0	1 700	4 015
		2 046	**0**	**60 597**	**64 481**

DKK 1.000

Note

		PARENT COMPANY		GROUP	
		Dec '20	**Dec '19**	**Dec '20**	**Dec '19**
11	**Deferred tax**				
	Opening	-8 536	-8 763	-6 577	-7 542
	Exchange rate adjustment	0	0	893	36
	Withholding taxes	0	908	0	908
	Transferred to/from corporation tax	167	-330	2 164	-557
	Accounted for in Profit and Loss	-118	-351	171	598
		-8 487	**-8 536**	**-3 349**	**-6 577**
	Tangible fixed assets	-6 283	-6 151	4 524	5 337
	Financial fixed assets	0	0	-2 837	-3 126
	Inventories	-378	-391	-1 159	-2 200
	Accounts receivables	0	0	-733	-668
	Other provisions	0	0	-430	-314
	Tax loss carry forward	-1 826	-1 994	-2 714	-5 606
		-8 487	**-8 536**	**-3 349**	**-6 577**
	Reported as:				
	Deferred tax assets	8 487	8 536	8 979	10 339
	Provision for deferred tax	0	0	5 630	3 762
		-8 487	**-8 536**	**-3 349**	**-6 577**
	Tax loss carry forward not included	8 189	6 875	8 189	6 875
	Withholding tax on result carried forward, not declared	0	594	0	594

Parent company

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.

The company's deferred tax assets are recognized in the Balance sheet at DKK 8.5 million. The tax asset relates primarily to unutilized tax losses and deferred tax depreciations on Equipment.

The deferred tax asset is recognized on the basis of expectations to the positive tax profits for the years ahead. Impairment has been made for any excess tax losses. The booked value after impairment is then expected to be fully utilized over the next five years.

The assessments are based on the company's budgets for the next year and forecasts for the subsequent four years. The budget has been prepared according to the company's usual budget procedure and the estimates are made in accordance with the company's business plans.

The expectations for utilization of deferred tax assets are based on assumptions for a positive development in the COVID-19 situation and the relevant markets from 2nd half of 2021. This applies in particular for Mozambique as the biggest potential market for the Group, where Motorcare is also making its entry into the upper part of the market for Pre-owned vehicles. An additional business mandate from an automotive manufacturer for international aid & development sales is assumed from 2022.

The Deferred tax assets have been recognized and measured on the basis of expected future earnings based on assumptions as described above wherefore there are uncertainties associated with these. It is management's assessment that the uncertainties are mainly related to the timing of the fulfillment of the assumptions. Management expects the tax asset to be utilized against positive earnings within the next 5 years.

NOTES TO THE ANNUAL REPORT

DKK 1.000
Note

12 Prepaid expenses

Prepayments and accrued income comprise prepaid costs, primarily insurances relating to the next financial year.

13 Share capital	**Share Capital**
Last 5 years changes in share capital:	
Share capital January 1 2015	12 435
Capital increase 2019	3 043
	15 478
The share capital at end of year is split in:	
A shares	5 000
B shares	10 478
	15 478

Treasury shares (B shares)	**Nominal Value**	**% of Share Capital**
At the beginning of the year		
At the beginning of the year	262	1.7%
Disposals	0	0%
Additions	0	0%
End of the year	**262**	**1.7%**

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

	GROUP	
	2020	**2019**
14 Change in working capital		
Change in current assets:		
Inventories	3 884	14 278
Trade receivable	25 892	-18 913
Prepaid expenses	-536	324
Other various outstandings	-669	1 906
Change in short-term debt:		
Prepayments from customers	610	2 384
Payable to subsidiaries	-250	182
Payable to suppliers	4 729	-15 272
Other accounts payable	-8 397	4 088
Change in working capital	**25 264**	**-11 024**

DKK 1.000
Note

Note		Registered deed	Actual liability	Booked value of Assets
15	**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.	7 424	7 430	1 618
	For same bank debt the company has issued Letter of Debenture in all fixed and floating assets belonging to the company.	7 424	7 430	28 009

Note		PARENT COMPANY		GROUP	
		Dec '20	**Dec '19**	**Dec '20**	**Dec '19**
16	**Lease commitments**				
	Operating lease contracts on company cars have been concluded for the years 2019 to 2021.	0	0	85	170
17	**Contingent liabilities**				
	Rental contacts for premises have been concluded for the years 2016 to 2023.	3 014	4 018	3 167	4 530

Joint taxation
The Danish group companies and parent 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.

Parent company
The company has committed to repurchase 3.8% own shares from employees at Equity value.

	Actual debt	Maximum liability
The parent company has guaranteed for bank debt in the subsidiary Kjaer & Kjaer A/S	8 531	20 000
The parent company has guaranteed financial Letter of Guarantees issued in security for liabilities in the subsidiary Kjaer & Kjaer A/S	3 151	50 000
On the basis of joint VAT registration the company is liable for VAT debt in Kjaer & Kjaer A/S.	0	unlimited

NOTES TO THE ANNUAL REPORT

DKK 1.000
Note

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

Related parties:	**Basis for control:**
The Way Forward ApS, Sankt Annæ Plads 19 2 th 1250 København K	75% share ownership Exercise of management
Investment Fund for Developing Countries Fredericiagade, 27, 1310 København K	20% share ownership Board member

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 1.7% 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.

In Accordance with section §98,(7) of the Danish Financial Statement Act, the Company has not disclosed any related party as they were conducted on an arm´s length basis.

	GROUP	
	2020	**2019**
19 Fee for auditor elected by the general meeting		
Fee for auditor elected by the General Meeting		
Fees to auditors:		
Audit	747	922
Tax advice	0	0
Declaration fees	47	0
Other fees	0	0
	794	**922**

BDO is elected as auditor in the entire group.

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

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, intragroup 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.

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.

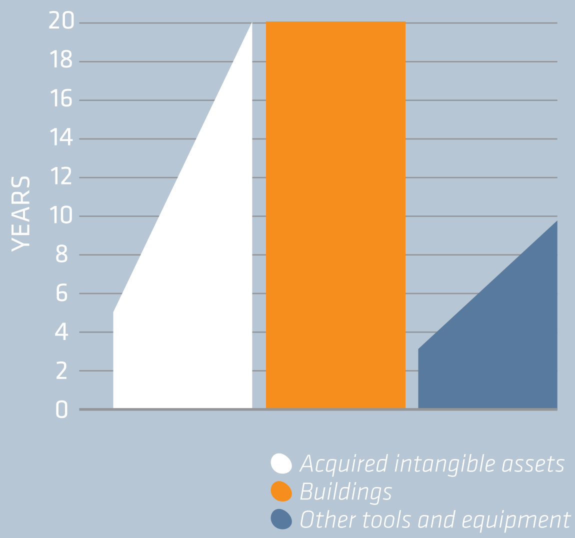
Other operating income
Other operating income comprise income of a secondary nature as viewed in relation to the Company's primary activities, including material exceptional gains from the sale of intangible assets and property, plant and equipment, subsidies, rental income, licence income, etc.

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. 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.

Impairment of fixed assets
The carrying amount of property, plant and equipment is assessed annually for indications of impairment. If there are indications of impairment, an impairment test is performed for each asset or group of assets. Write-down is made to the recoverable amount, if it is lower than the carrying amount.

The recoverable amount is the highest value of net selling price and capital value. The capital value is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or asset group after completion useful life.

Previously recognized impairment losses are reversed when the reason for the impairment no longer exists consists.

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.

Prepaid expenses
Prepayments recognized under assets comprise prepaid expenses relating to subsequent financial year.

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.

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.

DEFINITIONS

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.

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

Revision / Auditors
BDO Statsautoriseret revisionsaktieselskab
Grønnemosevej 6, 5700 Svendborg
Denmark

Phone: (+45) 63 21 60 00
Web-site: www.bdo.dk
E-mail: svendborg@bdo.dk

Annual General Meeting
To be held on May 14th 2021 at 10:00 am
at the company's address in Svendborg.

Presented and adopted at the general meeting:
Chairman

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

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Web-site: www.kjaergroup.com
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Board of Directors
Thomas Tolstrup Hansen, Chairman
Hans-Jørgen Nyegaard, Board member
Hans-Emil Kjær, Board member
Mikkel Kofod Christensen, Board member

Executive Management
Mads Krarup Kjær, CEO
Richard Valentin Nijhout, COO

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