

1 JANUARY - 31 DECEMBER 2022

2022

ANNUAL REPORT



Grønnemosevej 6, 5700 Svendborg
CVR NO. DK 81317216



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- SERVICE PARTNERS



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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 220 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.

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 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 2021 we initiated the concept Move to Green, where the ambition is to be Carbon neutral by transforming mobility and consumption to zero fossil use.

Carbon free mobility lies in fleets of vehicles that are fully electric driven or a hybrid. Our own consumption shall focus on using renewable sources and changed work habits.





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.



Based on international standards and certifications, it is MOTORCARE's value proposition to offer automotive mobility solutions to the market. Customers are provided one-stop maintenance, service and repair services as well as insurance, financial and fleet management solutions through our countrywide dealerships in Mozambique and Uganda.





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HIGHLIGHTS

The year 2022 was a strong year for turnaround in all our business units. The demand for vehicles increased in all our markets and the supply chain from our manufacturers improved. Though, we still had disruption on supply and some vehicles that was ordered and expected delivered in 2022 were delayed for shipment in 2023 only.

The groups consolidated turnover increased from DKK 243 million in 2021 to DKK 397 million in 2022, which represent an increase of 63% in revenues.

MOTORCARE maintained its market share by focused management on the main fleet customer segment. MOTORCARE's business units, in both Mozambique and Uganda, 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 increased market opportunities due to the war in Ukraine and the aid and development organizations requiring transport.

One of our goals is to improve the Carbon footprint and we continued our campaign named "Move to Green" in the markets where we operate. This campaign includes the supply of electric vehicles and scooters as well as related necessary electric charging facilities combined with support in after sales.

The Group's earnings before tax (EBT) are stated at DKK 19 million and the earnings after tax (EAT) is stated at DKK 13 million. The result is as we expected when we closed the Annual report for 2021 and represent a significant improvement from the Covid years 2020-21. The turnaround is primarily caused by the re-bounce of markets, which happened as we expected.

The Group's equity improved by DKK 21 million as a combined result of the DKK 13 million earnings after tax (EAT) and DKK 8 million currency fluctuations in our favour entered directly on the Equity. In consideration of the good results the Board is proposing a Dividend of DKK 6 million.

In 2022 the principal shareholder, The Way Forward ApS granted and disbursed a loan of DKK 10 million, which was subordinated all other creditors. The repayment of the loan was agreed with an amount equal to the Group's Earnings After Tax the previous year. In accordance with this agreement the loan falls due and will be fully repaid in 2023.



98

DKK million

EQUITY GROUP



397

DKK million

TURNOVER



93

DKK million

NET INTEREST
BEARING DEBT

STRATEGY

Our Mission is 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 sustainability in our performance and be committed to our people in the organization.

It's our vision to Move to Green – being a “green” company that also move people to “green” automotive services. To achieve a “green” company; the environmental, social and governance considerations and actions will belong in the traffic lights' green zone – meaning a business with little impact on the environment and positive influence on the societies, in which we operate.

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 KJAER GROUP Way of Management that is firmly anchored in internationally recognized principles and standards (UN Global Compact & SDG2030, 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.

GROUP 2023 GUIDANCE

In 2022 and the beginning of 2023, the markets where we operate have clearly started gaining momentum again after the COVID-19 pandemic.

For Kjaer & Kjaer, working within the Aid & Development market, we see increased activities in the Aid & Development sector in Africa and lower activities in and around Ukraine.

The import of new vehicles into Mozambique and Uganda is expected to grow with 5-10% and the new vehicle market in Uganda seems to be on track for its highest ever.

MOTORCARE will continue the focus on cost optimization, improved utilization of workshop facilities, pursuing spot business opportunities and act on the Budget 2023 as well as focus on the development of new business segments to increase our turnover and profitability.

Already for 1st quarter of 2023 the Group has generated 34% growth in Turnover compared to Q1/2022 and Earnings After Tax is in excess of DKK 4 million for the quarter.

For the whole financial year 2023, the Group expects Earnings After Tax to be in the range DKK 20-25 million.

KEY FIGURES – 5 YEARS

DKK million

Key figures from the consolidated annual report

		2018	2019	2020	2021	2022
Net turnover		332	376	233	243	397
Gross profit, excluding other operating income		80	82	57	56	98
Earnings before interest, taxes and depreciation	EBITDA	20	21	11	4	34
Earnings before tax and interest	EBIT	9	12	5	-2	27
Net financial items		-8	-5	-5	-6	-8
Pre-tax earnings	EBT	1	6	-1	-9	19
Tax		-2	-4	-1	1	-6
Earnings after tax	EAT	-1	2	-1	-8	13
Fixed assets		82	77	64	67	81
Inventories		79	64	61	64	89
Trade receivables		41	60	34	35	58
Receivables from Leasing sales		0	0	0	6	28
Other current assets		11	7	9	8	6
Liquid Funds		12	11	9	19	11
Total assets (excluding deferred taxes and liquid funds)		212	207	168	203	261
Current liabilities (excluding bank and leasing debt to banks)		-72	-63	-59	-64	-94
Capital employed		141	144	108	139	167
Equity		71	93	71	77	98
Minority interests		20	0	0	0	0
Equity		90	93	71	77	98
Deferred tax		-8	-7	-3	-9	-4
Interest-bearing debt, net		58	58	41	47	74
Financing		141	144	108	114	167
Balance Sum		234	229	186	207	290
Dividend for the year		0	0	0	0	6
Dividend for the year (%)		0%	0%	0%	0%	45%
Investments in tangible fixed assets, gross		6	4	3	5	17
Average number of full-time employees		271	275	241	221	233
Ratios:						
Gross margin, excluding other operating income		24,0%	21,9%	24,6%	23,2%	24,8%
EBITDA-margin		6,0%	5,6%	4,6%	1,7%	8,5%
Interest coverage (EBITDA/Financial items)		2,5	3,9	2,0	0,6	4,1
Gearing (Net interest-bearing debt/EBITDA)		2,9	2,7	3,8	11,4	2,2
Growth in EBITDA		32%	6%	-49%	-81%	60%
Return on invested capital after tax	ROIC	5%	7%	3%	-3%	18%
Return on equity	ROE	-1%	2%	-2%	-9%	14%
Equity ratio		41%	43%	40%	41%	36%
Equity value of nom. 1,000 DKK share	DKK	5 672	5 987	4 581	4 944	6 312
Adjust. equity value for share pricing	DKK	5 721	5 999	4 534	4 958	5 902

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

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 obligation and an opportunity 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 KJAER GROUP Sustainability Report 2022, including the "Communication on Progress" (COP) for UN Global Compact, we describe the progress and results of our efforts in acting social, environmental and financial responsible.

Please find the report here: <https://www.kjaergroup.com/way-of-management/corporate-social-responsibility/>

*In accordance with Section 99 b of the Danish Financial Statements Act, reporting on gender diversity in management bodies is included in the Sustainability 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 ISO 45001, 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 is as important as their implementation. Every third year we are being audited by Bureau Veritas.

In 2022 we have successfully retained our certification in the three standards in both Mozambique and Uganda.

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

In 2022 we included carbon emission measures in our HSE system as part of our “Green” Strategy. Studies were made to reduce our footprint and our general environmental impact, such as solar power and water recycling systems, which will be implemented in 2023.



ZERO TOLERANCE APPROACH TOWARDS CORRUPTION



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 2022, it was the eight 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), Richard V. Nijhout (COO) and Peter Reher (CFO).

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 Deloitte.

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.





TRANSLED

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, 2022.

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, 2022 and of their financial performance as well as the consolidated cash flow for the financial year of January 1 to December 31, 2022.

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, May 8, 2023

Executive Management



Mads Krarup Kjaer, CEO



Richard Valentin Nijhout, COO

Board of Directors



Thomas Tolstrup Hansen, Chairman



Anders Paludan-Müller, Board member



Hans-Emil Kjaer, Board member



Mikkel Kofod Christensen, Board member



INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF KJAER GROUP A/S

OPINION

We have audited the financial statements of Kjaer Group A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and

for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of

accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

STATEMENT ON THE MANAGEMENT COMMENTARY

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Odense, May 8, 2023

Deloitte Statsautoriseret Revisionspartnerselskab

CVR no. 33 96 35 56



Per Krause Therkelsen

State Authorised Public Accountant

MNE no. mne19698



Allan Dydensborg Madsen

State Authorised Public Accountant

MNE no. mne34144

GROUP AND PARENT ACCOUNTS

PROFIT AND LOSS ACCOUNT 1 JANUARY - 31 DECEMBER '22

DKK 1.000
Note

		PARENT COMPANY		GROUP	
		2022	2021	2022	2021
1	Net turnover	133 780	100 317	396 728	242 764
2	Other operating income	8 657	5 787	98	349
	Cost of goods sold	-125 470	-95 184	-298 246	-186 455
	Gross profit	16 968	10 920	98 579	56 658
	Other external expenses	-6 912	-4 923	-28 427	-22 085
3	Staff expenses	-9 935	-8 709	-36 471	-30 469
	Earnings before interests and tax and depreciations	121	-2 712	33 681	4 104
4	Depreciations	-599	-767	-6 336	-6 256
	Earnings before interest and tax	-478	-3 479	27 346	-2 153
5	Share of profit in subsidiaries	17 053	-2 209	0	0
6	Other financial income	2 567	1 529	843	356
6	Financial expenses	-5 768	-4 614	-8 974	-6 841
	Earnings before tax	13 374	-8 773	19 215	-8 638
7	Tax on current years profit	20	751	-5 822	616
8	EARNINGS AFTER TAX	13 393	-8 022	13 393	-8 022

BALANCE SHEET

as per 31st DECEMBER 2022

DKK 1.000

Note

	PARENT COMPANY		GROUP	
	Dec '22	Dec '21	Dec '22	Dec '21
ASSETS				
Software	712	466	712	466
9 Acquired intangible fixed assets	712	466	712	466
Land and Buildings	0	0	72 913	58 075
Other tools and equipment	1 043	1 390	7 544	7 987
9 Tangible fixed assets	1 043	1 390	80 457	66 062
5 Investments in subsidiaries	160 872	144 710	0	0
Financial fixed assets	160 872	144 710	0	0
Total fixed assets	162 627	146 566	81 169	66 528
10 Inventories	5 704	0	89 080	63 810
Trade receivables	0	75	57 796	34 988
11 Receivables from Leasing sales	0	0	27 887	5 515
Receivables on subsidiaries	21 527	34 078	0	0
Corporation tax receivables	1 557	857	736	2 997
12 Deferred tax assets	8 184	8 275	8 911	9 272
Other receivables	0	613	2 875	3 018
14 Prepaid expenses	1 921	1 675	1 926	1 673
Accounts receivables	33 189	45 573	100 132	57 463
Liquid funds	7 989	2 908	19 309	19 135
Total current assets	46 882	48 481	208 521	140 408
TOTAL ASSETS	209 508	195 047	289 689	206 936

BALANCE SHEET

as per 31st DECEMBER 2021

DKK 1.000
Note

	PARENT COMPANY		GROUP	
	Dec '22	Dec '21	Dec '22	Dec '21
LIABILITIES				
15 Share capital	15 478	15 478	15 478	15 478
Equity method transfer to net revaluation reserve	0	0	0	0
Currency translation reserve	0	0	1 145	-6 676
Result carried forward	76 266	61 052	75 121	67 728
Dividend for the year	6 000	0	6 000	0
Total equity	97 744	76 530	97 744	76 530
12 Provision for deferred tax	0	0	4 747	39
16 Other provisions	0	0	215	0
Total provisions	0	0	4 962	39
Bank debts	37 890	38 230	56 305	59 713
Leasing debt to bank	0	0	36 620	6 334
Prepayments from customers	0	0	14 070	10 283
Payable to suppliers	33 834	25 548	51 002	29 362
Payable to subsidiaries / parent company	32 116	52 949	10 083	13 250
Corporation tax payable	0	0	0	3 247
Other accounts payable	7 924	1 790	18 904	8 178
Total current liabilities	111 764	118 517	186 984	130 367
TOTAL LIABILITIES	209 508	195 047	289 689	206 936
17 Change in working capital				
18 Pawnings				
19 Leasing commitments				
20 Contingent liabilities				
21 Related parties				

STATEMENT OF CHANGES IN EQUITY

DKK 1.000

Note

PARENT COMPANY

	Share capital	Equity method transfer to net revaluation reserve	Result carried forward	Proposed dividend for the year	Total equity
Balance 31st December 2020	15 478	0	55 422	0	70 900
Exchange rate adjustments of investments in subs.	0	1 013	13 652	0	14 665
Change in unrealised hedging	0	-1 013	0	0	-1 013
Proposed distribution of current years profit	0	0	-8 022	0	-8 022
Balance 31st December 2021	15 478	0	61 052	0	76 530
Change in unrealised hedging	0	602	0	0	602
Exchange rate adjustments of investments in subs.	0	-602	7 821	0	7 219
Proposed distribution of current years profit	0	0	7 393	6 000	13 393
Balance 31st December 2022	15 478	0	82 266	6 000	97 744

GROUP

	Share capital	Currency translation reserve	Result carried forward	Proposed dividend for the year	Total equity
Balance 31st December 2020	15 478	-20 328	75 750	0	70 900
Exchange rate adjustm. of Net assets in subsidiaries	0	14 665	0	0	14 665
Change in unrealised hedging	0	-1 013	0	0	-1 013
Proposed distribution of profit	0	0	-8 022	0	-8 022
Balance 31st December 2021	15 478	-6 676	67 728	0	76 530
Exchange rate adjustm. of Net assets in subsidiaries	0	7 219	0	0	7 219
Change in unrealised hedging	0	602	0	0	602
Proposed distribution of profit	0	0	7 393	6 000	13 393
Balance 31st December 2022	15 478	1 145	81 121	6 000	97 744

CASH FLOW STATEMENT

DKK 1.000

Note

		GROUP	
		2022	2021
	Earnings before interests and tax and depreciations	33 681	4 104
	Exchange rate adjustments outside P&L	3 034	7 154
14	Change in working capital	-11 821	-20 528
	Financial items	-8 131	-6 485
	Taxes paid	-2 260	-84
	Cash flow from operations	14 504	-15 839
	Investments in tangible assets	-17 142	-5 316
	Investments in leasing assets	-22 372	-315
	Sale of tangible assets	1 473	2 851
	Cash flow from investments	-38 041	-2 780
	Loan from parent company	-3 167	12 528
	Bank debt	-3 408	17 041
	Lease finance liabilities	30 286	-1 229
	Cash flow from financial items	23 711	28 340
	Cash flow of year, net	174	9 721
	Liquid funds, beginning of the year	19 135	9 414
	Liquid funds, end of the year	19 309	19 135

NOTES TO THE ANNUAL REPORT

DKK 1.000

Note

	PARENT COMPANY		GROUP	
	2022	2021	2022	2021
1 Net turnover				
Net turnover by activities				
International Aid & Development	0	0	84 846	42 953
Distribution	133 780	100 317	311 882	199 811
	133 780	100 317	396 728	242 764
Net turnover by regions				
Africa	133 780	100 317	335 365	234 042
Rest of the world	0	0	61 363	8 722
	133 780	100 317	396 728	242 764
2 Other operating income				
Management fees from subsidiaries	8 562	5 654	0	0
Commission income, refund and compensation etc.	95	133	98	349
	8 657	5 787	98	349
3 Staff expenses				
Salaries executive management	5 272	4 887	5 272	4 887
Board of Directors fees	255	178	255	178
Salaries and wages other employees	3 618	2 916	29 799	24 331
Pensions	510	450	829	763
Other staff expenses	280	278	316	310
	9 935	8 709	36 471	30 469
Average number of full-time employees	5	5	233	221
4 Depreciations				
Software	240	327	240	327
Buildings	0	0	3 287	3 711
Other tools and equipment	359	323	2 943	2 333
Loss/profit, sale of tangible assets	0	117	-135	-113
	599	767	6 336	6 257

NOTES TO THE ANNUAL REPORT

DKK 1.000
Note

5 Financial fixed assets

Purchase value:

At the beginning of the year
Additions
Disposals
End of the year

Revaluations:

At the beginning of the year
Exchange rate adjustment
Change in unrealised hedging
Share of result
Change in internal profit on inventories
Dividends received
End of the year

Book value end of the year

PARENT COMPANY	
Investment in associates	Investment in subsidiaries
1 604	146 719
0	0
0	0
1 604	146 719
-1 604	-2 009
0	7 219
0	602
0	16 039
0	1 014
0	-8 713
-1 604	14 153
0	160 872

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	Address	Land / country	Ownership *
Subsidiaries			
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%
Associates			
MyC4 A/S	Sankt Annæ Plads 19 2 th, 1250 København K	Denmark	4%

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

DKK 1.000
Note

	PARENT COMPANY		GROUP	
	2022	2021	2022	2021
6 Financial income/expenses from inter company accounts				
Financial income from subsidiaries	2 342	1 529	0	0
Financial expenses to subsidiaries	-1 989	-2 020	-1 000	-344

	PARENT COMPANY		GROUP	
	2022	2021	2022	2021
7 Tax on current years profit				
Tax payable on the year's estimated tax assessment	899	1 263	-4 408	-3 947
Withholding taxes	-788	-512	-788	-512
The year's change in deferred tax	-91	0	-627	5 074
	20	751	-5 822	616
8 Proposed distribution of profit				
Dividends	6 000	0	6 000	0
Result carried forward	7 393	-8 022	7 393	-8 022
	13 393	-8 022	13 393	-8 022

NOTES TO THE ANNUAL REPORT

DKK 1.000

Note

9 Tangible & acquired intangible fixed assets continued

Purchase value:

At the beginning of the year

Additions

Disposals

End of the year

Accumulated depreciations and impairment losses:

At the beginning of the year

Depreciations of the year

Depreciated on sold assets

End of the year

Book value end of the year

Purchase value:

At the beginning of the year

Exchange rate adjustments

Additions

Disposals

End of the year

Accumulated depreciations and impairment losses:

At the beginning of the year

Exchange rate adjustments

Depreciations of the year

Depreciated on sold assets

End of the year

Book value end of the year

10 Inventories

Manufactured goods and goods for resale

Prepayments for goods

PARENT COMPANY			
	Software	Land and buildings	Other tools and equipment
At the beginning of the year	12 371	0	5 819
Additions	486	0	12
Disposals	0	0	0
End of the year	12 857	0	5 831
At the beginning of the year	-11 905	0	-4 429
Depreciations of the year	-240	0	-359
Depreciated on sold assets	0	0	0
End of the year	-12 145	0	-4 788
Book value end of the year	712	0	1 043

GROUP			
	Software	Land and buildings	Other tools and equipment
At the beginning of the year	12 371	110 923	52 434
Exchange rate adjustments	0	7 011	2 860
Additions	486	14 435	2 221
Disposals	0	-1 345	-2 147
End of the year	12 857	131 024	55 369
At the beginning of the year	-11 905	-52 848	-44 447
Exchange rate adjustments	0	-3 381	-1 291
Depreciations of the year	-240	-3 227	-2 896
Depreciated on sold assets	0	1 345	809
End of the year	-12 145	-58 111	-47 825
Book value end of the year	712	72 913	7 544

PARENT COMPANY		GROUP	
2022	2021	2022	2021
2 761	0	81 570	63 456
2 943	0	7 510	354
5 704	0	89 080	63 810

DKK 1.000

Note

	PARENT COMPANY		GROUP	
	Dec '22	Dec '21	Dec '22	Dec '21
11 Receivables from Leasing sales				
Receivables from leasing sales due more than 1 year after balance sheet data	0	0	20 058	2 624
	0	0	20 058	2 624
12 Deferred tax				
Opening	-8 275	-8 487	-9 233	-3 349
Exchange rate adjustment	0	0	114	22
Withholding taxes	0	0	0	0
Transferred to/from corporation tax	0	212	4 334	-621
Accounted for in Profit and Loss	91	0	525	-5 285
	-8 184	-8 275	-4 165	-9 233
Tangible fixed assets	-6 583	-6 452	4 509	-7 658
Financial fixed assets	0	0	0	0
Inventories	-395	-619	-2 365	-718
Accounts receivables	0	0	-1 784	214
Other provisions	0	0	-3 207	-213
Tax loss carry forward	-1 205	-1 204	-1 318	-858
	-8 184	-8 275	-4 165	-9 233
Reported as:				
Deferred tax assets	8 184	8 275	8 911	9 272
Provision for deferred tax	0	0	4 747	39
	-8 184	-8 275	-4 165	-9 233
Tax loss carry forward not included	10 180	8 189	10 180	8 189
Withholding tax on result carried forward, not declared	0	0	0	0

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 foreseeable future.

The company's deferred tax assets are recognized in the Balance sheet at DKK 8.2 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 assumption of positive development in the relevant markets from 2022. Especially the development in the oil and gas sector in both Mozambique and Uganda will have a significant impact from 2023. Q1 2023 already shows increased activities in all business units with more than 32% increase in turnover compared to Q1 2022. An additional business mandate from an automotive manufacturer for international aid & development sales is assumed from 2023.

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 with zero utilization for 2022.

NOTES TO THE ANNUAL REPORT

DKK 1.000

Note

14 Prepaid expenses

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

15 Share capital

Last 5 years changes in share capital:

Share capital January 1 2015

Capital increase 2019

	Share Capital
	12 435
	3 043
	15 478

The share capital at end of year is split in:

A shares

B shares

5 000
10 478
15 478

Treasury shares (B shares)

At the beginning of the year

At the beginning of the year

Disposals

Additions

End of the year

	Nominal Value	% of Share Capital
	262	1.7%
	0	0%
	0	0%
	262	1.7%

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

- 16 Other provisions comprise anticipated costs of guarantee commitments estimated to mature more than one year after balance sheet date.

17 Change in working capital

Change in current assets:

Inventories

Trade receivable

Prepaid expenses

Other various outstandings

Change in short-term debt:

Prepayments from customers

Payable to subsidiaries

Payable to suppliers

Other accounts payable

Change in working capital

GROUP	
2022	2021
-25 270	-3 213
-22 808	-6 525
-253	-167
143	298
3 787	-2 694
0	0
21 640	-7 477
10 941	-751
-11 821	-20 528

DKK 1.000

Note

	Registered deed	Actual liability	Booked value of Assets
18 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.	11 675	5 255	1 317
For same bank debt the company has issued Letter of Debenture in all fixed and floating assets belonging to the company.	11 675	5 255	66 055

The lease assets are provided as security for lease debt to banks.

	PARENT COMPANY		GROUP	
	Dec '22	Dec '21	Dec '22	Dec '21
19 Lease commitments				
Operating lease contracts on company cars have been concluded for the years 2022 to 2025.	223	0	438	21
20 Contingent liabilities				
Rental contracts for premises have been concluded for the years 2016 to 2023.	850	1 700	1 598	2 552

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 financial Letter of Guarantees issued in security for liabilities in the subsidiary Kjaer & Kjaer A/S	1 557	50 000
On the basis of joint VAT registration the company is liable for VAT debt in Kjaer & Kjaer A/S.	0	unlimited
The parent company has issued guarantee for bank debt in Motorcare Uganda Ltd.	53 411	63 727

NOTES TO THE ANNUAL REPORT

DKK 1.000
Note

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

Related parties:

The Way Forward ApS, Sankt Annæ Plads 19 2 th
1250 København K

Investment Fund for Developing Countries
Fredericiagade, 27, 1310 København K

Basis for control:

75% share ownership
Exercise of management

20% share ownership
Board member

The Way Forward ApS is 100% owned by Mads Kjær personally. The company is, besides of being the principal shareholder in Kjaer Group A/S, a private investment company applied for Mads Kjær's non-automotive activities. In April 2022 The Way Forward ApS has granted a subordinated loan of DKK 10 million to Kjaer Group A/S. Apart here from 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.

22 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 medium enterprises and certain provisions applying to 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.

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

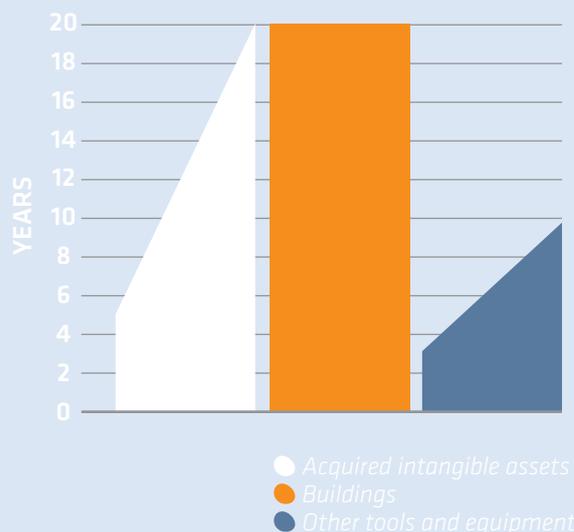
Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

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.

Receivables on leasing sales

Leasing receivables are measured at sales value of products delivered less amortization. Initial recognition is at net present value of the minimum leasing payments related to the product value excluding insurance and other services with addition of a guaranteed or conservatively estimated residual value. Future leasing payments are discounted at an interest rate inherent in the contract, which as a minimum is 2% p.a. higher than the interest rates charged on the lease financing liabilities.

Prepaid expenses

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

Cash

Cash comprises cash in hand and bank deposits.

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.

Other provisions

Other provisions comprise anticipated costs of guarantee commitments.

Other provisions are recognized and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Lease commitments

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

Deferred tax

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

Deferred tax assets, including the tax base of tax loss carry-forwards, 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.

Tax payable or receivable

Current tax payable or receivable is recognized in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Financial liabilities

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

The Cash Flow Statement

In accordance with an interpretation from the Danish Business Authority, withdrawals from the company's overdraft facility are classified in the cash flow statement as cash flows from financing activities, where the deduction on the overdraft facility was

previously classified as cash and cash equivalents in the cash flow statement. The change has a negative effect on cash flows from financing activities of 12 206 tDKK in 2022 and a positive effect of 16 232 tDKK for 2021. The comparison figures are adapted.

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the company's cash and cash equivalents at the beginning and the end of the financial year.

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

Cash flows from investment transactions comprises the purchase and sale of property, plant and equipment.

Cash flows from financing activities comprise raising and instalment on long-term debt and payment of dividend.

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

Segment Information

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

DEFINITIONS

EBITDA

Earnings before depreciations, interests, tax and minority interests

EBIT

Earnings before interests, tax and minority interests

NOPLAT

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

Capital employed

Total assets – payable to suppliers and other current liabilities

Net interest bearing debt

Interest bearing liabilities + debt to credit institutions - liquid funds

Gross margin

Gross profit * 100 / Net Turnover

EBITDA margin

EBITDA * 100 / Net Turnover

Interest coverage

EBITDA * 100 / Financial income and expenses, net

Gearing

Net interest bearing debt * 100 / EBITDA

Growth in EBITDA

Growth in EBITDA * 100 / EBITDA 2013

Return on capital employed (ROIC)

NOPLAT * 100 / Average capital employed

Return on equity

Earnings after tax * 100 / Average equity

Equity ratio

Total equity * 100 / Total assets excluding liquid funds

Equity value of nom. 1000 DKK shares

Total Equity excl. minority interests / number of shares

Adjust. Equity value for share pricing

Total equity excl. minority interests - Dividends and unreal. exch. adj. in Equity / Number of shares

COMPANY DETAILS

Revision / Auditors

Deloitte Statsautoriseret revisionspartnerselskab
Tværkajen 5, 5000 Odense C
Denmark

Phone: (+45) 63 14 66 00

Web-site: www.deloitte.dk

E-mail: odense@deloitte.dk

Annual General Meeting

To be held on May 26th 2023 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

E-mail: info@kjaergroup.com

Board of Directors

Thomas Tolstrup Hansen, Chairman
Anders Paludan-Müller, Board member
Hans-Emil Kjær, Board member
Mikkel Kofod Christensen, Board member

Executive Management

Mads Krarup Kjær, CEO
Richard Valentin Nijhout, COO
Peter Reher, CFO





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