

# Nissens®

DELIVERING THE DIFFERENCE

## **AX V Nissens III ApS**

Ormhøjgårdvej 9, 8700 Horsens

CVR no. 38 64 73 50

Annual report

1 May 2023 – 30 April 2024

The Annual Report was presented and approved at the Annual General Meeting of the company on 28 June 2024

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Lars Cordt  
Chairman

## **Contents**

<b>Statement by Management on the Annual Report</b>	<b>1</b>
<b>Independent auditor's report</b>	<b>2</b>
<b>Management's review</b>	<b>5</b>
Company details	5
Financial highlights for the Group	6
Business review	7
Financial review	10
Outlook	11
Events after the reporting period	11
<b>Corporate Social Responsibility</b>	<b>12</b>
Business model & Nissens' approach to sustainability	12
Human rights	12
Social & Labor Conditions	13
<b>Data ethics</b>	<b>16</b>
<b>Special risks</b>	<b>17</b>
<b>Consolidated financial statements</b>	<b>18</b>
Income statement	18
Statement of other comprehensive income	19
Balance sheet	20
Cash flow statement	21
Statement of changes in equity	22
Overview of notes to the consolidated financial statements	24
Notes	25
<b>Parent financial statements</b>	<b>68</b>
Income statement	68
Statement of other comprehensive income	68
Balance sheet	69
Cash flow statement	70
Statement of changes in equity	71
Overview of notes for the consolidated financial statements	72
Notes	73

## Statement by Management on the Annual Report

Today, the Board of Directors and the Executive Board have discussed and approved the Annual Report of AX V Nissens III Aps for the financial year 2023/2024 covering the period 1 May 2023 to 30 April 2024.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act

It is our opinion that the consolidated financial statements and the Parent Company financial statements give a true and fair view of the Group's and the Parent Company's financial position on 30 April 2024 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 May 2023 – 30 April 2024.

In our opinion, the Management's review includes a fair review of the development in the Group's and the Parent Company's operations and financial conditions, the results for the year, cash flow and financial position as well as a description of the significant risks and uncertainty factors that the Parent Company and the Group face.

We recommend that the annual report be approved at the Annual General Meeting.

Horsens, 24 June 2024

Executive Board:

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Jesper Frydensberg Rasmussen  
CEO

Board of Directors:

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Lars Cordt  
Chairman

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Asbjørn Mosgaard Hylgaard

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Peter Nyegaard

## **Independent auditor's report**

### **To the shareholders of AX V Nissens III ApS**

#### **Opinion**

We have audited the consolidated financial statements and the parent company financial statements of AX V Nissens III ApS for the financial year 1 May – 30 April 2024, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of 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 30 April 2024 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 May – 30 April 2024 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of 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 consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Independence***

We are independent of the Group 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.

#### **Statement on the Management's review**

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

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

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

Based on our procedures, we conclude that the Management's review 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's review.

## **Independent auditor's report**

### **Management's responsibilities for the 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 IFRS Accounting Standards as adopted by the EU and additional requirements of 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 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 financial statements unless Management either intends to liquidate the Group or the Parent Company 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 as to 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 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 the financial statements.
- ▶ As part of an audit conducted in accordance with ISAs and 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 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 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 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 Parent Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

## **Independent auditor's report**

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.

Odense, 24 June 2024

EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Søren Smedegaard Hvid  
State Authorised Public Accountant  
mne31450

Henrik Carstensen  
State Authorised Public Accountant  
mne47765

## Management's review

### Company details

Name	AX V Nissens III ApS
Address, postal code, city	Ormhøjgårdvej 9, 8700 Horsens, Denmark
CVR.no	38 64 73 50
Registered office	Horsens
Financial year	1 May – 30 April
1. financial year	17 May 2017 – 30 April 2018
Board of Directors	Lars Cordt / Chairman Asbjørn Mosgaard Hyldgaard Peter Nyegaard
Executive board	Jesper Frydensberg Rasmussen
Parent company	Axcel V K/S, cvr.no. 38 55 61 34
Auditors	EY Godkendt Revisionspartnerselskab
Bankers	Nordea Danmark, filial af Nordea Bank AB (publ) Sverige
Annual shareholders meeting	The Annual Shareholders meeting on 28 June 2024, at Ormhøjgårdvej 9, 8700 Horsens

## Management's review

### Financial highlights for the Group

In DKK millions, except for per share data

	1 May 2023 – 30 April 2024	1 May 2022 – 30 April 2023*	1 May 2021 – 30 April 2022*	1 May 2020 – 30 April 2021*	1 May 2019 – 30 April 2020
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#### Key figures

Revenue	1,814.5	1,730.4	1,584.3	1,124.0	1,943.6
EBITDA before special items	288.0	135.0	174.3	154.6	198.5
Operating profit before special items	198.8	44.6	91.3	87.3	73.5
Operating profit after special items	196.4	36.1	67.9	111.3	73.5
Net finance costs	-12.6	-15.9	-102.7	-114.6	-118.1
Result before tax	183.8	20.1	-34.8	-3.3	-44.4
Result for the year	143.8	18.4	-47.5	-18.5	-53.7
Discontinued operations****			196.8	53.3	

Non-current assets	1,038.8	1,091.8	1,127.1	1,989.9	1,990.0
Current assets	992.8	1,005.0	1,009.0	1,508.9	1,219.0
Total assets	2,031.6	2,096.7	2,136.1	3,498.8	3,209.0
Equity	1,167.4	1,084.0	1,068.6	902.0	872.9
Non-current liabilities	296.0	455.5	468.5	1,883.2	1,820.3
Current liabilities	568.2	557.2	599.0	713.6	515.8

Cash flows from operating activities	369.7	29.8	56.9	154.9	155.6
Cash flow from investing activities	-26.9	-26.2	1,152.7	-91.4	-68.0
Cash flow from investments in fixed assets	-13.8	-21.4	-38.5	-43.2	-48.2
Cash flows from financing activities	-239.0	-44.4	-1,416.9	-98.6	-72.7
Total cash flows	103.9	-40.8	-207.2	-35.1	14.9

#### Financial ratios

Annual sales growth	4.9%	9.2%	41.0%	25.5%	-2.0%
EBITDA before special items margin	15.9%	7.8%	11.0%	13.8%	10.2%
Operating margin before special items	11.0%	2.6%	5.8%	7.8%	3.8%
Operating margin after special items	10.8%	2.1%	4.3%	9.9%	3.8%
Current ratio	174.7%	180.3%	168.5%	211.4%	236.3%
Equity ratio	57.5%	51.7%	50.0%	25.8%	27.2%
Return on equity	12.8%	1.7%	-4.8%	-2.1%	-6.0%
Earnings per share (in DKK)	2.0	0.3	-0.7	-0.3	-0.8
Dividend distributed per share (in DKK)	0.9	0.0	0.0	0.0	0.0

Average number of full-time employees	540	551	552	490	1,367
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Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios, "Recommendations and Financial Ratios".

\* NCS has been classified as discontinuing operations in FY2022/22 and FY2020/21 has been restated.

#### Definition of Financial ratios

Annual sales growth	$\frac{\text{Revenue current period} - \text{Revenue prior period}}{\text{Revenue prior period}}$
EBITDA before special items* margin:	$\frac{\text{EBITDA before special items margin}}{\text{Revenue}} * 100$
Operating margin before special items*:	$\frac{\text{Operating margin before special items}}{\text{Revenue}} * 100$
Operating margin after special items*:	$\frac{\text{Operating margin after special items}}{\text{Revenue}} * 100$
Current ratio:	$\frac{\text{Current assets}}{\text{Current liabilities}} * 100$
Equity ratio:	$\frac{\text{Equity}}{\text{Total assets}} * 100$
Return on equity:	$\frac{\text{Net profit/loss for the year}}{\text{Average equity in the year}} * 100$ (Opening equity is based on equity after total contribution)
Earnings per share (in DKK):	$\frac{\text{Net profit/loss for the year}}{\text{Average number of shares}}$
Dividend distributed per share (in DKK):	$\frac{\text{Dividend}}{\text{Number of share at distribution}}$

## **Management's review**

### **Business review**

Nissens develops, manufactures and markets products within the area of engine cooling, climate systems and engine efficiency for the international automotive aftermarket. Nissens is considered a market-leading brand in the automotive aftermarket for thermal and engine efficiency solutions. Nissens is known for a strong brand, a wide product range, consistently high service levels and good product quality.

Nissens is headquartered in Horsens, Denmark, with most of the production being undertaken at the production facility in Slovakia and special production at the facilities in Denmark. Nissens consists of 27 subsidiaries across three continents with activities within sales, production and distribution. As of 30 April 2024, Nissens employs 529 FTEs, of which 178 are located in Slovakia, 158 are located in Denmark, 31 are located in China and 162 are employed in other countries.

### **History and recent developments**

Nissens was established in 1921 by Mr. Julius Nissen and opened its first international offices in Finland and Sweden in 1977. In 2005, the Nissens Group established its first international factory in Slovakia, and another factory was established in 2010 in Tianjin, China. Since 2013, the Nissens Group has gradually expanded its manufacturing facilities across Slovakia, China, USA and the Czech Republic. Production facilities in Tianjin and Czech Republic were a part of the Nissens Cooling Solutions division.

In December 2020 and February 2021, Nissens acquired four European companies of the AVA group from Enterex to further strengthen the market presence of the Automotive business unit.

In November 2021, NCS International A/S (the Nissens Cooling Solutions division) was divested to NCS International Holding ApS - a subsidiary under A.P. Møller Holding A/S.

### **Key activities**

Nissens is specialized in the production and supply of products within engine cooling, climate systems and engine efficiency. As an automotive aftermarket leading company of most essential thermal system components, Nissens has a broad product portfolio coverage covering above 95% of the European car park including, inter alia, radiators, condensers, compressors, intercoolers, turbos and EGR valves. The product range covers products from the common to the more special parts of the European, Asian and American vehicle aftermarkets.

## **Management's review**

### **Business review (continued)**

After the acquisition of the AVA Group, Nissens is marketed under the Nissens, AVA and Highway brands.

### **Products**

Nissens offers products within three existing categories: climate cooling, engine cooling and efficiency & emissions. Condensers, compressors, blowers, receiver dryers, evaporators, heaters, expansion valves, pressure sensors and fans are products offered within the climate category; radiators, oil coolers, fan clutches, water pumps, expansion tanks, temperature sensors and fans are products offered within the engine cooling product category. The efficiency & emissions category covers products such as turbos, EGR valves, oil feed pipes and intercoolers.

### **Research & development**

Research & Development (R&D) is essential in order to ensure future development and growth, and therefore Nissens continues to spend considerable resources in R&D activities. The R&D activities and the test facilities drive a range of product applications for future launches and will support the ongoing product development activities.

### **Knowledge resources**

Nissens wishes for all employees to be able to live up to the constantly changing demands relating to the working processes. Therefore, Nissens attaches great importance to the training and education of the employees for each of them to be able to deliver high performance as well as flawless products and services. The training takes place as both internal and external courses, and with this approach, a profound know-how of the processes related to the processing of aluminium and the development of applications for thermal solutions is gained.

## Management's review

### Business review (continued)

#### Gender Distribution in Management

Statement on gender composition cf. section 99b of the Danish Financial Statements Act, the Nissens Group reports the following.

Nissens has a policy for gender and diversity. The Board is thus monitoring the gender and cultural mix across management levels. It is Nissens' policy that regardless of gender, race, and religion, all employees must be treated equally to ensure that everyone has equal opportunities for employment.

The Board of Directors consists of three members, of which three are male (100%), and zero are female (0%). It is the target that at least one woman is represented in the Board of Directors by 2024, and Nissens therefore strived to have at least one of each gender among final candidates in search processes in 2023/24. This target for female representation has not been achieved because there was no election of new board members in 2023/24.

Other management consists of two levels. The first level of Other management is the Executive Board. The second level of Other management are persons with managerial responsibility, who refer directly to the first level of Other management below Board of Directors.

As Executive Board has no direct reports, other management consists of one member. Since there are less than 3 members no further reporting is required cf. §99b.

	2023/24
<b>Board of Directors:</b>	
Total number of members	3
Ratio of the underrepresented gender	0%
Target figure	33 %
Target year	2024
<b>Other management<sup>1</sup>:</b>	
Total number of members	1
Ratio of the underrepresented gender	N/A
Target figure	N/A
Target year	N/A

## Management's review

### Financial review

#### *AX V Nissens III ApS*

The Parent Company was established on 17 May 2017, with the purpose of acquiring the shares in K. Nissen International A/S. This transaction was conducted on 30 June 2017 from which date K. Nissen International A/S became a 100% owned subsidiary of the company.

The consolidated financial statements for the continued operation for the financial year 1 May 2023 – 30 April 2024 show EBITDA before special items of 288.0 MDKK (2022/2023: 135.0 MDKK), operating profit after special items of 196.4 MDKK (2022/2023: 36.1 MDKK) and net profit before tax of 183.8 MDKK (2022/2023: 20.1 MDKK).

The fiscal year 2023/2024 reflected a positive development in Nissens financial performance whilst the global economy continued to recover from the aftermath of the COVID-19 pandemic and the significant political and economic turmoil caused by the war in Ukraine. Despite some continue influence from global geopolitical challenges and unrest in various parts of the world, Nissens experienced more stable market conditions and less challenging business landscape which impacting the operations directly with lowered cost levels and normalization of freight cost.

The consolidated balance sheet for the continued operations includes intangible assets of 821 MDKK (2022/2023: 852 MDKK) of which 798 MDKK (2022/2023: 836 MDKK) relate to intangible assets from the acquisition of K. Nissen International A/S. Amortisation of intangible assets related to the acquisition of K. Nissen International has had a negative impact on the income statement of 39 MDKK (2022/2023: 39 MDKK). By the time of the acquisition in July 2017, the goodwill of 937 MDKK was allocated with 61% to the Automotive business unit and 39% to the Cooling Solutions business unit. The goodwill allocated to the Cooling Solutions business unit, 365 MDKK, has been expensed as a part of discontinued operation, cf. note 12.

Cf. note 13, the impairment test of the goodwill did not identify any need for impairment write-down.

With an equity of 1.167 MDKK (2022/2023: 1,084 MDKK), Nissens has an equity ratio of 57.5% (2022/2023: 51.7%). The cash flow statement shows a positive cash flow of 104 MDKK (2022/2023: negative 41 MDKK) for the year.

Cash flow from operations amounts to 370 MDKK (2022/2023: 30 MDKK). The improvement was driven good operational activities and by a focused effort during the year to optimise inventories to a more normalised level.

## **Management's review**

### **Financial review (continued)**

The cash balance at the end of the year is 69 MDKK (2022/2023: -34 MDKK) and with an unused credit facility of 97 MDKK, the company considers the current credit facilities sufficient.

The circumstances with extraordinary costs are being remedied, and we see progress in development of new markets. Thus, Nissens has a positive view of the development of the financial results.

The business performance and associated results for 2023/2024 are satisfactory,

#### *AX V Nissens III ApS (Parent)*

The financial statement for the Parent Company shows a result before tax of -201 MDKK.

As of 30 April 2024, Nissens had "Investments in subsidiaries" of 710 MDKK in line with 2022/2023.

With an equity of 710 MDKK (2022/2023: 710 MDKK), the Parent has an equity ratio of 99.8% (2022/2023: 99.9%).

### **Outlook**

Nissens Group project Net Sales for fiscal year 2024/2025 to range between 1.9 and 2.0 BDKK and EBITDA margin ranging between 18% – 19%.

### **Events after the reporting period**

After the balance sheet date, no events have occurred that may have significant influence on the assessment of the financial statements for the year 1 May 2023 – 30 April 2024.

## Corporate Social Responsibility

The following constitutes the statutory statement on CSR, cf. §99a, for AX V Nissens ApS as well as K. Nissen International A/S and Nissens Automotive A/S.

### Business model & Nissens' approach to sustainability

Being a global industrial and distribution company, Nissens is committed to offering a contribution to limiting the Group's environmental and climate footprint, just as it is the Group's obligation to consider the health and safety standards applicable for our employees.

Nissens remains a committed member of UN Global Compact, and we maintain our focus on our ESG agenda, our social responsibility and environmental sustainability by exploring and implementing initiatives within the areas of energy, environment, work environment and company governance. The COP report from Nissens can be found on the company's website [www.nissens.com](http://www.nissens.com).

Nissens is specialized in the production and supply of products within engine cooling, climate systems and engine efficiency. As a leading company in the automotive aftermarket, Nissens has a broad product portfolio coverage, covering above 95% of the European car parc including, inter alia, radiators, condensers, compressors, intercoolers, turbos and EGR valves. The product range covers products from the common to the more special parts.

### Human rights

Nissens is committed to supporting and respecting the internationally proclaimed human rights.

Area	Risk	Actions in 2023/2024	Results 2023/2024
Code of Conduct	Adverse human rights, negative environmental impact, and corruption issues in supply chain.	We specify our expectations to our employees across Nissens' global organization and to our suppliers, e.g. via our company policies, employee handbooks as well as in our Code of Conduct.	All of Nissens' employees are made acquainted with the Code of Conduct, and our suppliers receive our Code of Conduct as an integrated element in the formalization of our business interaction.
Data privacy	Not handling personal and sensitive personal data and information in compliance with legal regulations and internal guidelines.	The actions are to maintain and monitor Nissens' level of compliance. To analyze development within the area, and how Nissens' IT systems can further support and enhance Nissens' levels of compliance.	100% compliance on signatures on Data Privacy Policy from Top Three tier levels of managers.

**Within the area of human rights, we willing forward ensure committed management compliance with our human rights-related policies via formalized signatures.**

## Corporate Social Responsibility

### Social & Labor Conditions

The experience, competence and well-being of Nissens' employees are vital elements in our ability to develop our business and succeed with our strategic plans and objectives. Across Nissens, there is a commitment to supporting a safe and healthy work environment and focusing on securing risk management in relation to work-related accidents and injuries.

Area	Risk	Actions in 2023/2024	Results 2023/2024
Employee safety, health and well-being	Employees getting injured at work.	Our health and safety focus is supported by regular, ongoing measurement and follow-up on our safety procedures and KPIs.	In 2023/2024, Nissens increased the LTIR (Lost Time Injury Rate) on blue-collar employees in Slovakia and Denmark to combined 2.1. LTIR is defined as: Absence Rate due to injuries per 200,000 working hours.
	Sickness absence impacting negatively on daily operations and planned outputs.	We measure and follow up on our sickness absence on both blue-collar and white-collar employees on a monthly basis and take necessary actions to support our employees during illness and upon return to work. We also focus on limiting and preventing absence due to sickness.	The weighted average for our short-term sickness absence rate for blue-collar and white-collar employees measured across all Nissens' sites in FY2023/2024 is: 2.7%. The absence rate represents an increase from prior fiscal period which is linked to long term sickness with a few individuals.

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**In future, within the area of social and labour conditions, we will intensify our focus and follow-up on our performance within retention of employees, sickness absence and injury stats on an international level.**

## Corporate Social Responsibility

### Climate

Nissens strives to minimize the risk of having an unnecessary detrimental impact on the climate through the optimization of our energy consumption and a reduction of the Group's CO2 emissions. The Group's ambition and approach are outlined in our policies on energy and environment, which apply to all of Nissens' locations and define the guidelines and ambitions within environment and climate in Nissens' global sites.

Area	Risk	Actions in 2023/2024	Results 2023/2024
Energy consumption	Limitation of energy consumption impact.	Energy consumption closely follows the level of activity in our production sites and in our warehouses. New energy sources, such as conversion from natural gas to district heating for specific and relevant sites, are being assessed.	The room temperature in our production has remained at the reduced level from 2022/2023. District heating has been implemented at a new site in Denmark while further conversion is ongoing.
CO2 emissions - scope 1 and scope 2	Limitation of climate impact through business focus and optimizations.	In FY2023/2024, we have continued our focus on sustainability with the aim of creating clarity on our main scope 1 and scope 2 emission drivers. A central element in the work with limiting climate impact is the preparation of a CO2 baseline that maps Nissens' CO2 emissions across scope 1, scope 2 and scope 3.	Nissens' baseline assessment of CO2 emission has been aligned with the fiscal period and will be reported in June 2024.  Nissens has been reassessed by EcoVadis in 2024 and maintained the bronze rating awarded in the first sustainability assessment in 2023 for its ESG efforts. The focus on sustainability has led to improvements in processes and policies.
CO2 emissions - scope 3	Management of climate impact through business model structure and climate initiatives	In FY2023/2024, we have elaborated on our suppliers' strategies and opportunities in preparations for setting ambitions for scope 3 reductions.	We have started collection of sustainability targets and strategies from suppliers and initiated follow-up of their implementation.

## Corporate Social Responsibility

### Environment

Nissens strives to minimize the environmental footprint of our production through a continuous focus on resource optimization throughout the Group's production facilities. The environmental management system is certified according to ISO14001 standards, and the Group is working in a structured manner with our environmental awareness and sustainability for years.

Area	Risk	Actions in 2023/2024	Results 2023/2024
Chemical Management	Non-compliance with chemical management guidelines.	We have an ongoing follow-up on our chemical mapping and work to comply with the legislation.	Continuous work with our mapping have secured that we are in compliance with legislations. Nissens is compliant in 2023/24.
Emissions	Detrimental effects of emissions from our in-house production activities.	We have implemented a new brazing line. Emission was an essential requirement in the specification of the equipment. Actions to reduced oil emission from fin machines.	The emission from the new brazing oven have been validated and Nissens is compliant. Nissens has prepared investments in emission reduction equipment.

**Next year, within the areas of environment and climate, we are going to introduce a long-term ambition for enhancing our CO2 footprint based on an elaborate CO2 baseline covering our emissions within scope 1, scope 2 and scope 3.**

## Corporate Social Responsibility

### Anti-corruption

The Nissens Group is committed to upholding a high degree of business ethics in all the markets in which the Group operates, and Nissens works against corruption in all of its forms. The Group's expectations regarding anti-corruption are specified in a Code of Conduct, which all of Nissens' employees must comply with.

Area	Risk	Actions in 2023/2024	Results 2023/2024
Corruption	Employees engaging in activities of corruption	Our Code of Conduct is distributed to our employees during their onboarding in the company, and which all relevant colleagues will sign as an act of commitment, just as our relevant suppliers receive the Code of Conduct upon formalization of co-operation.	We have not identified any non-compliance or breaches with our Code of Conduct in the reporting year. Nissens has implemented awareness training and policies on prevention of corruption and bribery.
Whistleblowing	Serious breaches or non-compliances with internal procedures, ethics and legislation not being conveyed or made transparent.	The previously established whistleblower scheme has been reviewed and maintained during the year. All new employees are made acquainted with the whistleblower access.	We have received one reporting via our official whistleblower line during 2023/2024. The reporting was duly investigated according to our whistleblower policy and also concluded during the year.

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**We will pursue our aim for limiting any kind of corruption and bribery via our established whistleblower scheme and supported by internal control measures.**

### Data ethics

Pursuant with section 99d of the Danish Financial Statements Act, the Nissens Group reports the following.

Nissens has remained the focus on improving data security, compliances and best practices related to soliciting, processing, storing and deleting both personal data and non-personal data. This includes that Nissens has entered into data processing agreements with all external parties (where relevant), completed training for all employees in relation to data handling as well as safeguarding all IT systems that store data - both personal and non-personal. No formal data ethics policy has been adopted yet due to the strong existing data governance, but Nissens will establish a formal data ethics policy accompanying governance measures during the fiscal year 2024/2025.

## **Special risks**

Customer and market-related risks are assessed as limited, considering the large spread of both customers and markets. The performance of Nissens is reliant on the geopolitical situation and economic stability. Besides the latter, Nissens has no specific risks besides what is common to the industry.

The majority of Nissens' activities implies currency risks in connection with the purchase and sale of goods and services in foreign currencies. These currency risks are monitored regularly and managed within the limitations of the financial policy approved by the Board of Directors.

Nissens' risk of losses related to debtors is, in general, minimized by means of credit lines and by obtaining credit information and credit insurance.

Both material prices and freight rates from Asia to Europe have been subject to favourable price development during the financial year, as the global economy started to recover from the COVID-19 pandemic and cost levels normalized. Conversely, Nissens see signs of increasing inflation in markets where the group operates.

## Consolidated financial statements

### Income statement

For the year 1 May - 30 April

Note	DKK'000	2023/2024	2022/2023
3	Revenue	1,814,486	1,730,427
	Cost of raw materials and consumables	-1,054,803	-1,133,069
4	Other operating income	6,214	8,877
	Other external costs	-264,749	-265,789
5	Staff costs	-213,159	-205,462
	<b>EBITDA before special items</b>	<b>287,989</b>	<b>134,984</b>
7	Depreciation and amortisation	-89,198	-90,423
	<b>Operating profit before special items</b>	<b>198,791</b>	<b>44,561</b>
8	Special items	-2,431	-8,496
	<b>Operating profit after special items</b>	<b>196,360</b>	<b>36,065</b>
10	Finance income	7,713	2,178
10	Finance expenses	-20,292	-18,105
	<b>Result before tax</b>	<b>183,780</b>	<b>20,138</b>
11	Tax	-39,938	-1,718
	<b>Result for the year</b>	<b>143,842</b>	<b>18,420</b>
	Attributed to:		
	Equity holders of the parent	99,884	12,787
	Non-controlling interests	43,958	5,633
		<b>143,842</b>	<b>18,420</b>

## Consolidated financial statements

### Statement of other comprehensive income

For the year 1 May - 30 April

Note	DKK'000	2023/2024	2022/2023
	<b>Result for the year</b>	<b>143,842</b>	<b>18,420</b>
	<b>Other comprehensive income</b>		
	<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
	Exchange differences on translation of foreign operations	4,527	-3,015
	<b>Other comprehensive income/(loss) for the year, net of tax</b>	<b>4,527</b>	<b>-3,015</b>
	<b>Total comprehensive income/(loss)</b>	<b>148,369</b>	<b>15,405</b>
	Attributed to:		
	Equity holders of the parent	103,027	10,694
	Non-controlling interests	45,342	4,711
		<b>148,369</b>	<b>15,405</b>

## Consolidated financial statements

### Balance sheet

Note	DKK'000	30 April 2024	30 April 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
12	Intangible assets	820,843	852,023
14	Property, plant and equipment	196,822	222,252
17	Other financial assets	2,446	2,422
11	Deferred tax assets	15,894	11,302
	Deposits	2,840	3,779
	<b>Total non-current assets</b>	<b>1,038,845</b>	<b>1,091,778</b>
<b>Current assets</b>			
18	Inventory	542,459	604,812
19	Trade and other receivables	351,468	323,070
	Receivable from affiliated companies	116	0
	Income tax receivable	1,654	10,806
	Cash and cash equivalents	97,098	66,281
	<b>Total current assets</b>	<b>992,795</b>	<b>1,004,969</b>
	<b>TOTAL ASSETS</b>	<b>2,031,640</b>	<b>2,096,747</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
21	Share capital	715	715
	Foreign currency translation reserve	10,850	7,706
	Retained earnings	840,710	744,099
	Equity attributable to equity holders of the parent	852,275	752,520
	Non-controlling interests	315,098	331,457
	<b>Total equity</b>	<b>1,167,371</b>	<b>1,083,977</b>
<b>Non-current liabilities</b>			
0	Borrowings	184,847	308,410
15	Lease liabilities	31,622	63,913
11	Deferred tax liabilities	68,648	72,497
0	Provisions	1,704	2,000
25	Other payables	9,217	8,719
	<b>Total non-current liabilities</b>	<b>296,038</b>	<b>455,539</b>
<b>Current liabilities</b>			
20	Contract liabilities	7,097	5,199
15	Lease liabilities	36,645	30,008
25	Trade and other payables	463,399	414,049
11	Income tax payable	30,412	5,309
23	Provisions	3,073	2,016
	Bank loan	27,605	100,650
	<b>Total current liabilities</b>	<b>568,231</b>	<b>557,231</b>
	<b>Total liabilities</b>	<b>864,269</b>	<b>1,012,770</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,031,640</b>	<b>2,096,747</b>

## Consolidated financial statements

### Cash flow statement

For the year 1 May - 30 April

Note	DKK'000	30 April 2024	30 April 2023
	<b>Operating activities</b>		
	<b>Profit before income tax from</b>	<b>183,781</b>	<b>20,138</b>
10	Finance income	-7,780	-2,178
10	Finance expenses	20,358	18,105
6	Share-based payment expense	0	3
26	Changes in working capital	92,899	-74,372
27	Non-cash operating items	90,440	91,050
		195,917	52,746
10	Finance income, received	4,658	-1,066
11	Income tax paid/received	-14,683	-21,897
	<b>Net cash flows from operating activities</b>	<b>369,673</b>	<b>49,921</b>
	<b>Investing activities</b>		
12	Purchase of intangible assets	-9,466	0
12	Development expenditures capitalized	-4,004	-4,121
14	Purchase of property, plant and equipment	-13,822	-21,394
14	Proceeds from sale of property, plant and equipment	100	0
	Change in deposits	940	-464
17	Investments in other financial assets	-409	-244
	Share buy-back	-196	0
	<b>Net cash flows used in investing activities</b>	<b>-26,857</b>	<b>-26,223</b>
	<b>Financing activities</b>		
	Dividend payment	-64,776	0
29	Repayment of borrowings	-125,000	0
10	Net interest paid, borrowings	-16,357	-12,603
15	Payment of principal portion of lease liabilities	-32,821	-31,763
	<b>Net cash flows from financing activities</b>	<b>-238,954</b>	<b>-44,366</b>
	<b>Cash flow for the year</b>	<b>103,862</b>	<b>-40,806</b>
	Cash and cash equivalents at 1 May	-34,369	6,437
	<b>Cash and cash equivalents at 30 April</b>	<b>69,493</b>	<b>-34,369</b>

## Consolidated financial statements

### Statement of changes in equity

For the year 1 May 2023 - 30 April 2024

DKK'000	Share capital	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
<b>Equity 1 May 2023</b>	<b>715</b>	<b>7,706</b>	<b>744,098</b>	<b>752,519</b>	<b>331,458</b>	<b>1,083,977</b>
<b>Comprehensive income 30 April 2024</b>						
Result for the year	0	0	99,884	99,884	43,958	143,842
<b>Other comprehensive income</b>						
Exchange differences on translation of foreign operations	0	3,144	0	3,144	1,383	4,527
<b>Total other comprehensive income</b>	<b>0</b>	<b>3,144</b>	<b>0</b>	<b>3,144</b>	<b>1,383</b>	<b>4,527</b>
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>3,144</b>	<b>99,884</b>	<b>103,027</b>	<b>45,341</b>	<b>148,369</b>
<b>Transactions with owners</b>						
Share buy-back	0	0	-17	-17	-180	-197
Dividend payment	0	0	0	0	-64,776	-64,776
Other transactions with owners	0	0	-3,255	-3,255	3,255	0
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>-3,272</b>	<b>-3,272</b>	<b>-61,701</b>	<b>-64,973</b>
<b>Equity 30 April 2024</b>	<b>715</b>	<b>10,850</b>	<b>840,710</b>	<b>852,275</b>	<b>315,098</b>	<b>1,167,371</b>

## Consolidated financial statements

### Statement of changes in equity

For the year 1 May 2022 - 30 April 2023

DKK'000	Share capital	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interest	Total equity
<b>Equity 1 May 2022</b>	<b>715</b>	<b>9,799</b>	<b>731,310</b>	<b>741,824</b>	<b>326,746</b>	<b>1,068,570</b>
<b>Comprehensive income 30 April 2023</b>						
Result for the year	0	0	12,787	12,787	5,633	18,420
<b>Other comprehensive income</b>						
Exchange differences on translation of foreign operations	0	-2,093	0	-2,093	-922	-3,015
<b>Total other comprehensive income</b>	<b>0</b>	<b>-2,093</b>	<b>0</b>	<b>-2,093</b>	<b>-922</b>	<b>-3,015</b>
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>-2,093</b>	<b>12,787</b>	<b>10,694</b>	<b>4,711</b>	<b>15,405</b>
<b>Transactions with owners</b>						
Equity-settled share-based payments	0	0	1	1	1	2
Total transactions with owners	0	0	1	1	1	2
<b>Equity 30 April 2023</b>	<b>715</b>	<b>7,706</b>	<b>744,098</b>	<b>752,519</b>	<b>331,458</b>	<b>1,083,977</b>

## Consolidated financial statements

### Overview of notes to the consolidated financial statements

#### Note

- 1 Material accounting policies
- 2 Significant accounting judgements, estimates and assumptions
- 3 Revenue
- 4 Other operating income
- 5 Staff costs
- 6 Share-based payments
- 7 Amortisation and depreciation
- 8 Special items
- 9 Fees paid to auditors appointed at the annual general meeting
- 10 Net finance costs
- 11 Income tax
- 12 Intangible assets
- 13 Impairment test
- 14 Property, plant and equipment
- 15 Leases
- 16 Investments in subsidiaries
- 17 Other financial assets
- 18 Inventory
- 19 Trade and other receivables
- 20 Contract assets and liabilities
- 21 Equity
- 22 Non-controlling subsidiaries
- 23 Provisions
- 24 Borrowings
- 25 Trade and other payables
- 26 Change in working capital
- 27 Non-cash operating items
- 28 Business combinations
- 29 Pledges, collateral and contingencies etc.
- 30 Financial risk and financial instruments
- 31 Changes in liabilities arising from financing activities
- 32 Other contingent liabilities
- 33 Related party disclosures
- 34 Events after the reporting period
- 35 Standards issued but not yet effective

## Consolidated financial statements

### Notes

#### 1 Material accounting policies

AX V Nissens III ApS is a private limited company registered in Denmark. The financial statements section of the Annual Report for the year 1 May 2023 - 30 April 2024 comprises both the consolidated financial statements of AX V Nissens III ApS and its subsidiaries (the Group) and the separate parent company financial statements.

The consolidated financial statements for AX V Nissens III ApS for the year 1 May 2023 - 30 April 2024 have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statement Act applying to reporting class large C entities.

On 28 June 2024, the Board of Directors and the Executive Board discussed and approved the Annual Report of AX V Nissens III ApS for the year 1 May 2023 - 30 April 2024.

#### Basis of preparation

The consolidated financial statements and the separate financial statements have been presented in Danish kroner, rounded to the nearest DKK thousand.

The accounting policies have been applied consistently in the financial year and for the comparative figures.

#### Impact of new accounting standards

Effective 1 May 2023, the Group has implemented the following amended standards and interpretations:

- ▶ IFRS 17 Insurance Contracts including amendments to IFRS 17 Amendments to IFRS 17: initial application of IFRS 17 Insurance Contracts and IFRS 9 Financial instruments – Comparative information.
- ▶ Amendments to 1 Presentation of Financial Statements and IFRS practice Statement 2: Disclosure of accounting policies.
- ▶ Amendments to IAS 8 Accounting Policies, changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- ▶ Amendments to IAS 12 Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction. c)
- ▶ Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules

The changes have not had any impact on recognition and measurement in the annual report.

#### Consolidated financial statements

The consolidated financial statements comprise of AX V Nissens III ApS (the parent) and the subsidiaries controlled by the parent. The Group controls an entity if the Group directly or indirectly owns more than 50% of the voting rights, or when the Group in one way or another has the ability to have a controlling influence. Companies wherein the Group directly or indirectly holds between 20% and 50% of the voting rights and has significant but not controlling influence are treated as associates. Please refer to the overview of the Nissens Group in Notes 16.

## Consolidated financial statements

### Notes

#### 1 Material accounting policies (continued)

##### Business combinations and goodwill

The purchase method is applied to acquisitions of new businesses over which AX V Nissens III ApS obtains control. The acquired businesses' identifiable assets and liabilities are measured at fair value at the acquisition date. In connection with the acquisition, provision is made for the costs associated with the decided and published restructurings in the acquired business. Deferred tax related to the fair value adjustments that have been identified are recognised.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred (a bargain purchase), then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Negative goodwill is recognised in the profit or loss on the day of acquisition.

##### Foreign currency translation

On initial recognition, foreign currency transactions are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the rate at the transaction date and the rate at the date of payment are recognised in profit or loss as financial income or financial expenses.

##### Revenue

Revenue is measured at fair value of the agreed consideration excl. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

The fair value corresponds to the agreed price discounted at present value where payment terms exceed 12 months.

The variable part of the total consideration is not recognised in revenue until it is highly probable that it will not be reversed in subsequent periods.

Sale of finished goods is recognised when control over the individual identifiable performance obligation in the sales agreement is transferred to the customer. In general, this is considered to occur at the time of physical delivery. The only exception to this is bill and hold arrangements, cf. below.

The buyer has, in some cases, a right to return. The Group recognises revenue for this at the time of the physical delivery to the buyer to the extent that it can be reliably measured how much of the delivery, after the balance sheet date, cannot be returned.

## **Consolidated financial statements**

### **Notes**

#### **1 Material accounting policies (continued)**

##### **Payment terms in the Group's sales agreements**

The payment terms in the Group's sales agreements with customers are dependent partly on the underlying customer relationship and partly on the segment.

The Group's standard terms of payments are between 30-90 days.

The Group receives prepayments for some sales agreements. The prepayments do not necessarily reflect the work performed and do not affect the time of the recognition of revenue.

The Group's revenue comprises sale of standard and customised cooling systems.

The Group's sales agreements are divided into individually identifiable performance obligations, which are recognised and measured separately at fair value. If a sales agreement comprises several performance obligations, the total selling price of the sales agreement is allocated proportionately to the individual performance obligations of the agreement.

Revenue is recognised when control over the individual identifiable performance obligation is transferred to the customer.

## Consolidated financial statements

### Notes

#### 1 Material accounting policies (continued)

##### Other operating income

Other operating income comprises income that is not product-related. This includes income from sales of raw materials and consumables, government grants, sale of assets and other income of a secondary nature in relation to the main activities of the Group.

##### Other external expenses

Other external expenses include expenses in regards to the Company's principal activities arising during the year. This includes expenses for sales, advertisement, administration, office buildings, debit losses, etc.

##### Staff costs

Staff costs include wages and salaries, including holiday pay and pensions, as well as other expenses for social security, etc. for the Group's employees. In the staff costs, compensation received from public authorities has been subtracted.

##### Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments.

##### Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognised in employee benefits expense together with a corresponding increase in equity (other capital reserves) over the year in which the service, and, where applicable, the performance conditions, are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a year represents the movement in cumulative expense recognised at the beginning and end of that year.

## Consolidated financial statements

### Notes

#### 1 Material accounting policies (continued)

##### Special items

Special items include significant income and expenses of a special nature in terms of the Group's revenue-generating operating activities that cannot be attributed directly to the Group's ordinary operating activities. Such income and expenses include negative goodwill, transaction costs and transformation cost in a business combination.

##### Finance income and expenses

Finance income and expenses are recognised in the income statement for the amounts that correspond to the transactions of the current financial year. Finance income and expenses comprise interest income and expenses, exchange gains and losses on transactions denominated in foreign currencies etc., as well as surcharges, gain/loss on foreign exchange instruments and allowances under the on-account tax scheme, etc.

##### Income tax

###### *Current income tax*

AX V Nissens III ApS is jointly taxed with all its Danish parent companies and subsidiaries. The subsidiaries are included in the joint taxation from the date which they are included in the consolidation and until the date which they are excluded from the consolidation.

The Company is the ultimate Parent Company and administrative company for the joint taxation and settles the payments of the joint taxation with the taxation authorities.

The actual corporation tax is distributed by settling joint taxation contributions between the jointly taxed companies relatively to their income. The companies with a tax deficit receive a joint tax contribution from the companies which have been able to apply the deficit for reducing their own taxable surplus.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

## Consolidated financial statements

### Notes

#### 1 Material accounting policies (continued)

##### Balance sheet

##### Goodwill

Goodwill is measured in the balance sheet at cost in connection with initial recognition. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to the cash flow generating units as defined by Management. The determination of cash generating units complies with the managerial structure and the internal control and reporting in the Group.

##### Other intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation year and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level.

##### Rights and development projects

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are demonstrated, and where the Group intends to complete and use the individual project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings or the net selling price can cover production costs, selling and administrative expenses and development costs. Other development costs are recognised under research and development costs in the income statement as incurred. Rights and development projects are measured at cost less accumulated amortisation and impairment.

Cost comprises external expenses as well as internal directly related wages and salaries attributable to the development project. Other development costs are recognised in the income statement as they arise.

Rights and development expenses, which are recognised in the balance sheet, are initially measured at cost and subsequently at cost less accumulated amortisation and impairment losses.

## Consolidated financial statements

### Notes

#### 1 Material accounting policies (continued)

Following the completion of development work, development costs are amortized on a straight-line basis over the estimated useful life from the date when the asset is available for use. The amortisation period is:

Development projects	3-5 years
Brand	15 years
Acquired intangible assets	2-10 years

Gains and losses from sale of rights and development projects are calculated as the difference between the sales prices less sales expenses and the carrying amount at the date of sale. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

#### Property, plant and equipment

Leasehold improvements and other fixtures and fittings are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

The cost for a total asset is split in separate components, which are depreciated separately, if the useful life of each of the components differ.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets/components. The expected useful lives are as follows:

Buildings	20-25 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	2-7 years
Right-of-use assets	Over the term of the lease contract

Depreciation is calculated on the basis of the residual value and impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued.

Gains and losses at sale of property, plant and equipment is calculated as the difference between the sales price less the sales expenses and the carrying amount at the date of sale. Gains or losses are recognised in the income statement as the item other operating income and other operating expenses, respectively.

Land is not depreciated.

#### Leases

The right-of-use asset and corresponding lease liability will be recognised at the commencement date, i.e. the date the underlying asset is ready for use and when the Group obtains the right to obtain the economic benefits from the use of it. Right-of-use assets are measured at cost corresponding to the lease liability recognised.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial costs incurred.

## Consolidated financial statements

### Notes

#### 1 Material accounting policies (continued)

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an incremental borrowing rate.

Lease payments included in the measurement of the lease liabilities comprise the following:

- Fixed payments from commencement date
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- The exercise price of a purchase option if it is reasonably certain to exercise the options
- Amount expected to be payable under residual value guarantees

The lease liabilities are subsequently measured at amortised cost using the effective interest method. The lease liabilities are adjusted when there is a change in future lease payments, typically due to a change in index or rate on property leases, or if there is a reassessment of whether an extension or termination option will be exercised.

When the lease liabilities are adjusted in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets, or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

Subsequently, the asset is measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are from the commencement date depreciated over the shorter period of the lease term and useful life of the underlying asset. When it is reasonably certain that the Group will obtain ownership of the leased asset after the lease period, the asset is depreciated over the useful life.

Depreciation is provided on a straight-line basis over the expected lease period.

The Group has chosen not to recognize low value lease assets and short-term leasing contracts in the balance sheet. Lease payments on short-term leases and low-value assets are recognised as expenses on a straight-line basis according to the lease contract.

The right-of-use assets are presented in property, plant and equipment and the lease liabilities in borrowings.

## Consolidated financial statements

### Notes

#### 1 Material accounting policies (continued)

##### Other financial assets

Other financial assets, which comprise non-listed equity investments, are classified upon initial recognition as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

##### Impairment of non-current assets

If there is an indication of impairment, the carrying amount of intangible assets and property, plant and equipment as well as investments in associates is tested for evidence of impairment.

When there is evidence that assets may be impaired, an impairment test is performed for each of the assets/group of assets. An impairment is recognised at the recoverable amount, if this is lower than the carrying amount.

The recoverable amount is the higher of the value in use or fair value less costs of disposal.

During the period of development, development costs are tested annually for impairment.

##### Inventory

Inventory is measured at cost according to the FIFO method. If the net realisable value is lower than the cost, then they are impaired to the lower value.

Cost of goods for resale as well as raw materials and consumables include the purchase price plus the delivery cost, as well as indirect production expenses in terms of leaflets, packaging for goods for resale. Expenses in terms of external storage fees are added as well.

The net realisable value of inventories is determined as the selling price less costs of completion and costs incurred to effectuate the sale, and taking into account marketability, obsolescence and developments in the expected selling price.

##### Trade receivables

###### Receivables

Receivables are measured at amortised cost. Write-down for bad and doubtful debts is made in accordance with the simplified expected credit loss model according to which the total loss is recognised immediately in the income statement at the same time as the receivable is recognised in the balance sheet based on the expected loss in the useful life of the receivable.

Trade receivables are monitored continuously according to the Group's risk management until realisation. Write-downs are calculated based on the expected loss ratio, which estimated based on historical data adjusted for estimates over the effect of expected changes in relevant parameters such as financial development, political risks, etc., in the relevant market.

##### Prepayments, assets

Prepayments recognised under "Current assets" comprise expenses incurred concerning subsequent financial periods.

## Consolidated financial statements

### Notes

#### 1 Material accounting policies (continued)

##### Equity

###### *Non-controlling interests*

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' ownership share or at the non-controlling interests' proportionate share of the fair value of the acquired business' identifiable assets, liabilities and contingent liabilities.

###### **Other provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

###### *Warranty provisions*

Provisions for warranty-related costs are recognised when the product is sold or a service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

The standard terms is a 12-month warranty period.

###### **Trade and other payables**

The Group's financial liabilities include trade and other payables. Trade payables are non-interest bearing and are settled on normal market terms. Other payables are non-interest bearing.

###### **Contractual liabilities**

Contractual liabilities include prepayments from customers and other liabilities where the Group has a future commitment to deliver goods or service items. Contractual liabilities are reduced when the related goods or service items are invoiced, either fully or partially.

###### **Liabilities**

Financial liabilities are recognised at the date of borrowing at fair value less directly attributable transaction costs paid. On subsequent recognition, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Non-financial liabilities are measured at net realisable value.

## Consolidated financial statements

### Notes

#### 1 Material accounting policies (continued)

##### Derivatives

The Group uses derivative financial instruments in the form of forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Subsequently, fair value adjustments are accounted for as follows:

Currency forward contracts: Not accounted for as effective hedging. Any gains or losses arising from changes in the fair value of forward currency contracts are recognised in the profit or loss statement.

Interest rate swaps: Accounted for as effective hedging. Any gains or losses arising from changes in the fair value of interest rate swaps are recognised directly in other comprehensive income.

##### Fair value

Fair value measurements are based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1 Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information)

##### Alternative performance measures

The Group presents the measure of EBITDA before special items in the income statement which has not been defined in IFRS. The Group assesses that the measure gives valuable insight for investors and management of the Group to evaluate the result. As other companies may not calculate EBITDA before special items, it may not be comparable to other companies.

## **Consolidated financial statements**

### **Notes**

#### **1 Material accounting policies (continued)**

##### **Cash flow statement**

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from corporate acquisitions are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of entities are recognised up until the date of disposal.

##### **Cash flows from operating activities**

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, interest received, changes in working capital and income taxes paid.

##### **Cash flows from investing activities**

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and financial assets.

##### **Cash flows from financing activities**

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, paid interest on interest-bearing debts, and payment of dividend to shareholders.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances.

## Consolidated financial statements

### Notes

#### 2 Significant accounting judgements, estimates and assumptions

##### Impairment tests for goodwill

Goodwill is tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of goodwill has been impaired, for example due to a changed business climate. In order to determine if the value of goodwill has been impaired, the cash-generating unit to which goodwill has been allocated must be valued using present value techniques. When applying this valuation technique, the Company relies on a number of factors, including historical results, business plans, forecasts and market data.

This is further described in note 13. As can be deduced from this description, changes in the conditions for these judgments and estimates can significantly affect the assessed value of goodwill.

##### Receivables

Estimates are used in determining the level of receivables that cannot be collected according to Management. When evaluating the adequacy of the allowance for doubtful receivables, Management analyses trade receivables and examines changes in customer creditworthiness, reports from credit insurance companies, customer payment patterns and current economic trends.

##### Inventory

Inventories are measured at the lower of cost and net realisable value. Uncertainty estimates for the inventory relate to write-down to net realisable value.

The valuation of inventory is according to the Group principal including assessment of provision for slow moving and/or obsolete inventory.

For a specification of inventory, see note 18.

##### Estimating the incremental borrowing rate of leases

The Group cannot readily determine the interest rate implicit in the leases, therefore, the Group uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest which the Group would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

##### Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group included the renewal period for buildings as part of the lease term for leases of right-of-use assets with shorter non-cancellable period unless there are specific plans to terminate the lease.

## Consolidated financial statements

### Notes

#### 2 Significant accounting judgements, estimates and assumptions (continued)

The renewal periods for leases of right-of-use assets with longer non-cancellable periods are not included as part of the lease term as these are not assessed as reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised. Refer to note 15 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

#### Climate change

In preparing the consolidated financial statements, Nissens has considered climate change, including climate change scenarios and the Automotive goals, on the estimates and judgements used in preparing the consolidated financial statements.

The following impacts were assessed in the consolidated financial statements:

- The impact of climate change on the residual values and useful lives of assets were considered in determining the carrying value of non-current assets (refer to note 4, 5, 12, 14, and 15)
- The impact of climate change was considered in relation to the recognition and measurement of provisions and contingencies (refer to note 0 and 28)
- The impact of climate change was considered in relation to indications of impairment and the forecast of cash flows used in the impairment assessments of non-current assets including goodwill (refer to note 13)

For the year end April 30, 2024, no material impact on financial reporting judgement and estimates arising from climate change were identified, as a result the valuation of assets or liabilities have not been significantly impacted by climate change risks.

## Consolidated financial statements

### Notes

#### 3 Revenue

##### Geographical Markets

DKK'000	1 May 2023 – 30 April 2024	1 May 2022 – 30 April 2023
<b>Revenue from external customers</b>		
Europe	1,641,095	1,532,854
America	89,765	100,319
Asia & Pacific	65,956	89,084
Other	17,670	8,170
<b>Total</b>	<b>1,814,486</b>	<b>1,730,427</b>

#### 4 Other operating income

DKK'000	1 May 2023 – 30 April 2024	1 May 2022 – 30 April 2023
Government grants	924	41
Net gain on disposals of property, plant and equipment	62	0
Other operating income	5,228	8,835
<b>Total</b>	<b>6,214</b>	<b>8,877</b>

Electricity support have been received as compensation of the high electricity prices in Sweden and Slovakia. There are no unfulfilled conditions or contingencies attached to these grants.

Other operating income includes sales of raw materials.

## Consolidated financial statements

### Notes

#### 5 Staff costs

<b>DKK'000</b>	<b>1 May 2023 – 30 April 2024</b>	<b>1 May 2022 – 30 April 2023</b>
Wages and salaries	199,845	194,641
Pensions	8,148	6,661
Employee benefits/other remunerations	5,166	4,158
Share-based payments	0	2
<b>Total employee benefit expense</b>	<b>213,159</b>	<b>205,462</b>
Average number of full-time employee	540	551

#### Remuneration to the board of directors.

<b>DKK'000</b>	<b>1 May 2023 – 30 April 2024</b>	<b>1 May 2022 – 30 April 2023</b>
Wages and salaries	500	500
Share-based payments	0	0
<b>Total employee benefit expense</b>	<b>500</b>	<b>500</b>

Remuneration to board of directors is paid out from AX V Nissens ApS.

## Consolidated financial statements

### Notes

#### 6 Share-based payments

No warrants have been granted in the financial years 2022/2023 and 2023/2024.

The Board of Directors and other executive employees were granted warrants to purchase shares in AX V Nissens II ApS at a given exercise price. The warrants vested on 30 June 2023. The warrant programs are contingent on continued employment in the Group.

The fair value of the granted warrants is estimated using the Black-Scholes Model. The value is calculated applying the following assumptions:

Estimated volatility (based on a selected peer-group)	30%
Risk free interest rate	-0.43%
Market value per share	DKK 10

Every warrant grants the right to buy one share in AX V Nissens II ApS at a nominal value of DKK 0.01 at a price of DKK 10 + 8% p.a.

The fair value per warrant at grant dates was estimated to be DKK 1.10 – 1.19.

Estimating fair value for share-based payment transactions requires a determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires a determination of the most appropriate inputs to the valuation model, including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them.

The fair values of awards granted were determined using the Black-Scholes Model that takes into account factors specific to the share incentive plans, such as the vesting period.

The inputs used for the valuation model include, among others, the exercise price of the award, the expected life of the option, the expected volatility, the expected dividend yield and the risk-free interest rate.

#### Specification of outstanding share options

	Board of directors of the parent company	Other executive employees	Total number
Outstanding at 1 May 2022	1,320,000	8,799,450	10,119,450
<b>Outstanding at 30 April 2023</b>	<b>1,320,000</b>	<b>8,799,450</b>	<b>10,119,450</b>
Outstanding at 1 May 2023	1,320,000	8,799,450	10,119,450
<b>Outstanding at 30 April 2024</b>	<b>1,320,000</b>	<b>8,799,450</b>	<b>10,119,450</b>

No warrants were exercised as at 30 April 2024.

In the financial year, the expense in regard to share-based payments recognised in the income statement amounts to 0 TDKK (2022/2023: 2 TDKK).

## Consolidated financial statements

### Notes

#### 7 Amortisation and depreciation

<b>DKK'000</b>	<b>1 May 2023 - 30 April 2024</b>	<b>1 May 2022 - 30 April 2023</b>
Amortisation, intangible assets	44,650	44,260
Depreciation, property, plant and equipment	44,548	46,163
	<b>89,198</b>	<b>90,423</b>

#### 8 Special items

<b>DKK'000</b>	<b>1 May 2023 - 30 April 2024</b>	<b>1 May 2022 - 30 April 2023</b>
Transformation cost directly related to acquisition of AVA entities	2,431	5,575
Divestment and reorganisation	0	3,894
Provision for loss on receivables ect. related to the war in Ukraine	0	-973
	<b>2,431</b>	<b>8,496</b>

#### 9 Fees paid to auditors appointed at the annual general meeting

<b>DKK'000</b>	<b>1 May 2023 - 31 April 2024</b>	<b>1 May 2022 - 31 April 2023</b>
Statutory audit	1,404	1,162
Other assurance services	77	87
Tax and VAT advisory services	597	163
Other services	86	80
	<b>2,164</b>	<b>1,493</b>

#### 10 Net finance costs

<b>Finance income DKK'000</b>	<b>1 May 2023 - 30 April 2024</b>	<b>1 May 2022 - 30 April 2023</b>
Interests – bank deposits etc.	4,642	1,024
Foreign exchange gains	2,774	1,154
Dividend from investments	346	0
Total finance income	<b>7,762</b>	<b>2,178</b>
Interest on financial assets measured at amortized cost	4,642	1,024

## Consolidated financial statements

### Notes

#### 10 Net finance costs (continued)

<b>Finance expenses</b>	<b>1 May 2023 – 30 April 2024</b>	<b>1 May 2022 – 30 April 2023</b>
<b>DKK'000</b>		
Interests – borrowings	3,281	8,384
Interests – other	12,962	5,153
Interest on lease liabilities	1,938	1,973
Amortisation borrowings	1,438	2,034
Other finance costs	673	561
Total finance expenses	<b>20,292</b>	<b>18,105</b>
Interest on financial liabilities measured at amortized cost	18,181	15,510

#### 11 Income tax

##### Income statement

<b>DKK'000</b>	<b>1 May 2023 – 30 April 2024</b>	<b>1 May 2022 – 30 April 2023</b>
Tax for the current year can be specified as follows:		
Tax of the result of the year	39,938	1,718
	<b>39,938</b>	<b>1,718</b>

<b>DKK'000</b>	<b>1 May 2023 – 30 April 2024</b>	<b>1 May 2022 – 30 April 2023</b>
Tax for the current year can be specified as follows:		
Current income tax charge	48,719	13,967
Change in provision for deferred tax	-7,863	-13,402
Adjustments to prior year	-918	1,153
	<b>39,938</b>	<b>1,718</b>

## Consolidated financial statements

### Notes

#### 11 Income tax (continued)

Tax on profit for the year can be explained as follows:

	<u>1 May 2023 – 30 April 2024</u>	<u>1 May 2022 – 30 April 2023</u>
<b>Accounting profit before income tax</b>		
Calculated 22 % tax on profit for the year	40,392	4,430
Difference in the tax rate in foreign subsidiaries relative to 22%	1,127	-536
<i>Tax effect of:</i>		
Dividend payment from investments	16	0
Non-deductible interest	12	0
Other non-deductible expenses	26	93
Utilization of tax losses not recognised prior year	-717	-3,422
Tax adjustments to prior year	-918	1,153
	<b><u>39,938</u></b>	<b><u>1,718</u></b>
Effective tax (%)	<u>21.7%</u>	<u>8.5%</u>

#### Tax on other comprehensive income

	<u>1 May 2023 – 30 April 2024</u>		
<b>DKK'000</b>	<u>Before tax</u>	<u>Tax</u>	<u>After tax</u>
Exchange differences on the translation of foreign operations	4,527	0	4,527
	<b><u>4,527</u></b>	<b><u>0</u></b>	<b><u>4,527</u></b>
	<u>1 May 2022 – 30 April 2023</u>		
<b>DKK'000</b>	<u>Before tax</u>	<u>Tax</u>	<u>After tax</u>
Exchange differences on the translation of foreign operations	-3,015	0	-3,015
	<b><u>-3,015</u></b>	<b><u>0</u></b>	<b><u>-3,015</u></b>

## Consolidated financial statements

### Notes

#### 11 Income tax (continued)

##### Deferred tax

DKK'000	30 April 2024	30 April 2023
Deferred tax 1 May	61,195	75,369
Deferred tax utilised in joint taxation	5,426	0
Deferred tax for the year recognised in profit for the year	-7,927	-13,402
Deferred tax regarding previous year	-5,940	-1,062
Deferred tax currency translation	0	290
<b>Deferred tax 30 April</b>	<b>52,754</b>	<b>61,195</b>
Reflected in the statement of financial position as follows:		
Deferred tax assets	15,894	11,302
Deferred tax liabilities	68,648	72,497
<b>Deferred tax 30 April, net</b>	<b>52,754</b>	<b>61,195</b>

DKK'000	30 April 2024	30 April 2023
Deferred tax relates to:		
Intangible assets	55,952	62,571
Property, plant and equipment	12,004	13,524
Trade and other receivables	772	863
Inventory	-10,384	-8,708
Borrowings	-226	-373
Provisions and other liabilities	-3,129	-1,491
Tax loss	-2,235	-5,191
	<b>52,754</b>	<b>61,195</b>

In addition to the tax loss recognised in the balance sheet, the Group has total unrecognised tax losses of 9.0 mDKK which, due to the uncertainty of the future utilization, has not been recognised in the balance sheet. The tax losses can be carried forward as follow:

DKK'000	30 April 2024	30 April 2023
Unlimited	6,277	7,940
<b>Unrecognised tax loss to be carried forward 30 April</b>	<b>6,277</b>	<b>7,940</b>

The Group has a subsidiary in China for which future dividend payments will be subject to withholding tax in the range of 5 – 10%. The potential withholding tax amounts to 2.2 – 4.4 MDKK.

The withholding tax has not been recognised in the balance sheet as there are no current plans for dividend payments from the subsidiary in China.

## Consolidated financial statements

### Notes

#### 11 Income tax (continued)

<b>Income tax payable</b> <b>DKK'000</b>	<b>30 April 2024</b>	<b>30 April 2023</b>
Income tax payable 1 May	-5,497	217
Currency adjustment	0	3
Adjustment to current tax prior year	-5,426	0
Current tax for the year	48,719	13,967
Corporation tax paid during the year	-14,683	-21,897
Adjustment to prior year	5,645	2,213
<b>Income tax payable 30 April</b>	<b>28,758</b>	<b>-5,497</b>

## Consolidated financial statements

### Notes

#### 12 Intangible assets

DKK'000	Goodwill	Brand	Acquired intangible assets	Rights	Development projects	Development in progress	Total
Cost 1 May 2023	572,005	289,173	200,977	19,440	5,644	5,659	1,092,898
Currency translation	0	0	0	-7	0	0	-7
Additions	0	0	0	166	0	13,304	13,470
Transfer	0	0	0	423	925	-1,348	0
Cost 30 April 2024	572,005	289,173	200,977	20,022	6,569	17,615	1,106,361
Amortisation and impairment 1 May 2023	0	108,444	117,237	14,459	735	0	240,875
Currency translation	0	0	0	-7	0	0	-7
Amortisation	0	19,191	20,098	4,046	1,315	0	44,650
Amortisation and impairment 30 April 2024	0	127,635	137,335	18,498	2,050	0	285,518
<b>Carrying amount 30 April 2024</b>	<b>572,005</b>	<b>161,538</b>	<b>63,642</b>	<b>1,524</b>	<b>4,519</b>	<b>17,615</b>	<b>820,843</b>

## Consolidated financial statements

### Notes

#### 12 Intangible assets

DKK'000	Goodwill	Brand	Acquired intangible assets	Rights	Development projects	Development in progress	Total
Cost 1 May 2022	572,005	289,173	200,977	19,638	884	6,005	1,088,682
Currency translation	0	0	0	-17	0	0	-17
Additions	0	0	0	0	0	4,414	4,414
Disposals	0	0	0	-181	0	0	-181
Transfer	0	0	0	0	4,760	-4,760	0
Cost 30 April 2023	572,005	289,173	200,977	19,440	5,644	5,659	1,092,898
Amortisation and impairment 1 May 2022	0	89,166	97,139	10,064	265	0	196,634
Currency translation	0	0	0	-19	0	0	-19
Amortisation	0	19,278	20,098	4,414	470	0	44,260
Disposals	0	0	0	0	0	0	0
Amortisation and impairment 30 April 2023	0	108,444	117,237	14,459	735	0	240,875
<b>Carrying amount 30 April 2023</b>	<b>572,005</b>	<b>180,729</b>	<b>83,740</b>	<b>4,981</b>	<b>4,909</b>	<b>5,659</b>	<b>852,023</b>

Apart from Goodwill of 572.0 MDKK (30 April 2023: 572.0 MDKK) all intangible assets have a defined lifetime.

Acquired intangible assets consist primarily of customers and technology with carrying amounts of 43.5 MDKK (30 April 2023: 57.3 MDKK) and 20.1 MDKK (30 April 2023: 26.5 MDKK) respectively and with remaining lives of 7 years.

Total costs related to R&D activities amount to 25.4 MDKK for the year 1 May 2023 – 30 April 2024 (2022/2023: 25.9 MDKK) of which 4.0 MDKK (2022/2023: 3.9 MDKK) has been capitalized.

## Consolidated financial statements

### Notes

#### 13 Impairment test

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment in circumstances in which indicators of impairment are identified and therefore, the carrying amount may not be recoverable.

The carrying amount of goodwill is as follows:

mDKK	2023/2024	2022/2023
<b>Automotive</b>	<b>572</b>	<b>572</b>

Goodwill is tested for impairment once a year and in the case of impairment indicators. Impairment test in 2023/2024 is made as of 31 March 2024 that indicates headroom of 1,661 mDKK. There was not identified any indication of impairment on the long term forecast.

The recoverable amount is based on the value in use, which is calculated by means of expected net cash-flows on the basis of forecasts for 2024/2025 – 2028/2029 agreed by the Executive Board.

The forecasts are based on the expected market developments, including growth in market and expected price levels.

Amongst other things, the Automotive sales volume is driven by increased product offering, markets shares and the overall development in the car park in markets where Nissens is present.

The key assumptions underlying the calculation of recoverable amounts and the tolerable sensitivities hereon are:

	<u>2023/2024</u>		<u>2022/2023</u>	
	<u>Used</u>	<u>Sensitivity</u>	<u>Used</u>	<u>Sensitivity</u>
Growth rates	8.1%	15.9%	4.7%	10.8%
Growth rate in terminal period	2.0%	32.0%	2.0%	6.3%
Discount rate (WACC)	10.5%	9.6%	9.5%	3.0%

Going forward, the discount rates applied are expected to be in the range of 8% - 10%.

## Consolidated financial statements

### Notes

#### 14 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings	Construction in progress	Right-of-use assets	Total
Cost 1 May 2023	144,900	72,309	13,486	18,327	151,823	400,845
Currency translation	-19	-9	4	0	0	-24
Additions	164	9,680	1,644	2,334	13,248	27,070
Transfer	0	15,754	0	-15,754	0	0
Disposals	-313	-18	-292	0	-21,406	-22,029
Cost 30 April 2024	144,732	97,716	14,842	4,907	143,665	405,862
Depreciation and impairment 1 May 2023	46,780	60,848	9,811	0	61,154	178,593
Currency translation	-7	7	8	0	0	8
Depreciation	6,724	4,152	1,673	0	31,999	44,548
Disposal	-308	-18	-134	0	-13,649	-14,110
Depreciation and impairment 30 April 2024	53,189	64,989	11,358	0	79,504	209,039
<b>Carrying amount 30 April 2024</b>	<b>91,543</b>	<b>32,727</b>	<b>3,484</b>	<b>4,907</b>	<b>64,162</b>	<b>196,822</b>

## Consolidated financial statements

### Notes

#### 14 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings	Construction in progress	Right-of-use assets	Total
Cost 1 May 2022	143,753	75,272	10,665	5,633	138,211	373,534
Currency translation	-88	-60	-45	-29	-0	-222
Additions	1,392	3,901	3,378	12,723	28,190	49,584
Disposals	-157	-6,804	-512	0	-14,578	-22,051
Cost 30 April 2023	144,900	72,309	13,486	18,327	151,823	400,845
Depreciation and impairment 1 May 2022	39,647	60,916	7,228	0	43,980	151,771
Currency translation	-29	-49	-45	0	0	-123
Depreciation	7,162	5,055	2,644	0	31,302	46,163
Disposal	0	-5,074	-16	0	-14,128	-19,218
Depreciation and impairment 30 April 2023	46,780	60,848	9,811	0	61,154	178,593
<b>Carrying amount 30 April 2023</b>	<b>98,120</b>	<b>11,461</b>	<b>3,675</b>	<b>18,327</b>	<b>90,669</b>	<b>222,252</b>

## Consolidated financial statements

### Notes

#### 15 Leases

##### Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

##### Right-of-use assets

DKK'000	30 April 2024	30 April 2023
Buildings	55,734	81,868
Plant and machinery	8,299	5,776
Other fixtures and fittings	129	2,461
	<b>64,162</b>	<b>90,105</b>

Further specification of right-of-use assets is disclosed in note 14.

##### Lease liabilities

DKK'000	30 April 2024	30 April 2023
Current	31,622	30,009
Non-current	36,645	63,913
	<b>68,267</b>	<b>93,921</b>

Further information about maturity is disclosed in note 29.

##### Amounts recognized in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

##### Depreciation charge of right-of-use assets

DKK'000	30 April 2024	30 April 2023
Buildings	27,791	27,995
Plant and machinery	4,111	1,523
Other fixtures and fittings	97	2,535
Total depreciation charge of right-of-use assets	<b>31,999</b>	<b>32,053</b>

Interest expense (included in finance expenses)	1,938	1,973
Expense related to short-term leases (included in other external cost)	1,936	1,536
Expense related to low-value leases (included in other external cost)	325	300
The total cash outflow for leases in the year	32,821	31,763

Estimates and assumptions related to leases are described in note 2.

##### The Group's leasing activities

The Group leases various offices, warehouses, equipment and vehicles. Rental contracts are typically made for fixed periods of 12 months to 6 years, but may have extension options as described below.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lease's incremental borrowing rate is used. The incremental borrowing rates used are 2% for buildings and 3.5% for plant and machinery other fixtures and fittings.

## Consolidated financial statements

### Notes

#### 15 Leases (continued)

A not insignificant proportion of the Company's building leases contains options to extend the lease period between 1-3 years. To the extent Management found it reasonably certain that these leases will be exercised, the period of the option is recognized as part of the lease. Extension options are recognized based on a specific contract-to-contract assessment. As of 30 April 2024, extension options are recognized with a value of 16.4 MDKK (2022/2023: 19.2 MDKK) as they are exercised with reasonable certainty. No extension options exceed 5 years. As of 30 April 2024, extension options that with reasonable certainty are not exercised amount to 0 MDKK (2022/2023: 0 MDKK). Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised, see note 2.

#### 16 Investments in subsidiaries

<u>Name</u>	<u>Legal form</u>	<u>Registered office</u>	<u>Ownership 30 April 2024</u>
AX V Nissens II ApS	ApS	Horsens, Denmark	69.4%
Subsidiaries of AX V Nissens II ApS			
AX V Nissens I ApS	ApS	Horsens, Denmark	100%
Subsidiaries of AX V Nissens I ApS			
AX V Nissens ApS	ApS	Horsens, Denmark	100%
Subsidiaries of AX V Nissens ApS			
K. Nissen International A/S	A/S	Horsens, Denmark	100%
Subsidiaries of K. Nissen International A/S			
Nissens (Shanghai) Auto Parts Trading Ltd.	Ltd.	China	100%
NA International A/S	A/S	Denmark	100%
Subsidiaries of NA International A/S			
Nissens Automotive A/S	A/S	Horsens, Denmark	100%
Nissens UK Ltd	Ltd	England	100%
Nissen France EURL	EURL	France	100%
Nissens Iberia S.A.	S.A	Spain	100%
Nissens Sverige A.B.	A.B	Sweden	100%
Nissens Schweiz A.G.	A.G	Switzerland	100%
Nissens Portugal LDA	Lda.	Portugal	100%
Chlodnice Nissens Polska Sp. z o.o.	Sp. z o.o	Poland	100%
Nissens Belgium S.A.	S.A	Belgium	100%
Nissens Hungaria Jarmuhuto Kft.	Kft.	Hungary	100%
Nissens Italia S.R.L.	S.r.l	Italy	100%
Nissens Finland OY	OY	Finland	100%
Nissens North America Inc.	Inc.	USA	100%
Nissens Ukraine Ltd	Ltd.	Ukraine	100%
Nissens Deutschland GmbH	GmbH	Germany	100%
Nissens Automotive SK S.R.O.	S.r.o.	Slovakia	100%
AVA Benelux BV	BV	Netherlands	100%
Highway Automotive Sp. z o.o.	Sp. z o.o	Poland	100%
AVA Cooling UK Ltd	Ltd	England	100%
AVA Cooling France	SAS	France	100%
Selskabet af 29. April 2022 A/S	A/S	Danmark	100%
Nissens Automotive Service A/S	A/S	Danmark	100%
Anpartsselskabet af 10. maj 2022 ApS	ApS	Danmark	100%
NA Properties ApS	ApS	Denmark	100%

## Consolidated financial statements

### Notes

#### 17 Other financial assets

	<u>30 April 2024</u>	<u>30 April 2023</u>
Mobilion Ventures	2,446	2,422
	<b><u>2,446</u></b>	<b><u>2,422</u></b>

In 2023/24 a unrealized loss of 0.4 MDKK from fair value adjustments was recognised (2022/2023 0.0 MDKK). In 2023/24 0.3 MDKK was received in dividends from Mobilion Ventures. There has not been sold any shares in financial year.

#### 18 Inventory DKK'000

	<u>30 April 2024</u>	<u>30 April 2023</u>
Raw materials and consumables	35,634	44,601
Work in progress	18,672	18,752
Finished goods	488,153	541,459
	<b><u>542,459</u></b>	<b><u>604,812</u></b>

Inventory is reported net of allowances for obsolescence, analyses of which is as follows:

DKK'000	<u>30 April 2024</u>	<u>30 April 2023</u>
1 May	23,063	18,144
Addition in year	9,587	7,042
Utilised	-4,758	-2,123
<b>30 April</b>	<b><u>27,892</u></b>	<b><u>23,063</u></b>

The net realisable value of inventories is calculated as selling price less costs of completion and costs necessary to make the sale. The Group and Management have a strong focus on inventory turnover and are continuously working with procedures to reduce risk of obsolescence. The Group has implemented fixed procedures to calculate obsolescence on stock.

#### 19 Trade and other receivables DKK'000

	<u>30 April 2024</u>	<u>30 April 2023</u>
Receivables from sales	301,914	282,110
Market value of FX contracts	339	0
Other receivables	38,241	34,078
Prepayments	10,945	6,882
	<b><u>351,439</u></b>	<b><u>323,070</u></b>

## Consolidated financial statements

### Notes

#### 19 Trade and other receivables (continued)

Ageing of trade receivables are specified as following

DKK'000	30 April 2024	30 April 2023
Not due	278,146	244,680
Trade receivable overdue by 0 – 30 days	12,192	29,762
Trade receivable overdue by 31 - 90 days	7,679	3,050
Trade receivable overdue more than 90 days	3,897	4,618
	<b>301,914</b>	<b>282,110</b>

Provision for bad debts is specified as following

DKK'000	30 April 2024	30 April 2023
1 May	5,052	7,439
Currency translation	-23	-3
Addition in year	975	700
Reversed during the year	-844	-1,785
Utilised	-141	-1,299
	<b>5,019</b>	<b>5,052</b>

The Group's terms of payments are between 30 – 120 days, depending on the customer.

#### 20 Contract assets and liabilities

DKK'000	30 April 2024	30 April 2023
Contractual assets:		
Receivables from revenue according note 19	301,914	282,110
	<b>301,914</b>	<b>282,110</b>
<b>DKK'000</b>	<b>30 April 2024</b>	<b>30 April 2023</b>
Contractual liabilities:		
Return obligations	3,708	2,480
Prepayments	3,389	2,719
	<b>7,097</b>	<b>5,199</b>
Current	7,097	5,199
Non-current	0	0

Prepayments from customers as per 30 April 2024 amount to 3.4 MDKK (30 April 2023: 2.7 MDKK). Delivery of goods related to prepayments are expected in Q2 of 2024. Revenue recognised as prepayment from customer in the income statements is in line with revenue recognition under accounting policies. Return obligations depend on the customer's contracts and are in general within 12 months.

## Consolidated financial statements

### Notes

#### 21 Equity

##### Capital management

On a regular basis, the Executive Board assesses whether the Group has an adequate capital structure, just as the board of Directors regularly evaluates whether the Group's capital structure is in line with the best interests of the Group and its stakeholders.

	Issued shares			
	Number	Number	Nominal value	Nominal value
	30 April 2024	30 April 2023	30 April 2024	30 April 2023
1 May	71,500,000	71,500,000	715,000	715,000
<b>30 April – fully paid</b>	<b>71,500,000</b>	<b>71,500,000</b>	<b>715,000</b>	<b>715,000</b>

The share capital consists of 29,000,000 A-shares, 42,075,000 B-shares and 425,000 C-shares all with a nominal value of 0,01 DKK each. The share classes have separate rights in terms of dividend distribution. According to the current policy, AX V Nissens III ApS does not distribute dividend.

#### 22 Non-controlling subsidiaries

Subsidiaries with non-controlling interests comprise AX V Nissens II ApS (Horsens, Denmark).

Key financial figures for AX V Nissens II ApS:

In DKK millions, except for per share data	1 May 2023 – 30 April 2024	1 May 2022 – 30 April 2023
Non-controlling interest proportion of ownership	30.56%	30.60%
Non-controlling interest proportion of voting rights	26.99%	29.99%

##### Key figures

Revenue	1,814.5	1,730.4
EBITDA before special items	288.3	135.2
Operating profit before special items	199.1	44.7
Operating profit after special items	196.6	36.3
Net finance costs	-12.6	-15.9
Result before tax	184.0	20.3
Result for the year	144.0	18.6

Non-current assets	1,038.8	1,091.8
Current assets	993.3	1,005.4
Total assets	2,032.2	2,097.2
Equity	1,167.8	1,084.1
Non-current liabilities	296.0	455.5
Current liabilities	568.3	557.6

Cash flows from operating activities	368.6	30.0
Cash flow from investing activities	-26.7	-26.2
Cash flow from investments in fixed assets	-13.7	-21.4
Cash flows from financing activities	-238.5	-44.4
Total cash flows	103.5	-40.5

##### Transactions with non-controlling interests

Dividend distributed per share (in DKK)	0.6	0.0
-----------------------------------------	-----	-----

Non-controlling interests have been granted warrants. Refer to note 6 for details related to the warrants program.

## Consolidated financial statements

### Notes

#### Transactions with non-controlling owners

In 2023/24 purchase of non-controlling shares relates to buy-back of shares in AX V II Nissens ApS:

DKK'000	<u>2023/24</u>
Purchase price	-197
Reduction of non-controlling interests	180
Change in the parent company's shareholder's share of the total equity of the Group	<u><u>-17</u></u>

#### 23 Provisions

DKK'000	<u>Warranties and claims</u>	<u>Other</u>
<b>At 1 May 2023</b>	2,016	2,000
Arising during the year	2,523	779
Utilised	-2,016	-525
<b>At 30 April 2024</b>	<u><u>2,523</u></u>	<u><u>2,254</u></u>
Current	2,523	550
Non-current	0	1,704
<b>At 1 May 2022</b>	2,330	2,000
Arising during the year	2,016	0
Utilised	-2,330	0
<b>At 30 April 2023</b>	<u><u>2,016</u></u>	<u><u>2,000</u></u>
Current	2,016	0
Non-current	0	2,000

Provisions comprise anticipated expenses relating to warranty commitments, pending disputes etc.

## Consolidated financial statements

### Notes

#### 24 Borrowings

Long-term debt is due as follows:

<b>DKK'000</b>	<b>30 April 2024</b>	<b>30 April 2023</b>
0-1 years	36,645	28,936
1-3 years	102,357	245,625
3-5 years	33,090	39,494
>5 years	79,882	88,276
	<b>251,974</b>	<b>402,331</b>

Debt included in the balance sheet includes borrowing expenses, amortized over the maturity of the loan by 2.3 MDKK (2022/2023: 4.6 MDKK). Total borrowing expenses capitalized during the financial year amount to 0.0 MDKK (2022/2023: 0.0 MDKK).

#### 30 April 2024

<b>DKK'000</b>	<b>Average interest rate</b>	<b>Currency</b>	<b>Interest Period</b>	<b>Balance</b>
Mortgage	1.0%	DKK	4 year	110,075
Bank loan	5.2%	DKK	3 month	73,632
Leasing debt	2.5%	Various	Depend on each contract	68,267

#### 30 April 2023

<b>DKK'000</b>	<b>Average interest</b>	<b>Currency</b>	<b>Interest Period</b>	<b>Balance</b>
Mortgage	1.0%	DKK	4 year	109,998
Bank loan	3.3%	DKK	3 month	198,412
Leasing debt	2.4%	Various	Depend on each contract	93,921

## Consolidated financial statements

### Notes

#### 25 Trade and other payables

DKK'000	30 April 2024	30 April 2023
Trade payables	398,534	350,607
VAT payables	31,884	12,437
Holiday pay payable and other employee related costs	19,060	43,283
Market value of interest rate swap	0	1,807
Other payable expenses	23,138	14,634
	<b>472,616</b>	<b>422,768</b>
Current	463,399	414,049
Non-current	9,217	8,719

#### 26 Change in working capital

DKK'000	30 April 2024	30 April 2023
Change in inventory	70,167	-48,394
Change in receivables	-28,399	-8,710
Change in trade payables, etc.	49,293	-17,246
Change in contract liabilities	1,838	-22
	<b>92,899</b>	<b>-74,372</b>

#### 27 Non-cash operating items

DKK'000	30 April 2024	30 April 2023
Depreciation and amortisation	89,198	90,423
Net foreign exchange differences	0	879
Movements in provisions	761	-314
Movements in other payables	481	62
	<b>90,440</b>	<b>91,050</b>

## Consolidated financial statements

### Notes

#### 28 Pledges, collateral, contingencies and commitments

Danish Group entities are jointly taxed with AX V III Nissens ApS, which acts as a management company, and are jointly and severally liable with several other jointly taxed group entities for the payment of income taxes as well as withholding taxes on interest, royalties and dividends. The liabilities have been estimated at 22.6 MDKK at 30 April 2024 (30 April 2023: 0 MDKK).

The Group is party to a minor number of pending disputes. The outcome of these cases is not expected to have any material impact on the financial position of the Group, neither individually nor in the aggregate.

#### Commitments

The Group has entered into lease agreements related to cars, plant and computers, with lease terms between 0 and 6 years. Detailed information related to other contractual commitments in note 31 and leases in note 15.

#### Collateral

Land and buildings with a carrying amount of 91.5 MDKK have been pledged as security for mortgage debt of 110.0 MDKK.

Shares in AX V Nissens ApS, held by the parent company AX V Nissens I ApS in the following subsidiaries K. Nissen International A/S, NA International A/S, Nissens Automotive A/S, Highway Automotive Sp. z o.o., and Nissens Automotive SK S.r.o. have been pledged as security for RCF and other facilities of total 325 MDKK.

Goodwill and other purchase price allocations have not been allocated to legal unit. Therefore, the listed carrying amounts for the shares pledged are based on the booked equity and do not include allocation of goodwill etc., if any.

#### 29 Financial risk and financial instruments

##### Risk management policy

The Group's principal financial liabilities, other than trade payables, are mortgage and RFC facilities. The main purpose of these financial liabilities is to finance the Group's operations and acquisitions of assets. The Group's principal financial assets include accounts receivable. The Group also enters into derivative transactions. Financial instruments applied by the Group include forward contracts on exchange rate exposures and interest hedging.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees on policies for managing each of these risks, which are described below.

##### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risks such as equity price risk and commodity price risk. The Group applies the following derivative financial instruments to mitigate market risks, interest rate swaps and forward contracts.

## Consolidated financial statements

### Notes

#### 29 Financial risk and financial instruments (continued)

##### **Currency risk**

The majority of Nissens' activities implies currency risks in connection with the purchase and sale of goods and services in foreign currencies. The largest exposure for purchases relates to CNY, EUR and USD whereas largest invoicing currencies are EUR, PLN, USD and GBP. Currency risks are handled within the limitations of the policy approved by the Board of Directors. The policy recommends the use of layered hedging, but it does not set a minimum share of the expected future cash-flow which should be secured by financial instruments.

All changes in financial instruments related to foreign currency risk are recognised as financial income or financial expenses in the income statement.

At the balance sheet date, the Group has the following exposures towards net-monetary positions on current receivables and total liabilities.

	Change in rate	2023/2024 P/L effect (MDKK)	2022/2023 P/L effect (MDKK)
EUR – current receivables and current liabilities	0.1%	0.1	0.2
PLN	5.0%	2.9	2.0
GBP	5.0%	0.6	0.9
USD	5.0%	1.4	0.1
CNY	5.0%	5.6	3.7

FX contract of 85 MCNY (2022/2023: 70 MCNY) has been made to cover the expected 2 month need.

##### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in the market interest rates relates primarily to the Group's mortgage and RCF loan. The interest applied to the RCF loan is variable on 3-months terms whereas mortgage is fixed until March 2025.

An increase in the interest rate by 1 percentage point in comparison to the interest rate at the balance sheet date would, all other things being equal, affect the Group's profit or loss by -1.0 MDKK (2022/2023: -2.9 MDKK) and equity after tax by DKK -0.8 MDKK (2022/2023: -2.3 MDKK).

##### **Financial instruments**

To minimize the interest exposure on the RCF loan, the Group has entered into a cap on the interest rate on 150 MDKK of the RCF loan. The base interest – CIBOR3 - has been capped to 4.5% with a floor of 1.5% with a maturity date 28 November 2025. The contract has been settled 18 May 2024.

## Consolidated financial statements

### Notes

#### 29 Financial risk and financial instruments (continued)

##### Pricing risk

The Group is affected by the volatility of primarily aluminium prices. The outlook for aluminium prices is continuously monitored and decisions on securing expected consumption are made in accordance with policies hereon. The annual direct consumption of aluminium is approx. 1,800 ton. A change in the LME reference price of 5% will affect the Group's profit or loss by 1.6 MDKK (2022/2023: 1.5 MDKK).

The Group is also affected by the volatility of other raw material prices directly and indirectly.

Due to sourcing activities in China the Group is also exposed to the development in the global freight rates.

Short to medium term the development in material prices and freight rates may impact earnings until mitigations can be implemented.

##### Liquidity risk

The purpose of the Group's cash management procedures is to ensure that the Group at all times has sufficient and flexible financial resources at its disposal and is able to honour its obligations when due. The Group's liquidity reserves consist of credit balances and fixed overdraft facilities.

##### Loan facilities

Besides net cash of DKK 69.5 MDKK (2022/2023: -45.1 MDKK), the Group had undrawn credit facilities of 97 MDKK (2022/2023: 75 MDKK) at 30 April 2024.

In addition to the credit facilities, the Group has the following loans:

##### Maturity analysis

DKK'000	Contractual cash flow	< 1 year	1 - 3 years	3 to 5 years	>5 years
RCF Loan (75 mDKK)	85,114	3,915	81,199	0	0
Mortgage loan	144,876	1,178	8,846	38,377	96,476
Leasing debt	69,670	37,393	28,967	3,300	0
Trade payables	398,417	398,417	0	0	0
<b>30 April 2024</b>	<b>698,077</b>	<b>440,903</b>	<b>119,012</b>	<b>41,677</b>	<b>96,476</b>

DKK'000	Contractual cash flow	< 1 year	1 - 3 years	3 to 5 years	>5 years
RCF Loan (200 mDKK)	226,970	10,440	216,530	0	0
Mortgage loan	119,725	1,096	2,138	24,452	92,039
Leasing debt	97,289	31,625	47,867	17,224	573
Trade payables	350,607	350,607	0	0	0
<b>30 April 2023</b>	<b>794,591</b>	<b>393,768</b>	<b>266,535</b>	<b>41,676</b>	<b>92,612</b>

The contractual cash flows are based on the non-discounted cash flows, including down-payments and calculated interests based on current interest rates.

## Consolidated financial statements

### Notes

#### 29 Financial risk and financial instruments (continued)

##### Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Group is exposed to credit risk from its trade receivables and from its financing activities, including deposits with banks and financial institutions (to the extent the balance is in surplus of the Group), foreign exchange transactions and other financial instruments. The credit risk incurred from trade receivables is generally managed by continuous credit evaluation of the customers and trading partners. In addition, credit risks on counterparties other than banks are minimized through the use of prepayments and credit insurance. From a historical perspective, losses on receivables are at a low level.

The maximum credit risk related to trade receivables equals the carrying amount of the trade receivables.

The allowance for expected credit losses for trade receivables is calculated at individual level when there is an indication of impairment. For receivables with no indication of impairment, the expected credit losses are based on the historical credit loss. The expected loss excludes the extraordinary negative impact from Russia, Belarus and Ukraine. In 2023/2024, credit losses recognised in the income statement are less than 0.3% of total revenue, corresponding to historic level. In 2022/2023, credit losses recognised in the income statement accounted for less than 0.3% of total revenue.

Selected customers offer supply chain financing programs, which the Group utilized to sell certain receivables. The Groups involvement in receivables sold under these programs is limited to administration and financial costs related to delayed payments. Thus, the Group only carries an immaterial risk on these receivables. The profit and loss impact from these programs is limited to an interest payment on the payments. The balance sheet does not include any receivables or payables related to receivables sold under these programs. At the balance sheet date, the nominal value of receivables sold amounts to 29.0 MDKK (2022/2023: 38.1 MDKK). Payment terms on receivables sold are up to 360 days.

##### Categories of financial instruments

	Carrying amount	Fair value
	30 April 2024	30 April 2024
<b>DKK'000</b>		
<b>Financial assets at amortized cost</b>		
Trade receivables	303,223	303,223
Cash and cash equivalent	97,097	97,097
	<hr/>	<hr/>
<b>Financial liabilities at amortized cost</b>		
Borrowings	-110,944	-110,944
Bank loan	-74,781	-74,781
Lease obligations	-72,036	-72,036
Trade payables	-398,417	-398,417
	<hr/>	<hr/>
	<b>656,178</b>	<b>656,178</b>
Financial asset at fair value recognised through profit and loss (hedging)	339	339
	<hr/>	<hr/>
Derivative financial instruments, net	<b>339</b>	<b>339</b>
	<hr/>	<hr/>
	<b>-255,520</b>	<b>-255,520</b>
	<hr/> <hr/>	<hr/> <hr/>

## Consolidated financial statements

### Notes

#### 29 Financial risk and financial instruments (continued)

##### Categories of financial instruments

DKK'000	Carrying amount	Fair value
	30 April 2023	30 April 2023
<b>Financial assets at amortized cost</b>		
Trade receivables	277,645	277,645
Cash and cash equivalent	66,280	66,280
	<b>343,925</b>	<b>343,925</b>
<b>Financial liabilities at amortized cost</b>		
Borrowings	-109,998	-109,998
Bank loan	-198,412	-198,412
Lease obligations	-93,921	-93,921
Trade payables	-368,628	-368,628
	<b>-770,959</b>	<b>-770,959</b>
Financial asset at fair value recognised through profit and loss (hedging)	-1,807	-1,807
Derivative financial instruments, net	<b>-1,807</b>	<b>-1,807</b>
	<b>-428,841</b>	<b>-428,841</b>

Fair value hierarchy of financial instruments measured at fair value

##### 30 April 2024

DKK'000	Quoted prices (Level 1)	Observable in- put (Level 2)	Other financial assets (Level 3)	Total
Forward contracts	0	339	0	339
Shares in venture fund	0	0	2,446	2,446
<b>Financial liabilities, net</b>	<b>0</b>	<b>339</b>	<b>2,446</b>	<b>2,785</b>

##### 30 April 2023

DKK'000	Quoted prices (Level 1)	Observable in- put (Level 2)	Other financial assets (Level 3)	Total
Forward contracts	0	-1,807	0	-1,807
Shares in venture fund	0	0	2,422	2,422
<b>Financial liabilities, net</b>	<b>0</b>	<b>-1,807</b>	<b>2,422</b>	<b>615</b>

##### Methods and assumptions for calculating fair value

The determined fair value of derivative financial instruments is based on observable market data such as yield curves or forward rates.

Other financial assets, measured at level 3, include shares in venture capital fund. For this fund, fair value is based on information of valuation from the fund themselves based on quarterly reports. The fair value of the underlying assets in the fund, which comprise non-listed investments, is calculated based on non-observable inputs, including independent capital activity, operating performance and financial conditions around the portfolio. In 2023/24 a unrealized loss of 0.4 MDKK from fair value adjustments was recognised in profit/loss statement (2022/2023 0.0 MDKK).

## Consolidated financial statements

### Notes

#### 30 Changes in liabilities arising from financing activities

Reconciliation of movements in cash flows to changes in financing liabilities:

2023/2024	Cash changes		Non-cash changes		30 April
	1 May	Cash flows	Additions	Fair value changes and amortisation	
<b>DKK'000</b>					
RCF	198,412	-125,000	0	1,368	74,780
Mortgage debts	109,997	0	0	947	110,944
Leasing debt	93,921	-32,821	9,261	1,675	72,036
<b>Total liabilities from financing activities</b>	<b>402,330</b>	<b>-157,821</b>	<b>9,261</b>	<b>3,990</b>	<b>257,760</b>
2022/2023	Cash changes		Non-cash changes		30 April
	1 May	Cash flows	Additions	Fair value changes and amortisation	
<b>DKK'000</b>					
RCF	197,409	0	0	1,003	198,412
Mortgage debts	108,966	0	0	1,031	109,997
Leasing debt	96,487	-31,763	27,690	1,507	93,921
<b>Total liabilities from financing activities</b>	<b>402,862</b>	<b>-31,655</b>	<b>27,690</b>	<b>3,541</b>	<b>402,330</b>

## Consolidated financial statements

### Notes

#### 31 Other contingent liabilities

##### Other contractual commitments

DKK'000	30 April 2024	30 April 2023
0-1 years	11,700	7,395
1-5 years	30,042	24,717
> 5 years	6,951	0
	<b>48,693</b>	<b>32,112</b>

At 30 April 2024 36.1 MDKK (30 April 2023: 27.7 MDKK) was recognised as an expense regarding other contractual commitments.

#### 32 Related party disclosures

AX V Nissens III ApS' related parties include the following:

Name	Registered office	Basis for controlling influence	Indirect ownership shares	Indirect share of votes
Axcel V K/S	Copenhagen	Immediate parent	54.2%	54.2%

There have not been any significant transactions between companies in the Group and above related parties in the year.

Wages and salaries have been paid to the Board of Directors and the Executive Board as listed in note 5.

Transactions between group entities, including sales, purchase and credit facilities are made at market terms and have been eliminated in the consolidated financial statements.

#### 33 Events after the reporting period

After the balance sheet date, no events have occurred that may have influenced the assessment of the financial statements for the year 1 May 2023 – 30 April 2024.

## Consolidated financial statements

### Notes

#### 34 Standards issued but not yet effective

At the time of publication of this annual report, the IASB has issued the following new accounting standards and interpretations that are not mandatory for AX V Nissens III ApS' preparation of the 2023/24 annual report:

- ▶ Amendments to IAS 1 Presentation of financial statements
  - Classification of liabilities as current or non-current
  - Non-current liabilities with covenants
- ▶ Amendment to IFRS 16 Leases: Lease liability in a sale and leaseback
- ▶ Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements
- ▶ Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of exchangeability

Not all of the above standards and interpretations are approved by EU. The approved standards and interpretations not in force will be implemented as they become mandatory for AX V Nissens III ApS. None of the above standards and interpretations are considered to have an impact on recognition and measurement for AX V Nissens III ApS.

## Parent financial statements

### Income statement

For the year 1 May - 30 April

Note	DKK'000	2023/2024	2022/2023
	Other external costs	-267	-187
	<b>Operating loss</b>	<b>-267</b>	<b>-187</b>
4	Net finance costs	66	-20
	<b>Result before tax</b>	<b>-201</b>	<b>-207</b>
5	Tax	48	30
	<b>Result for the year</b>	<b>-153</b>	<b>-177</b>

### Statement of other comprehensive income

For the year 1 May - 30 April

Note	DKK'000	2023/2024	2022/2023
	<b>Result for the year</b>	<b>-153</b>	<b>-177</b>
	<b>Total comprehensive income</b>	<b>-153</b>	<b>-177</b>

## Parent financial statements

### Balance sheet

Note	DKK'000	30 April 2024	30 April 2023
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
6	Investments in subsidiaries and associates	710,297	710,100
	<b>Total non-current assets</b>	<b>710,297</b>	<b>710,100</b>
	<b>Current assets</b>		
	Income tax receivable	36,592	58
	Trade and other receivables	59	35
	Cash and cash equivalents	695	319
	<b>Total current assets</b>	<b>37,346</b>	<b>412</b>
	<b>TOTAL ASSETS</b>	<b>747,643</b>	<b>710,512</b>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
7	Share capital	715	715
	Retained earnings	709,158	709,312
	<b>Total equity</b>	<b>709,873</b>	<b>710,027</b>
	<b>Current liabilities</b>		
	Income tax payable	37,770	0
	Payable to shareholder companies	0	485
	<b>Total current liabilities</b>	<b>37,770</b>	<b>485</b>
	<b>Total liabilities</b>	<b>37,770</b>	<b>485</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>747,643</b>	<b>710,512</b>

## Parent financial statements

### Cash flow statement

For the year 1 May - 30 April

Note	DKK'000	1 May 2023 – 30 April 2024	1 May 2022 – 30 April 2023
	<b>Operating activities</b>		
	Result before tax	-201	-207
4	Finance income	-66	-2
4	Finance expenses	0	22
8	Changes in working capital	6	-79
		<hr/>	<hr/>
		-261	-266
4	Finance income, received	66	2
5	Net income tax, received	1,283	8
		<hr/>	<hr/>
	<b>Net cash flows from operating activities</b>	<b>1,088</b>	<b>-256</b>
		<hr/>	<hr/>
	<b>Investing activities</b>		
	Share buy-back	-196	0
		<hr/>	<hr/>
	<b>Net cash flow from investing activities</b>	<b>-196</b>	<b>0</b>
		<hr/>	<hr/>
	<b>Financing activities</b>		
	Change in borrowings with related parties	-516	12
	Interest paid	0	-22
		<hr/>	<hr/>
	<b>Net cash flows from financing activities</b>	<b>-516</b>	<b>-10</b>
		<hr/>	<hr/>
	<b>Cash flow for the year</b>	<b>376</b>	<b>-266</b>
	Cash and cash equivalents at 1 May	319	585
		<hr/>	<hr/>
	<b>Cash and cash equivalents at 30 April</b>	<b>695</b>	<b>319</b>
		<hr/> <hr/>	<hr/> <hr/>

## Parent financial statements

### Statement of changes in equity

#### For the year ended 30 April 2024

DKK'000	Share capital	Retained earnings	Total
<b>Equity 1 May 2023</b>	<b>715</b>	<b>709,312</b>	<b>710,027</b>
<b>Total comprehensive income 30 April 2024</b>			
Profit for the year	0	-153	-153
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>-153</b>	<b>-153</b>
<b>Equity 30 April 2024</b>	<b>715</b>	<b>709,159</b>	<b>709,874</b>

#### For the year ended 30 April 2023

DKK'000	Share capital	Retained earnings	Total
<b>Equity 1 May 2022</b>	<b>715</b>	<b>709,489</b>	<b>710,204</b>
<b>Total comprehensive income 30 April 2023</b>			
Profit for the year	0	-177	-177
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>-177</b>	<b>-177</b>
<b>Equity 30 April 2023</b>	<b>715</b>	<b>709,312</b>	<b>710,027</b>

## **Parent financial statements**

### **Overview of notes for the consolidated financial statements**

#### Note

- 1 Accounting policies
- 2 Significant accounting judgements, estimates and assumptions
- 3 Fees paid to auditors appointed at the annual general meeting
- 4 Net finance costs
- 5 Income tax
- 6 Investments in subsidiaries and associates
- 7 Equity
- 8 Change in working capital
- 9 Pledges, collateral and contingencies etc.
- 10 Related party disclosures
- 11 Events after the reporting period
- 12 Standards issued but not yet effective

## Parent financial statements

### Notes

#### 1 Accounting policies

For the accounting policies, please refer to the consolidated financial statement's accounting policies on page 25.

##### Investments in subsidiaries

Dividends on investments in subsidiaries are recognised in the income statement of the Parent Company in the financial year in which the dividend is declared.

Investments in subsidiaries are measured at cost, including transaction costs.

If there is an indication of impairment, the carrying amount of investments in subsidiaries is tested for evidence of impairment.

When there is evidence that investments may be impaired, an impairment test is performed. Impairment is recognised at the recoverable amount, if this is lower than the carrying amount. The recoverable amount is the higher of the value in use or fair value less costs of disposal.

##### Receivables

For receivables from group entities, the expected credit loss-model (ECLs) is used.

For the credit loss-model is an expectation-based model, where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime (stage 1).

If a significant increase in the credit risk has occurred compared to original expectations, expected loss related to the assets is presumed, lifetime expected losses (stage 2).

The assets are written off, when there is no reasonable expectation to recover outstanding amounts based on the expected loss of the assets, lifetime expected losses (stage 3). Interest income is recognised in the income statement based on effective interest method according to the remaining asset.

Expected loss is estimated based on considered PD (probability of default), EAD (exposure at default) and LGD (losses by default), incorporated in Management's expectation for the future development and information available.

#### 2 Significant accounting judgements, estimates and assumptions

For the significant accounting judgements, estimates and assumptions, please refer to the consolidated financial statement's accounting policies in note 2.

#### 3 Fees paid to auditors appointed at the annual general meeting

DKK'000	1 May 2023 – 30 April 2024	1 May 2022 – 30 April 2023
Statutory audit	158	98
Tax and VAT advisory services	16	19
	<b>174</b>	<b>117</b>

## Parent financial statements

### Notes

#### 4 Net finance costs

<b>DKK'000</b>	<b>1 May 2023 – 30 April 2024</b>	<b>1 May 2022 – 30 April 2023</b>
Interest income, bank deposits, etc.	36	2
Interest income, Group entities	30	0
Total finance income	<b>66</b>	<b>2</b>

<b>DKK'000</b>	<b>1 May 2022 – 30 April 2023</b>	<b>1 May 2022 – 30 April 2023</b>
Interest expense, Group entities	0	21
Interests – other	0	1
Total finance expense	<b>0</b>	<b>22</b>

#### 5 Income tax

##### Income statement

<b>DKK'000</b>	<b>1 May 2023 – 30 April 2024</b>	<b>1 May 2022 – 30 April 2023</b>
<b>Current income tax</b>		
Tax for the current year can be specified as follows:		
Tax of the result of the year	-48	-30
	<b>-48</b>	<b>-30</b>

<b>DKK'000</b>	<b>1 May 2023 – 30 April 2024</b>	<b>1 May 2022 – 30 April 2023</b>
<b>Current income tax</b>		
Tax for the current year can be specified as follows:		
Current income tax charge	-44	-46
Adjustment to prior year	-4	16
	<b>-48</b>	<b>-30</b>

## Parent financial statements

### Notes

#### 5 Income tax (continued)

Tax on profit for the year can be explained as follows:

	<u>1 May 2023 – 30 April 2024</u>	<u>1 May 2022 – 30 April 2023</u>
<b>Accounting profit before income tax</b>		
Calculated 22 % tax on profit for the year	-44	-46
Tax effect of:		
Tax adjustment to prior year	-4	16
	<b>-48</b>	<b>-30</b>
Effective tax (%)	<u>24.0%</u>	<u>14.4%</u>

#### Income tax receivable

	<u>30 April 2024</u>	<u>30 April 2023</u>
Income tax receivable 1 May	58	36
Joint taxation contribution	16	0
Adjustments to prior year	-12	-16
Corporation tax paid during the year	-1,283	-8
Current tax for the year	44	46
<b>Income tax receivable 30 April</b>	<b>-1,178</b>	<b>58</b>

#### 6 Investments in subsidiaries

<b>DKK'000</b>	<u>30 April 2024</u>	<u>30 April 2023</u>
Cost 1 May	710,100	710,100
Addition	197	0
Cost 30 April	710,297	710,100
Carrying amount 30 April	<b>710,297</b>	<b>710,100</b>

<b>Name</b>	<b>Legal form</b>	<b>Registered office</b>	<b>Ownership 30 April 2024</b>	<b>Equity DKK'000</b>	<b>Profit/loss DKK'000</b>
Subsidiaries					
AX V Nissens II ApS	ApS	Horsens, Denmark	69.4%	1,228,392	65,183

## Parent financial statements

### Notes

#### 7 Equity

The share capital consists of 29,000,000 A- shares, 42,075,000 B-shares and 425,000 C-shares all with nominal value of 0,01 DKK each. The share classes have separate rights in terms of dividend distribution.

#### 8 Change in working capital DKK'000

	<u>30 April 2024</u>	<u>30 April 2023</u>
Change in receivables	6	-35
Change in other payables	0	-44
	<u>6</u>	<u>-79</u>

#### 9 Pledges, collateral, contingencies and commitments.

For information on the pledges, collateral contingencies and commitments please refer to note 28 in the consolidated financial statements.

#### 10 Related party disclosures

Besides the information on related parties, cf. note 0 in the consolidated financial statements, there have been intercompany balances between the subsidiary AX V Nissens ApS.

There has been paid wages and salaries to Board of Directors as given in note 5.

#### 11 Events after the reporting period

For information on events after the reporting period, please refer to note 33 in the consolidated financial statements.

#### 12 Standards issued, but not yet effective

For the note on standards issued, but not yet effective, please refer to note 0 in the consolidated financial statements.