

# Nissens<sup>®</sup>

DELIVERING THE DIFFERENCE

**Nissens Automotive Service A/S**

Ormhøjgårdvej 9, 8700 Horsens

CVR no. 42 21 07 49

Annual Report

12 March 2021 – 30 April 2022

The Annual Report was presented and approved at the Annual General Meeting of the Company on 11 July 2022

  
Lars Brøgger  
Chairman

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## Statement by management on the annual report

The Board of Directors and the Executive Board have today discussed and approved the annual report of Nissens Automotive Service A/S for the financial year 12 March 2021 - 30 April 2022

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30 April 2022 and of the results of the Company's operations for the financial year 12 March 2021 - 30 April 2022.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting

Horsens, 30 June 2022

Executive Board:



Klavs Pedersen  
CEO

Board of Directors:



Mikkel Krogslund Andersen  
Chairman



Klavs Pedersen



Morten Bøgetoft Thomsen

## **Independent auditor's report**

### **To the shareholder of Nissens Automotive Service A/S**

#### **Opinion**

We have audited the financial statements of Nissens Automotive Service A/S for the financial year 12 March 2021 - 30 April 2022, which comprise income statement, balance sheet, statement of changes in equity and notes including accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30 April 2022 and of the results of the Company's operations for the financial year 12 March 2021 - 30 April 2022 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of 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 Company 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.

#### **Management's responsibilities for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **Independent auditor's report**

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

- ▶ Identify and assess the risks of material misstatement of the 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 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 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 Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

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

Management is responsible for the Management's review.

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

## Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

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

Odense, 30 June 2022

EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



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Søren Smedegaard Hvid  
State Authorised Public Accountant  
Mne31450



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Henrik Carstensen  
State Authorised Public Accountant  
Mne47765

## Management's review

### Company details

Name	Nissens Automotive Service A/S
Address, postal code, city	Ormhøjgårdvej 9, 8700 Horsens, Denmark
CVR.no.	42 21 07 49
Registered office	Horsens
1. Financial year	12 March 2021 – 30 April 2022
Financial year	1 May -30 April
Board of Directors	Mikkel Kroglund Andersen / Chairman Klavs Pedersen Morten Bøgetoft Thomsen
Executive board	Klavs Pedersen
Auditors	EY Godkendt Revisionspartnerselskab
Bankers	Nordea

## **Management's review**

### **Business activities**

Nissens Automotive Service A/S is a production company within the Nissens Automotive Group. The main activities are manufacturing of special radiators for engine cooling.

### **Business and Financial review**

The Company's income statement for the year ended 30 April 2022 shows a profit before tax of DKK 1,579 thousand, and the balance sheet at 30 April 2022 shows equity of DKK 5,232 million.

Management regards the result of Nissens Automotive Service A/S for the financial year 2021/2022 as satisfactory.

### **Significant events occurring after end of reporting period**

No events have occurred after the balance sheet date which could significantly affect the Company's financial position.



## Financial statements

### Income statement

For the period 12 March - 30 April

Note	DKK'000	2021/2022
	<b>Gross margin</b>	<b>17,466</b>
2	Staff costs	-15,658
	Depreciation, amortization and impairment of intangible fixed assets and property, plant and equipment	-222
	<b>Profit before financial income and expenses</b>	<b>1,586</b>
3	Financial income	15
4	Finance expenses	-22
	<b>Profit/loss before tax</b>	<b>1,579</b>
5	Tax on profit/loss for the year	-347
	<b>Net profit/loss for the year</b>	<b>1,232</b>
	<b>Proposed distribution of profit</b>	
	Proposed dividend for the year	0
	Retained earnings	1,232
		<b>1,232</b>

## Financial statements

### Balance sheet at 30 April

Note	DKK'000	2021/2022
	<b>Assets</b>	
	Plant and machinery	2,098
6	<b>Total tangible fixed assets</b>	<b>2,098</b>
	<b>Total fixed assets</b>	<b>2,098</b>
	Raw materials and consumables	11,720
	Work in progress	3,964
	Finished goods and goods for resale	182
	<b>Stocks</b>	<b>15,866</b>
	Trade receivables	2,982
	Receivables from group entities	20,188
	Other receivables	962
	<b>Receivables</b>	<b>24,132</b>
	Cash	20
	<b>Total current assets</b>	<b>40,018</b>
	<b>Total assets</b>	<b>42,116</b>

## Financial statements

### Balance sheet at 30 April

Note DKK'000

2021/2022

	<b>Equity and liabilities</b>	
	<b>Equity</b>	
7	Share capital	1,000
	Retained earnings	4,232
	<b>Total equity</b>	<b>5,232</b>
	<b>Provisions</b>	
	Provision for deferred tax	117
	<b>Total provisions</b>	<b>117</b>
	Other payables	1,427
8	<b>Long-term debt</b>	<b>1,544</b>
	Trade payables	13,900
	Payables to group entities	18,101
	Corporation tax	230
	Other payables	3,109
	<b>Short-term debt</b>	<b>35,340</b>
	<b>Total liabilities</b>	<b>36,884</b>
	<b>Total equity and liabilities</b>	<b>42,116</b>
9	Contingent assets, liabilities and other financial obligations	
10	Related parties and ownership	

## Financial statements

### Statement of changes in equity

DKK'000	Share capital	Share premium	Retained earnings	Total
<b>Equity 12 March 2021</b>	1,000	3,000	0	4,000
Transfer	0	-3,000	3,000	0
Net profit for the year	0	0	1,232	1,232
<b>Equity at 30 April 2022</b>	<b>1,000</b>	<b>0</b>	<b>4,232</b>	<b>5,232</b>

## Financial statements

### Notes

#### 1 Accounting policies

The annual report of Nissens Automotive Service A/S for 2021/2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B and elective choice of certain provisions applying to reporting class C entities.

The annual report for 2021/2022 is presented in DKK'000.

#### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the Company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

#### Income statement

##### Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition. Income from the sale of finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

##### Costs of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions as well as other social security contributions, etc. made to the Company's employees. The item is net of refunds made by public authorities.

## Financial statements

### Notes

#### 1 Accounting policies (continued)

##### Amortisation, depreciation and impairment losses

The item comprises depreciation of property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Plant and machinery	5-10 years
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The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

##### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, financing costs from factoring agreements, dividends declared from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

##### Tax on profit/loss for the year

The Company is subject to the Danish rules on compulsory joint taxation of the group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

The Company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

##### Balance sheet

##### Property, plant and equipment

Property, plant and equipment comprise land and buildings, leasehold improvements, production equipment, machinery and other fixtures, fittings, tools and equipment. Property, plant and equipment are measured at cost less accumulated depreciation and write-downs.

The cost of self constructed assets includes the cost of direct materials and labour, etc. directly used in the production process and a portion of the relating production overheads.

## Financial statements

### Notes

#### 1 Accounting policies (continued)

##### Impairment of fixed assets

The carrying amount of intangible fixed assets, property, plant and equipment and investments in subsidiaries and associates is reviewed for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there are indications of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Land is not depreciated.

##### Stocks

Stocks are measured using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and indirect cost of production.

Production overheads include the indirect cost of materials, wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the cost.

##### Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

## Financial statements

### Notes

#### 1 Accounting policies (continued)

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

##### Equity

###### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### Provisions

Provisions comprise expected expenses relating to guarantee commitments, losses on work in progress, reconstructions etc. Provisions are recognised when as a result of a past event the Company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Warranty commitments include expenses for remedial action in respect of the contract work within the warranty period. Provisions for warranty commitments are measured at net realisable value and recognised based on past experience.

Provisions expected to be settled after more than one year after the balance sheet date are measured at the net present value of the expected payments. Other provisions are measured at net realisable value.

##### Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss allowed for carry forward are measured at the value to which the asset is expected to be realised, either by elimination in tax on future income or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.



## **Financial statements**

### **Notes**

#### **1 Accounting policies (continued)**

##### **Liabilities**

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

##### **Foreign currency translation**

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

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

## Financial statements

### Notes

#### 2 Staff costs

	<b>12 March 2021– 30 April 2022</b>
<b>DKK'000</b>	
Wages and salaries	14,471
Pensions	911
Other social security costs	276
<b>Total employee benefit expense</b>	<b>15,658</b>
Average number of full time employee	35

#### 3 Financial income

	<b>12 March 2021– 30 April 2022</b>
<b>DKK'000</b>	
Interest receivable, group entities	11
Foreign exchange rate gain	4
	<b>15</b>

#### 4 Financial expenses

	<b>12 March 2021– 30 April 2022</b>
<b>DKK'000</b>	
Interest expenses, other	3
Other finance expenses	19
	<b>22</b>

#### 5 Tax on profit/loss for the year

	<b>12 March 2021– 30 April 2022</b>
<b>DKK'000</b>	
Estimated tax charge for the year	230
Deferred tax for the year	117
	<b>347</b>

## Financial statements

### Notes

#### 6 Tangible fixed assets

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment in progress	Total
Cost 12 March 2021	0	0	0	0	0
Additions for the year	0	333	1,995	0	2,328
Disposals during the year	0	-8	0	0	-8
Cost 30 April 2022	0	325	1,995	0	2,320
Impairment losses and depreciation at 12 March 2021	0	0	0	0	0
Depreciation for the year	0	35	187	0	222
Impairment losses and depreciations at 30 April 2022	0	35	187	0	222
<b>Carrying amount 30 April 2022</b>	<b>0</b>	<b>290</b>	<b>1,808</b>	<b>0</b>	<b>2,098</b>

#### 7 Equity

The share capital consists of:

	Nominal value
1,000,000 shares of DKK 1 thousand nominal value each	1,000
	<b>1,000</b>

There have been no changes in the share capital since the establishment in 2021/2022

## Financial statements

### Notes

#### 8 Long-term debt

DKK'000	Debt at 12 March 2021	Debt at 30 April 2022	Payment within 1 year	Payment between 1 – 5 years	Debt af- ter 5 years
Other payables	0	1,427	0	0	1,427
	<b>0</b>	<b>1,427</b>	<b>0</b>	<b>0</b>	<b>1,427</b>

#### 9 Contingent assets, liabilities and other financial obligations

##### Recourse and non-recourse guarantee commitments

The Company is jointly taxed with its parent company, AX V Nissens III ApS (management company), and is jointly and severally liable with the other jointly taxed entities for the payment of income taxes as well as withholding taxes on interest, royalties and dividends.

##### Other contingent liabilities

The Nissens Group has a cash pool agreement, under which the parent company, K. Nissens International A/S, is the holder of the agreement, while other group companies are sub-account holders. The bank can settle drafts and deposits with each other, so the net amount constitutes a balance between the bank and K. Nissens International A/S. For Nissens Automotive Service A/S intercompany balances, DKK -17,364 thousand are included in the joint cash pool agreement.

#### 10 Related parties and ownership

##### Controlling interest

NA International A/S, Horsens, Denmark

K. Nissen International A/S, Horsens, Denmark

AX V Nissens ApS, Horsens, Denmark

AX V Nissens I ApS, Horsens, Denmark

AX V Nissens II ApS, Horsens, Denmark

AX V Nissens III ApS, Horsens, Denmark

##### Consolidated financial statements

The Company is included in the group annual report of

Ultimate:

AX V Nissens III ApS, CVR no. 38 64 73 50

Immediate:

K. Nissen International A/S, Horsens, CVR no. 70 60 69 17