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DELIVERING THE DIFFERENCE

K. Nissen International A/S

Ormhøjgårdvej 9, 8700 Horsens

CVR no. 70 60 69 17

Annual report

1 May 2017 - 30 April 2018

The Annual Report was presented and approved at the Annual General Meeting of the company on 6/7 2018

Niels Jacobsen
Chairman

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Statement by Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of K. Nissen International A/S for the financial year 1 May 2017 - 30 April 2018.

The annual report is prepared in accordance with 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 Company at 30 April 2018 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 May 2017 - 30 April 2018.

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


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

Horsens, 6 July 2018
Executive Board:



Mikkel Kroghslund Andersen
CEO

Board of Directors:

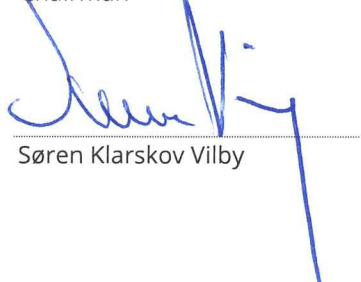


Niels Jacobsen
Chairman



Lars Cordt
Vice Chairman

Alan Nissen
Vice Chairman



Søren Klarskov Vilby

Povl Christian Lütken Frigast

Independent auditor's report

To the shareholders of K. Nissen International A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of K. Nissen International A/S for the financial year 1 May 2017 - 30 April 2018, which comprise an income statement, balance sheet, statement of changes in equity, consolidated cash flow statement and notes, including accounting policies, for both the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with 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 2018, and of the results of the Group and parent Company's operations as well as the consolidated cash flows for the financial year 1 May 2017 - 30 April 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the consolidated financial statements and the parent company financial statements

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

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

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

Independent auditor's report

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

- ▶ Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the Parent Company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the Parent Company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is 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 consolidated financial statements and the parent company financial statements, including the note disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on Management's review

Management is responsible for the Management's review.

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

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

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

Independent auditor's report

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

Kolding, 6 July 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Brian Skovhus Jakobsen
State Authorised Public Accountant
MNE no. mne27701



Morten Østergaard Koch
State Authorised Public Accountant
MNE no. mne35420

Management's review

Company details

Name	K. Nissen International A/S
Address, postal code, city	Ormhøjgårdvej 9, 8700 Horsens, Denmark
CVR.no.	70 60 69 17
Registered office	Horsens
Financial year	1 May -30 April
Board of Directors	Niels Jacobsen / chairman Lars Cordt / Vice Chairman Alan Nissen / Vice Chairman Søren Klarskov Vilby Povl Christian Lütken Frigast
Executive board	Mikkel Kroglund Andersen
Auditors	Ernst & Young Godkendt Revisionsanpartsselskab Kolding Åpark 1. 3. sal, 6000 Kolding, Danmark
Bankers	Nordea Danmark, filial af Nordea Bank AB (publ), Sverige Nykredit A/S

Management's review

Financial highlights for the Group

In DKK millions,	2017/2018	2016/2017	2015/2016	2014/2015	2013/2014
Key figures					
Revenue	1,675.7	1,603.6	1,380.1	1,094.4	956.7
Earnings before interest, Taxes, Depreciation and Amortisation (EBITDA)	197.2	206.6	152.9	124.5	116.6
Profit/loss before financial income and expense	169.1	181.6	130.2	100.7	91.3
Net finance costs	-47.8	-5.0	-9.3	-11.1	-11.8
Profit/loss for the period	92.7	136.2	93.1	68.0	59.9
Total assets	1,127.5	1,073.1	960.5	848.1	743.2
Equity	585.3	510.1	399.1	329.8	291.2
Cash flows from operating activities	109.6	205.7	52.3	15.9	61.2
Cash flow from investments in fixed assets	-32.7	-46.1	-24.0	25.7	33.5
Financial ratios					
Operating margin	10.1%	11.3%	9.4%	9.2%	9.5%
Gross margin	34.2%	34.4%	34.0%	36.3%	38.1%
EBITDA-margin	11.8%	12.9%	11.1%	11.4%	12.2%
Return of assets	15.5%	17.9%	14.4%	12.7%	12.7%
Current ratio	245.4%	211.5%	194.4%	125.8%	121.5%
Solvency ration	51.9%	47.5%	41.6%	38.9%	39.2%
Return on equity	17.0%	30.0%	25.6%	21.9%	20.8%
Average number of full-time employees	1,331	1,215	1,189	939	763

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios, "Recommendations and Financial Ratios".

Management's review

Management commentary

The Nissens Group develops, manufactures and markets cooling systems for the international automotive aftermarket and customized cooling systems for the renewable energy and special vehicles segments. The Nissens Group is considered a market leading brand in the automotive aftermarket for thermal solutions. In addition, the Group is a global leading company in cooling systems to on- and offshore wind turbines and a leading niche manufacturer of cooling solutions for off-road applications. The Nissens Group is known for a strong brand, a wide product range, consistently high service levels, product quality, engineering capabilities, customisation and innovation.

The Nissens Group consists of two business units: Nissens Automotive, selling to wholesalers and distributors in the aftermarket ; and Nissens Cooling Solutions, covering development and sales to two segments; the wind energy industry and the industrial segment, targeting respectively global wind turbine OEMs and global heavy duty equipment OEMs.

The Nissens Group is head quartered in Horsens, Denmark, with most of the production being undertaken at two production facilities in Slovakia, three production facilities in Denmark and one production site in China. The Nissens Group consists of 22 Subsidiaries across three continents with activities within sales, production and distribution. As of 30 April 2018, the Nissens Group employs 1,333 FTEs, of which 692 are located in Slovakia, 448 are located in Denmark, 115 are located in China and 78 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 factory in Slovakia, and a further factory was established in 2010 in Tianjin, China. Since 2013, the Nissens Group has established an assembly setup in North Carolina, USA, and expanded its buildings in Slovakia.

In June 2017 AX V Nissens Aps acquired the entire share capital of K. Nissen International A/S from Advanced Cooling A/S.

Automotive Business Unit

The Automotive business unit is specialized in production and supply of products within engine cooling and climate solutions. As an independent aftermarket leading company of most essential thermal system components, the Nissens Group has a broad product portfolio coverage covering above 95% of the European car park including, *inter alia*, radiators, condensers, compressors and intercoolers. The product range of the Nissens Group covers products from the fast moving to the more special parts of the European, Asian and American vehicle brands.

Cooling Solutions Business Unit

The Cooling Solutions Business Unit is specialized in the development and production of customized cooling solutions for a number of application areas. The Cooling Solutions Business Unit fully manufactures products for its own end customers. The wind segment delivers cooling systems and modules

Management's review

Business review (continued)

to the wind industry, whereas the industry segment is focused on heavy duty cooling solutions within special machinery such as construction equipment, mining machinery and agricultural machines.

Production and operations

The Nissens Group maintains six manufacturing facilities; three in Denmark, two production facilities in Slovakia and one production site in China.

Research & development

Research and development is essential to secure future development and growth, and therefore the Nissens Group continues to spend considerable resources in R&D activities. The R&D activities and the test facilities drives a range of product applications for future launch and will support the ongoing product development activities.

Knowledge resources

At Nissens, we wish that all employees are able to live up to the constantly changing demands relating to our working processes. As a result, we attach great importance to the training and education of our employees in order for each of them to be able at all times to deliver a good effort and a flawless product. The training takes place in both internal and external courses, and in this way we have gained a profound know-how of all the processes concerning processing of aluminum and development of applications within thermal solutions.

Account of the gender composition of Management

Nissens has a policy for diversity and equality. The supervisory board is thus monitoring the gender and cultural combination across management levels.

It is our policy that regardless of gender, race, and religion, all employees must be treated equally, in order that everyone has equal opportunities for employment. We want to increase the representation of women in the group management team supporting the CEO, and we therefore strive to have at least one of each gender among the final candidates. The share of women in the group management team supporting the CEO is 17%.

It was our aim that a minimum 20% of the supervisory board is represented by women compared to the current representation of 0%. The target has not been reached in 2017/18 due to lack of experienced female board members with specific industrial sector knowledge. It is the target that at least one woman is represented in the Board of Directors by 2021.

Corporate Social Responsibility

The Company has not drawn up a separate Corporate Social Responsibility report as this is reflected in the Annual report of AX V Nissens Aps.

Management's review

Financial review

The strategy initiated more than seven years ago continues to generate growth for the company. The net revenue in the fiscal year 2017/18 amounts to DKK 1,676 million, which is an increase of DKK 72 million or 4.5% compared to the last fiscal year. The net income for the year is DKK 93 million compared to a net income of DKK 136 million last year. The decline in Net Income is explained by settlement of an interest rate swap of DKK 34 million, which in previous years was provisioned against directly on equity, as well as unsatisfactory performance of the Wind segment and organizational ramp-up to support the company's strategy.

The balance sheet total amounts to DKK 1,127 million and the equity capital amounts to DKK 585 million, equal to a debt equity ratio of 51.9%.

Nissens decreased the operating profit from DKK 182 to DKK 169 million and corresponding to an operating margin of 10.1%.

Cash Flow from Operating Activities declined from DKK 206 million down to DKK 110 million mainly due to changes in inventories of DKK 77 million, partly from low stock level end of 2016/17 and partly from comparable build-up of stock level for the 2018/19 high season.

The financial results of the Automotive Business unit and the Industrial segment are in line with expectations and management regards the results of both as satisfactory. The wind Industry is undergoing a period of strategic change challenging the performance of the Nissens groups Wind segment.

Except for the impact from the Wind segment Management regards the result of K Nissen International A/S for the year 1 May 2017 – 30 April 2018 as satisfactory.

Outlook

The Nissens Group expects an improved result in the financial year 2018/2019 compared to 2017/2018 with growth in Revenue to above 1,700 and an EBITDA above 200 mDKK.

Events after the balance sheet date

After the balance sheet date, no other events have occurred that may have influence on the assessment of the annual report.

Special risks

Market risks:

Customer and market related risks are assessed as limited, considering the large spread of both customers and markets.

The Group is, however, dependent of effective international trade relations between nations.

Currency risks:

The majority of Groups activities implies currency risks in connection with the purchase and sales of goods and services in foreign currencies. These currency risks are monitored and covered, within the limitations of the financial policy approved by the board of directors.

Credit risks:

Nissens' activities imply a credit risk in connection with sales to customers in a number of countries throughout the world. We take measures to cover these outstanding debts in the best possible way – for instance by taking out credit insurances.

Consolidated financial statements

Income statement

For the period 1 May 2017 - 30 April 2018

Note	DKK'000	2017/2018	2016/2017
2	Revenue	1,675,667	1,603,628
	Cost of raw materials and consumables	-859,439	-796,071
	Other operating income	9,489	9,223
	Other external costs	-253,175	-264,841
	Gross margin	572,542	551,939
3	Staff costs	-375,328	-345,353
	Depreciation and amortisation	-28,133	-24,937
	Profit/loss before net financials	169,081	181,649
	Finance income	0	37
4	Finance costs	-47,764	-5,084
	Profit before tax	121,317	176,602
5	Tax for the year	-28,647	-40,369
	Profit for the period	92,670	136,233

Consolidated financial statements

Balance sheet

Note	DKK'000	30 April 2018	30 April 2017
	ASSETS		
	Fixed assets		
6	Intangible assets		
	Development projects	1,097	0
	Acquired intangible assets	3,696	4,185
	Development projects in progress and prepayments for intangible assets	155	275
		4,948	4,460
7	Property, plant and equipment		
	Land and buildings	154,585	150,620
	Plant and machinery	65,395	62,839
	Other fixtures and fittings, tools and equipment	5,252	4,838
	Property, plant and equipment in progress	2,935	2,846
		228,167	221,143
8	Investments		
	Investments in associates	16	52
	Deposits	1,485	1,715
		1,501	1,767
	Total fixed assets	234,616	227,370
	Non-fixed assets		
	Inventories		
	Raw materials and consumables	88,933	75,877
	Work in progress	105,253	82,555
	Finished goods and goods for resale	247,373	210,522
	Prepayments for goods	13,602	8,563
		455,161	377,517
	Receivables		
	Trade receivables	306,029	320,705
	Receivables from group entities	32,518	0
20	Deferred tax assets	5,385	4,172
	Other receivables	28,036	26,705
9	Prepayments	4,956	7,620
		376,924	359,202
	Securities and investments	2	2
	Cash and cash equivalents	60,795	108,942
	Total non-fixed assets	892,882	845,663
	TOTAL ASSETS	1,127,498	1,073,033

Consolidated financial statements

Balance sheet

Note	DKK'000	30 April 2018	30 April 2017
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	700	700
	Retained earnings	534,556	459,415
	Proposed dividend	50,000	50,000
	Total equity	585,256	510,115
	Provisions		
10	Deferred tax liabilities	5,466	1,030
11	Other provisions	10,213	13,056
	Total provisions	15,679	14,086
	Non-current liabilities		
12	Mortgage debt	162,700	148,915
	Total non-current liabilities	162,700	148,915
	Current liabilities		
	Current portion of long-term liabilities	0	10,769
	Trade payables	210,494	204,885
	Income tax payable	25,959	29,529
13	Other payables	121,242	149,964
	Deferred income	6,168	4,770
	Total current liabilities	363,863	399,917
	Total liabilities	542,242	548,832
	TOTAL EQUITY AND LIABILITIES	1,127,498	1,073,033

Consolidated financial statements

Cash flow statement

For the period 1 May 2017 - 30 April 2018

Note	DKK'000	30 April 2018	30 April 2017
	Profit for the year	92,670	136,233
20	Adjustments	103,993	75,658
	Cash generated from operations (operating activities)	196,663	211,891
21	Changes in working capital	-40,106	32,418
	Cash generated after operations	156,557	244,309
	Finance received	0	37
	Finance paid	-5,183	-5,084
	Income tax paid	-41,731	-33,584
	Cash flows from operating activities	109,643	205,678
	Investing activities		
	Purchase of intangible assets	-3,113	-3,051
	Purchase of property, plant and equipment	-32,695	-46,136
	Proceeds from sale of property, plant and equipment	83	2,816
	Change in deposits	230	-711
	Net cash flows used in investing activities	-35,495	-47,082
	Financing activities		
	Dividends distributed	-50,000	-25,000
	Proceeds from borrowings	8,187	0
	Repayment of borrowings	-5,383	-13,341
	Proceeds from related parties	-32,518	0
	Other cash flows from financing activities	-42,581	0
	Net cash flows from financing activities	-122,295	-38,341
	Cash flow for the period	-48,147	120,255
	Cash and cash equivalents at 1 May 2017	108,942	-11,313
	Cash and cash equivalents at 30 April	60,795	108,942

The group has unused credit facilities amounting to DKK 124,000 thousands.

Consolidated financial statements

Statement of changes in equity

For the period 1 May 2017 - 30 April 2018

DKK'000	Share capital	Retained earnings	Dividend proposed for the year	Total equity
Equity 1 May 2016	700	373,435	25,000	399,135
Corporate acquisitions	0	-851	0	-851
Transfer through appropriation of profit	0	86,233	50,000	136,233
Exchange rate adjustment	0	-2,574	0	-2,574
Other value adjustments of equity	0	3,172	0	3,172
Dividend distributed	0	0	-25,000	-25,000
Equity at 1 May 2017	700	459,415	50,000	510,115
Transfer through appropriation of profit	0	42,670	50,000	92,670
Exchange rate adjustment	0	-2,363	0	-2,363
Other value adjustments of equity	0	34,834	0	34,834
Dividend distributed	0	0	-50,000	-50,000
Equity 30 April 2018	700	534,556	50,000	585,256

Consolidated financial statements

Overview of notes for the consolidated financial statements

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Consolidated financial statements

Notes

1 Accounting policies

The annual report of K. Nissen International A/S for 2017/18 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Reporting currency

The consolidated financial statements is presented in Danish kroner, rounded to the nearest DKK thousand.

Consolidated financial statements

The consolidated financial statements comprise K. Nissen International A/S (the parent company) and enterprises (subsidiaries) in which the parent - directly or indirectly - holds more than 50% of the voting rights or otherwise has a controlling interest. Enterprises in which the parent - directly or indirectly - holds between 20% and 50% of the voting rights or otherwise exercises significant influence are considered associates.

Associates are recognised in the consolidated financial statements at their net asset value.

The financial statements of the group enterprises are prepared in accordance with the accounting policies applied by the parent. The consolidated financial statements are prepared on the basis of the financial statements of the parent and the group enterprises by aggregating items of a similar nature.

Intra-group income, expenses, losses, profits and balances are eliminated.

Investments in group enterprises are eliminated with the proportionate share of the net asset value of the group enterprise concerned.

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.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the date of the statement of financial position. The difference between the exchange rates at the end of the reporting period and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised in profit or loss as financial income or financial expenses.

Foreign group entities

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.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in "Other receivables" and "Other payables", respectively.

Consolidated financial statements

Notes

1 Accounting policies (continued)

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future assets or liabilities are recognised in other receivables or other payables, respectively, and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

Income statement

Revenue

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.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

Cost of sales

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

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 pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Consolidated financial statements

Notes

1 Accounting policies (continued)

Depreciations

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:

Acquired intangible assets	2-5 years
Development projects	5 years
Buildings	20-25 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	2-5 years

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.

Land is not depreciated.

Income from investments in subsidiaries and associates

The item includes the Company's proportionate share of the profit/loss for the year in subsidiaries and associates after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

Finance 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

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Consolidated financial statements

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Intangible assets comprise software licences and other acquired rights and development projects.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

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.

Investments in subsidiaries and associates

On initial recognition, investments in subsidiaries and associates are measured at cost and subsequently at the proportionate share of the entities' net asset values calculated in accordance with the parent company's accounting policies minus or plus any residual value of positive or negative goodwill calculated in accordance with the purchase method of accounting. Subsidiaries and associates with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such entities are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the entity's deficit. Net revaluations of investments in subsidiaries and associates are transferred to the net revaluation reserve according to the equity method where the carrying amount exceeds the acquisition cost.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

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

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Consolidated financial statements

Notes

1 Accounting policies (continued)

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

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

Production overheads comprise the indirect cost of material and labour as well as maintenance and amortisation/depreciation of intangible assets and property, plant and equipment used in the production process.

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 has been impaired, an impairment loss is recognised on an individual basis.

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. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Securities and investments

Securities and investments consisting in listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

Cash

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

Equity

Reverse for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

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".

Consolidated financial statements

Notes

1 Accounting policies (continued)

Proposed dividends

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date 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.

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 taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised 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. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Consolidated financial statements

Notes

1 Accounting policies (continued)

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

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

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

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios".

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Profit/loss before net financials} \times 100}{\text{Revenue}}$
Gross margin ratio	$\frac{\text{Gross margin} \times 100}{\text{Revenue}}$
EBITDA-margin	$\frac{\text{EBITDA}}{\text{Revenue} \times 100}$
Return on assets	$\frac{\text{Profit/loss before net financials} \times 100}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$

Consolidated financial statements

Notes

2 Segment information

For management purposes, the Group is organised into business units based on its products and services and has two reportable business units, as follows:

- ▶ Nissens Automotive
- ▶ Nissens Cooling Solutions

No operating segments have been aggregated to form the above reportable operating business units.

1 May 2017 – 30 April 2018	Automotive	Cooling Solution	Total segments
	MDKK	MDKK	MDKK
Revenue	860.7	815.0	1,675.7

Geographic information

Revenue from external customer	
Denmark	265.2
Germany	255.3
Other	1,155.2
	1,675.7

3 Staff costs

DKK'000	1 May 2017 – 30 April 2018	1 May 2016 – 30 April 2017
Wages and salaries	349,494	296,751
Pensions	8,832	30,775
Other Social security costs	17,002	17,827
Total employee benefit expense	375,328	345,353
Average number of full time employee	1,331	1,215

4 Net finance costs

Finance costs DKK'000	1 May 2017 – 30 April 2018	1 May 2016 – 30 April 2017
Interests - borrowings	4,428	0
Other finance expenses	43,336	5,084
Total finance costs	47,764	5,084

Consolidated financial statements

Notes

5 Tax for the year

DKK'000	1 May 2017 – 30 April 2018	1 May 2016 – 30 April 2017
Estimated tax charge for the year	35,025	40,983
Deferred tax adjustments in the year	-6,375	96
Tax adjustments, prior year	-3	-710
	<u>28,647</u>	<u>40,369</u>

6 Intangible assets

DKK'000	Development projects	Acquired in- tangible as- sets	Intangible assets in progress	Total
Cost 1 May 2017	0	13,921	275	14,196
Currency translation	0	82	0	82
Addition	1,091	1,867	155	3,113
Transferred	0	275	-275	0
Disposals	0	-1,030	0	-1,030
Cost 30 April 2018	<u>1,091</u>	<u>15,115</u>	<u>155</u>	<u>16,361</u>
Amortisation and impairment 1 May 2017	0	9,736	0	9,736
Currency translation	0	-14	0	-14
Amortisation	0	2,714	0	2,714
Disposal	0	-1,023	0	-1,023
Amortisation and impairment 30 April 2018	<u>0</u>	<u>11,413</u>	<u>0</u>	<u>11,413</u>
Carrying amount 30 April 2018	<u>1,091</u>	<u>3,702</u>	<u>155</u>	<u>4,948</u>

Development projects comprise of development cost for new technology and products. New technology and products are expected to strengthen the group's market position.

Consolidated financial statements

Notes

7 Property, plant and equipment

DKK'000	Land and buildings	Plant and machin- ery	Other fix- tures and fittings	Construc- tion in progress	Total
Cost 1 May 2017	313,762	326,794	39,279	2,846	682,681
Currency translation	129	-438	-133	0	-441
Additions	13,578	13,864	2,319	2,935	32,696
Transferred	32	2,430	384	-2,846	0
Disposals	-23	-521	-506	0	-1,050
Cost 30 April 2018	327,478	342,129	41,343	2,935	713,885
Depreciation and impairment 1 May 2017	163,142	263,955	34,441	0	461,538
Currency translation	20	-222	-87	0	-289
Depreciation	9,747	13,509	2,163	0	25,419
Disposals	-16	-508	-426	0	-950
Depreciation and impairment 30 April 2018	172,893	276,734	36,091	0	485,718
Carrying amount 30 April 2018	154,585	65,395	5,252	2,935	228,167

Consolidated financial statements

Notes

8 Investments in subsidiaries

DKK'000	Investments in associated, net asset value	Deposits, investment	Total
Cost at 1 May 2017	18	1,715	1,733
Additions in the year	0	0	0
Disposal in the year	-2	-230	-232
Cost at 30 April 2018	16	1,485	1,501
Value adjustments at 1 May 2017	34	0	34
Transfer for the year	-34	0	-34
Value adjustments at 30 April 2018	0	0	0
Carrying amount at 30 April 2018	16	1,485	1,501

Name	Legal form	Registered of- fice	Owner- ship	Equity DKK '000	Profit/loss DKK '000
Subsidiaries					
Nissens A/S	A/S	Denmark	100%	415,073	58,254
Nissen France EURL	EURL	France	100%	6,310	937
Radiadores Nissen S.A.	S.A	Spain	100%	12,380	1,877
Nissens Sverige A.B.	A.B	Sweden	100%	1,975	164
Nissens Schweiz A.G.	A.G	Switzerland	100%	2,169	128
Nissens Portugal LDA	Lda.	Portugal	100%	1,028	58
Chlodnice Nissens Polska Sp.zo.o.	Sp. Zo.o	Poland	100%	3,145	147
Nissens Belgium S.A.	S.A	Belgium	100%	3,952	277
Nissens Hungaria Jarmuhuto Kft	Ktf.	Hungary	100%	2,606	176
Nissens Italia S.R.L.	S.r.l	Italy	100%	2,464	367
Nissens Finland OY	OY	Finland	100%	7,838	280
Nissens North America Inc	Inc,	USA	100%	15,672	3,197
Nissens Slovakia S.R.O.	S.r.o	Slovakia	100%	67,765	23,420
Nissens Ukraine Ltd	Ltd.	Ukraine	100%	-3,906	-629
Nissens Cooling Solutions Inc	Inc	USA	100%	2,066	88
Nissens Cooling Systems (Tianjin) Co Ltd	Ltd.	China	100%	13,973	7,134
Nissens Deutschland GmbH	GmbHU	Germany	100%	2,724	1,793
Nissens Slovakia North S.R.O.	S.r.o	Slovakia	100%	467	290
Nissens (Shanghai) Auto Parts Trading Ltd.	Ltd.	China	100%	26,154	-3,210
Associates					
Nissens Japan		Japan	20%	80	-170
K. Nissens International A/S shares of Nissens Japan				16	-34

Consolidated financial statements

Notes

9 Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

10 Deferred tax

DKK'000	30 April 2018	30 April 2017
Deferred tax 1 May	-3,142	3,107
Currency translation	-1	-14
Deferred tax for the period recognised in profit for the period	-6,375	96
Deferred tax for the period recognised directly on equity	9,599	-12
Movement from other accounts	0	-6,319
Deferred tax 30 April	81	-3,142
Reflected in the statement of financial position as follows:		
Deferred tax assets	-5,385	-4,172
Deferred tax liabilities	5,466	1,030
Deferred tax, net	81	-3,142

11 Provisions

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

DKK'000	30 April 2018	30 April 2017
Balance at beginning of year at 1 May	13,056	7,306
Provision in year	0	5,750
Reversal during the year	2,843	0
Deferred tax, net	10,213	13,056

12 Non-current liabilities other than provisions

DKK'000	Total debt at 30/4 2018	Repayment, next year	Long-term portion	Outstanding debt after 5 year
Mortgage debt	162,700	0	16,253	146,447

Consolidated financial statements

Notes

13 Other payables DKK'000

	30 April 2018	30 April 2017
Derivative financial instruments	0	43,298
Other accrued expenses	121,242	106,666
	<u>121,242</u>	<u>149,964</u>

14 Hedging

The Company has entered into currency hedging agreements covering purchase in foreign currency. The fair value of hedging agreements as of 30 April 2018 amounts to DKK 1,010 thousand and will expire within three month after the balance sheet date.

15 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK'000	30 April 2018	30 April 2017
0-1 year	12,731	10,098
1-5 year	11,807	6,806
>5 years	1,489	1,993
	<u>26,027</u>	<u>18,897</u>

Rent liabilities and payments under operating leases concerning cars, gas plant and computer equipment.

Other contingent liabilities

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

16 Pledges, collateral and commitments

Collateral

Land and buildings with a carrying amount of 75.1 MDKK have been pledged as security for mortgage debt of 165.0 MDKK.

Shares in K. Nissen International A/S, carrying amount DKK 586,987 thousands and shares in the following subsidiaries of K. Nissen International A/S, Nissens Slovakia S.r.o, carrying amount DKK 67,765 thousands, Nissens Slovakia North S.r.o, carrying amount DKK 467 thousands, Nissens North America Inc. carrying amount DKK 15,672 thousands Nissens A/S, carrying amount DKK 415,329 thousand and the subsidiary of Nissens A/S, Nissens UK Ltd, carrying amount DKK 5,957 thousands have been pledged as security for bond debts of 130 MEUR in the parent company AX V Nissens ApS.

Consolidated financial statements

Notes

17 Related party disclosures

K. Nissens International A/S' related parties include the following:

Name	CVR no.	Registered office	Basis for controlling influence	Indirect share of votes	Consolidated annual report
AX V Nissens III ApS	38 64 73 50	Horsens	Ultimate	73.3%	Included
AX V Nissens II ApS	38 64 74 58	Horsens	Participating interest	100.0%	
AX V Nissens I ApS	38 64 75 39	Horsens	Participating interest	100.0%	
AX V Nissens ApS	38 64 75 71	Horsens	Immediate	100.0%	Included

30 June 2017 AX V Nissens ApS bought all shares in K. Nissen International A/S from Advanced Cooling A/S. Except from this there has not been any significant transaction between the Group and above related parties in the period.

K. Nissen International A/S holds a receivable of DKK 32,518 thousands with AX V Nissens ApS. Interests are charged at market terms.

Transactions

Disclosure according to §98 of the Danish Financial Statements Act amounts to DKK 13,613 thousand (2016/17: DKK 6,790 thousand).

Group enterprise transactions not carried through on normal market terms

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

18 Fee to auditors appointed by the Company in general meeting

DKK'000	2017/18	2016/17
Statutory audit	974	640
Assurance engagements	0	145
Tax assistance	165	220
Other assistance	29	547
	1,169	1,552

19 Appropriation of profit

Recommended appropriation of profit

DKK'000	2017/18	2016/17
Proposed dividend for the year	50,000	50,000
Retained earnings	42,670	86,233
	92,670	136,233

Consolidated financial statements

Notes

20 Adjustments

DKK'000	2017/18	2016/17
Amortisation/depreciation and impairment losses	28,116	24,937
Gain/loss on the sale of non-current assets	17	-445
Provisions	-2,843	5,750
Financial income	0	-37
Financial expenses	47,764	5,084
Exchange rate adjustments	2,291	0
Tax for the year	28,648	40,369
	<u>103,993</u>	<u>75,658</u>

21 Change in working capital

DKK'000	2017/18	2016/17
Change in inventory	-77,644	9,347
Change in receivables	16,009	-55,827
Change in trade payables and other payables	21,529	78,898
	<u>-40,106</u>	<u>32,418</u>

Parent financial statements

Income statement

For the period 1 May 2017 - 30 April 2018

Note	DKK'000	1 May 2017 – 30 April 2018	1 May 2016 – 30 April 2017
	Other external costs	-183	-1,043
	Gross profit	-183	-1,043
	Income from investments in group entities	97,285	137,923
	Income from investments in associates	-36	0
2	Financial income	63	0
3	Financial costs	-4,799	-1,416
	Profit before tax	92,330	135,233
4	Tax on profit for the year	340	769
	Profit for the period	92,670	136,233
	Proposed dividend for the year	50,000	50,000
	Reserve for net revaluation under the equity method	-48,318	87,465
	Retained earnings	90,988	-1,232
	Total comprehensive income	92,670	136,233

Parent financial statements

Balance sheet

Note	DKK'000	30 April 2018	30 April 2017
ASSETS			
5	Investments in group entities	568,889	586,439
	Receivables from group entities	106,454	7,564
	Investments in associates, net asset value	16	52
	Fixed asset investment	675,359	594,055
	Total fixed assets	675,359	594,055
	Other receivables	0	874
	Corporate tax	340	541
	Receivables	340	1,415
	Cash	0	14
	Total current assets	340	1,429
	TOTAL ASSETS	675,699	595,484
EQUITY AND LIABILITIES			
Equity			
6	Share capital	700	700
	Reserve for net revaluation under the equity method	440,142	457,959
	Retained earnings	94,414	1,456
	Proposed dividend for the year	50,000	50,000
	Total equity	585,256	510,115
	Provisions relating to investments in group entities	3,906	3,615
	Total provisions	3,906	3,615
	Banks	3,688	0
	Payables to group entities	82,486	80,834
7	Other payables	363	920
	Short-term debt	86,537	81,754
	Total debt	86,537	81,754
	TOTAL EQUITY AND LIABILITIES	675,699	595,484

Parent financial statements

Statement of changes in equity

For the period ended 30 April 2018

DKK'000	Share capital	Reserve for net revalua- tion under the equity method	Retained earnings	Proposed dividend for the year	Total
Equity 1 May 2016	700	369,896	3,539	25,000	399,135
Ordinary dividend paid	0	0	0	-25,000	-25,000
Exchange rate adjustment, foreign	0	-2,574	0	0	-2,574
Purchase of minority shares	0	0	-851	0	-851
Other equity movements	0	3,172	0	0	3,172
Net profit for the year	0	87,465	-1,232	50,000	136,233
Equity 1 May 2017	700	457,959	1,456	50,000	510,115
Ordinary dividend paid	0	0	0	-50,000	-50,000
Exchange rate adjustment, foreign	0	-2,333	-30	0	-2,363
Other equity movements	0	34,834	0	0	34,834
Net profit for the year	0	-50,318	92,988	50,000	92,670
Equity 30 April 2018	700	440,142	94,414	50,000	585,256

Parent financial statements

Overview of notes for the consolidated financial statements

Note

- 1 Accounting policies
- 2 Net finance income
- 3 Net finance costs
- 4 Income tax for the year
- 5 Investments in subsidiaries and associates
- 6 Equity
- 7 Contingencies assets, liabilities and other financial obligations
- 8 Charges and securities
- 9 Related party disclosures
- 10 Fee to auditors appointed at the general meeting

Parent financial statements

Notes

1 Accounting policies

For the accounting policies, please refer to the consolidated financial statement's accounting policies on page 25, note 1.

2 Financial income

DKK'000	1 May 2017 – 30 April 2018	1 May 2016 – 30 April 2017
Other financial income	63	0
	<u>63</u>	<u>0</u>

3 Financial costs

DKK'000	1 May 2017 – 30 April 2018	1 May 2016 – 30 April 2017
Financial costs, group entities	3,153	1,325
Other financial costs	1,646	91
	<u>4,799</u>	<u>1,416</u>

4 Income tax for the year

DKK'000	1 May 2017 – 30 April 2018	1 May 2016 – 30 April 2017
Estimated tax charge for the year	-340	-541
Deferred tax for the year	0	158
Adjustment of tax concerning previous years	0	-386
	<u>-340</u>	<u>-769</u>

Parent financial statements

Notes

5 Investments in subsidiaries

DKK'000	30 April 2018	30 April 2017
Cost of 1 May	74,865	74,828
Additions for the year	0	37
Disposals for the year	-22	0
Cost at 30 April	<u>74,843</u>	<u>74,865</u>
Revaluations of 1 May	511,574	398,555
Exchange adjustment	-2,333	-2,574
Net profit/loss for the year	97,306	137,923
Received dividend	-147,627	-25,458
Other equity movements, net	34,834	3,172
Equity investments with negative net asset value transferred to provisions	292	-44
Revaluations at 30 April	<u>494,046</u>	<u>511,574</u>
Carrying amount at 30 April	<u><u>568,889</u></u>	<u><u>586,439</u></u>

Investments in subsidiaries are specified in the consolidated financial statement for the group on page 34.

DKK'000	Receivables from group entities	Investments in associated, net asset value
Cost at 1 May 2017	7,564	18
Additions for the year	98,890	0
Disposals for the year	0	-2
Cost at 30 April 2018	<u>106,454</u>	<u>16</u>
Revaluations at 1 May 2017	0	34
Transfer for the year	0	-34
Revaluations at 30 April 2018	<u>0</u>	<u>0</u>
Carrying amount at 30 April 2018	<u>106,454</u>	<u>16</u>

Parent financial statements

Notes

6 Equity

The share capital consists of:

DKK'000	Nominal value
70,000 A shares of DKK 1 thousand	70,000
630,000 B shares of DKK 1 thousand	630,000
	700,000

There have been no changes in the share capital during the last 5 years.

7 Contingencies assets, liabilities and other financial obligations

Contingent liabilities to the parent company and group entities

K Nissen International A/S is jointly taxed with its parent, AX V Nissens III ApS (management company), and is jointly and severally liable with the other joint taxed entities for the payment of income taxes as well as withholding taxes on interest, royalties and dividends. The liabilities have been estimated at DKK 10.7 MDKK at 30 April 2018.

Until 30 June 2017 K. Nissen International A/S was jointly taxed with ANTB Holding ApS. Tax liabilities from the period until 30 June 2017 has been estimated to DKK 6.7 million.

8 Charges and securities

K. Nissen International A/S for the parent company is included in the consolidated financial statement on page 19.

9 Related parties and ownership

Related parties and ownership are for the parent company included in the consolidated financial statement on page 37.

10 Fee to auditors appointed at the general meeting

Audit fees are disclosed with reference to § 96, subsection 3 of Danish Financial Statements Act. The fee is specified for the group in the consolidated financial statement on page 38.