

# Nissens®

DELIVERING THE DIFFERENCE

## **K. Nissen International A/S**

Ormhøjgårdvej 9, 8700 Horsens

CVR no. 70 60 69 17

Annual Report

1 May 2021 - 30 April 2022

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

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Mikkel Kroglund Andersen  
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 2021 - 30 April 2022.

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 2022 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 2021 - 30 April 2022.

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 is to be approved at the annual general meeting.

Horsens, 30 June 2022

Executive Board:

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Klavs Thulstrup Pedersen  
CEO

Board of Directors:

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Mikkel Kroglund Andersen  
Chairman

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Lars Cordt  
Vice Chairman

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Alan Nissen  
Vice Chairman

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Niels Jacobsen

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Mette Breum Keller

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Mathias Daniel Pedersen

## **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 2021 – 30 April 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. 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 2022 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 May 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 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.

#### **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 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.

## **Independent auditor's report**

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.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

Management is responsible for the Management's review.

Our opinion on the 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 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.

## **Independent auditor's report**

Based on the work we have performed, 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.

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	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	Mikkel Kroglund Andersen / Chairman Lars Cordt / Vice Chairman Alan Nissen / Vice Chairman Niels Jacobsen Mathias Daniel Pedersen Mette Breum Keller
Executive board	Klavs Thulstrup Pedersen
Auditors	EY Godkendt Revisionspartnerselskab
Bankers	Nordea Danmark, filial af Nordea Bank AB (publ), Sverige

## Management's review

### Financial highlights for the Group

In DKK millions, 2021/2022\* 2020/2021 2019/2020 2018/2019 2017/2018

#### Key figures

Revenue	1,584.3	2,438.8	1,943.2	1,982.8	1,675.7
EBITDA	136.4	314.4	182.0	239.8	197.2
Profit/loss before financial income and expense	120.9	276.5	152.9	209.8	169.1
Net finance costs	-12.2	-12.9	-9.6	-4.6	-47.8
Profit/loss for the period	833.7	206.6	109.1	156.9	92.7

Total assets	989.6	1,790.9	1,436.4	1,385.9	1,127.5
Equity	346.3	806.4	672.8	666.8	585.3

Cash flows from operating activities	29.6	109.6	125.8	171.2	109.6
Cash flow from investments in fixed assets	-38.5	-43.2	-48.2	-24.9	-32.7

#### Financial ratios

Operating margin	7.7%	11.3%	7.9%	10.6%	10.1%
Gross margin	21.3%	30.5%	30.5%	31.9%	34.2%
EBITDA-margin	8.7%	12.9%	9.3%	12.1%	11.8%
Return of assets	8.7%	17.1%	10.8%	16.7%	15.5%
Current ratio	171.5	191.2%	205.7%	213.5%	245.4%
Solvency ratio	35.0%	45.0%	46.8%	48.1%	51.9%
Return on equity	144.7%	27.9%	16.3%	25.1%	17.0%
NWC ratio	36.1%	23.8%	22.7%	25.1%	25.1%

Average number of full-time employees	551	1,415	1,365	1,363	1,331
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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" and definitions in Note 1.

\*Continued activities without the Cooling Solutions division



## **Management's review**

### **Management commentary**

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

Historically, the Nissens Group consists of two business units: The Nissens Automotive division, selling to wholesalers and distributors in the automotive aftermarket, and the Nissens Cooling Solutions division, covering development and sales to two sub-segments; the wind energy industry and the industrial sub-segment, targeting respectively global wind turbine OEMs and global heavy-duty equipment OEMs. As of 30 November 2021, the Nissens Cooling Solution division was divested to A.P Møller Holding A/S.

The Nissens Group 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. The Nissens Group consists of 27 subsidiaries across three continents with activities within sales, production and distribution. As of 30 April 2022, the Nissens Group employs 558 FTEs, of which 190 are located in Slovakia, 164 are located in Denmark, 34 are located in China and 170 are employed in other countries.

### **History and recent developments**

The Nissens Group celebrated its 100 years anniversary in 2021. The remarkable event has been marked across Nissens' companies and subsidiaries worldwide with various activities, including the publication of an anniversary book with highlights from Nissens' amazing journey from 1921 to 2021.

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, the division holding company NA International A/S acquired four European companies of the AVA group from Enterex to further strengthen the market presence of the Automotive business unit.

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

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.

### **Automotive Business Unit**

The Automotive business unit 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, the Automotive business unit 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.

After the acquisition of the AVA Group, the Automotive division is marketed under both the Nissens and the AVA brands.

## **Management's review**

### **Financial review**

#### **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 in two sub-segments; Wind and Industrial applications.

The Cooling Solutions division was divested in November 2021.

#### **Products**

The Automotive division offers products within three existing categories: climate cooling, engine cooling and efficiency & emissions. Condensers, compressors, blowers, receivers, dryers, evaporators, heaters and fans are products offered within the climate category; radiators, oil coolers and fan clutches are products offered within the engine cooling product category. The efficiency & emissions category covers products such as turbos, EGR valves and intercoolers.

#### **Research & development**

Research & Development (R&D) is essential in order to ensure 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 drive a range of product applications for future launches and will support the ongoing product development activities.

#### **Knowledge resources**

The Nissens Group wishes for all employees to be able to live up to the constantly changing demands relating to the working processes. Therefore, Nissens Group attaches great importance to the training and education of the employees in order 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.

#### **Account of the gender composition of Management**

Nissens Group has a policy for diversity and equality. The Supervisory Board is thus monitoring the gender and cultural mix across management levels.

It is the Nissens Group's policy that regardless of gender, race, and religion, all employees must be treated equally in order to ensure that everyone has equal opportunities for employment.

The Board of Directors consists of seven members, of which seven are male, and zero are female. It is the target that at least one woman is represented in the Board of Directors by 2024. In 2020/2021, the Board was decreased by one member due to resignation. In 2021/22, a male has been elected to the open position. Hence, the target for female present has not been achieved 2021/22.

The Nissens Group wants to increase the representation of women in the group management team supporting the CEO and therefore strives to have at least one of each gender among the final candidates in search processes. The share of women in the group management team supporting the CEO is 29%.

## Management's review

### Financial review

#### *Nissens Group*

In November 2021 K. Nissen International A/S sold 100% of the share in NCS International A/S which was the holding company of the Cooling Solutions division. As a consequence of the divestment the Cooling Solutions division has been classified as discontinued operations in the income statement for 2021/22.

Following the sales of NCS International A/S there has been made a refinancing of the Nissens Group. For the purpose of refinancing debt in AX V Nissens ApS and AX V Nissens II ApS an extraordinary dividend distribution of 1,310 mDKK has been made from K. Nissen International A/S.

The consolidated financial statements for the continued operation for the financial year 1 May 2021 – 30 April 2022 show profit before financial items om 121.0 mDKK (2020/2021: 276.4 MDKK), net profit before tax of continued activities of 108.8 MDKK (2020/2021: 263.5 MDKK).

With an equity of 346 MDKK (2020/2021: 806 MDKK), the Group has an equity ratio of 35.0% (2020/2021: 45.1%). The cash flow statement shows a negative cash flow of 214 MDKK (2020/2021: -34 MDKK) for the year. The cash flow is negative impacted by the restructuring of the debt positions incl. debts in AX V Nissens ApS and AX V Nissens II ApS. Further net working capital of the continuing operations is negative impact by increased costs prices incl. transportation and LME on aluminium.

Cash flow from operations amounts to 30 MDKK (2020/2021: 110 MDKK). The reduction is driven by strategic decisions on securing inventory positions and increased cost prices.

The cash balance at the end of the year is -54 MDKK (2020/2021 160 MDKK) and with an unused credit facility of 45 MDKK, the company considers the current credit facilities sufficient.

The Automotive division has had a growth in revenue of 41% which is driven by both the full year impact of the acquisition of AVA, organic growth and price increase to compensate for the increased cost base.

Despite the growth in revenue, the EBITDA of continue activities has only increased by 13%. Throughout 2021/22, there has been extraordinary increases in the cost base driven by costs of freight, raw materials and energy. All elements having negative impact on sourced product from China and own production in Europe.

Throughout 2021/22, there has been implemented several prices increase to compensate for the negative impact from increased production and sourcing prices. Due to delay between the communication of price increase and the actual impact on sales prices, the increases have not been able to eliminate the negative impact from increased cost base.

In February 2022, the Automotive division was further impacted negatively by the Russian invasion of Ukraine.

Since 24 February 2022, the Automotive division has stopped all sales activities in Russia and Belarus, which has had a negative impact on EBITDA from lost sales but also from fixed costs related to the market. Due to the invasion there has not been any sales to Ukraine since 24 February 2022. However, sales to Ukraine has been started up in beginning of May 2022.

The income statement is further negatively impacted from expected loss on customers in Russia, Belarus and Ukraine of 4.1 mDKK. The expected losses on customers from Russia and Belarus are driven by the payment sanctions which makes it impossible for the customers to transfer money to Nissens' accounts. Insurance from external credit insurance is reduced in the provision.

Under the given market terms the Management considers the results as satisfactory.

## **Management's review**

### **Financial review**

#### *Nissens Cooling Solutions*

Nissens Cooling Solutions has been sold during the year and therefore classified as discontinued operations in the income statement cf. note 7. As the divestment was made on 30 November 2021 Nissens Cooling Solutions has been included with seven months performance. Comparative figures have not been restated.

### **Outlook**

In FY2022/2023, the Group expects a revenue around the same level as FY2021/2022 above 1,500 mDKK. The war in Ukraine and the sanctions towards Russia will have a negative impact on net sales which to some extent is compensated by the full year impact of implemented strategic projects. EBITDA is expected to be above 150 mDKK.

### **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 2021 – 30 April 2022.

## **Corporate Social Responsibility**

### **Business model & Nissens' approach to sustainability**

Being a global production company, the Nissens Group believes that it is responsible for contributing to limiting the Group's environmental and climate footprint, just as it is the Group's obligation to secure good conditions for the health and safety of its employees.

In 2018/2019, Nissens has enhanced its commitment to corporate social responsibility and sustainability by joining the UN Global Compact as a member. The COP report from Nissens can be found on the company's website <https://nissens.com/en-gb/policy/csr.aspx>

### **Data ethics**

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

The Nissens Group continuously has focus on improving data security, compliances and best practices related to soliciting, processing, storing and deleting again both personal data and non-personal data. It has remained the primary focus in the fiscal year 2021/2022, which was during a successful reorganization of Nissens' IT department, thus the formalization and implementation of our policy on data ethics has been planned for during the course of the fiscal year 2022/2023, as Nissens sees this in recognition of the Nissens Group's use of data - both personal data and non-personal data - may imply ethical elements for the users that applicable laws do not cover.

## **Special risks**

### **Market risks**

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

Covid-19 is still considered a potential market risk for sales activities and supply chain disturbances.

The Group is reliant on effective international trade relations between nations. This is illustrated by the consequences from the war in Ukraine and the following sanctions towards Russia, which over a very short time has stopped all sales to the region.

### **Currency risks**

The majority of the Group's activities implies currency risks in connection with the purchase and sale 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.

### **Material prices and freight-related risks**

Both material prices and freight rates from Asia to Europe have been subject to steep price increases over the last six months, as the global economy starts to recover from the Covid-19 pandemic.

Material prices increase, freight costs and other cost elements may impact margins on the short to medium term until the effects can be mitigated.

### **Covid-19 risks**

In the Automotive division the largest negative impact of Covid-19 has been seen in the production in Slovakia and the supply chain-related disturbance caused by travel restrictions, lock-downs and general undersupply of products.

## Consolidated financial statements

### Income statements

For the period 1 May - 30 April

Note	DKK'000	2021/2022	2020/2021
3	Revenue	1,584,301	2,438,814
	Cost of raw materials and consumables	-994,459	-1,420,517
2	Other operating income	10,351	47,378
	Other external costs	-266,686	-321,737
	<b>Gross margin</b>	<b>333,507</b>	<b>743,938</b>
4	Staff costs	-197,113	-429,534
	Depreciation, amortization and impairment of intangible fixed assets and property, plant and equipment	-15,420	-37,949
	<b>Profit/loss before net financials</b>	<b>120,974</b>	<b>276,455</b>
5	Finance income	1,658	5,399
5	Finance costs	-13,870	-18,315
	<b>Profit before tax for continued activities</b>	<b>108,762</b>	<b>263,539</b>
6	Tax for the year for continued activities	-22,778	-56,896
	<b>Profit for the year for continued activities</b>	<b>85,984</b>	<b>206,643</b>
7	Profit for the year for discontinued activities	747,676	0
	<b>Profit for the year</b>	<b>833,660</b>	<b>206,643</b>

## Consolidated financial statements

### Balance sheet

Note	DKK'000	30 April 2022	30 April 2021
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
	Development projects	619	8,146
	Acquired intangible assets	24,225	28,364
	Development projects in progress	6,005	19,199
8	<b>Total intangible assets</b>	<b>30,849</b>	<b>55,709</b>
	Land and buildings	50,699	126,888
	Plant and machinery	15,659	81,581
	Other fixtures and fittings, tools and equipment	3,913	11,897
	Property, plant and equipment in progress	5,632	42,926
9	<b>Total tangible assets</b>	<b>75,903</b>	<b>263,292</b>
	Investments in capital interests	0	1,432
	Other securities and investments	2,177	0
	Deposits	3,317	4,126
10	<b>Total investments</b>	<b>5,494</b>	<b>5,558</b>
	<b>Total fixed assets</b>	<b>112,246</b>	<b>324,559</b>
	<b>Non-fixed assets</b>		
	Raw materials and consumables	42,066	143,360
	Work in progress	18,684	143,840
	Finished goods and goods for resale	465,240	358,919
	Prepayments for goods	30,428	14,808
	<b>Total inventories</b>	<b>556,418</b>	<b>660,927</b>
	Trade receivables	272,637	574,927
11	Deferred tax assets	6,108	10,611
	Other receivables	32,550	50,366
12	Prepayments	9,592	9,437
	<b>Total receivables</b>	<b>320,887</b>	<b>645,341</b>
	Cash and cash equivalents	0	160,094
	<b>Total non-fixed assets</b>	<b>877,305</b>	<b>1,466,362</b>
	<b>TOTAL ASSETS</b>	<b>989,551</b>	<b>1,790,921</b>



## Consolidated financial statements

### Balance sheet

Note	DKK'000	30 April 2022	30 April 2021
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	700	700
13	Retained earnings	332,458	808,798
	Foreign currency translation reserve	13,142	-3,133
	<b>Total equity</b>	<b>346,300</b>	<b>806,365</b>
	<b>Provisions</b>		
11	Deferred tax liabilities	6,703	9,502
14	Other provisions	7,450	19,309
	<b>Total provisions</b>	<b>14,153</b>	<b>28,811</b>
	<b>Non-current liabilities</b>		
	Mortgage debt	108,974	162,962
	Other payables	8,657	23,403
	Deferred income	0	1,248
	Lease liability	0	1,023
15	<b>Total non-current liabilities</b>	<b>117,631</b>	<b>188,636</b>
	<b>Current liabilities</b>		
15	Short-term portion of long-term liabilities	0	81
	Bank loan	54,340	0
	Prepayments from customers	783	3,499
	Trade payables	364,606	509,838
	Payable to Group entities	16,767	102,762
	Income tax payable	8,669	25,351
	Other payables	63,747	123,953
	Deferred income	1,377	454
	Lease liability	1,178	1,171
	<b>Total current liabilities</b>	<b>511,467</b>	<b>767,109</b>
	<b>Total liabilities</b>	<b>643,251</b>	<b>984,556</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>989,551</b>	<b>1,790,921</b>
16	Hedging		
17	Contingent assets, liabilities and other financial obligations		
18	Pledges, collateral and commitments		
19	Related party disclosures		
20	Fee to auditors appointed by the Company in general meeting		
21	Adjustments		
22	Change in working capital		

## Consolidated financial statements

### Cash flow statement

For the period 1 May 2021 - 30 April 2022

Note	DKK'000	30 April 2022	30 April 2021
	<b>Profit for the year</b>	833,660	206,643
21	Adjustments	-716,680	74,642
	Cash generated from operations (operating activities)	116,980	281,285
22	Changes in working capital	-36,391	-117,530
	Cash generated after operations	80,589	163,755
	Finance received	822	1,230
	Finance paid	-8,307	-10,802
	Income tax paid	-43,492	-44,534
	<b>Cash flows from operating activities</b>	<b>29,612</b>	<b>109,649</b>
	<b>Investing activities</b>		
8	Purchase of intangible assets	-14,748	-23,294
9	Purchase of property, plant and equipment	-38,476	-43,201
	Proceeds from sale of property, plant and equipment	1,498	1,398
	Change in deposits	809	-324
	Investment in subsidiaries	0	-34,113
	Investment in capital interests	-2,177	-891
	Divestment of a subsidiary	1,205,832	0
	Acquisition of a subsidiary, net of cash acquired	0	9,044
	<b>Net cash flows used in investing activities</b>	<b>1,152,738</b>	<b>-91,380</b>
	<b>Financing activities</b>		
	Dividends distributed	-1,310,000	-65,000
	Repayment of borrowings	-782	-9,735
	Proceeds from related parties	-86,002	22,002
	<b>Net cash flows from financing activities</b>	<b>-1,396,784</b>	<b>-52,733</b>
	<b>Cash flow for the period</b>	<b>-214,434</b>	<b>-34,464</b>
	Cash and cash equivalents at 1 May	160,094	194,558
	<b>Cash and cash equivalents at 30 April</b>	<b>-54,340</b>	<b>160,094</b>

The Group has unused credit facilities amounting to DKK 45,000 thousands.

## Consolidated financial statements

### Statement of changes in equity

DKK'000	Share capital	Retained earnings	Foreign currency translation reserve	Dividend proposed for the year	Total equity
<b>Equity at 1 May 2020</b>	<b>700</b>	<b>672,103</b>	<b>0</b>	<b>0</b>	<b>672,803</b>
Transfer through appropriation of profit	0	206,643	0	0	206,643
Exchange rate foreign subsidiaries	0	0	-3,133	0	-3,133
Dividend distributed	0	-65,000	0	0	-65,000
	0	-4,948	0		-4,948
<b>Equity 30 April 2021</b>	<b>700</b>	<b>808,798</b>	<b>-3,133</b>	<b>0</b>	<b>806,365</b>
<b>Equity at 1 May 2021</b>					
Transfer through appropriation of profit	0	833,660	0	0	833,660
Exchange rate foreign subsidiaries	0	0	16,275	0	16,275
Extra ordinary dividend distributed	0	-1,310,000	0	0	-1,310,000
Adjustment to prior year	0	0	0	0	0
<b>Equity 30 April 2022</b>	<b>700</b>	<b>332,458</b>	<b>13,142</b>	<b>0</b>	<b>346,300</b>

## **Consolidated financial statements**

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

#### Note

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## Consolidated financial statements

### Notes

#### 1 Accounting policies

The annual report of K. Nissen International A/S for 2021/2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

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

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### 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 capital interests.

Capital interests 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.

#### Discontinued operations

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss or current year. Additional disclosures are provided in Note 7. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

#### Business combinations

Newly acquired entities are recognised in the consolidated financial statements from the acquisition date. Entities sold or otherwise disposed of are recognised in the consolidated financial statements up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

The acquisition date is the date when the Group actually obtains control of the acquiree.

The purchase method is applied to acquisitions of new businesses over which the Group obtains control. The acquired businesses' identified assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax on revaluations is recognised.

## Consolidated financial statements

### Notes

#### 1 Accounting policies (continued)

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill in intangible assets. Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement as other operating income at the acquisition date.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the Group's presentation currency are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The purchase consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the purchase consideration is contingent on future events or compliance with agreed terms, such part of the purchase consideration is recognised at fair value at the acquisition date. Subsequent adjustments of contingent purchase considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

If uncertainties regarding the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the purchase consideration exist at the acquisition date, initial recognition will take place on the basis of provisional values. If it turns out subsequently that the identification or measurement of the purchase consideration, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Subsequently, any adjustments are recognised as errors.

Gains or losses from divestment or winding-up of subsidiaries that implies that control is no longer maintained are calculated as the difference between, on the one hand, the net selling price and, on the other hand, the proportionate share of the carrying amount of net assets. If the Parent Company still holds equity investments in the divested entity, the remaining proportionate share of the carrying amount forms the basis for the measurement of equity investments in capital interests or securities and equity investments.

#### 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.

## Consolidated financial statements

### Notes

#### 1 Accounting policies (continued)

##### *Foreign group entities*

Foreign subsidiaries and capital interests 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.

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.

##### **Leases**

The Group has chosen IAS 17 as interpretation for classification and recognition of leases. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset (or assets), even if that asset (or those assets) is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date's fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

## Consolidated financial statements

### Notes

#### 1 Accounting policies (continued)

##### 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.

##### Other operating income

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

##### Government grant

Government grant income is recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The grant will be recognised in profit and loss under other operating income or special items, as the eligible costs are incurred.

##### 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.

##### 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	3-5 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 is 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.



## Consolidated financial statements

### Notes

#### 1 Accounting policies (continued)

##### Income from investments in subsidiaries and capital interests

The item includes the Company's proportionate share of the profit/loss for the year in subsidiaries 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.

Result after tax for the year related to capital interests are presented in a separate line in the income statement for the Company's proportionate share of the profit/loss for the year.

##### 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 capital interests, 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.

##### Balance sheet

##### Intangible assets

Intangible assets comprise software licences and other acquired 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

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

## Consolidated financial statements

### Notes

#### 1 Accounting policies (continued)

##### 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 capital interests

Investments in subsidiaries are measured at cost in the balance sheet. Dividends from subsidiaries are recognised in the Parent Company's income statement for the year in which the dividends are declared. The cost of investments in subsidiaries are written down to the extent that the dividends are considered repayment to the investment.

The Company's investments in capital interests are accounted for using the equity method.

##### Other securities and investments

Other financial assets, which comprise non-listed equity investments, are measured at cost in the balance sheet. Dividends from investments are recognised in the income statement for the year in which the dividends are declared.

##### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and capital interests 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.

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.

## Consolidated financial statements

### Notes

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost. 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

###### *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".

###### *Reserve for development costs*

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.

## Consolidated financial statements

### Notes

#### 1 Accounting policies (continued)

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.

#### 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.

## Consolidated financial statements

### Notes

#### 1 Accounting policies (continued)

##### 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	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$
NWC ratio	$\frac{\text{Average Net working capital} \times 100}{\text{Revenue for the year}}$

## Consolidated financial statements

### Notes

#### 2 Special items

Special items consist of significant income or expenses outside of normal business for the Group.

Special items are specified below:

DKK'000	1 May 2021 – 30 April 2022	1 May 2020 – 30 April 2021
Government grants	425	1,637
Divestment and reorganisation	-13,346	0
Provision for loss on receivables ect. related to the war in Ukraine	-4,039	0
Negative goodwill	0	36,487
Transaction costs directly related to acquisition of AVA entities	-127	-4,233
Transformation cost directly related to acquisition of AVA entities	-1,380	-8,295
<b>Special items are incorporate in the income statement in:</b>	<b>-18,467</b>	<b>25,596</b>
Cost of raw materials and consumables	-806	0
Other operating income	425	38,124
Other external costs	-17,921	-9,203
Staff cost	-165	-3,325
<b>Result of special item, net</b>	<b>-18,467</b>	<b>25,596</b>

Government grants have been received as Covid-19 compensation. There are no unfulfilled conditions or contingencies attached to these grants.

#### 3 Revenue

##### Activities - primary segment

For management purposes, the Group is organised into business units based on its products and services. After having sold Nissens Cooling Solutions there are now only one reportable segment which is Automotive.

##### Geographic – secondary segment

DKK'000	1 May 2021 – 30 April 2022	1 May 2020 – 30 April 2021
<b>Revenue from external customers</b>		
Europe	1,400,837	1,772,841
America	93,471	168,043
Asia & Pacific	75,521	486,309
Other	14,472	11,621
<b>Total</b>	<b>1,584,301</b>	<b>2,438,814</b>

## Consolidated financial statements

### Notes

#### 4 Staff costs

DKK'000	1 May 2021 – 30 April 2022	1 May 2020 – 30 April 2021
Wages and salaries	187,951	392,157
Pensions	6,152	20,123
Other Social security costs	3,010	17,254
<b>Total employee benefit expense</b>	<b>197,113</b>	<b>429,534</b>
Average number of full time employee	551	1,415

#### 5 Net finance costs

DKK'000	1 May 2021 – 30 April 2022	1 May 2020 – 30 April 2021
<b>Finance income</b>		
Other financial income	733	1,276
Foreign exchange rate gains	925	4,106
Gain from sale of shares	0	17
<b>Total finance income</b>	<b>1,658</b>	<b>5,399</b>

DKK'000	1 May 2021 – 30 April 2022	1 May 2020 – 30 April 2021
<b>Finance costs</b>		
Interest – borrowings	1,126	2,320
Interest – other	2,496	3,432
Interest – intercompany	0	4,760
Interest on lease liabilities	43	19
Amortisation borrowings	134	213
Other finance expenses	9	472
Foreign exchange rate loss	10,062	7,099
<b>Total finance costs</b>	<b>13,870</b>	<b>18,315</b>

#### 6 Tax for the year

DKK'000	1 May 2021 – 30 April 2022	1 May 2020 – 30 April 2021
Estimated tax charge for the year	16,869	58,738
Deferred tax adjustments in the year	7,366	-804
Tax adjustments, prior year	-1,457	-1,038
	<b>22,778</b>	<b>56,896</b>

## Consolidated financial statements

### Notes

#### 7 Discontinued operations

On 19 July 2021, the Group publicly announced that AX V Nissens ApS and its subsidiary K. Nissen International A/S has entered into an agreement concerning the sale of the Nissens Cooling Solutions division to a newly established company owned by A. P. Møller Holding A/S (the "NCS Sale").

Completion of the NCS Sale occurred 30 November 2021.

Result for the period – discontinued operations are presented below:

<b>DKK'000</b>	<b>2021/2022</b>
Revenue	699,381
Expenses	-727,409
Other operating income	7,187
Net finance cost	1,669
Gain on sales of business	765,105
<b>Result before tax</b>	<b>745,933</b>
Tax	1,743
<b>Result for the period from discontinued operations</b>	<b>747,676</b>

Balance sheet items comprise:

<b>DKK'000</b>	<b>30 November 2021</b>
<b>ASSETS</b>	
Intangible assets	26,911
Property, plant and equipment	195,843
Other assets	2,957
<b>Total non-current assets</b>	<b>225,711</b>
Inventory	279,478
Trade and other receivables	209,988
Income tax receivable	16,916
Cash	51,648
<b>Total current assets</b>	<b>558,030</b>
<b>Total assets held for sale</b>	<b>783,741</b>
<b>LIABILITIES</b>	
Borrowings	73,977
Deferred tax liabilities	5,664
Provisions	8,992
Deferred income	4,253
Trade and other payables	241,396
Payable to group enterprises	5,113
Income tax payable	3,619
<b>Total liabilities related to assets held for sale</b>	<b>343,014</b>
<b>NET ASSETS DIRECTLY RELATED TO ASSETS HELD FOR SALE</b>	<b>440,727</b>



## Consolidated financial statements

### Notes

#### 7 Discontinued operations (continued)

Net cash flow incurred for Nissens Cooling Solutions are, as follows:

DKK'000	2021/2022
Operating cash flow for discontinuing operations	111,538
Investing cash flow for discontinuing operations	9,431
Financing cash flow for discontinuing operations	-45,205
<b>Net cash impact from discontinuing operations</b>	<b>75,764</b>

#### 8 Intangible assets

DKK'000	Development projects	Acquired intangible assets	Intangible assets in progress	Total
Cost 1 May 2021	11,325	47,304	19,199	77,828
Discontinued operations	-24,685	-17,728	-3,168	-45,581
Acquisition of subsidiary	0	0	0	0
Currency translation	0	171	0	171
Addition	3,531	7,357	3,860	14,748
Transfer	10,713	3,173	-13,886	0
Disposals	0	-5,569	0	-5,569
Cost 30 April 2022	884	34,708	6,005	41,597
Amortisation and impairment 1				
May 2021	3,179	18,858	0	22,037
Discontinued operations	-6,537	-12,133	0	-18,670
Currency translation	0	46	0	46
Amortisation	3,623	5,554	0	9,177
Disposal	0	-1,842	0	-1,842
Amortisation and impairment				
30 April 2022	265	10,483	0	10,748
<b>Carrying amount 30 April 2022</b>	<b>619</b>	<b>24,225</b>	<b>6,005</b>	<b>30,849</b>

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

#### 9 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Other fix- tures and fittings	Construc- tion in progress	Total
Cost 1 May 2021	328,836	327,483	50,526	42,926	749,771
Discontinued operations	-253,611	-302,176	-41,951	-18,713	-616,451
Currency translation	5	114	64	-6	177
Additions	3,026	15,795	9,276	10,379	38,476
Transfer	0	28,566	388	-28,954	0
Disposals	-256	-1,644	-7,638	0	-9,538
Cost 30 April 2022	78,000	68,138	10,665	5,632	162,435
Depreciation and impairment 1 May 2021	201,948	245,902	38,629	0	486,479
Discontinued operations	-182,400	-207,130	-31,078	0	-420,608
Currency translation	24	-32	27	0	19
Depreciation	7,775	15,383	2,427	0	25,585
Disposals	-46	-1,644	-3,253	0	-4,943
Depreciation and impairment 30 April 2022	27,301	52,479	6,752	0	86,532
<b>Carrying amount 30 April 2022</b>	<b>50,699</b>	<b>15,659</b>	<b>3,913</b>	<b>5,632</b>	<b>75,903</b>
Of which are finance lease as- sets	0	1,178	0	0	1,178

## Consolidated financial statements

### Notes

#### 10 Investments

DKK'000	Other securities and investments	Investment capital interests, net asset value	Deposits, investment	Total
Cost at 1 May 2021	0	1,432	4,126	5,558
Discontinued operations	0	-1,432	-809	-2,241
Additions in the year	2,177	0	0	2,177
Cost at 30 April 2022	2,177	0	3,317	5,494
<b>Carrying amount at 30 April 2022</b>	<b>2,177</b>	<b>0</b>	<b>3,317</b>	<b>5,494</b>

Name	Legal form	Registered office	Ownership	Equity DKK '000	Profit/loss DKK '000
<b>Subsidiaries</b>					
Nissens (Shanghai) Auto Parts Trading Ltd.	Ltd.	China	100%	36,839	2,315
NA International A/S	A/S	Denmark	100%	1,173,200	169,127
<i>Subsidiaries of NA International A/S:</i>					
Nissens Automotive A/S	A/S	Denmark	100%	174,007	51,315
Nissens UK Ltd	Ltd	England	100%	6,431	1,152
Nissen France EURL	EURL	France	100%	9,784	1,034
Radiadores Nissen S.A.	S.A	Spain	100%	5,475	2,032
Nissens Sverige A.B.	A.B	Sweden	100%	1,973	185
Nissens Schweiz A.G.	A.G	Switzerland	100%	3,154	114
Nissens Portugal LDA	Lda.	Portugal	100%	1,227	40
Chlodnice Nissens Polska Sp.zo.o.	Sp. Z o.o	Poland	100%	7,827	4,480
Nissens Belgium S.A.	S.A	Belgium	100%	5,388	420
Nissens Hungaria Jarmuhuto Kft	Ktf.	Hungary	100%	3,557	504
Nissens Italia S.R.L.	S.r.l	Italy	100%	4,482	578
Nissens Finland OY	OY	Finland	100%	1,875	167
Nissens North America Inc.	Inc.	USA	100%	27,644	-264
Nissens Ukraine Ltd	Ltd.	Ukraine	100%	-5,473	328
Nissens Deutschland GmbH	GmbH	Germany	100%	9,368	2,517
Nissens Automotive SK S.R.O.	S.r.o.	Slovakia	100%	22,382	6,930
AVA Benelux BV	BV	Netherland	100%	47,855	6,084
AVA CEE Sp. z o.o.	Sp. Z o.o	Poland	100%	12,371	6,196
AVA Cooling UK Ltd	Ltd	England	100%	6,979	0
AVA Cooling France	SAS	France	100%	12,606	961
Selskabet af 29. April 2021 A/S	A/S	Denmark	100%	564	-259
Nissens Automotive Service A/S	A/S	Denmark	100%	5,232	1,239
NA Properties ApS	ApS	Denmark	100%	4,408	840
Anpartsselskabet af 10. Maj 2021	ApS	Denmark	100%	986	-14

## Consolidated financial statements

### Notes

#### 11 Deferred tax

<b>DKK'000</b>	<b>30 April 2022</b>	<b>30 April 2021</b>
Deferred tax 1 May	-1,109	3,030
Discontinued operations	-5,664	0
Acquisition of subsidiary	0	-3,303
Currency translation	2	-32
Deferred tax for the period recognised in profit for the period	7,366	-804
<b>Deferred tax 30 April</b>	<b>595</b>	<b>-1,109</b>
Reflected in the statement of financial position as follows:		
Deferred tax assets	6,108	10,611
Deferred tax liabilities	6,703	9,502
<b>Deferred tax, net</b>	<b>595</b>	<b>-1,109</b>

#### 12 Prepayments

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

#### 13 Appropriation of profit

<b>Recommended appropriation of profit</b> <b>DKK'000</b>	<b>2021/2022</b>	<b>2020/2021</b>
Retained earnings	833,660	207,681
	<b>833,660</b>	<b>207,681</b>

#### 14 Provisions

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

<b>DKK'000</b>	<b>30 April 2022</b>	<b>30 April 2021</b>
Balance at beginning of year at 1 May	19,309	14,571
Acquisition of subsidiary	0	935
Discontinued operations	-8,992	0
Currency translation	0	-24
Provision in year	650	10,346
Reversal during the year	-3,517	-6,519
<b>Provisions 30 April</b>	<b>7,450</b>	<b>19,309</b>

## Consolidated financial statements

### Notes

#### 15 Non-current liabilities other than provisions

DKK'000	Total debt at 30 April 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	108,974	0	108,974	93,634
Leasing liabilities	1,178	1,178	0	0
Other payables	72,404	63,747	8,657	0
	<b>182,556</b>	<b>64,925</b>	<b>117,631</b>	<b>93,634</b>

#### 16 Hedging

The Company has entered into currency hedging agreements covering purchase in foreign currency. The fair value of hedging agreements as of 30 April 2022 amounts to 1,132 DKK'000 and will expire within eight months after the balance sheet date.

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

##### Other financial obligations

Other rent and lease liabilities:

##### 30 April 2022

DKK'000	Operational leases	Other con- tractual com- mitments
0-1 year	28,938	7,339
1-5 year	58,833	0
>5 years	0	0
	<b>87,771</b>	<b>7,339</b>

##### 30 April 2021

DKK'000	Operational leases	Other con- tractual com- mitments
0-1 year	33,380	14,451
1-5 year	54,130	19,559
>5 years	410	0
	<b>87,920</b>	<b>34,010</b>

Rent liabilities and payments under operating leases concerning office and warehouse, cars 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.

## Consolidated financial statements

### Notes

#### 18 Pledges, collateral and commitments

##### Collateral

Land and buildings with a carrying amount of 50.7 MDKK have been pledged as security for mortgage debt of 109.0 MDKK.

Shares in K. Nissen International A/S, carrying amount 346 mDKK and shares in the following subsidiaries of K. Nissen International A/S, NA International A/S, carrying amount 1,173 mDKK, Nissens Automotive A/S, carrying amount 174 mDKK, have been pledged as security for RCF facility of 375 mDKK the Parent Company AX V Nissens ApS.

#### 19 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

##### Transactions

Disclosure according to §98b of the Danish Financial Statements Act amounts to 46 DKK'000, for remunerations to the board of directors (2020/2021 100 DKK'000).

##### Group enterprise transactions not carried through on normal market terms

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

#### 20 Fee to auditors appointed by the Company in general meeting

DKK'000	2021/2022	2020/2021
Statutory audit	671	912
Assurance engagements	211	53
Tax assistance	150	301
Other assistance	126	65
	<b>1,158</b>	<b>1,331</b>

## Consolidated financial statements

### Notes

#### 21 Adjustments

DKK'000	2021/2022	2020/2021
Amortisation/depreciation and impairment losses	34,765	1,462
Provisions	-7,810	4,129
Financial income	-9,536	-5,399
Financial expenses	20,079	18,315
Exchange rate adjustments	-10,107	-761
Tax for the year	21,034	56,896
Gain from sale of NCS Division	-765,105	0
	<b>-716,680</b>	<b>74,642</b>

#### 22 Change in working capital

DKK'000	2021/2022	2020/2021
Change in inventory	-174,972	-50,756
Change in receivables	109,972	-176,442
Change in trade payables and other payables	31,325	106,635
Change in prepayments from customer	-2,716	3,033
	<b>-36,391</b>	<b>-117,530</b>

## Parent financial statements

### Income statement

For the period 1 May - 30 April

Note	DKK'000	2021/2022	2020/2021
	Other operating income	22,346	55,166
2	Other external costs	-30,609	-39,700
	<b>Gross margin</b>	<b>-8,263</b>	<b>15,466</b>
3	Staff costs	-6,534	-24,879
	Depreciation, amortization and impairment of intangible fixed assets and property, plant and equipment	-2,057	-2,915
	<b>Profit/loss before net financials</b>	<b>-16,854</b>	<b>-12,328</b>
	Dividend distributed from subsidiaries	160,000	65,000
	Income from sale of subsidiaries	1,145,648	0
4	Financial income	6,977	12,833
5	Financial costs	-6,267	-9,877
	<b>Profit before tax</b>	<b>1,289,504</b>	<b>55,628</b>
6	Tax for the year	2,842	1,804
	<b>Profit for the year</b>	<b>1,292,346</b>	<b>57,432</b>



## Parent financial statements

### Balance sheet

Note	DKK'000	30 April 2022	30 April 2021
	<b>ASSETS</b>		
	Acquired intangible fixed assets	47	3,955
7	<b>Total intangible assets</b>	<b>47</b>	<b>3,955</b>
	Land and buildings	108	120
	Other fixtures and fittings, tools and equipment	292	1,920
	Construction in progress	0	251
8	<b>Total tangible assets</b>	<b>400</b>	<b>2,291</b>
9	Investments in subsidiaries	14,434	74,620
9	Receivables from subsidiaries	0	218,003
	<b>Total investments</b>	<b>14,434</b>	<b>292,623</b>
	<b>Total fixed assets</b>	<b>14,881</b>	<b>298,869</b>
	Receivables from Group entities	189,040	72,411
	Other receivables	1,436	3,087
	Prepayments	0	905
	Income tax receivable	2,513	0
	Deferred tax assets	326	20
	<b>Total receivables</b>	<b>193,315</b>	<b>76,423</b>
	Cash	0	42,399
	<b>Total current assets</b>	<b>193,315</b>	<b>118,822</b>
	<b>TOTAL ASSETS</b>	<b>208,196</b>	<b>417,691</b>

## Parent financial statements

### Balance sheet

Note	DKK'000	30 April 2022	30 April 2021
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
10	Share capital	700	700
	Retained earnings	44,412	62,066
	Proposed dividend for the year	0	0
	<b>Total equity</b>	<b>45,112</b>	<b>62,766</b>
	<b>Provisions</b>		
	Provision for deferred tax	0	0
	Other payables	1,567	1,628
	<b>Total provisions</b>	<b>1,567</b>	<b>1,628</b>
	Bank loan	130,296	0
	Income tax payable	0	415
	Trade payables	3,484	7,521
	Payables to Group entities	21,909	324,538
	Other payables	5,828	20,823
	<b>Short-term debt</b>	<b>161,517</b>	<b>353,297</b>
	<b>Total debt</b>	<b>163,084</b>	<b>354,925</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>208,196</b>	<b>417,691</b>

## Parent financial statements

### Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total equity
<b>Equity at 1 May 2020</b>	<b>700</b>	<b>69,634</b>	<b>70,334</b>
Ordinary dividend paid	0	57,432	57,432
Net profit for the year	0	-65,000	-65,000
<b>Equity 30 April 2021</b>	<b>700</b>	<b>62,066</b>	<b>62,766</b>
<b>Equity at 1 May 2021</b>	<b>700</b>	<b>62,066</b>	<b>62,766</b>
Net profit for the year	0	1,292,346	1,292,346
Extra ordinary dividend distributed	0	-1,310,000	-1,310,000
<b>Equity 30 April 2022</b>	<b>700</b>	<b>44,412</b>	<b>45,112</b>

## **Parent financial statements**

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

#### Note

- 1 Accounting policies
- 2 Special items
- 3 Staff costs
- 4 Financial income
- 5 Financial cost
- 6 Income tax for the year
- 7 Intangible fixed assets
- 8 Tangible fixed assets
- 9 Investments in group entities
- 10 Equity
- 11 Proposed distribution of profit
- 12 Contingencies assets, liabilities and other financial obligations
- 13 Pledges, collateral and commitments
- 14 Related parties and ownership
- 15 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 19, Note 1.

#### Omission of a cash flow statement

With reference to §86, subsection 4 of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flow is part of the consolidated cash flow statement for the parent company.

#### 2 Special items

Special items consist of significant income or expenses outside of normal business for the Company.

Special items are specified below:

	1 May 2021 – 30 April 2022	1 May 2020 – 30 April 2021
<b>DKK'000</b>		
Divestment and reorganisation	-10,082	0
<b>Special items are incorporate in the income statement in:</b>	<b>-10,082</b>	<b>0</b>
Other external costs	-10,082	0
<b>Result of special item, net</b>	<b>-10,082</b>	<b>0</b>

#### 3 Staff costs

	1 May 2021 – 30 April 2022	1 May 2020 – 30 April 2021
<b>DKK'000</b>		
Wages and salaries	6,400	24,532
Pensions	68	257
Other social security costs	66	90
<b>Total employee benefit expense</b>	<b>6,534</b>	<b>24,879</b>
Average number of full time employee	7	27

#### 4 Financial income

	1 May 2021 – 30 April 2022	1 May 2020 – 30 April 2021
<b>DKK'000</b>		
Interest income, Group entities	6,232	11,734
Other financial income	673	1,082
Foreign exchange rate gains	72	0
Gain from sale of shares	0	17
	<b>6,977</b>	<b>12,833</b>

## Parent financial statements

### Notes

#### 5 Financial cost

DKK'000	1 May 2021 – 30 April 2022	1 May 2020 – 30 April 2021
Financial costs, Group entities	4,121	8,044
Other financial costs	2,146	1,456
Foreign exchange rate loss	0	377
	<b>6,267</b>	<b>9,877</b>

#### 6 Income tax for the year

DKK'000	1 May 2021 – 30 April 2022	1 May 2020 – 30 April 2021
Estimated tax charge for the year	2,513	415
Deferred tax for the year	306	-2,219
Adjustment of tax concerning previous years	23	0
	<b>2,842</b>	<b>-1,804</b>

#### 7 Intangible fixed assets

DKK'000	Acquired in- tangible fixed assets	Total
Cost at 1 May 2021	7,332	7,332
Additions	0	0
Disposals	-5,485	5,485
Cost 30 April 2022	1,847	1,847
Impairment losses and amortisation at 1 May 2021	3,377	3,377
Amortisation for the year	1,118	1,118
Disposals	-2,695	-2,695
Impairment losses and amortisation at 30 April 2022	1,800	1,800
<b>Carrying amount 30 April 2022</b>	<b>47</b>	<b>47</b>

## Parent financial statements

### Notes

#### 8 Tangible fixed assets

DKK'000	Land and buildings	Other fixtures and fittings, tools and equipment	Construc- tion in progress	Total
Cost 1 May 2021	157	5,732	251	6,140
Additions for the year	0	2,174	0	2,174
Transfer		251	-251	0
Disposals	0	-6,378	0	-6,378
Cost 30 April 2022	157	1,779	0	1,936
Impairment losses and depreciation at 1 May 2021	37	3,812	0	3,849
Depreciation for the year	12	928	0	940
Disposals	0	-3,253	0	-3,253
Impairment losses and depreciations at 30 April 2022	49	1,487	0	1,536
<b>Carrying amount 30 April 2022</b>	<b>108</b>	<b>292</b>	<b>0</b>	<b>400</b>

#### 9 Investments in group entities

DKK'000	30 April 2022	30 April 2021
Cost of 1 May	74,620	74,464
Exchange rate adjustments	-2	156
Disposals	-60,184	
Cost at 30 April	14,434	74,620
Revaluations of 1 May	0	0
Revaluation at 30 April	0	0
<b>Carrying amount at 30 April</b>	<b>14,434</b>	<b>74,620</b>

Investments in subsidiaries are specified in the consolidated financial statement for the Group on page 33.

DKK'000	Receivables from subsidiaries
Cost at 1 May 2021	218,003
Exchange rate adjustments	85
Additions for the year	5,466
Repayment for the year	-223,554
Cost at 30 April 2022	0
<b>Carrying amount at 30 April 2022</b>	<b>0</b>

## Parent financial statements

### Notes

#### 10 Equity

The share capital consists of:

DKK'000	Nominal value
70,000 A shares of 1 DKK'000	70,000
630,000 B shares of 1 DKK'000	630,000
	<b>700,000</b>

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

#### 11 Proposed distribution of profit

DKK'000	2021/2022	2020/2021
Extraordinary dividend distributed in year	-1,310,000	0
Retained earnings	1,292,346	57,432
	<b>-17,654</b>	<b>57,432</b>

#### 12 Contingencies assets, liabilities and other financial obligations

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

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 0 MDKK at 30 April 2022 (30 April 2021 18.7 MDKK).

##### Other contingent liabilities

Other contingent liabilities are for the Parent Company included in the consolidated financial statement on page 35.

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.

##### Other financial obligations

Other financial obligations are for the Parent Company included in the consolidated financial statement on page 35.

#### 13 Pledges, collateral and commitments

Pledges, collateral and commitments are for the Parent Company included in the consolidated financial statement on page 36.



## **Parent financial statements**

### **Notes**

#### **14 Related parties and ownership**

Related parties and ownership are for the Parent Company included in the consolidated financial statement on page 36.

#### **Transactions**

All intercompany transactions have been carried out through normal market terms.

#### **15 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 36.