DELIVERING THE DIFFERENCE

K. Nissen International A/S

Ormhøjgårdvej 9, 8700 Horsens

CVR no. 70 60 69 17

Annual Report

1 May 2020 - 30 April 2021

The Annual Report was presented and approved at the Annual General Meeting of the company on 25 June 2021

Niels Jacobsen
Chairman

Contents

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 2020 - 30 April 2021.

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 2021 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 2020 - 30 April 2021.

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, 25 June 2021

Executive Board:

Mikkel Krogslund Andersen
CEO

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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 2020 – 30 April 2021, 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 2021 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 2020 – 30 April 2021 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' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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, 25 June 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid State Authorised Public Accountant Mne31450	Julie Boll Knudsen State Authorised Public Accountant Mne44104

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 Mathias Daniel Pedersen Mette Breum Keller
Executive board	Mikkel Krogslund Andersen
Auditors	EY Godkendt Revisionspartnerselskab
Bankers	Nordea Danmark, filial af Nordea Bank AB (publ), Sverige Nykredit A/S

Management's review

Financial highlights for the Group

In DKK millions,	2020/2021	2019/2020	2018/2019	2017/2018	2016/2017
Key figures					
Revenue	2,438.8	1,943.2	1,982.8	1,675.7	1,603.6
EBITDA	314.4	182.0	239.8	197.2	206.6
Profit/loss before financial income and expense	276.5	152.9	209.8	169.1	181.6
Net finance costs	-12.9	-9.6	-4.6	-47.8	-5.0
Profit/loss for the period	206.6	109.1	156.9	92.7	136.2
Total assets	1,790.9	1,436.4	1,385.9	1,127.5	1,073.1
Equity	806.4	672.8	666.8	585.3	510.1
Cash flows from operating activities	109.6	125.8	171.2	109.6	205.7
Cash flow from investments in fixed assets	-43.2	-48.2	-24.9	-32.7	-46.1
Financial ratios					
Operating margin	11.3%	7.9%	10.6%	10.1%	11.3%
Gross margin	30.5%	30.5%	31.9%	34.2%	34.4%
EBITDA-margin	12.9%	9.3%	12.1%	11.8%	12.9%
Return of assets	17.1%	10.8%	16.7%	15.5%	17.9%
Current ratio	191.2%	205.7%	213.5%	245.4%	211.5%
Solvency ratio	45.0%	46.8%	48.1%	51.9%	47.5%
Return on equity	27.9%	16.3%	25.1%	17.0%	30.0%
NWC ratio	23.8%	22.7%	25.1%	25.1%	24.8%
Average number of full-time employees	1,415	1,365	1,363	1,331	1,215

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.

Management's review

Management commentary

The Nissens Group develops, manufactures and markets cooling systems and engine efficiency products 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 and engine efficiency solutions. In addition, the Nissens Group is a leading global company in cooling systems for on- and offshore wind turbines and a leading manufacturer of cooling solutions for special vehicles and industrial applications. The Nissens Group is known for a strong brand, a wide product range, consistently high service levels, good product quality, strong engineering capabilities as well as high-quality customization and innovation.

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.

The Nissens Group is headquartered in Horsens, Denmark, with most of the production being undertaken at two production facilities in Slovakia, three production facilities in Denmark, two production facilities in China and a production facility in the Czech Republic. The Nissens Group consists of 33 subsidiaries across three continents with activities within sales, production and distribution. As of 30 April 2021, the Nissens Group employs 1,554 FTEs, of which 794 are located in Slovakia and Czech Republic, 414 are located in Denmark, 189 are located in China and 168 are employed in other countries.

History and recent developments

The Nissens group is celebrating its 100 years anniversary in 2021. The remarkable event is celebrated 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 Fin-land 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.

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 the production and supply of products within engine cooling, climate solutions 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 and 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.

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.

Management's review

Business review (continued)

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 wind business delivers cooling systems and modules to the wind industry, whereas the industry business is focused on cooling solutions for special vehicles and industrial applications such as construction equipment, mining machinery, agricultural machines and special equipment.

Products

The Nissens Group offers a wide range of products within its two business units. Within the Automotive business unit, the Group offers products within three existing categories: climate cooling, engine cooling and efficiency & emissions. Condensers, compressors, blowers, receivers, dryers, evaporators, heathers 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.

The main product categories offered within the Cooling Solutions business unit are for wind turbine applications, including mechanical and electrical drive train cooling, converter & inverter cooling, transformer cooling and climate control as well as system and module assembly for the wind turbine industry for easy integration and final assembly by the wind turbine manufacturers. Furthermore, engine cooling, oil cooling and charge air cooling are solutions supplied to industrial manufacturers.

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. As a result, 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 in 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 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 currently consists of five members, of which four are male, and one is female. The Company has reached its target, as one woman is represented in the Board of Director. Two new board members have been elected in the past year.

Management's review

Business review (continued)

The Nissens Group wants to increase the representation of women in the Group management team supporting the CEO and therefore strive 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 17%.

Corporate Social Responsibility

Nissens Corporate Social Responsibility Report can be found on the company's website following this link: https://nissens.com/Admin/Public/DWSDownload.aspx?File=%2fFiles%2fFiles%2fCSR%2f2020-21+Annual+Report+CSR+section+AX+V.pdf

Financial review

Nissens Group

The Automotive division holding company NA International A/S has acquired 100% of the shares in four companies in the AVA group. The AVA companies' business activities involve sales and distribution of automotive cooling and climate products and will further strengthen the market position of the Automotive division. The AVA brand has a strong acknowledgement in the European market and together the combined companies will benefit from synergies in supply chain and other back-office functions.

The purchase price reflects that the acquired companies has not been profitable in their previous structure and ownership. To obtain the synergies from the business combination there will be substantial transformation costs in both FY 2020/21 and FY 2021/22, which are reflected as a negative goodwill on the acquisition. The negative goodwill 36.5 MDKK have been recognized as other operating income, cf. note 2.

The net revenue in the fiscal year 2020/2021 amounts to 2,439 MDKK, which is a increase of 496 MDKK or 25.5% compared to the last fiscal year explained by both acquisition of AVA entities and growth in both divisions. EBITDA for the year is 279 MDKK compared to an EBITDA of 182 MDKK on last year. The net income for the year is 208 MDKK compared to a net income of 109 MDKK last year.

The balance sheet total amounts to 1,791 MDKK and the equity capital amounts to 806 MDKK, equal to a debt equity ratio of 45.0%.

K. Nissen International increased the operating profit from 153 MDKK to 277 MDKK and corresponding to an operating margin of 11.4%.

Cash Flow from Operating Activities decreased from 126 MDKK to 110 MDKK as a result of an increase in result before financial items offset by an increase in working capital.

The cash balance at the end of the year is 160 MDKK (2019/2020: 195 MDKK) and with an undrafted credit facility of 125 MDKK the Group has until now not seen a requirement to establish further available liquidity. The cash flow is impacted by the acquisition of companies in the AVA group and the completion of the major part of an extensive investment program carried out in 2019/2020 and 2020/2021. Working Capital changes mainly relating to the execution of a large order book for the wind turbine industry and financing activities.

The development in the result over the last year is explained by growth in both Nissens Automotive and Nissens Cooling Solutions. In the Automotive division, the growth is partly created through the acquisition of the AVA companies and partly deriving from organic growth. In the Cooling Solutions division, market growth and the execution of a large order pipeline for the wind turbine industry in the last six months of the fiscal year are the main contributors to the result.

Management's review

Financial review (continued)

Furthermore, continued execution of a significant and ongoing transformation project in Cooling Solutions as well as reductions in the overhead cost base in both the Cooling Solutions and Automotive divisions positively influence the development of the result

The management regards the result of both divisions as satisfactory.

Nissens Automotive

In the beginning of FY2020/2021 the Automotive division was negatively impacted by covid-19. Despite this, the Automotive division completed the year with continued long term sales growth delivering an all time high revenue. The drivers behind this is due to the acquisition of the AVA group and a strong financial year-end based on order build-up from customers preparing for the summer season as well as a containment of the negative impacts of Covid-19. Furthermore last year was negatively impacted in the fourth quarter by Covid-19.

Product costs are impacted by current inbound freight increases due to the global freight market development as well as increased raw material prices.

To mitigate this, market price level adjustments have been announced and partially implemented. The need for further adjustments will be evaluated continuously.

Nissens Cooling Solutions

The growth in the result over the last year is explained by growth in the wind division, where the execution of a large order book for the wind turbine industry in the last six months of the year has been a driver for the growth. Furthermore, the continued execution of a significant and ongoing transformation project as well as reductions in the overhead cost base explain the development in the result over the last year.

Market conditions are characterized by several new product platform introductions from the global wind turbine manufacturers and a continued pressure on price and cost levels within the wind energy industry. The industrial business segments have been impacted by a general macro-economic slow-down of activity starting with the outbreak of Covid-19.

One-time events in the financial year are global supply chain disturbances mainly relating to Covid-19 impacts.

Cost-out projects on product platforms have been a key initiative in the financial year and will continue to play a leading role in securing the competitiveness of the Cooling Solutions business as well as the wind energy segment in the coming years.

Material costs have seen significant fluctuations in the last quarter of the year, and the future impact and duration are at the current stage not fully clear. To the extent possible, increases in material prices will be reflected in future commercial agreements.

Outlook

In FY2021/2022, the Group expects a revenue between 2,450 MDKK and 2,550 MDKK driven by continued growth in the Automotive division, partly by the integration of the AVA group companies, while the Cooling Solutions division expects a lower revenue due to a decline in market demand in FY2021/2022 compared to FY2020/2021.

EBITDA is expected to end between 250 MDKK and 280 MDKK, mainly driven by sales growth in the Automotive division and offset by lower sales in the Cooling Solutions division, material and freight increases as well as planned overhead investments in both divisions.

Management's review

Financial review (continued)

Events after the balance sheet date

After the balance sheet date, no events have occurred that may have significant influence on the assessment of the financial statement for the year 1 May 2020 – 30 April 2021.

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.

Currency risks

The majority of the Group's 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.

Material prices and freight related risks

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

Materials price increases, freight cost 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 impact of Covid-19 was mainly seen during the first quarter of 2020/21 due to a reduction in driven mileage in the key markets and thereby a reduction in the need for spare parts. Along the gradual opening of markets, a corresponding increase in the need for spare parts has merged again. If Covid-19 impact re-escalates and driven mileage declines, these issues might re-emerge.

In the Cooling Solutions division, a number of supply chain related disturbances relating to Covid-19 has materialized and the ongoing transformation program has been delayed due to Covid-19.

These risk elements may arise again if Covid-19 re-escalates.

Consolidated financial statements

Income statements

For the period 1 May - 30 April

Note	DKK'000	2020/2021	2019/2020
3	Revenue	2,438,814	1,943,203
	Cost of raw materials and consumables	-1,420,517	-1,072,018
2	Other operating income	47,378	10,658
	Other external costs	-321,737	-289,985
	Gross margin	**743,938**	**591,858**
4	Staff costs	-429,534	-409,827
	Depreciation, amortization and impairment of intangible fixed assets and property, plant and equipment	-37,949	-29,159
	Profit/loss before net financials	**276,455**	**152,872**
	Income from investments in capital interests	0	-5
5	Finance income	5,399	6,471
5	Finance costs	-18,315	-16,092
	Profit before tax	**263,539**	**143,246**
6	Tax for the year	-56,896	-34,130
	Profit for the year	**206,643**	**109,116**

Consolidated financial statements

Balance sheet

Note	DKK'000	30 April 2021	30 April 2020
	ASSETS		
	Fixed assets		
	Development projects	8,146	3,908
	Acquired intangible assets	28,364	9,076
	Development projects in progress	19,199	11,115
7	**Total intangible assets**	**55,709**	**24,099**
	Land and buildings	126,888	136,517
	Plant and machinery	81,581	79,936
	Other fixtures and fittings, tools and equipment	11,897	9,576
	Property, plant and equipment in progress	42,926	17,706
8	**Total tangible assets**	**263,292**	**243,735**
	Investments in capital interests	1,432	7
	Deposits	4,126	1,748
9	**Total investments**	**5,558**	**1,755**
	Total fixed assets	**324,559**	**269,589**
	Non-fixed assets		
	Raw materials and consumables	143,360	102,393
	Work in progress	143,840	137,185
	Finished goods and goods for resale	358,919	318,209
	Prepayments for goods	14,808	3,734
	Total inventories	**660,927**	**561,521**
	Trade receivables	574,927	366,018
10	Deferred tax assets	10,611	1,681
	Other receivables	50,366	33,810
11	Prepayments	9,437	9,199
	Total receivables	**645,341**	**410,708**
	Cash and cash equivalents	160,094	194,558
	Total non-fixed assets	**1,466,362**	**1,166,787**
	TOTAL ASSETS	**1,790,921**	**1,436,376**

Consolidated financial statements

Balance sheet

Note	DKK'000	30 April 2021	30 April 2020
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	700	700
12	Retained earnings	808,798	672,103
	Foreign currency translation reserve	-3,133	0
	Total equity	**806,365**	**672,803**
	Provisions		
10	Deferred tax liabilities	9,502	4,711
13	Other provisions	19,309	14,571
	Total provisions	**28,811**	**19,282**
	Non-current liabilities		
	Mortgage debt	162,962	162,914
	Other payables	23,403	15,797
	Deferred income	1,248	792
	Lease liability	1,023	580
14	**Total non-current liabilities**	**188,636**	**180,083**
	Current liabilities		
14	Short-term portion of long-term liabilities	81	15
	Prepayments from customers	3,499	466
	Trade payables	509,838	325,932
	Payable to Group entities	102,762	80,760
	Income tax payable	25,351	12,185
	Other payables	123,953	143,646
	Deferred income	454	207
	Lease liability	1,171	997
	Total current liabilities	**767,109**	**564,208**
	Total liabilities	**984,556**	**763,573**
	TOTAL EQUITY AND LIABILITIES	**1,790,921**	**1,436,376**

15 Hedging
16 Contingent assets, liabilities and other financial obligations
17 Accounting policies
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 2020 - 30 April 2021

Note	DKK'000	30 April 2021	30 April 2020
	Profit for the year	207,681	109,121
21	Adjustments	73,604	65,450
	Cash generated from operations (operating activities)	281,285	174,571
22	Changes in working capital	-117,530	8,465
	Cash generated after operations	163,755	183,036
	Finance received	1,230	1,073
	Finance paid	-10,802	-5,064
	Income tax paid	-44,534	-53,227
	Cash flows from operating activities	**109,649**	**125,818**
	Investing activities		
7	Purchase of intangible assets	-23,294	-19,832
8	Purchase of property, plant and equipment	-43,201	-48,222
	Proceeds from sale of property, plant and equipment	1,398	287
	Change in deposits	-324	-183
	Investment in subsidiaries	-34,113	0
	Investment in capital interests	-891	0
	Acquisition of a subsidiary, net of cash acquired	9,044	0
	Net cash flows used in investing activities	**-91,380**	**-67,950**
	Financing activities		
	Dividends distributed	-65,000	-100,000
	Repayment of borrowings	-9,735	-235
	Proceeds from related parties	22,002	58,770
	Net cash flows from financing activities	**-52,733**	**-41,465**
	Cash flow for the period	**-34,464**	**16,402**
	Cash and cash equivalents at 1 May	194,558	178,156
	Cash and cash equivalents at 30 April	**160,094**	**194,558**

The Group has unused credit facilities amounting to DKK 125,000 thousands.

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Statement of changes in equity

DKK'000	Share capital	Retained earnings	Foreign currency translation reserve	Dividend proposed for the year	Total equity
Equity at 1 May 2019	**700**	**566,124**	**0**	**100,000**	**666,824**
Transfer through appropriation of profit	0	109,116	0	0	109,116
Exchange rate foreign subsidiaries	0	-3,137	0	0	-3,137
Dividend distributed	0	0	0	-100,000	-100,000
Equity 30 April 2020	**700**	**672,103**	**0**	**0**	**672,803**
Equity at 1 May 2020	**700**	**672,103**	**0**	**0**	**672,803**
Transfer through appropriation of profit	0	206,643	0	0	207,681
Exchange rate foreign subsidiaries	0	0	-3,133	0	-4,171
Extra ordinary dividend distributed	0	-65,000	0	0	-65,000
Adjustment to prior year	0	-4,948	0		-4,948
Equity 30 April 2021	**700**	**808,798**	**-3,133**	**0**	**806,365**

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Overview of notes for the consolidated financial statements

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1 Accounting policies

The annual report of K. Nissen International A/S for 2020/2021 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 2020/2021 is presented in DKK'000.

Effective from the financial year 2020/2021, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed new and amended presentation and disclosure requirements.

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.

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.

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.

1 Accounting policies (continued)

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.

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.

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1 **Accounting policies (continued)**

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.

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.

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1 Accounting policies (continued)

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.

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.

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1 Accounting policies (continued)

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.

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.

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Notes

1 Accounting policies (continued)

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.

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.

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.

Consolidated financial statements

Notes

1 Accounting policies (continued)

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.

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The hedging reserve does not represent a limitation under company law and may therefore be negative.

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.

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Notes

1 Accounting policies (continued)

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
$$\frac{\text{Profit/loss before net financials x 100}}{\text{Revenue}}$$

Gross margin ratio
$$\frac{\text{Gross margin x 100}}{\text{Revenue}}$$

EBITDA-margin
$$\frac{\text{EBITDA}}{\text{Revenue x 100}}$$

Return on assets
$$\frac{\text{Profit/loss before net financials x 100}}{\text{Average assets}}$$

Current ratio
$$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$$

Solvency ratio
$$\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$$

Return on equity
$$\frac{\text{Profit/loss for the year after tax x 100}}{\text{Average equity}}$$

NWC ratio
$$\frac{\text{Average Net working capital x 100}}{\text{Revenue for the year}}$$

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 2020 – 30 April 2021	1 May 2019 – 30 April 2020
Government grants	1,637	2,218
Negative goodwill	36,487	0
Transaction costs directly related to acquisition of AVA entities	-4,233	0
Transformation cost directly related to acquisition of AVA entities	-8,295	0
Special items are incorporate in the income statement in:	**25,596**	**2,218**
Other operating income	38,124	2,218
Other external costs	-9,203	0
Staff cost	-3,325	0
Result of special item, net	**25,596**	**2,218**

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

3 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.

Revenue	Automotive	Cooling Solution	Total segments
	MDKK	MDKK	MDKK
1 May 2020 – 30 April 2021	1,133.9	1,304.9	2,438.8
1 May 2019 – 30 April 2020	983.0	960.2	1,943.2

Geographic information

MDKK	1 May 2020 – 30 April 2021	1 May 2019 – 30 April 2020
Revenue from external customer		
Denmark	262.2	197.0
Germany	355.5	400.3
China	434.3	155.4
Other	1,386.8	1,190.5
	2,438.8	**1,943.2**

Consolidated financial statements

Notes

4 Staff costs

DKK'000	1 May 2020 – 30 April 2021	1 May 2019 – 30 April 2020
Wages and salaries	392,157	374,547
Pensions	20,123	19,545
Other Social security costs	17,254	16,269
Total employee benefit expense	**429,534**	**410,361**
Average number of full time employee	1,415	1,365

5 Net finance costs

Finance income **DKK'000**	1 May 2020 – 30 April 2021	1 May 2019 – 30 April 2020
Other financial income	1,276	1,166
Foreign exchange rate gains	4,106	5,305
Gain from sale of shares	17	0
Total finance income	**5,399**	**6,471**

Finance costs **DKK'000**	1 May 2020 – 30 April 2021	1 May 2019 – 30 April 2020
Interest – borrowings	2,320	2,599
Interest – other	3,432	2,302
Interest – intercompany	4,760	4,071
Interest on lease liabilities	19	0
Amortisation borrowings	213	213
Other finance expenses	472	56
Foreign exchange rate loss	7,099	6,851
Total finance costs	**18,315**	**16,092**

6 Tax for the year

DKK'000	1 May 2020 – 30 April 2021	1 May 2019 – 30 April 2020
Estimated tax charge for the year	58,738	31,102
Deferred tax adjustments in the year	-804	4,382
Tax adjustments, prior year	-1,038	-1,354
	56,896	**34,130**

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7 Intangible assets

DKK'000	Development projects	Acquired intangible assets	Intangible assets in progress	Total
Cost 1 May 2020	3,964	24,813	11,115	39,892
Acquisition of subsidiary	0	14,930	0	48
Currency translation	0	-71	-18	-89
Addition	1,594	8,613	13,087	23,294
Transfer	5,767	-782	-4,985	0
Disposals	0	-199	0	-199
Cost 30 April 2021	11,325	47,304	19,199	62,946
Amortisation and impairment 1 May 2020	56	15,737	0	15,793
Currency translation	0	-227	0	-227
Amortisation	3,123	3,481	0	6,520
Disposal	0	-51	0	-51
Amortisation and impairment 30 April 2021	3,179	18,940	0	22,037
Carrying amount 30 April 2021	**8,146**	**28,364**	**19,199**	**55,709**

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

8 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings	Construction in progress	Total
Cost 1 May 2020	329,292	307,696	45,158	17,706	699,852
Acquisition of subsidiary	0	9,841	240	0	10,081
Currency translation	-320	-799	-31	-32	-1,182
Additions	326	2,526	5,603	34,746	43,201
Transfer	0	9,494	0	-9,494	0
Disposals	-462	-1,275	-444	0	-2,181
Cost 30 April 2021	328,836	327,483	50,526	42,926	749,771
Depreciation and impairment 1 May 2020	192,775	227,760	35,582	0	456,117
Currency translation	-134	-503	-120	0	-757
Depreciation	9,307	18,645	3,478	0	31,430
Disposals	0	0	-311	0	-311
Depreciation and impairment 30 April 2021	201,948	245,902	38,629	0	486,479
Carrying amount 30 April 2021	**126,888**	**81,581**	**11,897**	**42,926**	**263,292**
Of which are finance lease assets	3,280	1,860	0	0	5,140

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9 Investments

DKK'000	Investment capital interests, net asset value	Deposits, investment	Total
Cost at 1 May 2020	7	1,748	1,755
Acquisition of subsidiary	0	2,054	2,054
Additions in the year	1,432	372	1,804
Disposal in the year	-7	-22	-29
Currency translation	0	-26	-26
Cost at 30 April 2021	1,432	4,126	5,558
Carrying amount at 30 April 2021	**1,432**	**4,126**	**5,558**

Name	Legal form	Registered office	Ownership	Equity DKK '000	Profit/loss DKK '000
Subsidiaries					
Nissens (Shanghai) Auto Parts Trading Ltd.	Ltd.	China	100%	30,668	1,492
NCS International A/S	A/S	Denmark	100%	296,574	-419
NA International A/S	A/S	Denmark	100%	1,164,073	61,614
Subsidiaries of NCS International A/S:					
Nissens Cooling Solutions A/S	A/S	Denmark	100%	204,485	-4,306
Nissens Cooling Solutions Inc.	Inc.	USA	100%	4,257	1,373
Nissens Cooling Solutions Czech S.r.o.	S.r.o.	Czech Rep.	100%	8,346	6,979
Nissens Cooling System (Tianjin) Co Ltd	Ltd.	China	100%	94,911	51,075
Nissens Slovakia S.R.O.	S.r.o	Slovakia	100%	134,028	21,401
Nissens Slovakia North S.R.O.	S.r.o	Slovakia	100%	1,911	367
Subsidiaries of NA International A/S:					
Nissens Automotive A/S	A/S	Denmark	100%	272,734	105,571
Nissens UK Ltd	Ltd	England	100%	5,068	679
Nissen France EURL	EURL	France	100%	8,743	865
Radiadores Nissen S.A.	S.A	Spain	100%	16,824	1,361
Nissens Sverige A.B.	A.B	Sweden	100%	2,555	179
Nissens Schweiz A.G.	A.G	Switzerland	100%	2,795	196
Nissens Portugal LDA	Lda.	Portugal	100%	1,186	54
Chlodnice Nissens Polska Sp.zo.o.	Sp. Z o.o	Poland	100%	3,575	303
Nissens Belgium S.A.	S.A	Belgium	100%	4,964	362
Nissens Hungaria Jarmuhuto Kft	Ktf.	Hungary	100%	3,242	363
Nissens Italia S.R.L.	S.r.l	Italy	100%	3,901	837
Nissens Finland OY	OY	Finland	100%	8,404	224
Nissens North America Inc.	Inc.	USA	100%	23,434	4,869
Nissens Ukraine Ltd	Ltd.	Ukraine	100%	-5,207	-1,421
Nissens Deutschland GmbH	GmbH	Germany	100%	6,845	1,009
Nissens Automotive SK S.R.O.	S.r.o.	Slovakia	100%	15,439	2,029
AVA Benelux BV	BV	Netherland	100%	25,032	-5,421
AVA CEE Sp. z o.o.	Sp. Z o.o	Poland	100%	6,469	1,558
AVA Cooling UK Ltd	Ltd	England	100%	6,733	-1,732
AVA Cooling France	SAS	France	100%	11,636	-939
Selskabet af 29. April 2021 A/S	A/S	Denmark	100%	-1,702	-1,402
Nissens Automotive Service A/S	A/S	Denmark	100%	3,993	-7
Capital interests					
MDS Stainless ApS	ApS	Denmark	20%	6,953	3,954

Consolidated financial statements

Notes

10 Deferred tax

DKK'000	30 April 2021	30 April 2020
Deferred tax 1 May	3,030	-1,366
Acquisition of subsidiary	-3,303	0
Currency translation	-32	14
Deferred tax for the period recognised in profit for the period	-804	4,382
Deferred tax 30 April	**-1,109**	**3,030**

Reflected in the statement of financial position as follows:		
Deferred tax assets	10,611	1,681
Deferred tax liabilities	9,502	4,711
Deferred tax, net	**-1,109**	**3,030**

11 Prepayments

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

12 Appropriation of profit

Recommended appropriation of profit

DKK'000	2020/2021	2019/2020
Retained earnings	207,681	109,121
	207,681	**109,121**

13 Provisions

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

DKK'000	30 April 2021	30 April 2020
Balance at beginning of year at 1 May	14,571	10,426
Acquisition of subsidiary	935	0
Currency translation	-24	41
Provision in year	10,346	5,035
Reversal during the year	-6,519	-931
Provisions 30 April	**19,309**	**14,571**

Consolidated financial statements

Notes

14 Non-current liabilities other than provisions

DKK'000	Total debt at 30 April 2021	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	163,043	81	162,962	95,050
Lease liability	2,194	1,171	1,023	0
Other payables	147,356	0	23,403	23,403
	311,593	**1,252**	**187,388**	**118,453**

15 Hedging

The Company has entered into currency hedging agreements covering purchase in foreign currency. The fair value of hedging agreements as of 30 April 2021 amounts to 403 DKK'000 and will expire within eight months after the balance sheet date.

16 Contingent assets, liabilities and other financial obligations

Other financial obligations

Other rent and lease liabilities:

30 April 2021

DKK'000	Operational leases	Other contractual commitments
0-1 year	33,380	14,451
1-5 year	54,130	19,559
>5 years	410	0
	87,920	**34,010**

30 April 2020

DKK'000	Operational leases	Other contractual commitments
0-1 year	17,896	14,278
1-5 year	44,503	24,427
>5 years	1,333	0
	63,732	**38,705**

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

17 Business combinations

Acquisition of AVA group

As of December 1th, 2020 the Automotive division company NA International A/S has acquired 100% of the share capital in the following 3 companies AVA CEE S.P. z o.o., AVA Benelux B.V. and AVA Cooling UK Ltd. In addition, NA International A/S has acquired 100 % of the share capital in the company AVA Cooling France as of February 23, 2021.

The AVA companies' business activities are within sales and distribution of automotive cooling and climate products and will further strengthen the market position of the Automotive division. The AVA brand has a strong acknowledgement in the European market and together the combined companies will benefit from synergies in supply chain and other back-office functions.

The total acquisition price is agreed to 34.1 mDKK of which 26.7 mDKK has been paid cash in December 2020 and 7.4 mDKK in February 2021. The total acquisition price has been adjusted with 3.5 MDKK in May 2021. The total cost price has been settled in cash.

The Group has incurred transaction costs of approximately 4.2 mDKK in connection with the acquisition for legal, financial and commercial advisors. The costs have been recognized as other external costs, cf. note 2.

The purchase price reflects that the acquired companies has not been profitable in their previous structure and ownership. To obtain the synergies from the business combination there will be substantial transformation costs in both FY 2020/21 and FY 2021/22, which are reflected as a negative goodwill on the acquisition. The negative goodwill have been recognized as other operating income, cf. note 2.

AVA CEE S.P. z o.o., AVA Benelux B.V. and AVA Cooling UK Ltd has been included in the consolidated financial statements from the date of acquisition, December 1th, 2020 and AVA Cooling France has been included in the consolidated financial statements from the date of acquisition, February 23, 2021.

18 Pledges, collateral and commitments

Collateral

Land and buildings with a carrying amount of 64.8 MDKK have been pledged as security for mortgage debt of 163.0 MDKK.

Shares in K. Nissen International A/S, carrying amount 806,365 DKK'000 and shares in the following subsidiaries of K. Nissen International A/S, Nissens Slovakia S.r.o, carrying amount 134,028 DKK'000, Nissens Slovakia North S.r.o, carrying amount 1,911 DKK'000, Nissens North America Inc. carrying amount 23,434 DKK'000 Nissens Cooling Solutions A/S , carrying amount 204,485 DKK'000, Nissens Automotive A/S , carrying amount 272,734 DKK'000, Nissens Deutschland GmbH, carrying amount 6,845 DKK'000 and the subsidiary of Nissens A/S, Nissens UK ltd, carrying amount 5,068 DKK'000 have been pledged as security for bond debts of 130 MEUR in the Parent Company AX V Nissens ApS.

KNI International A/S has issued a guarantee in respect of 100% of Nissens Cooling Solutions A/S' debt to credit institutions. The debt amounts to DKK 0 at 30 April 2021.

Consolidated financial statements

Notes

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

K. Nissen International A/S holds a payable of 85,699 DKK'000 with AX V Nissens ApS. Interests are charged at market terms.

Transactions

Disclosure according to §98b of the Danish Financial Statements Act amounts to 100 DKK'000, for remunerations to the board of directors (2019/2020 80 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	2020/2021	2019/2020
Statutory audit	912	813
Assurance engagements	53	4
Tax assistance	301	401
Other assistance	65	233
	1,331	**1,451**

21 Adjustments

DKK'000	2020/2021	2019/2020
Amortisation/depreciation and impairment losses	1,462	29,159
Gain/loss on the sale of non-current assets	0	295
Provisions	4,129	-3,145
Financial income	-5,399	-6,471
Financial expenses	18,315	16,092
Exchange rate adjustments	-1,799	-3,610
Tax for the year	56,896	34,130
	73,604	**65,450**

Consolidated financial statements

Notes

22 Change in working capital

DKK'000	2020/2021	2019/2020
Change in inventory	-50,756	-27,266
Change in receivables	-176,442	26,966
Change in trade payables and other payables	106,635	53,385
Change in prepayments from customer	3,033	-44,620
	-117,530	**8,465**

Parent financial statements

Income statement

For the period 1 May - 30 April

Note	DKK'000	2020/2021	2019/2020
2	Other operating income	55,166	63,887
	Other operating costs	0	-515
	Other external costs	-39,700	-39,120
	Gross margin	**15,466**	**24,252**
3	Staff costs	-24,879	-18,072
	Depreciation, amortization and impairment of intangible fixed assets and property, plant and equipment	-2,915	-1,940
	Profit/loss before net financials	**-12,328**	**4,240**
	Dividend distributed from subsidiaries	65,000	100,000
	Income from investments in capital interests	0	-5
4	Financial income	12,833	16,581
5	Financial costs	-9,877	-10,755
	Profit before tax	**55,628**	**110,061**
6	Tax for the year	1,804	-968
	Profit for the year	**57,432**	**109,093**

Parent financial statements

Balance sheet

Note	DKK'000	30 April 2021	30 April 2020
	ASSETS		
	Acquired intangible fixed assets	3,955	4,808
8	**Total intangible assets**	**3,955**	**4,808**
	Land and buildings	120	134
	Plant and machinery	0	0
	Other fixtures and fittings, tools and equipment	1,920	2,961
	Construction in progress	251	0
9	**Total tangible assets**	**2,291**	**3,094**
7	Investments in subsidiaries	74,620	74,464
7	Receivables from subsidiaries	218,003	208,392
7	Investments in capital interests	0	6
	Total investments	**292,623**	**282,862**
	Total fixed assets	**298,869**	**290,764**
	Receivables from Group entities	72,411	68,198
	Other receivables	3,087	5,567
	Prepayments	905	873
	Deferred tax assets	20	0
	Total receivables	**76,423**	**74,638**
	Cash	42,399	101,019
	Total current assets	**118,822**	**175,657**
	TOTAL ASSETS	**417,691**	**466,421**

Parent financial statements

Balance sheet

Note	DKK'000	30 April 2021	30 April 2020
	EQUITY AND LIABILITIES		
	Equity		
10	Share capital	700	700
	Retained earnings	62,066	69,634
	Proposed dividend for the year	0	0
	Total equity	**62,766**	**70,334**
	Provisions		
	Provision for deferred tax	0	2,199
	Other payables	1,628	1,079
	Total provisions	**1,628**	**3,278**
	Income tax payable	415	996
	Trade payables	7,521	11,567
	Payables to Group entities	324,538	369,680
	Other payables	20,823	10,566
	Short-term debt	**353,297**	**392,809**
	Total debt	**354,925**	**396,087**
	TOTAL EQUITY AND LIABILITIES	**417,691**	**466,421**

Parent financial statements

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Dividend proposed for the year	Total equity
Equity at 1 May 2019	**700**	**-39,461**	**100,000**	**61,241**
Ordinary dividend paid	0	0	-100,000	-100,000
Net profit for the year	0	109,093	0	109,093
Equity 30 April 2020	**700**	**69,634**	**0**	**70,334**
Equity at 1 May 2020	**700**	**69,634**	**0**	**70,334**
Net profit for the year	0	57,432	0	57,432
Extra ordinary dividend distributed	0	-65,000	0	-65,000
Equity 30 April 2021	**700**	**62,066**	**0**	**62,766**

Parent financial statements

Overview of notes for the consolidated financial statements

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:

DKK'000	1 May 2020 – 30 April 2021	1 May 2019 – 30 April 2020
Government grants	0	228
Special items are incorporate in the income statement in:		
Other operating income	0	228
Result of special item, net	**0**	**228**

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

3 **Staff costs**

DKK'000	1 May 2020 – 30 April 2021	1 May 2019 – 30 April 2020
Wages and salaries	24,532	17,613
Pensions	257	265
Other social security costs	90	194
Total employee benefit expense	**24,879**	**18,072**
Average number of full time employee	27	30

4 **Financial income**

DKK'000	1 May 2020 – 30 April 2021	1 May 2019 – 30 April 2020
Interest income, Group entities	11,734	13,320
Other financial income	1,082	835
Foreign exchange rate gains	0	2.426
Gain from sale of shares	17	0
	12,833	**16,581**

Parent financial statements

Notes

5 Financial costs

DKK'000	1 May 2020 – 30 April 2021	1 May 2019 – 30 April 2020
Financial costs, Group entities	8,044	9,530
Other financial costs	1,456	1,235
Foreign exchange rate loss	377	0
	9,877	**10,755**

6 Income tax for the year

DKK'000	1 May 2020 – 30 April 2021	1 May 2019 – 30 April 2020
Estimated tax charge for the year	415	996
Deferred tax for the year	-2,219	1,232
Adjustment of tax concerning previous years	0	-1,260
	-1,804	**968**

7 Investments in group entities

DKK'000	30 April 2021	30 April 2020
Cost of 1 May	74,464	74,464
Exchange rate adjustments	156	0
Cost at 30 April	74,620	74,464
Revaluations of 1 May	0	0
Revaluation at 30 April	0	0
Carrying amount at 30 April	**74,620**	**74,464**

Investments in subsidiaries are specified in the consolidated financial statement for the Group on page 31.

DKK'000	Receivables from subsidiaries	Investment capital interests
Cost at 1 May 2020	208,392	6
Exchange rate adjustments	-626	1
Additions for the year	10,237	0
Disposals for the year	0	-7
Cost at 30 April 2021	218,003	0
Carrying amount at 30 April 2021	**218,003**	**0**

Parent financial statements

Notes

8 Intangible fixed assets

DKK'000	Acquired intangible fixed assets	Total
Cost at 1 May 2020	6,712	6,712
Additions for the year	620	620
Cost 30 April 2021	7,332	7,332
Impairment losses and amortisation at 1 May 2020	1,904	1,904
Amortisation for the year	1,473	1,473
Impairment losses and amortisation at 30 April 2021	3,377	3,377
Carrying amount 30 April 2021	**3,955**	**3,955**

9 Tangible fixed assets

DKK'000	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Construction in progress	Total
Cost 1 May 2020	157	1	5,342	0	5,500
Additions for the year	0	0	389	251	640
Cost 30 April 2021	157	1	5,731	251	6,140
Impairment losses and depreciation at 1 May 2020	24	1	2,381	0	2,406
Depreciation for the year	13	0	1,430	0	1,443
Impairment losses and depreciations at 30 April 2021	37	1	3,811	0	3,849
Carrying amount 30 April 2021	**120**	**0**	**1,920**	**251**	**2,291**

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
	700,000

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

Parent financial statements

Notes

11 Proposed distribution of profit

DKK'000	2020/2021	2019/2020
Proposed dividend for the year	0	0
Retained earnings	57,432	109,093
	57,432	**109,093**

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 18.7 MDKK at 30 April 2021 (30 April 2020 5.5 MDKK).

Other contingent liabilities

Other contingent liabilities are for the Parent Company included in the consolidated financial statement on page 33.

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 33.

13 Pledges, collateral and commitments

Pledges, collateral and commitments are for the Parent Company included in the consolidated financial statement on page 34.

14 Related parties and ownership

Related parties and ownership are for the Parent Company included in the consolidated financial statement on page 35.

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 35.