DELIVERING THE DIFFERENCE

K. Nissen International A/S

Ormhøjgårdvej 9, 8700 Horsens

CVR no. 70 60 69 17

Annual report 2016/17

Approved at the annual general meeting of shareholders on 28 June 2017

Chairman:

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Contents

Statement by the 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 2016 - 30 April 2017.

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 2017 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 2016 - 30 April 2017.

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

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

Horsens, 28 June 2017
Executive Board:

Mikkel Krogslund Andersen

Board of Directors:

Alan Nissen
Chairman

Lars Bønderup Bjørn
Vice chairman

Carsten Bjerg

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 2016 - 30 April 2017, which comprise an income statement, balance sheet, statement of changes in equity, consolidated cash flow statement and notes, including accounting policies, for both the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 April 2017, and of the results of the Group and parent Company's operations as well as the consolidated cash flows for the financial year 1 May 2016 - 30 April 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

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

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

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

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

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

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

Independent auditor's report

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

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

Independent auditor's report

Statement on Management's review

Management is responsible for the Management's review.

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

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

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

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

Kolding, 28 June 2017
Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Brian Skovhus Jakobsen
State Authorised Public Accountant

Morten Østergaard Koch
State Authorised Public Accountant

Management's review

Company details

Name	K. Nissen International A/S
Address, Postal code, City	Ormhøjgårdvej 9, 8700 Horsens
CVR no.	70 60 69 17
Registered office	Horsens
Financial year	1 May 2016 - 30 April 2017
Board of Directors	Alan Nissen, Chairman Lars Bonderup Bjørn, Vice chairman Carsten Bjerg
Executive Board	Mikkel Krogslund Andersen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Kolding Åpark 1, 3. sal, 6000 Kolding, Denmark
Bankers	Sydbank

Management's review

Financial highlights for the Group

DKKm	2016/17	2015/16	2014/15	2013/14	2012/13
Key figures					
Revenue	1,603.6	1,380.1	1,094.4	956.7	843.2
Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)	206.6	152.9	124.5	116.6	79.7
Profit/loss before net financials	181.6	130.2	100.7	91.3	51.3
Net financials	-5.0	-9.3	-11.1	-11.8	-12.9
Profit/loss for the year	**136.2**	**93.1**	**68.0**	**59.9**	**25.0**
Total assets	1,073.1	960.5	848.1	743.2	689.7
Equity	**510.1**	**399.1**	**329.8**	**291.2**	**286.0**
Cash flows from operating activities	205.7	52.3	15.9	61.2	74.4
Investment in property, plant and equipment	-46.1	-24.0	25.7	33.5	14.4
Net interest-bearing debt / EBITDA	0.2	1.2	1.5	1.3	1.6
Net interest-bearing debt excluding derivative financial instruments	50.7	184.3	186.3	154.9	125.9
Financial ratios					
Operating margin	11.3%	9.4%	9.2%	9.5 %	6.1 %
Gross margin	34.4%	34.0%	36.3%	38.1%	36.7%
EBITDA-margin	12.9%	11.1%	11.4%	12.2%	9.5%
Return on assets	17.9%	14.4%	12.7%	12.7%	7.4%
Current ratio	211.5%	194.4%	125.8%	121.5%	123.9%
Solvency ratio	47.5%	41.6%	38.9%	39.2%	41.5%
Return on equity	30.0%	25.6%	21.9%	20.8%	9.1%
Average number of employees	**1,215**	**1,189**	**939**	**818**	**763**

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Management's review

Management commentary

Business review

Nissens develops, manufactures and markets quality cooling systems for the automotive spare parts business and customized thermal solutions for the wind industry as well as for a number of manufacturers of special vehicles.

Nissens strives to make a noticeable difference to our customers. Delivering the difference means that Nissens' products and services must be the optimal solution to the customer's need.

The activities are organized in two divisions, the Automotive division and the Cooling Solutions Division. The company comprises 22 subsidiaries with activities within sales, production and distribution.

Financial review

The strategy initiated more than six years ago continues to generate growth for the company. The net revenue in the fiscal year 2016/17 amounts to DKK 1.604 million, which is an increase of DKK 224 million or 16.4 % compared to the last fiscal year. The net income for the year after non-controlling interests is DKK 136 million compared to a net income of DKK 93 million last year.

R&D is essential to secure future development and therefore Nissens continued to spend considerable ressources in R&D activities during the fiscal year 2016/17. Among this introduction of new and advanced test facilities. The R&D activities and the test facilities will drive a range of future product applications for future launch and will support the ongoing product development activities.

The employees are the main driver for secure the development and therefore the recruitment of talent is prioritized. The average number of employees was 1,215 in the fiscal year 2016/17 compared to 1,189 in the fiscal year 2015/16. During the fiscal year the organization was strengthened across several areas, among these the global operations organization has been strengthened considerably to secure competences for operations development.

The management regards the result of the year as satisfactory.

It was expected that the 2016/17 result would be realized at a higher level than 2015/16 due to acknowledgement of the fact that growth would be realized and the benefits from the production relocation to Slovakia would be realized.

The balance sheet total amounts to DKK 1,073 million and the equity capital amounts to DKK 510 million, equal to a debt equity ratio of 47.5%.

Financial Results

Nissens increased the operating profit from DKK 130 to DKK 182 million and secured an operating margin of 11.3%. The operating margin is mainly related to scale effects on overheads.

Operational Cash Flow has been improved considerably. The main reasons for the increase in operating cash flow is related to improvements in inventories and trade payables in the automotive division.

Strategic Results

2016/17 was the third year in a 3-year strategy wave. Focus has been on 7 selected Must Win Battles (MWB). In General Nissens has met the strategy period targets such as product introductions and growth in specific focused growth segments.

Development in the Automotive Division

The Automotive division is specialized in the production and supply of products within engine cooling and climate solutions for the spare parts market. The product range covers more than 95% of the car fleet and includes 10,000 different items. Nissens has the widest product range in the market. The division is also recognized as an OES/OEM supplier.

Management's review

Management commentary

The Automotive division realized a 15% increase in net revenue compared to 2015/16 and strengthened the position as the leading aftermarket supplier in Europe and Russia within climate and engine cooling.

The ability to secure delivery performance is crucial for the automotive aftermarket, and Nissens secured a delivery performance above 95% across the range.

In general, Nissens expect growth in the Automotive division and continued investments in the organization and operational setup to support the growth is ongoing.

Development in the Cooling Solutions Division

The Cooling Solutions Division is specialized in the development and production of customized cooling solutions for a number of application areas. The division is divided into two business areas. One business area is focused on cooling solutions within special machinery such as construction equipment, mining machinery and agricultural machines. The other business area delivers cooling systems and modules to the wind industry.

A profound know-how, service and quality combined with an efficient development process make Nissens a highly appreciated partner, when it comes to the development and supply of complete cooling solutions in our business areas.

The Cooling Solutions Division experienced a revenue increase of 18% compared to 2015/16. The growth is broadly founded on both the Wind and the Industry segment and is based on long term relationships with a number of industry leaders in both segments.

Knowledge resources

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

Special risks

Market risks:

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

Currency risks:

The majority of Nissens' activities implies currency risks in connection with the purchase and sales of goods and services in foreign currencies. These currency risks are covered, when it is found appropriate and within the limitations of the 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.

Management's review

Management commentary

Statutory CSR report

For Nissens the statutory CSR report consists of work environment and environmental impact.

Work environment policy

Nissens does not have a formal work environment policy. Issues relating to absence, illness, work accidents and people turnover are registered, reported and targets are set in the HESQ comitee.

Climate policy

Nissens climate policy is described within the ISO 14001 system.
Nissens is pursuing energy and raw material savings initiatives, in cooperation with relevant authorities, suppliers, customers and employees, to ensure the best possible utilization of energy and thereby reduce the impact on the climate.

The climate policy is monitored in the HESQ comittee.

In 2016/17 Nissens has implemented new and more energy efficient equipment in the manufacturing processes and LED lighting in one of the factories to highlight some of the energy saving intiatives. As a result of the implemented initiatives, Nissens has reduced the CO2 outlet considerably by the initiatives.

Code of conduct

To secure a global coherence, Nissens has a Code of Conduct securing standards for the business principles and ethics, and thereby securing coherence in the organization, formulated in line with the The Ten principles of the UN Global Compact and with additional Responsible Business principles. All members of the management team, both senior management and middle management globally, are bound to signoff the Code of Conduct, comprising their adherence hereto and their obligation to report possible breaches. There has been no reported breaches of the Code of Conduct during the financial year.

Human rights policy

Nissens does not have a specific human rights policy. However we have policies covering some aspects. E.g. no form of child labor is accepted within the company and its supplier base.

Environmental policy

Nissens does not hold a separate environmental policy. This is considered to be covered by the climate policy.

Business Ethics

Nissens has a code of conduct covering some aspects of Business ethics, but no formal policy exists.

Account of the gender composition of Management

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

It was our aim that by 2017 minimum 20% of the supervisory board is represented by women compared to the current representation of 0%. The reason for not fulfilling this target is that there has been no changes in the supervisory board.

Management's review

Management commentary

It is our policy that regardless of gender, race, and religion, all employees must be treated equally, inorder that everyone has equal opportunities for employment. We want to increase the representation of women in the group management team supporting the CEO, and we therefore strive to have at least one of each gender among the final candidates. The share of women in the group management team supporting the CEO is 26%.

Events after the balance sheet date

In may 2017 Axcel signed an agreement to purchase the majority of the shares in the Company.

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

Outlook

Nissens expect to improve revenue and net income in 2017/18 compared to 2016/17.

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Income statement

Note	DKK'000	Group 2016/17	Group 2015/16	Parent company 2016/17	Parent company 2015/16
	Revenue	1,603,628	1,380,073	0	0
	Cost of sales	-796,071	-694,288	0	0
	Other operating income	9,223	7,072	0	0
	External expenses	-264,841	-223,639	-1,043	-238
	Gross margin	551,939	469,218	-1,043	-238
2	Staff costs	-345,353	-316,271	0	0
	Amortisation/-depreciation and impairment of intangible assets and property, plant and equipment	-24,937	-22,785	0	0
	Profit/loss before net financials	181,649	130,162	-1,043	-238
	Income from investments in group entities	0	0	137,923	94,905
	Financial income	37	655	0	0
3	Financial expenses	-5,084	-9,997	-1,416	-1,518
	Profit before tax	176,602	120,820	135,464	93,149
4	Tax for the year	-40,369	-27,686	769	-15
	Profit for the year	136,233	93,134	136,233	93,134

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Balance sheet

		Group		Parent company	
Note	DKK'000	2016/17	2015/16	2016/17	2015/16
	ASSETS				
	Fixed assets				
5	**Intangible assets**				
	Acquired intangible assets	4,185	3,844	0	0
	Development projects in progress and prepayments for intangible assets	275	0	0	0
		4,460	3,844	0	0
6	**Property, plant and equipment**				
	Land and buildings	150,620	142,369	0	0
	Plant and machinery	62,839	47,462	0	0
	Other fixtures and fittings, tools and equipment	4,838	4,489	0	0
	Property, plant and equipment in progress	2,846	5,827	0	0
		221,143	200,147	0	0
7	**Investments**				
	Investments in group entities, net asset value	0	0	586,439	473,383
	Receivables from group entities	0	0	7,564	0
	Investments in asso-ciates, net asset value	52	52	52	52
	Deposits, investments	1,715	1,004	0	0
		1,767	1,056	594,055	473,435
	Total fixed assets	227,370	205,047	594,055	473,435
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	75,877	81,810	0	0
	Work in progress	82,555	87,839	0	0
	Finished goods and goods for resale	210,522	209,402	0	0
	Prepayments for goods	8,563	7,813	0	0
		377,517	386,864	0	0
	to be carried forward	377,517	386,864	0	0

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Balance sheet (continued)

Note	DKK'000	Group 2016/17	Group	Parent company 2016/17	Parent company 2015/16
	brought forward	377,517	386,864	0	0
	Receivables				
	Trade receivables	320,705	266,909	0	0
	Receivables from group entities	0	9	874	0
11	Deferred tax assets	4,172	0	0	158
	Income taxes receivable	0	0	541	0
	Other receivables	26,705	35,628	0	0
8	Prepayments	7,620	2,976	0	0
		359,202	305,522	1,415	158
	Securities and investments	2	2	0	0
	Cash	108,942	63,160	14	15
	Total non-fixed assets	845,663	755,548	1,429	173
	TOTAL ASSETS	1,073,033	960,595	595,484	473,608

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Balance sheet

		Group		Parent company	
Note	DKK'000	2016/17	2015/16	2016/17	2015/16
	EQUITY AND LIABILITIES				
	Equity				
9	Share capital	700	700	700	700
	Net revaluation reserve according to the equity method	0	0	457,959	369,896
	Retained earnings	459,415	373,435	1,456	3,539
	Dividend proposed for the year	50,000	25,000	50,000	25,000
	Total equity	510,115	399,135	510,115	399,135
	Provisions				
11	Deferred tax	1,030	3,107	0	0
	Other provisions	13,056	7,306	0	0
7	Provision, investments in group entities	0	0	3,615	3,659
12	**Total provisions**	14,086	10,413	3,615	3,659
	Liabilities				
10	**Non-current liabilities other than provisions**				
	Mortgage debt	148,915	162,352	0	0
		148,915	162,352	0	0
	Current liabilities				
10	Current portion of long-term liabilities	10,769	10,673	0	0
	Bank debt	0	74,473	0	0
	Trade payables	204,885	145,853	0	0
	Payables to group entities	0	0	80,834	70,586
	Income taxes payable	29,529	22,152	0	158
13	Other payables	149,964	127,608	920	70
	Deferred income	4,770	7,936	0	0
		399,917	388,695	81,754	70,814
	Total liabilities other than provisions	548,832	551,047	81,754	70,814
	TOTAL EQUITY AND LIABILITIES	1,073,033	960,595	595,484	473,608

1 Accounting policies
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15 Collateral
16 Related parties
17 Fee to the auditors appointed by the Company in general meeting

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Statement of changes in equity

	Group			
DKK'000	Share capital	Retained earnings	Dividend proposed for the year	Total
Equity at 1 May 2015	700	304,060	25,000	329,760
Transfer through appropriation of profit	0	68,134	25,000	93,134
Exchange rate adjustment	0	-2,647	0	-2,647
Other value adjustments of equity	0	3,888	0	3,888
Dividend distributed	0	0	-25,000	-25,000
Equity at 1 May 2016	700	373,435	25,000	399,135
Corporate acquisitions	0	-851	0	-851
Transfer through appropriation of profit	0	86,233	50,000	136,233
Exchange rate adjustment	0	-2,574	0	-2,574
Other value adjustments of equity	0	3,172	0	3,172
Dividend distributed	0	0	-25,000	-25,000
Equity at 30 April 2017	700	459,415	50,000	510,115

		Parent company				
Note	DKK'000	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Dividend proposed for the year	Total
	Equity at 1 May 2015	700	277,227	26,833	25,000	329,760
18	Transfer, see "Appropriation of profit"	0	91,428	-23,294	25,000	93,134
	Exchange rate adjustment	0	-2,647	0	0	-2,647
	Other value adjustments of equity	0	3,888	0	0	3,888
	Dividend distributed	0	0	0	-25,000	-25,000
	Equity at 1 May 2016	700	369,896	3,539	25,000	399,135
	Corporate acquisitions	0	0	-851	0	-851
18	Transfer, see "Appropriation of profit"	0	87,465	-1,232	50,000	136,233
	Exchange rate adjustment	0	-2,574	0	0	-2,574
	Other value adjustments of equity	0	3,172	0	0	3,172
	Dividend distributed	0	0	0	-25,000	-25,000
	Equity at 30 April 2017	700	457,959	1,456	50,000	510,115

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Cash flow statement

Note	DKK'000	Group 2016/17	Group 2015/16
	Profit for the year	136,233	93,134
19	Adjustments	75,658	57,328
	Cash generated from operations (operating activities)	211,891	150,462
20	Changes in working capital	32,418	-75,632
	Cash generated from operations (operating activities)	244,309	74,830
	Interest received, etc.	37	655
	Interest paid, etc.	-5,084	-9,997
	Income taxes paid	-33,584	-13,173
	Cash flows from operating activities	205,678	52,315
	Additions of intangible assets	-3,051	-1,740
	Additions of property, plant and equipment	-46,136	-23,950
	Disposals of property, plant and equipment	2,816	5
	Purchase of financial assets	-711	-90
	Cash flows to investing activities	-47,082	-25,775
	Dividends distributed	-25,000	-25,000
	Repayments, long-term liabilities	-13,341	-9,352
	Other cash flows from financing activities	0	435
	Cash flows from financing activities	-38,341	-33,917
	Net cash flow	120,255	-7,377
	Cash and cash equivalents at 1 May	-11,313	-3,936
21	**Cash and cash equivalents at 30 April**	108,942	-11,313

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

1 **Accounting policies**

The annual report of K. Nissen International A/S for 2016/17 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Changes in accounting policies

Effective 1 May 2016, the Company has implemented act no. 738 of 1 June 2015 with amendments to the Danish Financial Statements Act.

Going forward it is required to make annual reassessments of the scrap value of fixed assets. The Company has no significant scrap values on fixed assets, except for land. The change will be implemented according to section 4 of the Danish Financial Statements Act and will have impact going forward. Consequently the equity remains unaffected and prior year figures have not been corrected.

In addition the amendment act has implied new or changed presentation and disclosure requirements, which have been incorporated in the financial statements.

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

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidation

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

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

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

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

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

Foreign currency translation

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

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

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

1 **Accounting policies (continued)**

Foreign group entities

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

Derivative financial instruments

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

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

Income statement

Revenue

Income from the sale of finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received.

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

Other operating income

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

Cost of sales

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

External expenses

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

Staff costs

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

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

1 Accounting policies (continued)

Depreciation

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
Buildings	20-25 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	2-5 years

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

Land is not depreciated.

Income from investments in subsidiaries and associates

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

Financial income and expenses

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

Tax

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

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

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

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

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

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

Property, plant and equipment

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

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

Investments in subsidiaries and associates

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

Impairment of fixed assets

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

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

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

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

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

1 Accounting policies (continued)

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

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

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

Securities and investments

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

Cash

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

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

1 Accounting policies (continued)

Equity

Reserve for net revaluation according to the equity method

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

Proposed dividends

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

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

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

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

Income taxes

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

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

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

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

1 Accounting policies (continued)

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.

Segment information

The breakdown of revenue in business segments and geographical segments is, pursuant to section 96(1) of the Danish Financial Statements Act, not stated, as information about this may cause material damage to the company.

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

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 2015".

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

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

		Group		Parent company	
	DKK'000	2016/17	2015/16	2016/17	2015/16
2	**Staff costs**				
	Wages/salaries	296,751	271,438	0	0
	Pensions	30,775	27,933	0	0
	Other social security costs	17,827	16,900	0	0
		345,353	316,271	0	0
	Average number of full-time employees	1,215	1,189	0	0

		Group		Parent company	
	DKK'000	2016/17	2015/16	2016/17	2015/16
3	**Financial expenses**				
	Interest expenses, group entities	0	0	1,325	1,251
	Other financial expenses	5,084	9,997	91	267
		5,084	9,997	1,416	1,518
4	**Tax for the year**				
	Estimated tax charge for the year	40,983	31,246	-541	-228
	Deferred tax adjustments in the year	96	-3,560	158	243
	Tax adjustments, prior years	-710	0	-386	0
		40,369	27,686	-769	15

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

5 Intangible assets

DKK'000	Group Acquired intangible assets	 Development projects in progress and prepayments for intangible assets	 Total
Cost at 1 May 2016	10,903	0	10,903
Exchange rate adjustment	9	0	9
Additions in the year	2,776	275	3,051
Transfer from other accounts	233	0	233
Cost at 30 April 2017	13,921	275	14,196
Impairment losses and amortisation at 1 May 2016	7,059	0	7,059
Adjustment prior year	1,177	0	1,177
Exchange rate adjustment	-4	0	-4
Amortisation/depreciation in the year	1,504	0	1,504
Impairment losses and amortisation at 30 April 2017	9,736	0	9,736
Carrying amount at 30 April 2017	4,185	275	4,460

Development projects in progress primarily consists of acquired software.

6 Property, plant and equipment

DKK'000	Group Land and buildings	 Plant and machinery	 Other fixtures and fittings, tools and equipment	 Property, plant and equipment in progress	 Total
Cost at 1 May 2016	292,442	308,769	35,936	5,827	642,974
Adjustment prior year	2,825	-2,443	2,484	0	2,866
Exchange rate adjustment	-106	-934	-79	-2	-1,121
Additions in the year	18,631	21,532	3,127	2,846	46,136
Disposals in the year	-30	-5,628	-2,283	0	-7,941
Transfer from other accounts	0	5,498	94	-5,825	-233
Cost at 30 April 2017	313,762	326,794	39,279	2,846	682,681
Impairment losses and depreciation at 1 May 2016	150,073	261,307	31,447	0	442,827
Adjustment prior year	2,825	-2,443	3,494	0	3,876
Exchange rate adjustment	54	-891	-75	0	-912
Amortisation/depreciation in the year	10,220	11,449	1,764	0	23,433
Reversal of amortisation/depreciation and impairment of disposals	-30	-5,467	-2,189	0	-7,686
Impairment losses and depreciation at 30 April 2017	163,142	263,955	34,441	0	461,538
Carrying amount at 30 April 2017	150,620	62,839	4,838	2,846	221,143

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

7 Investments

DKK'000	Group: Investments in associates, net asset value	Group: Deposits, investments	Group: Total
Cost at 1 May 2016	18	1,004	1,022
Additions in the year	0	711	711
Cost at 30 April 2017	18	1,715	1,733
Value adjustments at 1 May 2016	34	0	34
Value adjustments at 30 April 2017	34	0	34
Carrying amount at 30 April 2017	52	1,715	1,767

Group

Name	Legal form	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Subsidiaries					
Nissens	A/S	Horsens, Denmark	100.00 %	373,176	107
Nissens France	EURL	France	100.00 %	5,365	765
Radiadores Nissen	S.A.	Spain	100.00 %	10,327	1,728
Nissens Sverige	AB	Sweden	100.00 %	1,930	204
Nissens Schweiz	AG	Switzerland	100.00 %	2,374	160
Nissens Portugal	LDA	Portugal	100.00 %	957	62
Chlodnice Nissens Polska	Sp.zo.o.	Poland	100.00 %	2,983	473
Nissens Belgium	S.A.	Belgium	100.00 %	3,708	280
Nissens Hungària Jàrmühütö	Kft.	Hungary	100.00 %	2,441	181
Nissens Italia	S.R.L	Italy	100.00 %	2,243	330
Nissens Finland	OY	Finland	100.00 %	7,544	292
STROBL Kühler Handelsges.	G.M.B.H	Austria	100.00 %	22	-83
Nissens North America	Inc	USA	100.00 %	14,126	2,724
Nissens UK	Ltd	England	100.00 %	5,048	1,094
Nissens Slovakia	S.R.O	Slovakia	100.00 %	141,655	23,019
Nissens Auto Parts Trading Co	Ltd.	Shanghai	100.00 %	7,447	1,777
Nissens Ukraine	Ltd.	Ukraine	100.00 %	-3,615	-65
Nissens Cooling Solutions	Inc	USA	100.00 %	2,230	251
Nissens Cooling System (Tianjin)	Co. Ltd.	China	100.00 %	7,447	1,777
Nissens Deutschland	GmbH	Germany	100.00 %	928	1,148
Nissens Slovakia North	S.R.O	Slovakia	100.00 %	175	138
Nissens (Shanghai) Auto Parts Trading	Co. Ltd.	China	100.00 %	30,043	3,279

Associates

Nissens Japan	Japan	20.00 %

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

7 Investments (continued)

	Parent company			
DKK'000	Investments in group entities, net asset value	Receivables from group entities	Investments in associates, net asset value	Total
Cost at 1 May 2016	74,828	0	18	74,846
Additions in the year	37	7,564	0	7,601
Cost at 30 April 2017	74,865	7,564	18	82,447
Value adjustments at 1 May 2016	398,555	0	34	398,589
Exchange rate adjustment	-2,574	0	0	-2,574
Dividend distributed	-25,458	0	0	-25,458
Share of the profit/loss for the year	137,923	0	0	137,923
Equity adjustments, investments	3,172	0	0	3,172
Investments with a negative net asset value transferred to provisions	-44	0	0	-44
Value adjustments at 30 April 2017	511,574	0	34	511,608
Carrying amount at 30 April 2017	586,439	7,564	52	594,055

8 Prepayments

Group

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

	Parent company	
DKK'000	2016/17	2015/16
9 Share capital		
Analysis of the share capital:		
70,000 A shares of DKK 1.00 nominal value each	70	70
630,000 B shares of DKK 1.00 nominal value each	630	630
	700	700

The parent's share capital has remained DKK 700 thousand over the past 5 years.

10 Non-current liabilities other than provisions

	Group			
DKK'000	Total debt at 30/4 2017	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	159,684	10,769	148,915	108,270
	159,684	10,769	148,915	108,270

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

	DKK'000	Group 2016/17	Group 2015/16	Parent company 2016/17	Parent company 2015/16
11	**Deferred tax**				
	Deferred tax at 1 May	3,107	-795	-158	-401
	Tax for the year recognised in income statement	96	-3,560	158	243
	Tax on items recognised directly in equity	-12	1,097	0	0
	Exchange rate adjustment	-14	46	0	0
	Movement from other accounts	-6,319	6,319	0	0
	Deferred tax at 30 April	-3,142	3,107	0	-158
	Analyses of the deferred tax				
	Deferred tax assets	-4,172	0	0	-158
	Deferred tax liabililties	1,030	3,107	0	0
		-3,142	3,107	0	-158

Group

Deferred tax primarily relates to fixed assets, inventory and provisions. Deferred tax assets recognised in the statement of deferred tax is expected to be utilized within 3-5 years by deduction of positive taxable income.

Besides the tax loss recognised in the statement of deferred tax, the group has additional tax loss carry-forwards at a carrying amount of DKK 2,651 thousand. As it is uncertain if these tax losses can be utilised within a foreseeable future, their carrying amount has not been recognised in the financial statements.

12 **Provisions**

Group

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

	DKK'000	Group 2016/17	Group 2015/16	Parent company 2016/17	Parent company 2015/16
13	**Other payables**				
	Derivative financial instruments	43,298	46,375	0	0
	Other accrued expenses	106,666	81,233	921	70
		149,964	127,608	921	70

The Group has entered into an interest swap regarding adjustable interest-bearing mortgage debt of nom. DKK 100,000 thousand at fixed interest rate. The unrealized gain of the year including the tax effect is taken to equity.

The Company has entered into currency hedging agreements covering purchase in foreign currency. The fair value of hedging agreements as of 30 April 2017 amounts to DKK 52 thousand and will expire within one month after the balance sheet date.

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

14 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

	Group		Parent company	
DKK'000	2016/17	2015/16	2016/17	2015/16
Rent and lease liabilities	18,897	9,003	0	0

Group

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

The remaining terms are 0 - 5 years.

Parent company

Liabilities related to Group Companies:

The Company is jointly taxed with its parent, ANTB Holding ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

The Company along with its Group companies are parties to a minor number of pending disputes. The outcome of these cases is not expected to have any material impact on the financial position of the Company, neither individually nor in the aggregate.

15 Collateral

Group

Land and buildings and cash, with a carrying amount of DKK 88,736 thousand, has been pledged as security for mortgage debt DKK 159,684 thousand and related interest swap agreement DKK 43,245 thousand.

Parent company

K. Nissen International A/S has provided an unlimited guarantee for Nissens A/S' debt to credit institutions.

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

16 Related parties

Related party transactions

Disclosure according til Section 98 of the Danish Financial Statements Act amounts to DKK 6,790 thousand (2015/16: DKK 4,513 thousand).

Parent company

Parties exercising control

Related party	Domicile	Basis for control
Advanced Cooling A/S	Horsens	Participating interest
Shareholder Alan Nissen	Horsens	Participating interest in the ultimate parent company

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
ANTB Holding ApS	Horsens	www.cvr.dk

Group enterprise transactions not carried through on normal market terms

There are no group enterprise transactions that have not been carried through on normal market terms.

	Group		Parent company	
DKK'000	2016/17	2015/16	2016/17	2015/16
17 Fee to the auditors appointed by the Company in general meeting				
Statutory audit	640	633	35	22
Assurance engagements	145	34	35	22
Tax assistance	220	215	0	0
Other assistance	547	312	0	0
	1,552	1,194	70	44

	Parent company	
DKK'000	2016/17	2015/16
18 Appropriation of profit		
Recommended appropriation of profit		
Proposed dividend recognised under equity	50,000	25,000
Net revaluation reserve according to the equity method	87,465	91,428
Retained earnings/accumulated loss	-1,232	-23,294
	136,233	93,134

Consolidated financial statements and parent company financial statements for the period 1 May 2016 - 30 April 2017

Notes to the financial statements

	DKK'000	Group 2016/17	Group 2015/16
19	**Adjustments**		
	Amortisation/depreciation and impairment losses	24,937	22,785
	Gain/loss on the sale of non-current assets	-445	49
	Provisions	5,750	1,895
	Financial income	-37	-655
	Financial expenses	5,084	9,997
	Tax for the year	40,369	23,257
		75,658	57,328
20	**Changes in working capital**		
	Change in inventories	9,347	-65,785
	Change in receivables	-55,827	-7,868
	Change in trade and other payables	78,898	-1,979
		32,418	-75,632
21	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	108,942	63,160
	Short-term debt to banks	0	-74,473
		108,942	-11,313