AX V Nissens ApS

EUR 130,000,000
Senior Secured Floating Rate Bonds due 2022
Issue Price: 100.00%

This prospectus (the "Prospectus") has been prepared by AX V Nissens ApS (the "Issuer") for the admittance to official listing and trading of the Senior Secured Floating Rate Bonds due 29 June 2022 issued by the Issuer on 29 June 2017 (the "Bonds" as further defined in the Terms and Conditions of the Bonds) on Nasdaq Copenhagen A/S' regulated market. This Prospectus has been prepared as a prospectus issued in compliance with the Directive 2003/71/EC and amendments and supplements thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State, (the "Prospectus Directive"), Regulation (EU) 2017/1129 of 14 June 2017 and Commission Regulation (EC) no. 809/2004 of 29 April 2004, as amended (the "Prospectus Regulation"), the Executive Order no. 1176 of 31 October 2017 on prospectuses (the "Danish Executive Order on Prospectuses") and relevant implementing legislation in Denmark for the purpose of giving information with regards to the Issuer and the Bonds as well as in compliance with the requirements set out in the Danish Executive Order on Prospectuses.

This Prospectus has been prepared on the basis that there will be no public offer of the Bonds in connection with the admittance to trading and official listing of the Bonds. Any subsequent offer of the Bonds in any member state (each, a "Relevant Member State") of the European Economic Area which has implemented the Prospectus Directive, will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offerings of the Bonds. The expression "Prospectus Directive" includes any relevant implementing measure in the Relevant Member State. Accordingly, any person making or intending to make an offer in that Relevant Member State of Bonds which are the subject of the offering contemplated in this Prospectus may only do so in circumstances in which no obligation arises for the Group or the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Group nor the Issuer have authorised, nor does it or do they authorise, the making of any offer of the Bonds in circumstances in which an obligation arises for the Group or the Issuer to publish a prospectus for such offer.

This Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see *"Other Information"*).

No person has been authorised by the Issuer or any other person to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any other person.

The distribution of this Prospectus and the offering or sale of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restriction.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer to subscribe for or purchase, any Bonds.

Amounts payable on the Bonds (as described in "*Terms and Conditions of the Bonds – Interest – Accrual and payment of Interest*") may be calculated by reference to EURIBOR (as defined in the Terms and Conditions of the Bonds). As at the date of this Prospectus, European Money Markets Institute as administrator of EURIBOR is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the "Benchmarks Regulation"). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that European Money Markets Institute is currently not required to obtain authorisation or registration.

Investing in the Bonds involves risks. See *"Risk Factors"* beginning on page 4.

The date of this Prospectus is 22 March 2018.

IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

The Issuer accepts statutory responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is to the best of its knowledge in accordance with the facts and contains no omission likely to affect its import.

In connection with the issue and sale of the Bonds, no person is authorised to give any information or to make any representation not contained in the Prospectus, and neither the Group nor the Issuer accept responsibility for any information or representation so given that is not contained in the Prospectus. Any such representation or information should not be relied upon as having been authorised by the Group or the Issuer.

Neither the delivery of this Prospectus nor the issue, offering, sale or delivery of any Bond shall, in any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or, if this Prospectus is supplemented after the date hereof, the date of the relevant supplement, or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof.

This Prospectus is not and should not be considered as a recommendation by the Issuer that any recipient of this Prospectus should invest in the Bonds. Prospective investors should make an independent assessment as to whether the information in this Prospectus is relevant to their situation, and any investment in the Bonds should be based on the information regarding the investor's specific circumstances that the investor may deem necessary and only if the Bonds are consistent with the investor's financial objectives.

Investing in Bonds is not appropriate for all investors. Each investor should therefore evaluate the suitability of an investment in the Bonds in light of its own circumstances. In particular, each investor should:

(a) have sufficient knowledge and experience to carry out an effective evaluation of (i) the Bonds, (ii) the merits and risks of investing in the Bonds, and (iii) the information contained or incorporated by reference in this Prospectus or any supplements;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate in the context of its particular financial situation the investment in the Bonds and the impact that such an investment will have on the investor's overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks resulting from an investment in the Bonds, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the investor's own currency;

(d) understand thoroughly the terms and conditions governing the rights and obligations with respect to the Bonds (see "*Terms and Conditions of the Bonds*") (the "Conditions") and be familiar with the behaviour of any relevant indices and financial markets; and

(e) be able to evaluate (either alone or with the assistance of a financial adviser) possible scenarios relating to the economy, interest rates and other factors that may affect the investment and the investor's ability to bear the risks.

RESTRICTIONS ON PROSPECTIVE INVESTORS

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction where the offer or sale is not permitted. Where the sale or offer is not permitted, this Prospectus may not be distributed in or into any country where such distribution would require any additional prospectus, registration or additional measures or would be contrary to the rules and regulations of such jurisdiction. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions.

U.S. RESTRICTIONS

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act"), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In addition, until 40 days after the later of the commencement of the offering and the closing date, an offer or sale of the Bonds within the United States by a dealer may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to an exemption from registration under the Securities Act.

NOTICE TO CERTAIN EUROPEAN INVESTORS

European Economic Area

This Prospectus has been prepared on the basis that there will be no public offer of the Bonds in connection with the admittance to trading and official listing of the Bonds. Any subsequent offer of the Bonds in any member state (each, a "Relevant Member State") of the European Economic Area which has implemented the Prospectus Directive, will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of the Bonds. The expression "Prospectus Directive" includes any relevant implementing measure in the Relevant Member State. Accordingly, any person making or intending to make an offer in that Relevant Member State of Bonds which are the subject of the offering contemplated in this Prospectus may only do so in circumstances in which no obligation arises for the Group or the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the Group nor the Issuer has or have authorised, nor does it or do they authorise, the making of any offer of the Bonds in circumstances in which an obligation arises for the Group or the Issuer to publish a prospectus for such offer.

In relation to each Relevant Member State, the Issuer has represented and agreed that it has not made and will not make an offer of the Bonds that are the subject of the admittance to trading and official listing contemplated by this Prospectus to the public in that Relevant Member State other than:

(i) to any legal entity that is a qualified investor as defined in the Prospectus Directive;

(ii) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive), as permitted under the Prospectus Directive;

(iii) of securities whose denomination per unit amounts to at least EUR 100,000; or

(iv) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Bonds shall require the Group or the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of the Bonds to the public" in relation to any of the Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state. The expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Denmark

The Bonds may not be offered, sold or delivered directly or indirectly in the Kingdom of Denmark by way of public offering, unless in compliance with the Danish Capital Markets Act, Act No. 650 of 8 June 2017 and executive orders issued thereunder and in compliance with Executive Order No. 747 of 7 June 2017 issued pursuant to the Danish Financial Business Act to the extent applicable.

NOTICE TO OTHER INVESTORS

The offering may not be made to individuals domiciled in United States, Australia, Japan, Canada, or in any other country where the offering, sale and delivery of the Bonds may be restricted by law.

FORWARD LOOKING STATEMENTS

This Prospectus includes forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including those regarding the Group's and the Issuer's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Group and the Issuer, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. The Group and the Issuer expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein, except as may be required by law.

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CERTAIN DEFINITIONS

Unless otherwise stated herein, the following terms shall have the following meaning in this Prospectus:

- "Agent" refers to Nordic Trustee A/S, acting as representative for the Bondholders pursuant to the Conditions.
- "Bondholders" has the meaning set forth in the Conditions.
- "Bondholders' Meeting" has the meaning set forth in the Conditions.
- "Bonds" has the meaning set forth in the Conditions.
- "Business Day" has the meaning set forth in the Conditions.
- "Conditions" or "Terms and Conditions" refers to the terms and conditions governing the rights and obligations with respect to the Bonds, beginning on page 21 in this Prospectus.
- "Company" refers to K. Nissen International A/S.
- "First Call Date" has the meaning set forth in the Conditions.
- "Group" refers to the Issuer and its Subsidiaries from time to time (each a "Group Company").
- "Guarantee" has the meaning set forth in the Conditions.
- "Guarantors" has the meaning set forth in the Conditions.
- "IFRS" refers to the International Financial Reporting Standards.
- "Intercreditor Agreement" has the meaning set forth in the Conditions.
- "Interest" has the meaning set forth in the Conditions.
- "Issuer" refers to AX V Nissens ApS.
- "New Debt" has the meaning set forth in the Conditions.
- "Nominal Amount" has the meaning set forth in the Conditions.
- "OEM" refers to original equipment manufacturer.
- "OES" refers to original equipment supplier.
- "Parent" refers to AX V Nissens I ApS.
- "Prospectus" means this Prospectus dated 22 March 2018.
- "Redemption Date" has the meaning set forth in the Conditions.
- "Secured Obligations" has the meaning set forth in the Conditions.
- "Secured Parties" has the meaning set forth in the Conditions.
- "Securities Act" refers to the U.S. Securities Act of 1933.
- "Security Agent" refers to Nordic Trustee A/S.
- "Senior Debt" has the meaning set forth in the Conditions.
- "Special items" when used in "EBITDA before special items" and "Operating profit before special items" include significant income and expenses of a special nature in terms of the Group's revenue-generating operating activities that cannot be attributed directly to the Group's consolidated interim financial statements ordinary operating activities. Such income and expenses includes transaction costs in the business combination and costs related to the transformation of Group accounts into IFRS.
- "Subsidiary" has the meaning set forth in the Conditions.
- "Super Senior Debt" has the meaning set forth in the Conditions.
- "Transaction Security" has the meaning set forth in the Conditions.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Industry data and statistics, estimates or forecasts (if any) contained in this Prospectus have been derived from internal sources or from industry sources, including independent industry publications and other publicly available information. The Group has endeavoured to reproduce such information accurately in this Prospectus. Such data, as well as internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified. In addition, in certain cases the Group has made statements in this Prospectus regarding its industry and its position in the industry based on its experience and its own investigation of market conditions.

Market data and statistics are inherently predictive and speculative and are not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. In addition, the value of comparisons of statistics for different markets is limited by many factors, including that (i) the markets are defined differently, (ii) the underlying information was gathered by different methods and (iii) different assumptions were applied in compiling the data. Accordingly, although as far as the Group is aware and able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading, the market statistics included in this Prospectus should be viewed with caution, and no representation or warranty is given by any person as to their accuracy.

Unless a specific source is identified, all information regarding market and other operating and statistical data provided in this Prospectus is based on the Group's own estimates. In making estimates, the Group relies on data produced internally.

Except as noted, the financial information in this Prospectus has not been audited by the Issuer's auditor and this Prospectus does not contain other information audited by the Issuer's auditor. Certain financial and other numerical information set forth in this Prospectus has been subject to rounding and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. In this Prospectus, references to "euro" and "EUR" refer to the single currency introduced at the start of the third stage of European economic and monetary union as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended.

The Group has not historically prepared profit forecasts or estimates and has accordingly not included profit forecasts or estimates in this Prospectus.

There has been no material adverse change in the prospects of the Issuer or of the Group since 31 October 2017 and no significant change in the financial or trading position of the Issuer or of the Group since 31 October 2017. The Issuer is not aware of any trends, uncertainties, demands, commitments or events which may reasonably be expected to significantly affect the future outlook for the Group for the current financial year. However, the wind industry has, from second half of 2017, undergone significant changes impacting market share changes, consolidations and immense price competition. Suppliers in the global wind industry such as the Group are naturally influenced by this. In line with this development, the Group's wind division is challenged by increasing and strong price pressure from the OEMs, and moreover experiencing a consolidation among the OEMs. Should the Group not be able to maintain its existing key customers and to meet the price pressure end requirement for cost base adjustments, it will result in decreased sales and/or margins, which in turn will have an adverse effect on the Group's business, financial position and results of operations.

RISK FACTORS

All investments in bonds involve a degree of risk. The financial performance of the Group and the risks associated with the Group's business are important when making a decision on whether to invest in the Bonds. A number of factors influence and could influence the Group's operations and financial performance and ultimately the Issuer's ability to make interest payments and payments of principal on maturity. In this section a number of risk factors are illustrated and discussed—both general risks pertaining to the Group's operations and material risks related to the Bonds as a financial instrument. The risks described below are not the only ones to which the Issuer and the Group are exposed. Additional risks that are not currently known to the Issuer, or that the Issuer currently considers to be immaterial, could have a material adverse effect on the Issuer's and/or the Group's business and the Issuer's ability to fulfil its obligations under the Bonds. The order in which the risks are presented is not intended to provide an indication of the likelihood of their occurrence or of their relative significance.

Market specific risks

General economy risks

The economic situation of the global market affects the Group's business, result and financial position (especially in relation to the industry segment, which is dependent on the general economy). The demand for the Group's products and services depends on the level of new capital investments and planned maintenance expenditures by the end-customers. The level of capital expenditures by the end-customers depends, in turn, on general economic conditions, availability of credit and economic conditions within their respective industries. The volatility in commodity prices can negatively affect the level of these activities and can result in postponement of capital spending decisions or the delay or cancellation of existing orders. Adverse changes in the economy may accordingly have a material negative effect on the Group's business, earnings or financial position.

The general economic condition of the global market also affects the Group's customers and thus ultimately the demand for the Group's products and services. Adverse changes in the economy may accordingly have a material negative effect on the Group's business, earnings or financial position.

The Group is dependent upon its ability to produce and sell as well as develop new products and services and render such products and services successful within existing and new market segments. Further, the Group must also be able to develop its existing products in order to stay competitive and to avoid losing market share to competitors and, within the automotive segment, to adjust to electrification of cars and other technological shifts. Research and development efforts of new products are costly and always entail a risk of unsuccessful commercialization.

In addition, no assurance can be given that the Group will be successful in its attempts to preserve and develop its product segment. If not successful in the aforementioned fields, this may have an adverse effect on the Group's business, earnings or financial position.

Risks related to technological developments

The industry in which the Group operates is characterized by new technological developments that have resulted in, and will likely continue to result in, improvements in equipment functions and performance. As a result, the future success and profitability of industry participants will be dependent, in part, upon its ability to improve existing services and related equipment, address the increasingly sophisticated needs of its customers and anticipate changes in technology and industry standards and respond to technological developments in a timely manner. If the Group is not successful in developing new equipment and technology, as well as keeping its existing equipment up to industry standards, in a timely and cost-effective manner, it could materially adversely affect the Group's business and financial conditions.

Risks relating to competition

The Group operates on a variety of local and international markets that are highly competitive. Companies in the industry compete by price, availability, time-to-delivery, innovations, design and quality of goods, but also by other competitive factors such as production capacity, up-to-date technology and market penetration. The Group has a number of competitors across different product categories, segments and geographic markets. It cannot be ruled out that these competitors will grow to be stronger in the future, for example by means of further consolidation in the market or that these competitors will not take any additional competitive actions against the

Group. Such increased competition and stronger competitors could have an adverse effect on the Group's business earnings.

Exposure to currency fluctuations

Due to the international reach of the Group, and considering that the Group purchases material for its products from foreign suppliers in different currencies and sells products to customers in different currencies, the Group is exposed to risks relating to currency fluctuations. There is a risk that a devaluation or appreciation in a currency that the Group has exposure towards results in a reduced value of the Group's local monetary assets and generate local currency losses, which in turn would have an adverse effect on the Group's business, earnings or financial position.

Risk relating to suppliers and dependency on availability and prices of raw material

The Group's ability to service its customers depends on the availability and timely supply of products from external suppliers. Inability to maintain a national and international logistic network for customer deliveries or other problems in supplies, such as delays, may have adverse consequences for customer relations etc., resulting in an adverse effect on the Group's net sales, earnings and financial position.

The Group is exposed to risks relating to fluctuations in the prices of the materials used in the Group's production, including aluminium. There is a risk that the prices for the raw materials used in the Group's products will increase which would have an adverse effect on the Group's earnings and financial position.

Group and business specific risks

Market risks relating to conduct of business globally

The Group is present in a large number of geographic markets, meaning that the Group is subject to external risks, such as political risks in individual countries and regions. Should the customers' investment patterns materially change, due to an economic or political situation in a country, industry or region, the Group's ability to sell its products in such areas may be negatively impacted. It cannot be ruled out that some of the countries in which the Group's suppliers, customers or end-customers are present and which are subject to greater political, economic and social uncertainty, will be subject to sanctions regulations, such as trade restrictions. Such events could have a negative impact on the Group's business, earnings, financial position and future prospects.

Changes in legislation

A number of laws and regulations, including competition regulations and environmental regulations, taxes and rules (including changes to subsidisation of wind energy) can affect the business conducted by the Group, and the Group must observe and comply with a vast number of laws and regulations relating to the industry in which the Group operates. New or amended laws and regulations could call for unexpected costs or impose restrictions on the development of the business operations or otherwise affect net sales, which could have an adverse effect on the Group's business and results of business operations.

Counterparty risks

Counterparty risk is the risk that the counterparty of a contract will not live up to its contractual obligations. The Group is exposed to counterparty risk in all contracts. Should any of the Group's largest customers' financial position deteriorate, they may not be able to meet their payment obligations under the customer agreements, which could have a material adverse effect on the Group's earnings and financial position. One customer within the Group's wind segment accounts for between approximately 10-20 % of the total turnover of the Group. Should this customer's financial position deteriorate, it could have a material adverse effect on the Group's earnings and financial position. For further information, see "*Risk Factors—Dependency on key customers in the wind segment*".

Protection of know-how and loss of key employees

The Group's future development depends largely on the skills, experience and commitment of its key employees and advisers. Persons employed by the Group have a comprehensive knowledge of the industry in general and of the Group in particular. It is important for the Group's future business activities and development that the Group is able to retain, and where necessary also recruit, skilled personnel. If the Group should become unable to retain or recruit such personnel there is a risk that it will have an adverse impact on the Group's operations and results.

Risks related to employees and workforce

The Group's business is very cyclical and the Group's sites may lack sufficient skilled employees to cope with production peaks. These factors pose considerable risks which, if materialised, would lead to disruption in the production which could have an adverse effect on the Group's earnings and financial position. Additionally, increasingly restrictive health and safety legislation and overtime restrictions could have an adverse effect on the Group's earnings and financial position.

ERP system

The ERP system used within the Group is an older version of Aspect 4. The system will eventually need to be updated and or entirely replaced. Updating or replacing such system may impose risk of failures in the systems, and operational risk relating to use of a new IT system, which may result in an increase in cost for the Group. This could have an adverse effect on the Group's earnings and financial position.

IT security risks

The Group is subject to IT security risks, i.e. hacking or other attacks on the IT systems of the Group, including theft of data etc. The Group's IT is on an ongoing basis taking measures to capture and mitigate such risks, but if the Group does not succeed, this could have an adverse effect on the Group's earnings and financial position.

Damage to warehouse facilities and factories

The Group has several warehouses and factories. If the Group's central warehouse facilities or the stored equipment are damaged, for example as a result of fire or if any of the warehouse facilities would have to close, the Group may suffer losses and delays in delivery, which in turn could adversely affect the Group's business, financial condition and results of operations.

Dependency on key customers in the wind segment

The Group's wind division is dependent on its top three customers which account for approximately 80 - 90 % of the turnover in the Group's wind division and approximately 25 % of the Group's total sales. The Group's wind division is challenged by increasing and strong price pressure from the OEMs, and moreover experiencing a consolidation among the OEMs. Should the Group not be able to maintain its existing key customers and to meet the price pressure end requirement for cost base adjustments, it will result in decreased sales and/or margins, which in turn will have an adverse effect on the Group's business, financial position and results of operations.

Warranty risks

The Group has contractual obligations pursuant to which the Group has undertaken extended and prolonged warranty obligations (compared to the legislative defaults), including mainly within the wind (on and off shore) and industrial segments. Significant warranty and or serial warranty claims could have an adverse effect on the Group's business, earnings and financial position.

Risks related to environment

The Group's business includes risks associated with the owning and running of industrial properties. The Group is exposed to risks of liability under e.g. environmental laws and regulations due to the production, storage, transportation, disposal and sale of materials that can cause contamination or personal injury if released into the environment. Compliance with environmental laws entails costs, including, inter alia, manufacturing costs, registration cost, costs associated with approval requirements, transportation costs and costs related to storage of raw materials and finished products, as well as costs in connection with storage and disposal of waste. The Group may furthermore incur substantial costs, including fines, damages, criminal or civil sanctions and remediation costs for violations arising under environmental laws. In addition, the discovery of contamination arising from historical industrial operations at any of the Group's former and present properties may expose the Group to clean-up obligations and other damages. Compliance with environmental laws and liability arising in connection with any personal injuries or damages and damages to the environment may have a material negative effect on the Group's business, result and financial position.

High levels of lead in the blood of an employee

One employee in Denmark has been found to have levels of lead in the blood exceeding the guidelines issued by the Danish Working Environment Authority. The health and safety of current and former employees may be affected by high levels of lead and this may result in direct claims against the Group. Any worksite clean-up obligation and/or claims would have a negative effect on the Group's business, result and financial position.

Credit risk

When there is a risk of the Group's counterparties being unable to fulfil their financial obligations towards the Group, there is a credit risk. The Group's current and potential customers and other counterparties may get in a financial situation where they cannot pay the agreed fees, credits offered or other amounts owed to the Group as they fall due or otherwise abstain from fulfilling their obligations, which may impact the Group's business, earnings and financial position.

Borrowing by the Group and interest risk

The Group has incurred, and has a right to, in compliance with the limits set out in the Terms and Conditions, further incur financial indebtedness to finance its business operations. There is a risk that such financing generates interest costs which will be higher than the gains produced by the investments made by the Group. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses. Interest on the Group's borrowings from time to time is subject to fluctuations in the applicable interest rates. Higher interest rates could affect the Group's operations, earnings and financial position.

Risks related to negative publicity

The Group has a strong and well-known brand. There is a risk that negative publicity or announcements relating to the Group will, regardless of whether justified or not, deteriorate the Group's brands' value and have a negative effect on the Group's financial position, earnings and results in the longer term.

Product liability risks

The Group has contractual obligations to replace defective components and contribute to the costs incurred by its customers in several of the Group's customer agreements, particularly in the wind division. The Group is exposed to substantial contingent liabilities and risks generally associated with long-term liabilities, such as risks for unexpected costs for maintenance and replacement of products not covered by insurance. There is a risk that malfunctions and otherwise defective products will occur in the future and imply a reduced demand and trust in the Group's products. The exposure to risks generally associated with long-term liabilities entails an increased exposure to losses not covered by the Group's insurances. There is also a risk that the Group becomes subject to claims for damages based on product liability not covered by the Group's insurances. Each of the aforementioned risks could have an adverse effect on the Group's business, earnings and financial position.

Insurance

The Group is exposed to various types of risks, such as product liability, environmental risks, property damage, third party liability and business interruption, including events caused by natural disasters and other events beyond the Group's control. The Group may in such situations be required to pay for losses, damages and liabilities out of own funds, which could materially and adversely affect its business, earnings and financial position. Even if the insurance coverage would be adequate to cover direct losses, the Group may not be able to take remedial actions or other appropriate measures. Furthermore, the Group's claim records may affect the premiums which insurance companies may charge in the future. In addition, the Group's current insurance coverage could be cancelled or become unavailable on reasonable economic terms in the future. Materialisation of these risks may have an adverse effect on the Group's business, earnings, and financial position as well as future prospects.

The failure or inability to protect intellectual property rights

The Group relies on its technological knowledge, in particular its manufacturing methods, and its products are technical products. If the Group is not able to establish and protect its intellectual property rights and to supervise the operations of third parties in case of any intellectual property rights infringements, it could have a material effect on the Group's financial position.

Competitors, suppliers and customers may infringe the Group's intellectual property rights and/or disputes may arise in relation thereto. Failure to establish, manage and protect intellectual property rights, as well as any claims or demands associated with intellectual property rights, may have an adverse effect on the Group's business, financial condition, results of operations and future prospects and, thereby on the Group's ability to fulfil its obligations under the Bonds as well as the market price and value of the Bonds.

Lack of strategic intellectual property management

The Group's products in the auto aftermarket are typically determined by their function and must comply with the dimensions of the original product. This leaves little room to change the products and thus results in an inherent risk of infringement of third party. Lack of strategic intellectual property management may constitute a risk for third party claims in relation to the intellectual property used by the Group. There is also a risk that the Group must cease using certain intellectual property rights currently used in its business due to such third party claims and thereby cease the sale of the products in which the relevant intellectual property is applied and be obligated to pay damages. If any of the foregoing risks materializes it could have an adverse effect on the Group's financial position, earnings and results.

Majority owner

The Issuer is currently controlled by one sole shareholder having the majority ownership in the Issuer, whose interests may conflict with the Bondholders', particularly if the Issuer encounters difficulties or is unable to pay its debts as they fall due. The majority owner has the sole power to control all matters to be decided by vote at shareholders' meetings and has the ability to appoint the members of the board of directors of the Issuer. Furthermore, the majority owner may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in its sole judgment, could enhance its equity investments, although such transactions might involve risks to the Bondholders. There is nothing in the Terms and Conditions that prevents the majority owner or any of its affiliates from acquiring businesses that directly compete with the Issuer. If any such event were to arise, this may adversely affect the Issuer's operations, financial position and results.

Disputes

Disputes are not unusual in the industry in which the Group operates and can occur with customers, sellers and other parties. Disputes can be time consuming and result in costs which cannot be foreseen. Claims or legal actions may in the future be brought against the Group which would have significant unfavourable effects on the Group's financial position, operations, earnings, results, performance and market position or pricing of the Bonds.

During 2017 the Group was engaged in discussions with a larger global OEM (the "Claimant") regarding claims of infringement of certain of the Claimant's patents (of which those patents that are potentially relevant in any substance only exist in one country) as well as allegations of unfair competition. The Group rejected the allegations which are considered unfounded. Initially, the Claimant claimed damages of up to EUR 3.7m for the alleged patent infringement and up to EUR 8.2m for acts of unfair competition throughout Europe based on alleged product imitations and misleading advertising. The claimed amounts were estimated by the Claimant without any knowledge of the actual sales figures of the Group. The Group has assessed the claimed amounts to be unreasonably high. Settlement talks have not led to a settlement agreement. If the Claimant initiates legal proceedings and a court were to consider (i) the patents invoked by the Claimant valid and infringed by certain of the Group's products and/or (ii) the claims based on unfair competition to be valid, the Group could be ordered to pay compensation and litigation costs. If a court were to consider the patents invoked by Claimant valid and infringed, the Group will be in a position to replace its relevant products with alternative products. If courts were to consider the claims based on unfair competition to be valid, the Group will be in a position to replace its relevant products with alternative products and adjust its advertising. Such transitions will cause costs and cause a negative financial impact.

Tax risks

The Group conducts its business in accordance with its interpretation of applicable tax legislation, regulations and applicable requirements and decisions. It is possible that the Group's or its advisors' interpretation and the Group's application of laws, provisions, judicial practice has been, or will at some point be, incorrect or that such laws, provisions and practice will be changed, potentially with retroactive effect. There is a risk that if such an event should occur, the Group's tax liabilities might increase which would negatively affect the Group's earnings and financial position.

VAT issue

Due to a lack of VAT documentation historically, a Group Company may have to pay additional VAT. The exposure is estimated to amount to approximately EUR 500,000 – 1,000,000. There is a risk that the Group's VAT liabilities could be significantly higher than the latest estimate, which would have a material adverse effect on the Group's financial position.

Exits and Change of Control

Private equity funds make investments with the objective of exiting the investment within a certain time frame. As part of their investment strategy, private equity funds take an active role in managing their portfolio companies. Pursuant to the Terms and Conditions, the owner of the Issuer may make an exit by way of a private sale or an initial public offering of the shares in the Issuer without the Bondholders being entitled to have their Bonds repurchased, provided that no other person or group, other than the owner of the Issuer or its affiliates, acquires control, directly or indirectly, of more than fifty (50) per cent. of the voting shares of the Issuer or otherwise acquires the power to appoint or remove all or the majority of the members of the board of directors of the Issuer. An exit and/or change of control may also lead to termination of material agreements for the Group, as such agreement may include a right for the counterparty to terminate the agreement in case of such event. An exit may adversely impact the Issuer's and/or the Group's business, earnings and financial position.

Risks relating to the Bonds

Credit risks

Bondholders carry a credit risk towards the Group. The Bondholders' ability to receive payment under the Bonds is therefore dependent on the Group's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors, some of which have been mentioned above.

An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would affect the value of the Bonds negatively. Another aspect of the credit risk is that a deteriorating financial position of the Group may reduce the Group's possibility to receive debt financing at the time of maturity of the Bonds.

Refinancing risk

The Group may be required to refinance certain or all of its outstanding debt, including the Bonds. The Group's ability to successfully refinance its debts depends, among other things, on the conditions of the bank market, capital markets and the Group's own financial condition at such time. Even if the debt capital markets improve, the Issuer's access to financing sources may not be available on favourable terms or available at all. The Issuer's inability to refinance its debt obligations on favourable terms, or at all, could have a material adverse effect on the Group's business, financial condition and results of operations and on the Bondholders' recovery under the Bonds.

Liquidity risks

The Issuer has applied for listing of the Bonds on Nasdaq Copenhagen. However, there is a risk that the Bonds will not be admitted to trading. Further, even if securities are admitted to trading on a regulated market, active trading in the securities does not always occur and hence there is a risk that a liquid market for trading in the Bonds will not exist or be maintained even if the Bonds are listed. This may entail that the Bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if the Bonds are admitted for trading on the regulated market, as the Bonds may trade below their nominal value (for instance, to allow for the market's perception of a need for an increased risk premium).

It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

The market price of the Bonds may be volatile

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Group's operating results, financial condition or prospects.

Interest rate risk

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. Investments in the Bonds involve a risk that the market value of the Bonds may be adversely affected by changes in market interest rates.

Currency risks

The Bonds are denominated and payable in EUR. If Bondholders measure their investment return by reference to a currency other than EUR, the investment in the Bonds will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the EUR relative to the currency by reference to which Bondholders measure the return on their investments. This could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss to Bondholders when the return on the Bonds is translated into the currency by reference to which the Bondholders measure the return on their investments. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Bonds. As a result, there is a risk that Bondholders may receive less interest or principal than expected, or no interest or principal.

Ability to service debt

The Issuer's ability to service its debt under the Bonds will depend upon, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond the Group's control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. The Group may not be able to affect any of these remedies on satisfactory terms, or at all. The aforementioned applies to both long-term and current liabilities and therefore, both solidity and liquidity of the Group may be affected in this respect.

Risks relating to the Transaction Security

Although the obligations under the Bonds and certain other obligations of the Group towards the Bondholders, the super senior working capital providers and certain other creditors (jointly the "Secured Creditors") are secured by first priority security, there is a risk that the proceeds of any enforced sale of the security assets will not be sufficient to satisfy all amounts then owed to the Secured Creditors. Furthermore, if the Issuer issues additional Bonds, the security position of the current Bondholders may be impaired.

The relation between the Secured Creditors is governed by an intercreditor agreement (the "Intercreditor Agreement") between, among others, the Issuer, the Security Agent and the Secured Creditors.

The Security Agent will take enforcement instructions primarily from the Agent (representing the Bondholders). However, if the Agent (representing the Bondholders) wishes to enforce the security, the Agent must first consult with the other Secured Creditors (in the event there is no agreement on the proposed enforcement action) for a period of 30 days after which the Agent (representing the Bondholders) may instruct the Security Agent to take such action. The other Secured Creditors may thus delay enforcement which the Bondholders believe is necessary. Furthermore, the Security Agent may act in a manner that the Bondholders believe is to their detriment. In some situations (e.g. where another Secured Creditor has requested enforcement action to be taken but the Bondholders have not provided any enforcement instruction to the Security Agent within three months after the end of the consultation period, or where enforcement action requested by the Bondholders has not resulted in any enforcement proceeds being made available to the Security Agent), the other Secured Creditors may give enforcement instructions to the Security Agent.

The Bondholders and the other Secured Creditors are represented by the Security Agent in all matters relating to the Transaction Security. There is a risk that the Security Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the Transaction Security. The Transaction Security is subject to certain hardening periods during which times the Secured Creditors do not fully, or at all, benefit from the Transaction Security.

Subject to the terms of the Intercreditor Agreement, the Security Agent is entitled to enter into agreements with the Issuer or a third party or take any other actions necessary for the purpose of maintaining, releasing or enforcing the Transaction Security or for the purpose of settling, among others, the Bondholders' rights to the security. Although there is a limitation that such actions shall not be taken if the Security Agent deems the action to be detrimental to the interests of the Bondholders, it cannot be guaranteed that actions will not be taken that may be considered to be detrimental in the view of some or all of the Bondholders.

Risks relating to the enforcement of the Transaction Security

The Bondholders will receive proceeds from an enforcement of the Transaction Security only after obligations of other Secured Creditors secured on a super senior basis have been repaid in full.

The Transaction Security may be subject to certain limitations on enforcement (in addition to those set out in the Intercreditor Agreement) and may be limited by applicable Danish law or subject to certain defences that may limit its validity and enforceability, including financial assistance restrictions.

If a Group Company in which shares are pledged in favour of the Secured Creditors is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, the shares that are subject to such share pledge may then have limited value because all of such Group Company's obligations must first be satisfied, potentially leaving little or no remaining assets in the Group Company for the Secured Creditors. As a result, the Secured Creditors may not recover full or any value in the case of an enforcement sale of such pledged shares. In addition, the value of the shares subject to the pledge may decline over time.

The value of any intra-group loans of the Group that are subject to security in favour of the Secured Creditors is largely dependent on the relevant debtor's ability to repay such intra-group loan. Should the relevant debtor be unable to repay debt obligations upon enforcement of pledge over the intra-group loans, the Secured Creditors may not recover the full value of the security granted under such intra-group loans.

If the proceeds of an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the Bondholders will only have an unsecured claim against the remaining assets (if any) of the Issuer for the amounts which remain outstanding under or in respect of the Bonds.

Security granted to secure the Bonds may be unenforceable or enforcement of the security may be delayed

The insolvency laws of applicable jurisdictions may not be as favourable to the Bondholders as bankruptcy laws of other jurisdictions and may preclude or limit the right of the Bondholders from recovering payments under the Bonds. The enforceability of the Transaction Security may be subject to uncertainty. The Transaction Security may be unenforceable if (or to the extent), for example, the granting of the security were considered to be economically unjustified for such security providers (corporate benefit requirement). Furthermore, the Transaction Security may be limited in value, inter alia, to avoid a breach of the corporate benefit requirement.

The Transaction Security may not be perfected, inter alia, if the Security Agent or the relevant security provider is not able to or does not take the actions necessary to perfect or maintain the perfection of any such security. Such failure may result in the invalidity of the relevant Transaction Security or adversely affect the priority of such security interest, including a trustee in bankruptcy and other creditors who claim a security interest in the same Transaction Security.

If the Issuer is unable to make repayment under the Bonds and a court renders a judgment that the security granted in respect of the Bonds is unenforceable, the Bondholders may find it difficult or impossible to recover the amounts owed to them under the Bonds. Therefore, there is a risk that the security granted in respect of the Bonds might be void or ineffective. In addition, any enforcement may be delayed due to any inability to sell the security assets.

Risks relating to release of the Transaction Security

The Security Agent may at any time (without the prior consent of the Bondholders), acting on instructions of the Secured Creditors, release the Transaction Security and guarantees in accordance with the terms of the Intercreditor Agreement. Although the Transaction Security shall be released pro rata between the Secured Creditors and continue to rank *pari passu* between the Secured Creditors, such release will impair the security interest and the secured position of the Bondholders, especially since the enforcement proceeds from the remaining Transaction Security are not distributed equally between the Secured Creditors.

The Issuer is dependent on its Subsidiaries

A significant part of the Group's assets and revenues relate to the Issuer's Subsidiaries, including its non-Danish Subsidiaries. Accordingly, the Issuer as holding company is dependent upon receipt of sufficient income related to the operation of and the ownership in the Subsidiaries to enable it to make payments under the Bonds. The Issuer's Subsidiaries are legally separate and distinct from the Issuer and have no obligation to pay amounts due with respect to the Issuer's obligations and commitments, including the Bonds, or to make funds available for such payments. The ability of the Issuer's Subsidiaries to make such payments to the Issuer is subject to, among other things, the availability of funds. Should the Issuer not receive sufficient income from its Subsidiaries, the Bondholder's ability to receive payment under the Terms and Conditions may be adversely affected.

Insolvency of Subsidiaries and structural subordination

In the event of insolvency, liquidation or a similar event relating to one of the Issuer's Subsidiaries, all creditors of such Subsidiary would be entitled to payment in full out of the assets of such company before the Issuer, as a shareholder, would be entitled to any payments. Defaults by, or the insolvency of, any Subsidiary of the Issuer may result in the obligation of the Issuer to make payments under financial or performance guarantees in respect of such Subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group. The Issuer and its assets would not be protected from any actions by the creditors of a Subsidiary, whether under bankruptcy law, by contract or otherwise.

Further, the Group operates in various jurisdictions and in the event of bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceedings involving the Issuer or any of its Subsidiaries, bankruptcy laws other than those of Denmark could apply. The outcome of insolvency proceedings in foreign jurisdictions is difficult to predict and could therefore have a material and adverse effect on the potential recovery in such proceedings.

Security over assets granted to third parties

The Issuer and its Subsidiaries may subject to certain limitations from time to time incur additional financial indebtedness and provide additional security for such indebtedness. In the event of bankruptcy, re-organization or winding-up of the Issuer, the Bondholders will be subordinated in right of payment out of the assets being subject to security. For information on similar events of a Subsidiary, see *"Risk Factors—Insolvency of Subsidiaries and structural subordination"*.

Risks related to early redemption

Under the Terms and Conditions the Issuer has reserved the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date, the Bondholders have the right to receive an early redemption amount which exceeds the nominal amount in accordance with the Terms and Conditions. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that it may not be possible for Bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate. It is further possible that the Issuer will not have sufficient funds at the time of the mandatory prepayment to make the required redemption of Bonds.

No action against the Issuer and Bondholders' representation

In accordance with the Terms and Conditions, the Agent will represent all Bondholders in all matters relating to the Bonds and the Bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual Bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by the Issuer and may therefore lack effective remedies unless and until a requisite majority of the Bondholders agree to take such action. However, the possibility that a

Bondholder, in certain situations, could bring its own action against the Issuer (in breach of the Terms and Conditions) cannot be ruled out, which could negatively impact an acceleration of the Bonds or other action against the Issuer. To enable the Agent to represent Bondholders in court, the Bondholders may have to submit a written power of attorney for legal proceedings. The failure of all Bondholders to submit such a power of attorney could negatively affect the legal proceedings. Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures that bind all Bondholders. Consequently, the actions of the Agent in such matters could impact a Bondholder's rights under the Terms and Conditions in a manner that would be undesirable for some of the Bondholders.

A failure by the Agent to perform its duties and obligations properly or at all may adversely affect the enforcement of the rights of the Bondholders due to, for example, inability to receive any or all amounts payable from the Transaction Security in a timely and efficient manner.

The rights of Bondholders depend on the Agent's actions and financial standing

By subscribing for, or accepting the assignment of, any Bond, each Bondholder will accept the appointment of the Agent to act on its behalf and to perform administrative functions relating to the Bonds. The Agent shall have, among other things, the right to represent the Bondholders in all court and administrative proceedings in respect of the Bonds. However, the rights, duties and obligations of the Agent as the representative of the Bondholders are subject to the provisions of the Terms and Conditions and the agency agreement, and there is no specific legislation or market practice in Denmark (under which laws the Terms and Conditions for the Bonds are governed) which would govern the Agent's performance of its duties and obligations relating to the Bonds. A failure by the Agent to perform its duties and obligations properly or at all may adversely affect the enforcement of the rights of the Bondholders. Under the Terms and Conditions, the funds collected by the Agent as the representative of the Bondholders must be held separately from the funds of the Agent and be treated as escrow funds to ensure that in the event of the Agent's bankruptcy, such funds can be separated for the benefit of the Bondholders. In the event the Agent fails to separate the funds in an appropriate manner, the funds could be included in the Agent's bankruptcy estate.

The Agent may be replaced by a successor agent in accordance with the Terms and Conditions for the Bonds. Generally, the successor agent has the same rights and obligations as the retired Agent. It may be difficult to find a successor agent with commercially acceptable terms or at all. Further, it cannot be excluded that the successor agent would not breach its obligations under the above documents or that insolvency proceedings would not be initiated against it.

Materialization of any of the above risks may have a material adverse effect on the enforcement of the rights of the Bondholders and the rights of the Bondholders to receive payments under the Bonds.

Bondholders' Meetings

The Terms and Conditions include certain provisions regarding Bondholders' Meetings. Such meetings may be held in order to resolve on matters relating to the Bondholders' interests. The Terms and Conditions allow for stated majorities to bind all Bondholders, including Bondholders who have not taken part in the Bondholders' Meeting and those who have voted differently to the required majority at a duly convened and conducted Bondholders' Meeting. Consequently, the actions of the majority in such matters could impact a Bondholder's rights in a manner that would be undesirable for some of the Bondholders.

Risks related to amendments to existing legislation or introduction of new legislation

The Terms and Conditions are governed by Danish law in force at the date of issuance of the Bonds. There is a risk that amendments to existing legislation or the introduction of new legislation and administrative practices may adversely affect the Bondholder's ability to receive payment under the Terms and Conditions.

USE OF PROCEEDS

Following release from the Escrow Account on 30 June 2017, the Net Proceeds from the Initial Bond Issue have been or will be applied by the Issuer towards:

(i) firstly, as part of the financing of the acquisition of the Company;

(ii) secondly, repayment of principal and payment of accrued but unpaid interest and other costs and fees under or in relation to the Existing Financing;[1]

(iii) thirdly, payment of the Transaction Costs; and

(iv) fourthly, general corporate purposes of the Group (including acquisitions).

The Net Proceeds from any Subsequent Bond Issue shall be applied by the Issuer towards general corporate purposes of the Group (including acquisitions).

[1] Not applicable as no outstanding debt under the Existing Financing at the relevant date.

OVERVIEW

The following overview is an introduction to the Prospectus and contains basic information about the Bonds. It is not intended to be complete and it is subject to important limitations and exceptions. Any decision to invest in the Bonds must be based on a consideration of the Prospectus as a whole. For a more complete understanding of the Bonds, including certain definitions of terms used in this summary, see "Conditions".

Issuer	AX V Nissens ApS.
LEI	2138008NXT965KK11195.
ISIN	DK0030400890.
Total Nominal Amount of Bonds	EUR 130,000,000 in aggregate principal amount of senior secured floating rate bonds.
Issue Date	29 June 2017.
Issue Price..............................	100%.
Maturity	29 June 2022.
Currency	Euro.
Interest Rate...........................	EURIBOR plus 5% fixed rate per annum.
Indicative Yield	EURIBOR plus 5% per annum, as of 29 June 2017.
Interest Payment Date............	Interest in the Bonds will be payable on a quarterly basis in arrears on 29 June, 29 September, 29 December and 29 March of each year, beginning on 29 September 2017. Interest accrues from the First Issue Date.
Form of Bonds	The Bonds are issued in uncertificated and dematerialised book-entry form in the electronic register of VP Securities A/S.
Status of the Bonds	The Bonds are senior obligations of the Issuer and constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* with (i) the Super Senior Debt and the New Debt pursuant to the Intercreditor Agreement, but will following an Enforcement Action (as defined in the Intercreditor Agreement) receive proceeds distributable by the Security Agent only after the Super Senior Debt has been repaid in full, and (ii) all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.
Guarantees	The Guarantees dated on the First Issue Date entered into by the Issuer, the Guarantors and the Agent pursuant to which the Guarantors guarantee the obligations of the Issuer in respect of the Bonds and which has been acceded to by each Material Company as a Guarantor in accordance with the requirements set out in the Conditions.
Ranking of Transaction Security and Guarantees	Unless expressly provided to the contrary in the Intercreditor Agreement, the Transaction Security and the Guarantees have been granted with first priority ranking in respect of the Super Senior Debt and the Senior Debt, *pari passu* between the Super Senior Debt and the Senior Debt, but subject always to the allocation of proceeds provision as set out in Clause 16 (*Application of Recoveries*) of the Intercreditor Agreement.
Transaction Security	Subject to the Intercreditor Agreement and applicable limitation language, as continuing Security for the due and punctual fulfilment of the Secured

	Obligations, the Issuer and the relevant Group Companies has on the First Issue Date granted the Transaction Security to the Bondholders (as represented by the Agent), the Agent and the other Secured Parties. Subject to the Intercreditor Agreement and applicable limitation language, each Guarantor has, as principal obligor, pursuant to a Guarantee Agreement guaranteed the punctual fulfilment by the Issuer of the payment obligations under the Senior Finance Documents. The Security Agent shall hold the Transaction Security and the Guarantees on behalf of the Secured Parties in accordance with the Security Documents, the Guarantee Agreement and the Intercreditor Agreement. The Security provided for the Secured Obligations pursuant to the Security Documents On or about the First Issue Date, the obligations of the Issuer and the Guarantors under the Bonds, the Conditions and the Guarantee are secured by the following: (a) the Danish law governed security over all of the shares: i. in the Issuer granted by the Parent; ii. in the Company granted by the Issuer; and iii. in Nissens A/S granted by the Company; (b) the Danish law governed pledges relating to intra-group loans (if any) provided by: i. the Parent to the Issuer; and ii. the Issuer to the Company. (c) the Slovak law governed security over all of the shares in: i. Nissens Slovakia S.R.O granted by the Company; and ii. Nissens Slovakia North S.R.O granted by the Company; (d) the US law governed security over all of the shares in Nissen North America Inc. granted by the Company; and (e) the English law governed pledge over all of the shares in Nissen (UK) Ltd. granted by Nissens A/S. The pledged security does not necessarily represent the market value of the underlying assets and hence it does not provide an idea to which extent the underlying assets cover the obligations to the Bondholders.
Intercreditor Agreement	The terms of the Intercreditor Agreement governing the relationship between the Secured Parties are summarised in "*Business─Description of material contracts*".

Voluntary Redemption

Voluntary total redemption (call option)	The Issuer may redeem all, but not some only, of the outstanding Bonds in full at: (a) any time prior to the First Call Date, at an amount per Bond equal to the Make Whole Amount together with accrued but unpaid interest; (b) any time from and including the First Call Date to, but excluding, the first Business Day falling 36 months after the First Issue Date at an amount per Bond equal to 102.5 per cent. of the Nominal Amount, together with accrued but unpaid interest; (c) any time from and including the first Business Day falling 36 months after the First Issue Date to, but excluding, the first Business Day falling 48 months after the First Issue Date at an amount per Bond equal to 101.25 per cent. of the Nominal Amount, together with accrued but unpaid interest; (d) any time from and including the first Business Day falling 48 months after the First Issue Date to, but not including, the Final Maturity Date at an amount per Bond equal to 100.0 per cent. of the Nominal Amount, together with accrued but unpaid interest.
Voluntary partial redemption............................	Provided that the Bonds have been and remain listed on a Regulated Market, the Issuer may redeem the Bonds on one occasion per each twelve month period (without carry-back or carry forward) in a maximum cumulative amount not exceeding ten (10) per cent. of the total aggregate amount of the Initial Bonds, at a price equal to 103 per cent. of the Nominal Amount (or, if lower, the call option amount set out in *Voluntary total redemption (call option)* above for the relevant period) together with any accrued but unpaid interest on the redeemed amounts. Partial redemption shall reduce the aggregated Nominal Amount of Bonds held by each Bondholder on a pro rata basis.
Voluntary partial redemption upon an Equity Claw Back (call option)……	The Issuer may, provided that the Bonds have been and remain listed on the corporate bond list on Nasdaq Copenhagen or any other Regulated Market and that at least 60 per cent of the aggregate amount of the Initial Bonds remain outstanding, on one or more occasion in connection with an Equity Listing Event, redeem in part up to 40 per cent. of the total aggregate Nominal Amount of the Bonds outstanding from time to time at a price equal to 103 per cent. of the Nominal Amount (or, if lower, the call option amount set out in *Voluntary total redemption (call option)* above for the relevant period, together with any accrued but unpaid interest on the redeemed amount. Partial redemption shall reduce the aggregated Nominal Amount of Bonds held by each Bondholder on a pro rata basis. The repayment must occur on an Interest Payment Date within 180 days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such offering (net of fees, charges and commissions actually incurred in connection with such offering and net of taxes paid or payable as a result of such offering).
Voluntary total redemption due to illegality (call option)	The Issuer may redeem all, but not some only, of the outstanding Bonds at an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents. A notice of redemption in accordance with Clause 8.6(a) of the Conditions is irrevocable and, on the date specified in such notice, the Issuer is bound to redeem the Bonds in full at the applicable amounts.

Change of Control Event, Listing Failure or Delisting....	Upon the occurrence of a Change of Control Event, Listing Failure or Delisting, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101% of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the Change of Control Event, Listing Failure or Delisting (as applicable). See "*Conditions*".
Certain Covenants..................	The Conditions contain a number of covenants which restrict the ability of the Issuer and other Group Companies to, *inter alia*: (a) pay any dividends on shares; (b) repurchase any of its own shares; (c) redeem its share capital or other restricted equity with repayment to shareholders (d) make any payments in relation to the Shareholder Debt (as defined in the Intercreditor Agreement); (e) pay management fees to direct and indirect shareholders of the Issuer in excess of DKK 3,000,000 in aggregate in each financial year; or (f) make other distributions (in Danish: *udlodninger*) within the meaning of the Danish Companies Act or transfers of value to its direct or indirect shareholders,
Use of Proceeds	Following release from the Escrow Account on 30 June 2017, the Net Proceeds from the Initial Bond Issue have been or will be applied by the Issuer towards: (i) firstly, as part of the financing of the acquisition of the Company; (ii) secondly, repayment of principal and payment of accrued but unpaid interest and other costs and fees under or in relation to the Existing Financing;[2] (iii) thirdly, payment of the Transaction Costs; and (iv) fourthly, general corporate purposes of the Group (including acquisitions). The Net Proceeds from any Subsequent Bond Issue shall be applied by the Issuer towards general corporate purposes of the Group (including acquisitions).
Transfer Restrictions..............	The Bonds are freely transferrable. Bondholders may however be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with local laws and regulations applicable at its own cost and expense. The Bonds have not been and will not be registered, and transfers of the Bonds may be restricted, in the United States, Australia, Japan, Canada, or in any other country where the offering, sale and delivery of the Bonds may be restricted by law.
Brokerage fees and/or other costs	The Issuer will not charge any fees or expenses to the Bondholders. Bondholders may however be subject to brokerage fees and/or other costs charged by their own account-holding banks. Such fees and costs shall be of no concern to the Issuer.
Listing....................................	Application has been made to Nasdaq Copenhagen A/S for the Bonds to be listed on the official list of Nasdaq Copenhagen A/S and to be admitted to

[2] Not applicable as no outstanding debt under the Existing Financing at the relevant date.

	trading on Nasdaq Copenhagen A/S' regulated market.
Agent	Nordic Trustee A/S.
Security Agent	Nordic Trustee A/S.
Governing Law of the Bonds....................................	Danish law.
Risk Factors	Investing in the Bonds involves substantial risks and prospective investors should refer to "*Risk Factors*" for a discussion of certain factors that they should carefully consider before deciding to invest in the Bonds.

STATEMENT OF RESPONSIBILITY

The Issuer hereby declares that it has taken all reasonable care to ensure that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omissions likely to affect its import.

The Prospectus is signed by

The Executive Management:

Mikkel Krogslund Andersen Chief Executive Officer	Jakob Backs Chief Financial Officer

The Board of Directors:

Niels Jacobsen Chairman	Lars Cordt Deputy Chairman
Alan Nissen Deputy Chairman	Christian Frigast Board Member
Søren Klarskov Vilby Board Member	Marc de Jong Board Member
Manfred Wolf Board Member	

TERMS AND CONDITIONS OF THE BONDS

The following is the text of the terms and conditions of the Bonds, which represents the terms and conditions applicable to all Bonds issued from time to time.

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

In these terms and conditions (the "**Terms and Conditions**"):

"**Account Operator**" means a bank or other party duly authorised to operate as an account operator (in Danish: *kontoførende institut*) pursuant to the Danish Capital Markets Act and through which a Bondholder has opened a Securities Account in respect of its Bonds.

"**Accounting Principles**" means the generally accepted accounting principles, standards and practices in Denmark, including international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

"**Adjusted Nominal Amount**" means the Total Nominal Amount less the Nominal Amount of all Bonds owned by a Group Company or an Affiliate, irrespective of whether such person is directly registered as owner of such Bonds.

"**Advance Purchase Agreements**" means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment in the normal course of business with credit periods which are normal for the relevant type of project contracts, or (b) any other trade credit incurred in the ordinary course of business.

"**Affiliate**" means (i) an entity controlling or under common control with the Issuer, other than a Group Company, and (ii) any other person or entity owning any Bonds (irrespective of whether such person is directly registered as owner of such Bonds) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Bonds in accordance with the instructions given by a Group Company or an entity referred to in item (i). For the purposes of this definition, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

"**Agency Agreement**" means the agency agreement entered into on or before the First Issue Date, between the Issuer and the Agent, or any replacement agency agreement entered into after the First Issue Date between the Issuer and an agent.

"**Agent**" means Nordic Trustee A/S, Danish company registration no. (CVR-No.): 34 70 57 20, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

"**Axcel**" means Axcel V K/S (Danish company registration no. (CVR-No): 38 55 61 34), Ax V Management Invest K/S (Danish company registration no. (CVR-No.): 38 55 60 88), and Ax V Management Invest II K/S (Danish company registration no. (CVR-No.): 38 55 61 26).

"**Bond**" means a debt instrument (in Danish: *obligation*) for the Nominal Amount and issued by the Issuer under the Terms and Conditions.

"**Bondholder**" means the person who is registered on a Securities Account as direct registered owner (in Danish: *obligationsejer*) or nominee (in Danish: *Nominee*) with respect to a Bond.

"**Bondholders' Meeting**" means a meeting among the Bondholders held in accordance with Clause17 (*Bondholders' Meeting*).

"**Bond Issue**" means the Initial Bond Issue and any Subsequent Bond Issue.

"**Business Day**" means a day on which both the relevant Securities Depository settlement system is open and which is a TARGET Day.

"**Business Day Convention**" means the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

"**Change of Control Event**" means:

(a) prior to an Equity Listing Event, the occurrence of an event or series of events whereby one or more persons, (other than Axcel), acting in concert, acquire control over the Issuer and where "control" means acquiring or controlling, directly or indirectly, more than 50 per cent. of the total voting rights represented by the shares of the Issuer (being votes which are capable of being cast at general meetings of shareholders); and

(b) on and after an Equity Listing Event, the occurrence of an event or series of events whereby one or more persons, (other than Axcel), acting in concert, acquire control over the Issuer and where "control" means (a) acquiring or controlling, directly or indirectly, more than 30 per cent. of the total voting rights represented by the shares of the Issuer (being votes which are capable of being cast at general meetings of shareholders).

"**CSD**" means the Issuer's central securities depository and registrar in respect of the Bonds, from time to time, initially VP Securities A/S, Danish company registration no. (CVR-No.): 21 59 93 36, Weidekampsgade 14, DK-2300 Copenhagen S, Denmark.

"**Company**" means K. Nissen International A/S (Danish company registration no. (CVR-No.): 70 60 69 17).

"**Comparable Bond**" means the Bundesrepub. Deutschland DBR 3.5 per cent. due 4 July 2019.

"**Comparable Bond Price**" means:

(a) the average of five Reference Bond Dealer Quotations, after excluding the highest and lowest of such Reference Bond Dealer Quotations; or

(b) if the Issuer obtains fewer than five such Reference Bond Dealer Quotations, the average of all such Reference Bond Dealer Quotations.

"**Completion Date**" means the date of the Agent's approval of the disbursements of the proceeds from the Escrow Account.

"**Compliance Certificate**" means a certificate to the Agent, in the agreed form, signed by the Issuer certifying (as applicable):

(a) the Incurrence Test (including figures in respect of the relevant financial tests and the basis on which they have been calculated), that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it;

(b) a clean down of the Super Senior RCF; or

(c) the Material Companies.

"**Danish Bankruptcy Act**" means the Danish act on bankruptcy etc. (in Danish: *konkursloven*) Consolidated Act No. 11 of 6 January 2014 as amended.

"**Danish Companies Act**" means the Danish companies act (in Danish: *selskabsloven*), Consolidated Act No. 1089 of 14 September 2015 as amended.

"**Danish Limitation Act**" means the Danish act on limitation of claims (in Danish: *forældelsesloven*) Consolidated Act No. 1238 of 9 November 2015.

"**Danish Capital Markets Act**" means the Danish Act on Capital Markets (in Danish: *Lov om kapitalmarkeder*) Act No. 650 of 8 June 2017, on capital markets.

"**Debt Instruments**" means bonds, notes or other debt securities (however defined), which are or are intended to be quoted, listed, traded or otherwise admitted to trading on a Regulated Market.

"**Delisting**" means the delisting of the shares in the Issuer from a Regulated Market.

"**EBITDA**" means, in respect of the Reference Period, the consolidated operating profit of the Group from ordinary activities according to the latest Financial Reports:

(a) before deducting any amount of tax on profits, gains or income paid or payable by any Group Company;

(b) before deducting any Net Finance Charges;

(c) before taking into account any extraordinary or exceptional items which are not in line with the ordinary course of business, provided that extraordinary or exceptional items for any Reference Period shall not exceed ten per cent. of EBITDA for that Reference Period;

(d) before taking into account any Transaction Costs and any transaction costs relating to any acquisition of any additional target company;

(e) not including any accrued interest owing to any Group Company;

(f) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);

(g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;

(h) plus or minus the Group's share of the profits or losses of entities which are not part of the Group/after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;

(i) after adding any amounts claimed under loss of profit, business interruption or equivalent insurance, provided that it is reasonably likely (determined in good faith by the management of the Issuer after its best assessment) that the Group will be entitled to receive insurance proceeds under such insurance claims; and

(j) after adding back any amount attributable to the amortisation, depreciation, impairment or depletion of assets of members of the Group.

"**EURIBOR**" means:

(a) the applicable percentage rate per annum displayed on Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels time) on the Quotation Day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; or

(b) if no screen rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Issuing Agent at its request quoted by banks reasonably selected by the Issuing Agent, for deposits of EUR 10,000,000 for the relevant period; or

(c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Euro offered for the relevant period; and if any such rate is below zero, EURIBOR will be deemed to be zero.

"**Euro**" and "**EUR**" means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

"**Equity Listing Event**" means an offering of shares in the Issuer or any of its holding companies whether initial or subsequent to a public offering, resulting in shares allotted becoming quoted, listed, traded or otherwise admitted to trading on a Regulated Market.

"**Escrow Account**" means a bank account of the Issuer held with Nordea Danmark, Filial af Nordea Bank AB (publ), Sverige,, into which the proceeds from the Initial Bonds will be transferred and which has been pledged in favour of the Agent and the Bondholders (represented by the Agent) under the Escrow Account Pledge Agreement.

"**Escrow Account Pledge Agreement**" means the pledge agreement entered into between the Issuer and the Agent in respect of a first priority pledge over the Escrow Account and all funds held on the Escrow Account from time to time, granted in favour of the Bondholders.

"**Existing Financing**" means DKK 125,000,000 multicurrency term and revolving facilities agreement dated 3 September 2015 entered into between, amongst others, the Company, Nissens A/S and Sydbank A/S (Danish company registration no. (CVR-No.): 12 62 65 09).

"**Event of Default**" means an event or circumstance specified in any of the Clauses 14.1 (*Non-payment*) to and including 14.9 (*Impossibility or Illegality*).

"**Final Maturity Date**" means the date falling five (5) years after the First Issue Date.

"**Finance Charges**" means, for the Reference Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalised by any Group Company according to the latest Financial Report(s) (calculated on a consolidated basis) other than Transaction Costs, capitalised interest in respect of any loan owing to any Group Company or any shareholder loan and taking no account of any unrealised gains or losses on any derivative instruments other than any derivative instrument which are accounted for on a hedge accounting basis.

"**Finance Documents**" means these Terms and Conditions, the Security Documents, the Escrow Account Pledge Agreement, the Guarantee Agreement, the Intercreditor Agreement, the Agency Agreement and any other document designated by the Issuer and the Agent (on behalf of itself and the Bondholders) as a Finance Document.

"**Financial Indebtedness**" means any indebtedness in respect of:

(a) moneys borrowed (including under any bank financing or debt capital market instruments);

(b) any acceptance under any acceptance credit or bill discounting facility (or materialised equivalent);

(c) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument;

(d) the amount of any liability under any finance leases (a lease which in accordance with the Accounting Principles is treated as an asset and a corresponding liability), provided that any leases which at the First Issue Date are treated as being operating leases, shall not be considered as being finance leases due to any subsequent change in the Accounting Principles;

(e) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);

(f) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;

(g) the marked-to-market value of derivative transactions entered into in connection with protection against, or in order to benefit from, the fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);

(h) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and

(i) without double-counting, liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (f) above.

"**Financial Report**" means the Group's annual audited consolidated financial statements or quarterly interim unaudited reports of the Group, which shall be prepared and made available in accordance with Clause 11.1(a).

"**First Call Date**" means the date falling 24 months after the First Issue Date.

"**First Issue Date**" means 29 June 2017.

"**Force Majeure Event**" has the meaning set forth in Clause 25.1(a).

"**Group**" means the Issuer and its Subsidiaries from time to time (each a "**Group Company**").

"**Guarantee**" means the guarantees created pursuant to the Guarantee Agreement.

"**Guarantee Agreement**" means the guarantee and adherence agreement entered into between the Issuer, the Guarantors and the Agent pursuant to which certain secured obligations are guaranteed by the Guarantors.

"**Guarantors**" means the Parent, the Issuer and any further Group Company which accedes to the Guarantee Agreement as a guarantor in accordance with Clause 9.2.

"**Holdco**" means AX V Nissens II ApS with Danish company registration no. (CVR-No.): 38 64 74 58.

"**Incurrence Test**" means the incurrence test set out in Clause 12 (*Incurrence Test*).

"**Initial Bonds**" means the Bonds issued on the First Issue Date.

"**Initial Bond Issue**" means the issuance of the Initial Bonds.

"**Insolvent**" means, in respect of a relevant person, that it is deemed to be insolvent or admits inability to pay its debts as they fall due, in each case within the meaning of the Danish Bankruptcy Act (or its equivalent in any other jurisdiction), suspends or declares that it will suspend making payments on any of its debts or, by reason of actual financial difficulties, commences negotiations with all or substantially all of its known creditors (other than the Bondholders, the creditors of Senior Debt, the creditors of New Debt or the creditors of Super Senior Debt) with a view to rescheduling any of its indebtedness or is subject to involuntary winding-up, dissolution, reconstruction (in Danish: *rekonstruktion*) or liquidation.

"**Instructing Party**" shall have the meaning given to such term in the Intercreditor Agreement.

"**Intercreditor Agreement**" means the intercreditor agreement entered into between, amongst other, the Issuer, the lenders under the Super Senior RCF, the facility agent under the Super Senior RCF, the hedge counterparties to the Super Senior Hedges, the lenders under the PIK Notes Facility Agreement and the Agent (representing the Bondholders).

"**Interest**" means the interest on the Bonds calculated in accordance with Clause 7.1.

"**Interest Cover Ratio**" means the ratio of EBITDA to Net Finance Charges, calculated in accordance with Clause 12.3 (*Calculation of Interest Cover Ratio*).

"**Interest Payment Date**" means 29 June, 29 September, 29 December and 29 March of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Bonds was 29 September 2017 and the last Interest Payment Date shall be the relevant Redemption Date.

"**Interest Period**" means:

(a) in respect of the first Interest Period, the period from (and including) the First Issue Date to (but excluding) the first Interest Payment Date; and

(b) in respect of subsequent Interest Periods, the period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date (or a shorter period if relevant).

"**Interest Rate**" means EURIBOR plus the Margin per annum.

"**Issuer**" means AX V Nissens ApS, a private limited liability company incorporated under the laws of Denmark with Danish company registration no. (CVR-No.): 38 64 75 71.

"**Issuing Agent**" means Nordea Danmark, Filial af Nordea Bank AB (publ), Sverige or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

"**Joint Bookrunners**" means Nordea Bank AB (publ) and Nykredit Bank A/S.

"**Legal Reservations**" means the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors.

"**Leverage Ratio**" means the ratio of Net Interest Bearing Debt to EBITDA, calculated in accordance with Clause 12.2 (*Calculation of Leverage Ratio*).

"**Listing Failure**" means a failure to list the Bonds within twelve months after the First Issue Date on Nasdaq Copenhagen or any other Regulated Market.

"**LTM EBITDA**" means, with respect to any entity or business to be acquired by the Issuer or any other Group Company, earnings before interest, tax, depreciation and amortisation (in each case calculated on the same basis as EBITDA) for the 12 month period (on an actual basis) prior to the date of a proposed acquisition of that entity or business.

"**Make Whole Amount**" means an amount equal to:

(a) the present value on the relevant record date of 102.5 per cent. of the Nominal Amount as if such payment originally should have taken place on the First Call Date; and

(b) the present value on the relevant record date of the remaining interest payments (assuming that the Interest Rate will be equal to the interpolated EUR mid-swap rate for the remaining term from the relevant record date until the First Call Date plus the Margin) less any accrued but unpaid interest up to the relevant redemption date, through and including the First Call Date,

both calculated by using a discount rate of 50 basis points over the Comparable Bond Price (i.e. comparable to the remaining duration of the Bonds until the mentioned date falling on the First Call Date) and where "relevant record date" shall mean a date agreed upon between the Agent, the CSD and the Issuer in connection with such repayment.

"**Margin**" means 5.00 per cent.

"**Material Adverse Effect**" means a material adverse effect on:

(a) the ability of the Issuer and the Guarantors taken as whole to comply their payment obligations under the Finance Documents; or

(b) the financial conditions, business, operations or assets of the Group taken as a whole; or

(c) (subject to the Legal Reservations) the validity or enforceability of the terms of any Finance Documents.

"**Material Company**" means the Issuer and each Group Company holding shares in an Obligor, and any member of the Group which has earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA), turnover or gross assets (in each case excluding any intra-group transactions) representing ten per cent. or more of EBITDA, turnover or the consolidated gross assets of the Group. To be tested quarterly based on the latest unaudited consolidated financial statements of the Group.

"**Minimum Trading Amount**" has the meaning set forth in Clause 2(c).

"**Nasdaq Copenhagen**" means Nasdaq Copenhagen A/S' regulated market.

"**Nasdaq Copenhagen A/S**" means Nasdaq Copenhagen A/S, company registration no. (CVR-No.): 19 04 26 77, Nikolaj Plads 6, DK-1067 Copenhagen C, Denmark.

"**Net Finance Charges**" means, for the Reference Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Reference Period to any Group Company and any interest income relating to cash or cash equivalent investment (and excluding any interest capitalised on shareholder loans).

"**Net Interest Bearing Debt**" means the aggregate interest bearing debt less cash and cash equivalents of the Group in accordance with the applicable accounting principles of the Group from time to time (for the avoidance of doubt, excluding guarantees, bank guarantees, shareholder loans, any claims subordinated pursuant to the Intercreditor Agreement and interest bearing debt borrowed from any Group Company).

"**Net Proceeds**" means the proceeds from a Bond Issue after deduction has been made for the Transaction Costs.

"**New Debt**" shall have the meaning given to such term in the Intercreditor Agreement.

"**Nominal Amount**" has the meaning set forth in Clause 2(c).

"**Nissens A/S**" means Nissens A/S a Danish public limited liability company with Danish company registration no. (CVR-No.): 40 21 21 16.

"**Original Super Senior RCF**" means the DKK 125,000,000 multicurrency revolving credit facility agreement between amongst others the Issuer as borrower, Nordea Danmark, Filial af Nordea Bank AB (publ), Sverige and Nykredit Bank A/S as lenders and Nordea Danmark, Filial af Nordea Bank AB (publ), Sverige as facility agent.

"**Parent**" means AX V Nissens I ApS with Danish company registration no. (CVR-No.): 38 64 75 39.

"**Payment Block Event**" shall have the same meaning as given to such term in the Intercreditor Agreement.

"**Permitted Debt**" means any Financial Indebtedness:

(a) incurred under the Initial Bonds;

(b) the Existing Financing until the Completion Date;

(c) incurred as financial lease debt in a maximum amount of DKK 7,500,000 (or its equivalent in any other currency);

(d) incurred under a Super Senior RCF in an amount not exceeding the Senior Headroom (as defined in the Intercreditor Agreement);

(e) incurred under any Super Senior Hedges;

(f) incurred as Shareholder Debt (as defined in the Intercreditor Agreement);

(g) incurred by the Issuer if such Financial Indebtedness meets the Incurrence Test tested pro forma including such incurrence, and (i) is incurred as a result of a Subsequent Bond Issue, or (ii) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Bonds, and has a final redemption date or, when applicable, early redemption dates or instalment dates which occur on or after the Final Maturity Date, in each case subject to the Intercreditor Agreement;

(h) incurred by a Group Company from another Group Company (including any cash pool arrangements);

(i) arising under a commodity derivative for spot or forward delivery entered into in connection with protection against fluctuation in or prices where the exposure arises in the ordinary course of business, but not any transaction for investment or speculative purposes;

(j) obligations which are covered by a guarantee issued under the Super Senior RCF up to an amount not exceeding the Senior Headroom as defined in the Intercreditor Agreement;

(k) incurred under Advance Purchase Agreements;

(l) incurred in the ordinary course of business by any Group Company under any pension and tax liabilities;

(m) arising under loans or credits to any Group Company to fund the acquisition of an interest in the management incentive scheme provided that the principal amount of such loans or credits does not exceed DKK 9,750,000 (or its equivalent in another currency) in aggregate in each financial year;

(n) arising under the export VAT scheme with the Danish tax authorities (*In Danish: eksportmomsordningen*);

(o) incurred as a result of any Group Company acquiring another entity and which is due to that such acquired entity holding indebtedness, provided that the Incurrence Test is met, tested pro forma including the acquired entity in question and provided that any such acquired debt is refinanced by the Issuer or any other Group Company within six months;

(p) arising under any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability in the ordinary course of business of a Group Company;

(q) any trade credit received (including for the avoidance of doubt but not limited to any liability under any advance or deferred purchase agreement) by any Group Company from any of its trading partners in the ordinary course of its trading activities (on normal commercial terms);

(r) guarantees issued and outstanding as of the Completion Date under current local facilities with an aggregate maximum liability of DKK 13,000,000;

(s) set out in Schedule 1 (*Mortgages and Indebtedness*) and any Financial Indebtedness incurred as a result of a refinancing or replacement thereof up to an aggregate amount of DKK 165,026,334; and

(t) if not permitted by any of paragraphs (a)–(s) above which does not in aggregate at any time exceed DKK 13,000,000.

"**Permitted Security**" means any Security:

(a) up until the Completion Date, any Security provided under the Existing Financing;

(b) any Security created under the Security Documents, the Escrow Account Pledge Agreement or otherwise permitted pursuant to the Intercreditor Agreement;

(c) any lien arising by operation of law and in the ordinary course of trading;

(d) over goods or documents of title to goods arising in the ordinary course of documentary credit transactions;

(e) short term and created as a retention of title by a seller in connection with the purchase of goods;

(f) any payment or close out netting or set-off arrangement (including for the purpose of cash management or cash pooling arrangement) pursuant to transactions in the ordinary course of business;

(g) any Security, netting or set-off arrangement entered into by any Group Company in connection with any treasury transaction;

(h) any Security over or affecting any asset of any company which becomes a Group Company after the First Issue Date, where the Security is created prior to the date on which that company becomes a Group Company, if the Security was not created in contemplation of the acquisition of that company, the principal amount secured has not increased in contemplation of or since the acquisition of that company and the Security is removed or discharged within six months;

(i) any Security created in the form of a pledge over an escrow account to which the proceeds incurred in relation to a refinancing of the Bonds in full are intended to be received;

(j) any Security created for the benefit of the financing providers in relation to a refinancing of the Bonds in full, however provided always that any perfection requirements in relation thereto are satisfied after repayment of the Bonds in full (other than with respect to an escrow account (if applicable) which may be perfected in connection with the incurrence of such debt);

(k) any Security created under the Escrow Account Pledge Agreement;

(l) any Security created as security for the Financial Indebtedness permitted pursuant to paragraph (s) of the definition of Permitted Debt over the property set out in Schedule 1 (*Mortgages and Indebtedness*); and

(m) any Security securing Permitted Debt referred to under paragraphs (c)-(e), (i), (j), (l), (q) and (t) of the definition of Permitted Debt.

"**PIK Notes Facility Agreement**" means the PIK Notes Facility Agreement dated 18 May 2017 as amended or restated from time to time between Holdco as borrower and Danica Pension Livsforsikringsaktieselskab (Danish company registration no. (CVR-No. 24 25 61 46) as Original Lender and Agent.

"**Quarter Date**" means the last day of each quarter of the Issuer's financial year.

“**Quotation Day**” means, in relation to any period for which an interest rate is to be determined, two Business Days before the first day of that period.

“**Record Date**” means the date on which a Bondholder’s ownership of Bonds shall be recorded in the CSD as follows:

(a) in relation to payments pursuant to these Terms and Conditions, the date designated as the Record Date in accordance with the rules of the CSD from time to time; and

(b) for the purpose of casting a vote in a Bondholders’ Meeting, the date falling on the immediate preceding Business Day to the date of that Bondholders' Meeting being held.

“**Redemption Date**” means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 8 (*Redemption and Repurchase of the Bonds*).

“**Reference Bond Dealer**” means any primary bond dealer selected by the Issuer.

“**Reference Bond Dealer Quotations**” means the arithmetic average, as determined by the Issuer, of the bid and offer prices for the Comparable Bond (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by any Reference Bond Dealer at 11.00 a.m. (Brussels) on the third Business Day before the Redemption Date.

“**Reference Period**” means each period of 12 consecutive calendar months ending on a test date.

“**Regulated Market**” means Nasdaq Copenhagen regulated market or any other regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive (Directive 2004/39/EC) or the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as applicable.

“**Secured Obligations**” means all present and future obligations and liabilities of the Issuer to the Secured Parties under the Senior Finance Documents.

“**Secured Parties**” shall have the meaning given to the term “Senior Secured Parties” in the Intercreditor Agreement.

“**Securities Account**” means the account for dematerialised securities maintained by the CSD pursuant to the Danish Capital Markets Act in which (i) an owner of such security is directly registered or (ii) an owner’s holding of securities is registered in the name of a nominee.

“**Security**” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person, or any other agreement or arrangement having a similar effect.

“**Security Agent**” means the security agent holding the Transaction Security on behalf of the Secured Parties, being Nordic Trustee A/S on the First Issue Date.

“**Security Documents**” means:

(a) the Danish law governed security over all of the shares:

   i. in the Issuer granted by the Parent;

   ii. in the Company granted by the Issuer; and

   iii. in Nissens A/S granted by the Company;

(b) the Danish law governed pledges relating to intra-group loans (if any) provided by:

   i. the Parent to the Issuer; and

   ii. the Issuer to the Company.

(c) the Slovak law governed security over all of the shares in:

   i. Nissens Slovakia S.R.O granted by the Company; and

   ii. Nissens Slovakia North S.R.O granted by the Company;

(d) the US law governed security over all of the shares in Nissen North America Inc. granted by the Company; and

(e) the English law governed pledge over all of the shares in Nissen (UK) Ltd. granted by Nissens A/S.

"**Senior Debt**" shall have the meaning given to such term in the Intercreditor Agreement.

"**Senior Finance Documents**" shall have the meaning given to such term in the Intercreditor Agreement.

"**Shared Security**" means the Security created under the Security Documents, being the Security over which the creditors under the Super Senior RCF, the creditors under any New Debt, the hedge counterparties under the Super Senior Hedges, the Security Agent, the Bondholders (represented by the Agent) and the Agent are granted first priority Security.

"**Subsequent Bond Issue**" shall have the meaning given thereto in Clause 2(e).

"**Subsequent Bonds**" means any Bonds issued after the First Issue Date on one or more occasions.

"**Subsidiary**" means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

"**Super Senior Debt**" shall have the meaning given to such term in the Intercreditor Agreement.

"**Super Senior Hedges**" means hedging transactions entered into by a Group Company in respect of payments to be made under the Bonds or for hedging exposures (including hedging exposures in relation to fluctuation in currency rates) arising in the ordinary course of business, but not for speculative or investment purposes, to the extent the hedging counterparty has acceded to the Intercreditor Agreement and is a lender under the Super Senior RCF.

"**Super Senior RCF**" means the Original Super Senior RCF (including any fees, underwriting discount premiums and other costs and expenses incurred with such financing) (as amended from time to time) or any other revolving facilities for working capital purposes or general corporate purposes used to replace the Original Super Senior RCF or any refinancing of such debt in accordance with the Intercreditor Agreement.

"**Super Senior RCF Finance Documents**" means the Super Senior RCF and any other finance documents entered into in relation thereto.

"**TARGET Day**" means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in euro.

"**Total Nominal Amount**" means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time.

"**Transaction Costs**" means all fees, costs and expenses incurred by a Group Company in connection with costs in relation to acquisitions or investments, costs in relation to capital markets transactions, a Bond Issue, the Original Super Senior RCF, the Super Senior Hedges, the Transaction Security and the admission to trading of the Bonds (including but not limited to fees to the Joint Bookrunners and the Issuing Agent for the services provided in relation to the placement and issuance of the Bonds).

"**Transaction Security**" means the Security provided for the Secured Obligations pursuant to the Security Documents.

"**Written Procedure**" means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 18 (*Written Procedure*).

1.2 Construction

(b) Unless a contrary indication appears, any reference in these Terms and Conditions to:

(i) "assets" includes present and future properties, revenues and rights of every description;

(ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;

(iii) a "regulation" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;

(iv) an Event of Default is continuing if it has not been remedied or waived;

(v) a provision of law is a reference to that provision as amended or re-enacted; and

(vi) a time of day is a reference to Copenhagen time.

(c) When ascertaining whether a limit or threshold specified in Danish Kroner or Euro (as applicable) has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Danish Kroner or Euro (as applicable) for the previous Business Day, as published by the Danmarks Nationalbank on its website (www.nationalbanken.dk) (with respect to Danish Kroner) and the European Central Bank (www.ecb.europa.eu) (with respect to Euro). If no such rate is available, the most recently published rate shall be used instead.

(d) A notice shall be deemed to be sent by way of press release if it is made available to the public within the European Economic Area promptly and in a non-discriminatory manner.

(e) No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

2. STATUS OF THE BONDS

(a) Denomination. The Bonds are denominated in Euro and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.

(b) Finance Documents. By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.

(c) Nominal amount. The nominal amount of each Initial Bond is EUR 0.01 (the "**Nominal Amount**"). The maximum total nominal amount of the Initial Bonds is EUR 130,000,000. Each Bond in the CSD, is registered with a minimum trading unit of EUR 100,000 (the "**Minimum Trading Unit**"), meaning that the Bonds can only be traded in portions having an aggregated nominal amount of EUR 100,000 or, if greater, an even multiple of EUR 0.01. In case a Bondholder who, as a result of a partial redemption (as specified in Clause 8.4 and 8.5), holds an amount which is less than the Minimum Trading Amount in his account would need to purchase a principal amount of Bonds such that the aggregated Nominal Amount held by that investor, equals or exceeds the Minimum Trading Amount. All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.

(d) Minimum investment. The minimum permissible investment in a Bond Issue is EUR 100,000.

(e) Subsequent Bond Issue. The Issuer may, at one or several occasions after the First Issue Date, issue Subsequent Bonds (each such issue, a "**Subsequent Bond Issue**"), until the total aggregate amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals EUR 190,000,000, always provided that the Incurrence Test (tested pro forma including such issue) is met. Any Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the nominal amount and the final maturity applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 7.1(a), and otherwise have the same rights as the Initial Bonds.

(f) Ranking. The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* with (i) the Super Senior Debt and the New Debt pursuant to the Intercreditor Agreement, but will following an Enforcement Action (as defined in the Intercreditor Agreement) receive proceeds distributable by the Security Agent only after the Super Senior Debt has been repaid in full, and (ii) all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.

(g) Transferability. The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions as applicable from time to time under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with local laws and regulations applicable at their own cost and expense.

(h) No public offering. No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Denmark, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

3. USE OF PROCEEDS

3.1 Following release from the Escrow Account on 30 June 2017, the Net Proceeds from the Initial Bond Issue have been or will be applied by the Issuer towards:

(i) firstly, as part of the financing of the acquisition of the Company;

(ii) secondly, repayment of principal and payment of accrued but unpaid interest and other costs and fees under or in relation to the Existing Financing;[3]

(iii) thirdly, payment of the Transaction Costs; and

(iv) fourthly, general corporate purposes of the Group (including acquisitions).

[3] Not applicable as no outstanding debt under the Existing Financing at the relevant date.

3.2 The Net Proceeds from any Subsequent Bond Issue shall be applied by the Issuer towards general corporate purposes of the Group (including acquisitions).

4. BONDS IN BOOK-ENTRY FORM

4.1 Registration

The Bonds are registered for the Bondholders on their respective Securities Accounts and no physical bonds have been issued. Accordingly, the Bonds are registered in accordance with the Danish Capital Markets Act. Registration requests relating to the Bonds shall be directed to an Account Operator.

4.2 Right to obtain information from the debt register

The Issuer and the Agent to the extent permitted under applicable regulations, shall be entitled to obtain information on demand from the debt register kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.

The Issuing Agent and the Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.

4.3 Power of attorney

The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.

5. RIGHT TO ACT ON BEHALF OF A BONDHOLDER

5.1 Power of attorney from Bondholder

(a) If any person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such person.

(b) A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.

(c) The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 5.1(b) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

6. PAYMENTS IN RESPECT OF THE BONDS

6.1 Payments in accordance with Securities Depository rules

(a) Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds requested by a Bondholder pursuant to these Terms and Conditions, shall be made to such person who is registered as a Bondholder on a Securities Account on the Record Date immediately preceding the relevant payment date.

(b) If a Bondholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed

(c) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 7.3 during such postponement.

(d) If payment or repayment is made in accordance with this Clause 6, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount, unless the Issuer or the CSD (as applicable) was aware that the payment was being made to a person not entitled to receive such amount.

7. INTEREST

7.1 Accrual and payment of Interest

(a) Each Initial Bond carries Interest at the Interest Rate from (and including) the First Issue Date up to (but excluding) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (and including) the Interest Payment Date falling immediately prior to its issuance up to (but excluding) the relevant Redemption Date.

(b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.

(c) Pursuant to the terms of the Intercreditor Agreement, following the occurrence of a Payment Block Event and for as long as it is continuing, no payment of principal or interest in respect of the Bonds shall be made to the Bondholders. However, interest shall continue to accrue during such period and any overdue amounts shall carry default interest pursuant to Clause 7.3. For the avoidance of doubt, the failure to repay principal or pay interest on a due date shall constitute an Event of Default

7.2 Calculation of Interest

Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

7.3 Default interest

If the Issuer fails to pay any amount payable by it under the Finance Documents on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is one per cent higher than the Interest Rate for such Interest Period. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

8. REDEMPTION AND REPURCHASE OF THE BONDS

8.1 Redemption at maturity

The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

8.2 Issuer's purchase of Bonds

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way provided that if purchases are made through a tender offer, the possibility to tender must be made available to all Bondholders on equal terms. The Bonds held by the Issuer pursuant to this Clause 8.2 may at the Issuer's discretion be retained or sold but may not be cancelled by the Issuer.

8.3 Voluntary total redemption (call option)

The Issuer may redeem all, but not some only, of the outstanding Bonds in full at:

(a) any time prior to the First Call Date, at an amount per Bond equal to the Make Whole Amount together with accrued but unpaid interest;

(b) any time from and including the First Call Date to, but excluding, the first Business Day falling 36 months after the First Issue Date at an amount per Bond equal to 102.5 per cent. of the Nominal Amount, together with accrued but unpaid interest;

(c) any time from and including the first Business Day falling 36 months after the First Issue Date to, but excluding, the first Business Day falling 48 months after the First Issue Date at an amount per Bond equal to 101.25 per cent. of the Nominal Amount, together with accrued but unpaid interest;

(d) any time from and including the first Business Day falling 48 months after the First Issue Date to, but not including, the Final Maturity Date at an amount per Bond equal to 100.0 per cent. of the Nominal Amount, together with accrued but unpaid interest.

8.4 Voluntary partial redemption

Provided that the Bonds have been and remain listed on a Regulated Market, the Issuer may redeem the Bonds on one occasion per each twelve month period (without carry-back or carry forward) in a maximum cumulative amount not exceeding ten (10) per cent. of the total aggregate amount of Initial Bonds, at a price equal to 103 per cent. of the Nominal Amount (or, if lower, the call option amount set out in Voluntary total redemption (call option) above for the relevant period) together with any accrued but unpaid interest on the redeemed amounts. Partial redemption shall reduce the aggregated Nominal Amount of Bonds held by each Bondholder on a pro rata basis.

8.5 Voluntary partial redemption upon an Equity Claw Back (call option)

(a) The Issuer may, provided that the Bonds have been and remain listed on the corporate bond list on Nasdaq Copenhagen or any other Regulated Market and that at least 60 per cent of the aggregate amount of the Initial Bonds remain outstanding, on one or more occasion in connection with an Equity Listing Event, redeem in part up to 40 per cent. of the total aggregate Nominal Amount of the Bonds outstanding from time to time at a price equal to 103 per cent. of the Nominal Amount (or, if lower, the call option amount set out in Clause 8.3 (*Voluntary total redemption (call option)*) for the relevant period, together with any accrued but unpaid interest on the redeemed amount.

(b) Partial redemption shall reduce the aggregated Nominal Amount of Bonds held by each Bondholder on a pro rata basis.

(c) The repayment must occur on an Interest Payment Date within 180 days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such offering (net of fees, charges and commissions actually incurred in connection with such offering and net of taxes paid or payable as a result of such offering).

8.6 Voluntary total redemption due to illegality (call option)

(a) The Issuer may redeem all, but not some only, of the outstanding Bonds at an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

(b) A notice of redemption in accordance with Clause 8.6(a) is irrevocable and, on the date specified in such notice, the Issuer is bound to redeem the Bonds in full at the applicable amounts.

8.7 Redemption notice

Redemption in accordance with Clauses 8.3 (*Voluntary total redemption (call option)*) to and including 8.6 (*Voluntary total redemption due to illegality (call option)*) shall be made by the Issuer giving not less than 20 Business Days' notice prior to the relevant Redemption Date to the Bondholders and the Agent and in accordance with the instructions of the Issuer or the Issuing Agent, as applicable. Any such notice is irrevocable and, upon expiry of such notice, the Issuer is bound to redeem the Bonds in full with the applicable amounts.

8.8 Mandatory repurchase due to a Change of Control Event, Listing Failure or Delisting (put option)

(a) Upon a Change of Control Event, Listing Failure or Delisting occurring, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the Change of Control Event, Listing Failure or Delisting (as applicable), pursuant to Clause 11.1(b) (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control, Listing Failure or Delisting (as applicable).

(b) The notice from the Issuer pursuant to Clause 11.1(b) shall specify the Redemption Date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 11.1(b). The Redemption Date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 11.1(b) unless the non-payment:

(i) is caused by technical or administrative error; and

(ii) is remedied within five Business Days from the due date.

(c) If Bonds representing more than 75 per cent. of the Total Nominal Amount of the Bonds have been repurchased as a result of a Change of Control Event, Listing Failure or Delisting, the Issuer is entitled to repurchase all the remaining outstanding Bonds at the price stated in paragraph (a) by notifying the remaining Bondholders of its intention to do so no later than fifteen (15) Business Days after the latest possible repurchase date as set out in paragraph (a) above. Such prepayment may occur at the earliest on the tenth Business Day following the date of such notice.

8.9 General

(a) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 8.9, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 8.9 by virtue of the conflict.

(b) Any Bonds repurchased by the Issuer pursuant to this Clause 8 (other than Clause 8.8 (*Mandatory repurchase due to a Change of Control Event, Listing Failure or Delisting (put option)*) may at the Issuer's discretion be retained or sold, but may not be cancelled. Any Bonds repurchased by the Issuer pursuant to Clause 8.8 (*Mandatory repurchase due to a Change of Control Event, Listing Failure or Delisting (put option)*) may at the Issuer's discretion be retained, sold, or cancelled.

9. TRANSACTION SECURITY AND GUARANTEES

9.1 Transaction Security

Subject to the Intercreditor Agreement and applicable limitation language, as continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer and the relevant Group

Companies grants on the First Issue Date the Transaction Security to the Bondholders (as represented by the Agent), the Agent and the other Secured Parties.

9.2 Guarantee

Subject to the Intercreditor Agreement and applicable limitation language, each Guarantor will, as principal obligor, pursuant to a Guarantee Agreement guarantee the punctual fulfilment by the Issuer of the payment obligations under the Senior Finance Documents.

The Issuer shall procure that each Material Company is a Guarantor and that any Material Company and any further Subsidiary so designated by the Issuer accedes to the Guarantee Agreement as a Guarantor, in order to ensure that the Guarantors constitute at least 80 per cent. of the consolidated EBITDA, turnover and total assets of the Group. In respect of any Material Company, such accession shall take place no later than 60 calendar days from the Subsidiary becoming a Material Company.

9.3 Security Agent holds on behalf of Secured Parties

The Security Agent shall hold the Transaction Security and the Guarantees on behalf of the Secured Parties in accordance with the Security Documents, the Guarantee Agreement and the Intercreditor Agreement.

The Agent shall be entitled to give instructions (on behalf of the Bondholders) relating to the Transaction Security and the Guarantees to the Security Agent in accordance with the Intercreditor Agreement.

9.4 Representative/Security Agent entitled to act unless otherwise instructed by the Bondholders

Unless and until the Security Agent has received instructions from the Instructing Party to the contrary, the Security Agent may (without first having to obtain the Bondholders' consent), be entitled (but not obliged) to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Security Agent's opinion, necessary for the purpose of maintaining, releasing or enforcing the Transaction Security or for the purpose of settling the Bondholders', the creditors under the Super Senior RCF, the creditors under the New Debt, the hedge counterparties' under the Super Senior Hedges or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Security Documents, the Intercreditor Agreement and the Terms and Conditions and provided that such agreements or actions are not detrimental to the interests of the Bondholders.

9.5 Release of Transaction Security and Guarantees

Subject to the Intercreditor Agreement, the Security Agent may, acting on instructions of the Secured Parties, or if in accordance with the Intercreditor Agreement, the Instructing Party, release Transaction Security and Guarantees in accordance with the terms of the Security Documents, the Guarantee Agreement and the Intercreditor Agreement. For the avoidance of doubt, any Transaction Security or Guarantee will always be released in such way which does not affect the sharing between the creditors under the Super Senior RCF, the creditors under the New Debt, the hedge counterparties' under the Super Senior Hedges of the remaining Transaction Security and Guarantees and/or the ranking and priority of the Bondholders, the creditors under the Super Senior RCF, the hedge counterparties' under the Super Senior Hedges and the creditors under the New Debt as specified in the Intercreditor Agreement.

10. Priority of the Super Senior RCF

The relationship between the Bondholders, the creditors under the New Debt, the creditors in respect of the Super Senior RCF and the Super Senior Hedges are governed by the Intercreditor Agreement, which, among other things, will implement the following principles:

(a) Payment Block Event -payments

Following a Payment Block Event and for as long as it is continuing, no payments may be made by the Issuer to the Bondholders under or in relation to the Bonds (notwithstanding any other provisions to the contrary herein). For the avoidance of doubt, the failure by the Issuer to timely make any payments due under the Bonds shall constitute an Event of Default and the unpaid amount shall carry default interest pursuant to Clause 7.3.

(b) Payment Block Event -repurchases

Following a Payment Block Event and for as long as it is continuing, no repurchases of Bonds may be made by the Issuer or any Group Company for as long as a Payment Block Event is continuing. For the avoidance of doubt, the failure by the Issuer to timely repurchase the Bonds shall constitute an Event of Default and the unpaid amount carry default interest pursuant to Clause 7.3.

(c) Priority of the Super Senior RCF in case of insolvency

In the case of insolvency of the Issuer, the Financial Indebtedness incurred by the Issuer under the Bonds and the New Debt will be subordinated to the Financial Indebtedness owed by the Issuer under the Super Senior RCF and the Super Senior Hedges, in accordance with the terms of the Intercreditor Agreement.

(d) Priority of the Super Senior RCF with respect to Shared Security

In case of enforcement of the Shared Security, any enforcement proceeds will first be applied towards repayment of the Financial Indebtedness incurred by the Issuer under the Super Senior RCF and the Super Senior Hedges and secondly towards redemption of the Bonds and the New Debt.

(e) Consultation period before enforcement of Shared Security

If Conflicting Enforcement Instructions (as defined in the Intercreditor Agreement) are provided by the Agent or the agent under the Super Senior RCF, the Agent and the Instructing Party must enter into consultations for a period of maximum 30 calendar days as set out in the Intercreditor Agreement (unless the Transaction Security or the Guarantees have become enforceable as a result of an Insolvency Event (as defined in the Intercreditor Agreement) or such consultation is waived by the Agent and the Instructing Party.

11. INFORMATION TO BONDHOLDERS

11.1 Information from the Issuer

(a) The Issuer shall make the following information available in the English language by publication on the website of the Issuer:

(i) as soon as the same become available, but in any event within five (5) months after the end of each financial year[4], the annual audited consolidated financial statements for that financial year of the Group prepared in accordance with the Accounting Principles;

(ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, its unaudited consolidated financial statements or the year-end report (as applicable) for such period;

(iii) as soon as practicable following an acquisition or disposal of Bonds by a Group Company, the aggregate Nominal Amount held by Group Companies, or the amount of Bonds cancelled by the Issuer; and

(iv) any other information required by the Danish Capital Markets Act and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.

[4] It is noted that the Issuer is obligated pursuant to Nasdaq Copenhagen's rules for issuers of bonds to disclose its annual report no later than three (3) months after the expiration of the financial year and that the annual report must be placed on the Issuer's website as soon as possible after disclosure of the information.

(b) The Issuer shall in each quarterly interim report delivered, disclose the amount of Bonds cancelled or issued by the Issuer during the financial quarter pertaining to such report, provided that no such information shall be necessary if no Bonds have been cancelled or issued during the relevant financial quarter.

(c) The Issuer shall immediately notify the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control Event, Listing Failure or Delisting, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice.

(d) When the financial statements and other information are made available to the Bondholders pursuant to Clause 11.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.

(e) The Issuer shall submit a Compliance Certificate to the Agent:

(i) in connection with a Restricted Payment or the incurrence of new Financial Indebtedness that requires the Incurrence Test to be met;

(ii) following a clean down of the Super Senior RCF, in connection with each year-end report; and

(iii) with a list of the Material Companies, in connection with each year-end report.

(f) The Issuer shall immediately notify the Agent upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

(g) The Issuer is only obliged to inform the Agent according to this Clause 11.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 11.1.

(h) When and for as long as the Bonds are listed, the financial reports mentioned in Clause 11.1(a) above shall be prepared in accordance with IFRS and made available in accordance with the rules and regulations of Nasdaq Copenhagen (as amended from time to time) and the Danish Capital Markets Act.

11.2 Information from the Agent

Subject to the restrictions of any applicable law and regulation, the Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

11.3 Publication of Finance Documents

(a) Terms and Conditions. The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.

(b) Finance Documents. The latest versions of the Finance Documents shall be available to the Bondholders at the office of the Agent during normal business hours. The Agent may charge the requesting Bondholder a reasonable administrative fee for making Finance Documents available.

12. INCURRENCE TEST

12.1 Meeting the Incurrence Test

(a) The Incurrence Test is met if:

(i) the Leverage Ratio in respect of any Relevant Period is:

(A) until and including 29 June 2019, equal to or less than 5.00x; and

(B) thereafter, equal to or less than 4.50x.

(ii) the Interest Cover Ratio is at least:

(A) until and including 29 June 2019, 2.50x; and

(B) thereafter, 3.00x; and

(iii) no Event of Default is continuing or would occur upon the incurrence or distribution (as applicable).

(b) When the Interest Cover Ratio is measured under the Incurrence Test, the calculation of the Interest Cover Ratio shall be made for the Reference Period ending on the last day of the period covered by the most recent Financial Report.

12.2 Calculation of Leverage Ratio

Leverage Ratio shall be calculated as follows:

(a) The calculation shall be made as per a testing date (however, for EBITDA, in accordance with Clause 12.4 (*Adjustments to EBITDA*), determined by the Issuer, falling no more than one month prior to the incurrence of the new Financial Indebtedness or the distribution (as applicable).

(b) The amount of Net Interest Bearing Debt shall be measured on the relevant testing date, but include any new Financial Indebtedness, but exclude any Financial Indebtedness to the extent refinanced with the new Financial Indebtedness incurred (however, any cash balance resulting from the incurrence of any new Financial Indebtedness shall not reduce the Net Interest Bearing Debt).

12.3 Calculation of Interest Cover Ratio

The calculation of Interest Cover Ratio shall be made for a 12 month period ending on the last day of the period covered by the Financial Report as of the most recent Quarter Date for which the Financial Report has been published.

12.4 Adjustments to EBITDA

The figures for EBITDA set out in the Financial Report as of the most recent Quarter Date (including when necessary, financial statements published before the First Issue Date), shall be used, but adjusted so that:

(a) entities or business acquired or disposed

(i) during a test period; or

(ii) after the end of the test period but before the relevant testing date, will be included or excluded (as applicable) pro forma for the entire test period; and

(b) any entity or business to be acquired (the "**Acquisition Target**") with the proceeds from new Financial Indebtedness shall be included, pro forma, for the entire Reference Period. This calculations shall be made taking into account any cost savings, synergies, integration and transaction costs reasonably projected by the Issuer (amounting to maximum ten per cent. of the LTM EBITDA for the Relevant Period) as being obtainable within twelve (12) months from the date of acquisition of that member of the Group, business or (as the case may be) assets provided that,

(i) such projected cost savings and synergies shall be without double counting for cost savings and synergies actually realised during such Relevant Period; and

(ii) so long as such projected cost savings and synergies are projected to be realisable within twelve (12) months from the date of acquisition, they shall be assumed to be realisable at any time during such twelve (12) months period.

12.5 Adjustments to Net Finance Charges

The figures for Net Finance Charges set out in the Financial Report as of the most recent Quarter Date (including when necessary, financial statements published before the First Issue Date), shall be used, but adjusted so that Net Finance Charges for such period shall be:

(a) reduced by an amount equal to the Net Finance Charges directly attributable to any Financial Indebtedness of the Issuer or of any other Group Company repaid, repurchased, defeased or otherwise discharged with respect to the Issuer and the continuing Group Companies with the proceeds from disposals of entities referred to in Clause 12.4 (*Adjustments to EBITDA*) (or, if the Financial Indebtedness is owed by a Group Company that is sold, the Net Interest Payable for such period directly attributable to the Financial Indebtedness of such Group Company to the extent the Issuer and the continuing Group Companies are no longer liable for such Financial Indebtedness after such sale);

(b) increased on a pro forma basis by an amount equal to the Net Finance Charges directly attributable to:

(i) any Financial Indebtedness owed by acquired entities or business referred to in Clause 12.4 (*Adjustments to EBITDA*), if the acquired debt is to be tested under the Incurrence Test pursuant to paragraph (m) of the definition of "Permitted Debt" and

(ii) any Financial Indebtedness incurred to finance the acquisition of such entities, in each case calculated as if all such debt had been incurred at the beginning of the relevant test period; and

(c) increased on a *pro forma* basis by an amount equal to the Net Finance Charges directly attributable to any Financial Indebtedness permitted pursuant to paragraph (g) of the definition of "Permitted Debt", calculated as if such debt had been incurred at the beginning of the relevant test period.

13. GENERAL UNDERTAKINGS

13.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 13 for as long as any Bonds remain outstanding.

13.2 Distributions

The Issuer shall not, and shall procure that no other Group Company will:

(a) pay any dividends on shares;

(b) repurchase any of its own shares;

(c) redeem its share capital or other restricted equity with repayment to shareholders

(d) make any payments in relation to the Shareholder Debt (as defined in the Intercreditor Agreement);

(e) pay management fees to direct and indirect shareholders of the Issuer in excess of DKK 3,000,000 in aggregate in each financial year; or

(f) make other distributions (in Danish: *udlodninger*) within the meaning of the Danish Companies Act or transfers of value to its direct or indirect shareholders,

items (a)-(f) above are together and individually referred to as a "**Restricted Payment**", provided however:

(a) that any such Restricted Payment can be made, if made to the Issuer or a wholly-owned Subsidiary of the Issuer or, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a pro rata basis; and/or

(b) following an Equity Listing Event, a Restricted Payment may be made by the Issuer, if at the time of the payment:

    (i) the Incurrence Test is met (calculated on a proforma basis including the relevant Restricted Payment); and

    (ii) if, at the time of the payment, the aggregate amount of all Restricted Payments of the Group (other than payments permitted under paragraph (a) above) in any fiscal year (including the Restricted Payment in question) does not exceed 50 per cent. of the Group's consolidated net profit for the previous fiscal year reduced by the amount of any distribution to any minority shareholder.

13.3 Change of Business

The Issuer shall maintain its holding company status and shall procure that no substantial change is made to the general nature of the business of the Group from that carried on as of the Completion Date if such change would have a Material Adverse Effect.

13.4 Financial Indebtedness

The Issuer shall not (and shall procure that no other Group Company will) incur, prolong, renew or extend any additional Financial Indebtedness, except any Financial Indebtedness that constitutes Permitted Debt.

13.5 Dealings at arm's length terms

The Issuer shall, and shall procure that each other Group Company, conduct all dealings with persons, other than Group Companies, at arm's length terms.

13.6 Disposals of Assets

(a) Subject to the terms of the Intercreditor Agreement, the Issuer shall not, and shall procure that no other Group Company will, sell or otherwise dispose of shares in any Material Company or of all or substantially all of its or a Material Company's assets, or operations to any person not being the Issuer or any of its wholly-owned Group Companies, unless the transaction is carried out at fair market value and provided that (i) it does not have a Material Adverse Effect (ii) if the disposal proceeds exceed DKK 10,000,000 (or its equivalent in other currencies), at least 75 per cent. of such disposal proceeds shall be in the form of cash.

(b) No asset that is subject to Transaction Security may be disposed of.

13.7 Negative Pledge

The Issuer shall not, and shall procure that no other Group Company, create or allow to subsist any Security over any of its assets, other than any Permitted Security.

13.8 Listing

The Issuer shall use its best efforts to ensure that:

(a) the Initial Bonds are listed on the Regulated Market of Nasdaq Copenhagen or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market, not later than 12 months after the First Issue Date;

(b) any Subsequent Bonds are listed on the Regulated Market of Nasdaq Copenhagen or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market, not later than two months after the relevant Issue Date; and

(c) the Bonds, once admitted to trading on the relevant Regulated Market, continue being listed thereon for as long as any Bond is outstanding.

13.9 Pari Passu ranking

(a) The Issuer shall ensure that its payment obligations under the Bonds at all times rank at least *pari passu* with all its other direct, unconditional, unsubordinated and unsecured obligations, except for those obligations which are mandatorily preferred by law, and without any preference among them.

(b) The Super Senior RCF and the Super Senior Hedges will in certain circumstances as set out in the Intercreditor Agreement rank with priority to the Bonds and the New Debt.

13.10 Mergers and demergers

(a) Subject to the terms of the Intercreditor Agreement and paragraph (b) below, the Issuer shall not and shall procure that no Material Company will demerge or merge with an entity not being a Group Company if:

  (i) such merger or demerger is likely to have a Material Adverse Effect;

  (ii) such merger or demerger would be prohibited as a disposal hereunder;

  (iii) such merger involves the Issuer and the Issuer is not the surviving entity;

  (iv) such merger involves a Guarantor and:

    (A) such Guarantor is not the surviving entity; or

    (B) if the Guarantor is not the surviving entity, the surviving entity does not immediately become a Guarantor; or

  (v) such merger or demerger involves shares in entities that are subject to Transaction Security unless the newly issued shares are also included in the Transaction Security.

(b) Any demergers to separate business divisions are permitted provided that if it involves shares in entities that are subject to Transaction Security the newly issued shares are also included in the Transaction Security.

13.11 Compliance with laws

The Issuer shall, and shall make sure that the Material Companies:

(a) comply with all laws and regulations applicable from time to time; and

(b) obtain, maintain, and comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Material Company,

in each case, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

13.12 Maintenance of environmental permits

The Issuer shall ensure that each Group Company in all material respects obtains, maintains and ensures compliance with all environmental permits or authorisations applicable from time to time and required for the Group's business where failure to do so would have a Material Adverse Effect.

13.13 Clean down of Super Senior RCF

The Issuer shall procure that during each calendar year there shall be a period of not less than three consecutive days during which the amount outstanding under the Super Senior RCF (excluding any non-cash elements of ancillary facilities), less cash and cash equivalents of the Group, amounts to zero. Not less than three months and maximum 12 months shall elapse between two such periods. The clean down shall be confirmed in a Compliance Certificate. The first test date was 31 January 2018.

13.14 Cash transfer restrictions

No transfer of cash or cash equivalent assets shall be permitted from any Group Company to the Issuer unless such transfer is made for the purpose of satisfying an obligation of the Issuer, which is due within three months from such transfer.

13.15 Taxation

The Issuer shall pay any stamp duty and other public fees accruing in connection with a Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall not be liable to reimburse any stamp duty or public fee or to gross-up any payments under the Terms and Conditions by virtue of any withholding tax.

13.16 Additional Security

Subject to any legal restrictions on granting of Security and/or guarantees, the Issuer shall and shall procure that each Group Company will provide security over the shares in any Subsidiary that becomes a Material Company for the obligations owed under the Finance Documents no later than 60 calendar days from the day that Subsidiary becomes a Material Company.

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

Each of the events or circumstances set out in this Clause 14 (other than Clause 14.10) is an event of default.

14.1 Non-payment

The Issuer or a Guarantor fails to pay an amount on the date it is due in accordance with the Finance Documents unless the non-payment:

(a) is caused by technical or administrative error; and

(b) is remedied within five Business Days from the due date.

14.2 Other Obligations

Any Group Company, fails to comply with or in any other way acts in violation of the Finance Documents to which such non-compliant entity is a party, in any other way than as set out in Clause 14.1 (*Non-payment*), unless the non-compliance:

(a) is capable of remedy; and

(b) is remedied within 15 Business Days of the earlier of the Agent giving notice and the relevant Group Company becoming aware of the non-compliance.

14.3 Cross default

(a) The occurrence of any event of default under the PIK Notes Facility Agreement or any related finance documents.

(b) Breach of any PIK facility undertaking referred to in the PIK Notes Facility Agreement.

14.4 Cross acceleration

Any Financial Indebtedness of a Group Company is not paid within any originally applicable grace period (if there is one) or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this paragraph if the aggregate amount of Financial Indebtedness is less than DKK 5,000,000 (or its equivalent in any other currency or currencies).

14.5 Continuation of business

The Issuer or any other Group Company ceases to carry on its business or in the case of a merger or demerger as stipulated in Clause 13.10 (*Mergers and demergers*), if such discontinuation is likely to have a Material Adverse Effect.

14.6 Insolvency

Any Material Company is, or is deemed for the purposes of any applicable law to be, Insolvent.

14.7 Insolvency Proceedings

Any corporate actions, legal proceedings or other procedures are taken (other than (A) proceedings which are vexatious or frivolous or are being disputed in good faith and are discharged within 90 calendar days, and (B), in relation to Subsidiaries of the Issuer, solvent liquidations) in relation to:

(a) the suspension of payments, winding-up, reorganisation or similar (by way of voluntary arrangement or otherwise) of any Material Company; and

(b) the appointment of a liquidator, administrator, or other similar officer in respect of any Material Company or any of its assets or any analogous procedure.

14.8 Creditors' Process

Any attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Company having an aggregate value equal to or exceeding DKK 5,000,000 (or its equivalent in any other currency) and not discharged within 30 calendar days.

14.9 Impossibility or Illegality

It becomes impossible or unlawful for the Issuer or any other Group Company to fulfil or perform any of the provisions of the Finance Document or the Transaction Security created or expressed to be created thereby is varied or ceases to be effective (subject to the Legal Reservations) and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Bondholders.

14.10 Acceleration of the Bonds

(a) This Clause 14.10 (*Acceleration of the Bonds*) is subject to the Intercreditor Agreement.

(b) Upon the occurrence of an Event of Default which is continuing the Agent is entitled to, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not only some, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines (but such date may not fall after the Final Maturity Date), and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.

(c) The Agent may not accelerate the Bonds in accordance with Clause 14.10(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).

(d) The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default (or may lead to an Event of Default).

(e) If the Bondholders representing more than 50 per cent of the Adjusted Nominal Amount instruct the Agent in writing to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as, in the opinion of the Agent, may be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.

(f) If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.

(g) In the event of an acceleration of the Bonds in accordance with this Clause 14.10, up the Issuer shall, redeem all Bonds at an amount equal to the redemption amount specified in Clause 8.3 (*Voluntary total redemption (call option)*), as applicable considering when the acceleration occurs.

15. DISTRIBUTION OF PROCEEDS

All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security or Guarantees shall be distributed in accordance with the terms of the Intercreditor Agreement. Any proceeds received from an enforcement of the Escrow Account Pledge Agreement shall be distributed to the Bondholders only.

16. DECISIONS BY BONDHOLDERS

16.1 Bondholders' Meeting or Written Procedure

(a) Bondholders' Meeting or Written Procedure. A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.

(b) Requests for Bondholders' decisions. Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.

(c) Bondholders' Meeting, Written Procedure not required. The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.

16.2 Voting rights

Only a person who is, or who has been provided with a power of attorney pursuant to Clause 5 (*Right to Act on Behalf of a Bondholder*) from a person who is, registered as a Bondholder:

(a) on the Business Day specified in the notice pursuant to Clause 17.1(c), in respect of a Bondholders' Meeting, or

(b) on the Business Day specified in the communication pursuant to Clause 17.1(c), in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.

16.3 Percentage of Bondholders required to consent

(a) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds (66 2/3) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.1(c):

(i) any material amendments of the terms of the Intercreditor Agreement;

(ii) any amendments to paragraphs (a), (e), (f), (g) and (h) of Clause 2 (*Status of the Bonds*);

(iii) any amendments to Clauses 8.3 (*Voluntary total redemption (call option)*) to and including 8.6 (*Voluntary total redemption due to illegality (call option)*);

(iv) waive a breach of or amend an undertaking set out in Clause 13 (*General Undertakings*);

(v) any amendments to Clause 15 (*Distributions of proceeds*);

(vi) release the security or guarantee provided under the Security Documents or the Guarantee Agreement (other than in accordance with the Finance Documents);

(vii) reduce the principal amount, interest rate or interest amount which shall be paid by the Issuer;

(viii) amend any payment day for principal or interest amount or waive any breach of a payment undertaking; or

(ix) amend the provisions regarding the majority requirements under the Terms and Conditions.

(b) Any matter not covered by Clause 16.3(a) shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17.1(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 19.1(a)(i) or (19(a)(iii))), an acceleration of the Bonds or the enforcement of any Transaction Security.

16.4 Quorum

(a) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16.3(a), and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

(i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or

(ii) if in respect of a Written Procedure, reply to the request.

(b) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 17.1(a)) or initiate a second Written Procedure (in accordance with Clause 18.1(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 16.4(a) shall not apply to such second Bondholders' Meeting or Written Procedure.

(i) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.

(ii) A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.

16.5 Decisions binding on all Bondholders; information to Bondholders

(a) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

(b) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.

16.6 Issuer's obligations

(a) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.

(b) If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies, irrespective of whether such person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company.

16.7 Costs

All reasonable costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.

17. BONDHOLDERS' MEETING

17.1 Convening a Bondholders' Meeting

(a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).

(b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 17.1(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 20.4(c), the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 17.1(a).

(c) The notice pursuant to Clause 17.1(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) agenda for the meeting (including each request for a decision by the Bondholders) and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.

(d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.

17.2 Additional procedural rules for Bondholders' Meetings

Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

18. WRITTEN PROCEDURE

18.1 Instigating a Written Procedure

(a) The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.

(b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18.1(a) to each Bondholder with a copy to the Agent.

(c) A communication pursuant to Clause 18.1(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 18.1(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

18.2 Decisions

When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16.3(a) and 16.3(b) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to 16.3(a) or 16.3(b), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

19. AMENDMENTS AND WAIVERS

19.1 Permitted amendments and waivers; consent of Bondholders; effective date

(a) The Issuer and the Agent (acting on behalf of the Bondholders) may (subject to the terms of the Intercreditor Agreement) agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:

(i) in the opinion of the Agent and/or as confirmed by a reputable external expert engaged by the Agent (if the Agent reasonably considers it necessary to engage such expert), such amendment or waiver is not detrimental to the interest of the Bondholders as a group;

(ii) such amendment or waiver is made solely for the purpose of rectifying obvious errors and mistakes;

(iii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;

(iv) such amendment will not negatively affect the Bondholders or the Agent and is necessary for the purpose of the listing of the Bonds pursuant to Clause 13.8 (*Listing*); or

(v) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*).

(b) The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.

(c) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

19.2 Notice to Bondholders

The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 20.1(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published on its website in the manner stipulated in Clause 11.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority and that any amendments to the Finance Documents are published on its website in the manner stipulated in Clause 11.3 (*Publication of Finance Documents*).

20. APPOINTMENT AND REPLACEMENT OF THE AGENT

20.1 Appointment of the Agent

(a) The Issuer appoints the Agent to act as representative (in Danish: *fuldmægtig og repræsentant*) on behalf of and for the benefit of the Bondholders pursuant to of the Danish Capital Markets Act and in accordance with the terms of the Intercreditor Agreement. The Agent accepts such appointment. The Agent shall be registered with the Danish Financial Supervisory Authority (in Danish: *finanstilsynet*) in accordance with the Danish Capital Markets Act and the Issuer and the Agent shall provide all information required by the Danish Financial Supervisory Authority (in Danish: *finanstilsynet*).

(b) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, each Bondholder is bound by these Terms and Conditions and any other Finance Document, without any further action required to be taken or formalities to be complied with. The Agent has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these

Terms and Conditions and the Transaction Security Documents, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.

(c) Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent) that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.

(d) The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.

(e) The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

(f) The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

20.2 Duties of the Agent

(a) The Agent shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, holding the Transaction Security and Guarantees pursuant to the Security Documents and Guarantee Agreement on behalf of the Bondholders and, where relevant, enforcing the Transaction Security and/or Guarantees on behalf of the Bondholders. The Agent is not responsible for the content, valid execution, perfection, legal validity or enforceability of the Finance Documents.

(b) When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.

(c) The Agent's duties under this Agreement are solely mechanical and administrative in nature and the Agent only acts in accordance with these Terms and Conditions and upon instructions from the Bondholders, unless otherwise set out in these Terms and Conditions. In particular, the Agent in not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other person.

(d) The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Terms and Conditions and the other Finance Documents, or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.

(e) The Agent is entitled to delegate its duties to other professional parties (without having to first obtain any consent from the Issuer or the Bondholders), but the Agent shall remain liable for the actions of such parties under the Finance Documents.

(f) The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.

(g) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of

Default, (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Issuer and the Agent. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of Proceeds*).

(h) Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.

(i) If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, or the Bondholders (as applicable), the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.

(j) Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.

(k) The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 20.2(i).

20.3 Limited liability for the Agent

(a) The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.

(b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts addressed to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.

(c) The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

(d) The Agent shall have no liability to the Bondholders or the Issuer for damage caused by the Agent when acting in accordance with instructions of the Bondholders given to the Agent in accordance with the Finance Documents.

(e) Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

(f) The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or by any other person.

20.4 Replacement of the Agent

(a) Subject to Clause 20.4(f), the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

(b) Subject to Clause 20.4(f), if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

(c) A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.

(d) If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

(e) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

(f) The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent which shall be registered with the Danish Financial Supervisory Authority (in Danish: *finanstilsynet*) in accordance with the Danish Capital Markets Act and (ii) the acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.

(g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.

(h) In the event that there is a change of the Agent in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

21. APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT

(a) The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the Danish Capital Markets Act and any other legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.

(b) The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

22. NO DIRECT ACTIONS BY BONDHOLDERS

(a) A Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security or Guarantees to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.

(b) Clause 22(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with these Terms and Conditions to take certain actions but is legally unable to take such actions (however, any action taken by a Bondholder must always be permitted under the Intercreditor Agreement).

23. PRESCRIPTION

23.1 Prescription period

The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Bondholders' right to receive payment has been prescribed and has become void.

23.2 Interruption of prescription period

If a limitation period is duly interrupted in accordance with the Danish Limitations Act, a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Danish Act on Limitations.

24. NOTICES

(a) Any notice or other communication to be made under or in connection with the Finance Documents:

(i) if to the Agent, shall be given at the address registered in the register of representatives with the Danish Financial Supervisory Authority on its website www.finanstilsynet.dk or any successor website on the Business Day prior to dispatch, or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;

(ii) if to the Issuer, to the following address

(A) AX V Nissens ApS
c/o K. Nissen International A/S
Ormhøjgårdvej 9
DK-8700 Horsens; or

(B) if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time.

(iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery (to the extent it is possible to deliver by way of courier to the addresses registered with the CSD) or letter for all Bondholders.

(b) Any notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.

(c) Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 24(a) or, in case of letter, three Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24(a) or, in case of email, when received in readable form by the email recipient.

25. FORCE MAJEURE AND LIMITATION OF LIABILITY

25.1 Limitation of liability

(a) Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

(b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.

25.2 Postponement of required action

Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.

26. GOVERNING LAW AND JURISDICTION

26.1 Governing law

These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Denmark.

26.2 Jurisdiction

The Issuer submits to the non-exclusive jurisdiction of the City Court of Copenhagen.

<u>Schedule 1</u>

LIST OF GUARANTORS

AX V Nissens ApS, Denmark, CVR no. 38 64 75 71
AX V Nissens I ApS, Denmark, CVR no. 38 64 75 39
K. Nissen International A/S, Denmark, CVR no. 70 60 69 17
Nissens Slovakia s.r.o., Slovakia, company registration no. 35 873 841
Nissens North America Inc., USA, company registration no. 3072605
Nissens A/S, Denmark, CVR no. 40 21 21 16

Schedule 2

THE SECURITY DOCUMENTS

Share pledges:

Pledgor	**Pledge in**
AX V Nissens I ApS	AX V Nissens ApS
AX V Nissens ApS	K. Nissen International A/S
K. Nissen International A/S	Nissens A/ S
Nissens A/ S	Nissens Limited (UK) Ltd.
K. Nissen International A/S	Nissens North America Inc.
K. Nissen International A/S	Nissens Slovakia s.r.o.
K. Nissen International A/S	Nissens Slovakia North s.r.o.

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL INFORMATION

The Issuer was incorporated on 17 May 2017. The Issuer has in this Prospectus included its audited interim financial statements for the period 17 May – 31 October 2017, which are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The financial data referred to in this Prospectus, in addition to the conventional financial performance measures established by IFRS, contains certain alternative performance measures. These include "EBITDA before special items" and "Operating profit before special items". These measures are presented for purposes of providing investors with a better understanding of the Issuer's financial performance as they are used by the Issuer when managing its business. Such measures should not be considered as a substitute for those required by IFRS and may not be calculated by other issuers in the same manner. Please refer to the "*Certain Definitions*" section of this Prospectus for a definition of "special items". A bridge between "EBITDA before special items" and an IFRS profit measure as for instance "Loss before tax" as the "EBITDA before special items" are included as profit measure directly in the income statement and hence the reconciliation is imbedded into the income statement.

On the date of incorporation, the Issuer had no financial statements available from prior periods or any set of full year financial statements.

However, the underlying sub-group – containing the operational activities – acquired by the Issuer, which has K. Nissen International A/S as a parent company, has been preparing and issuing consolidated financial statements (applying Danish GAAP) for a number of years. Therefore, it is the Management's assessment that the Issuer's interim financial statements for the period 17 May – 31 October 2017 should be supplemented by financial information from the K. Nissen International A/S subgroup to give an overview of the historical financial development of the underlying activities acquired by the Issuer on 1 July 2017.

The tables below provide the following:

1. Table 1
   Income statement and balance sheet from the Issuer's audited interim financial statements for the period 17 May – 31 October 2017. The interim financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The full interim financial statements are included in this Prospectus as appendix 1;

2. Table 2
   Income statement and balance sheet from K. Nissen International A/S' reviewed interim consolidated financial statements for the period 1 May – 31 October 2017. The interim financial statements are prepared in accordance with Danish GAAP. The full interim financial statements are included in this Prospectus as appendix 2; and

3. Table 3
   A bridge showing an overall reconciliation between the consolidated result and equity according to 1 and 2 above.

Further to the tables, the Management has provided high level comments to the numbers in the tables. This information should be read in conjunction with the full set of interim financial statements in appendix 1 and 2, respectively.

Table 1 – Income statement and balance sheet for the Issuer for the period 17 May – 31 October 2017

Income statement

mDKK'000	**2017**
Revenue	558.2
Cost of raw materials and consumables	-291.5
Other operating income	3.1
Other external costs	-91.0
Staff costs	-119.3
EBITDA before special items (non-IFRS)	**59.5**
Depreciation and amortisation	-34.8
Operating profit before special items (non-IFRS)	**24.7**

Special items	-25.8
Operating loss after special items (non-IFRS)	**-1.1**
Finance income	0.5
Finance costs	-21.7
Loss before tax	**-22.3**
Tax	-1.4
Loss for the period	**-23.7**
Attributed to:	
Equity holders of AX V Nissens ApS (the Issuer)	-23.7
	-23.7

Balance sheet

DKK'000	31 October 2017
ASSETS	
Non-current assets	
Intangible assets	1,703.6
Property, plant and equipment	366.4
Investments in associates	0.1
Deferred tax assets	0.7
Deposits	1.5
Total non-current assets	**2,072.3**
Current assets	
Inventory	361.3
Trade and other receivables	315.0
Cash and cash equivalents	114,8
Total current assets	**791.1**
TOTAL ASSETS	**2,863.4**
EQUITY AND LIABILITIES	
Equity	
Share capital	12.4
Retained earnings	1,195.1
Foreign currency translation reserve	0.1
Total equity	**1,207.6**
Non-current liabilities	
Borrowings	1,103.0
Deferred tax liabilities	195.2
Provisions	5.2
Total non-current liabilities	**1,303.4**
Current liabilities	
Trade and other payables	301.8
Income tax payable	44.6
Provisions	6.0
Total current liabilities	**352.4**
Total liabilities	**1,655.8**
TOTAL EQUITY AND LIABILITIES	**2,863.4**

Source: the Issuer's interim financial statements, cf. appendix 1.

Table 2 – Income statement and balance sheet for K. Nissen International A/S for the period 1 May – 31 October 2017 with comparison to the same period in 2016 (Danish GAAP)

Income statement

DKKm	2017	2016
Revenue	911.8	861.1
Cost of sales	-460.3	-435.0
Other operating income	4.8	4.3
External expenses	-140.5	-128.8
Gross margin	**315.8**	**301.6**
Staff costs	-193.9	-166.6
Amortisation/-depreciation and impairment of intangible assets and property, plant and equipment	-13.5	-12.2
Profit before financials	**108.4**	**122.8**
Financial income	0.0	0.0
Financial expenses	-1.9	-3.1
Profit for the period from ordinary activities before tax	**106.5**	**119.7**
Realized loss on financial contracts	-43.6	0.0
Profit for the period before tax	**62.9**	**119.7**
Tax for the year	-14.3	-26.9
Profit/loss for the year	**48.6**	**92.8**

Balance sheet

DKKm	2017	2016
ASSETS		
Non-current assets		
Intangible assets		
Software	4.5	2.3
	4.5	2.3
Tangible assets		
Land and buildings	158.2	137.4
Plant and machinery	64.1	56.3
Fixtures and fittings, plant and equipment	4.8	5.2
Property, plant and equipment in progress	2.4	12.2
	229.5	211.1
Financial assets		
Other receivables	1.6	1.4
	1.6	1.4
Total non-current assets	**235.6**	**214.8**
Current assets		
Inventories		
Raw materials and consumables	84.9	75.7
Work in progress	95.2	87.4
Finished goods and goods for resale	180.4	156.0
	360.5	319.1
Receivables		
Trade receivables	293.2	279.9
Deferred tax assets	2.6	3.8
Receivables from group enterprises	55.9	0
Other receivables and prepayments	19.5	16.7
	371.2	300.4
Cash	**93.2**	**152.6**

Total current assets	**824.9**	**772.1**
TOTAL ASSETS	**1,060.5**	**986.8**

DKKm	**2017**	**2016**
EQUITY AND LIABILITIES		
Equity		
Share capital	0.7	0.7
Retained earnings	540.1	465.6
Dividend proposed for the year	0.0	0.0
Total equity	**540.8**	**466.3**
Non-current liabilities		
Other provisions	11.5	10.9
Debt to mortgage credit institutions	162.5	165.9
Total non-current liabilities	**174.0**	**176.8**
Current liabilities		
Trade payables	157.1	125.5
Income taxes	47.9	43.0
Other payables	140.7	175.2
Total current liabilities	**345.7**	**343.7**
Total liabilities	**519.7**	**520.5**
TOTAL EQUITY AND LIABILITIES	**1,060.5**	**986.8**

Source: K. Nissen International A/S' interim financial statements, cf. appendix 2.

Table 3 - Bridge showing the difference between table 1 and 2 (in mDKK)

K. Nissen International A/S	**Result for the period 1 May - 31 October 2017**[1]	**Result for the period 1 May - 30 June 2017**[2]	**Result for the period 1 July - 31 October 2017**[3]	**Reclassi fica-tions**[4]	**IFRS adjust ments**[5]	**Impact from PPA**[6]	**Operating expenses in Issuer**[7]	**Result for the period 17 May – 31 October 2017**[8]	**AX V Nissens ApS (the Issuer)**
Revenue	**911.8**	355.3	556.5	1.7				**558.2**	**Revenue**
Cost of sales	-460.3	-186.4	-273.9	1.3		-18.9		-291.5	Cost of raw materials and consumables
Other operating income	4.8	1.7	3.1					3.1	Other operating income
External expenses	-140.5	-49.6	-90.9	0.2			-0.3	-91.0	Other external costs
Gross margin	**315.8**	**121.0**	**194.8**	**3.2**		**-18.9**	**-0.3**	**178.8**	
Staff costs	-193.9	-76.0	-117.9		-1.4			-119.3	Staff costs
								59.5	**EBITDA before special items (non-IFRS)**
Amortization/-depreciation and impairment of intangible assets and property, plant and equipment	-13.5	-4.4	-9.1			-25.7		-34.8	Depreciation and amortisation
Profit before special items	**108.4**	**40.6**	**67.8**	**3.2**	**-1.4**	**-44.6**	**-0.3**	**24.7**	**Operating profit before special items (non-IFRS)**
Special items	0						-25.8	-25.8	Special items
Profit before financials	**108.4**	**40.6**	**67.8**	**3.2**	**-1.4**	**-44.6**	**-26.1**	**-1.1**	**Operating loss after special items (non-IFRS)**
Financial income	0.0			0,6				0.6	Finance income
Financial expenses	-1.9	-1.2	-0.7	-0.6			-20.4	-21.7	Finance costs
Profit for the period from ordinary activities before tax	**106.5**	**39.4**	**67.1**	**3.2**	**-1.4**	**-44.6**	**-46.5**	**22.2**	**Profit for the period from ordinary activities before tax**

Realized loss on financial contracts	-43.6	-43.6						0.0	
Profit for the period before tax	**62.9**	**4.2**	**67.1**	**3.2**	**-1.4**	**-44.6**	**-46.5**	**-22.2**	**Loss before tax**
Tax for the year	-14.3	-0.9	-15.2	-0.8	0.0	9.8	4.7	-1.5	Tax
Profit/loss for the year	**48.6**	**3.3**	**51.9**	**2.4**	**-1.4**	**-34.8**	**-41.8**	**-23.7**	**Loss for the period**

Notes to table 3:

1. *1 May – 31 October 2017 (Danish GAAP)*
   The income statement for K. Nissen International A/S for the interim period 1 May – 31 October 2017. This is the income statement from K. Nissen International A/S' interim financial statements in table 2 which is in accordance with Danish GAAP.
2. *1 May – 30 June 2017 (Danish GAAP)*
   The Issuer acquired the K. Nissen International subgroup as of 1 July 2017 and is recognised in the Issuer's financial statements from this date. As such, the income statement from the period 1 May – 30 June 2017 are not part of the Issuer's interim financial statements and have to be adjusted for.
3. *1 July – 31 October 2017 (Danish GAAP)*
   Income statement for K. Nissen International A/S for the period 1 July – 31 October 2017 (Danish GAAP).
4. *Reclassifications*
   Reclassification from K. Nissen International A/S' income statement structure to Issuer's income statement structure.
5. *IFRS adjustments*
   The IFRS adjustments relate to recognition of expense related to management's warrant program (DKK -1.9 mio.) and other minor adjustments (DKK 2.8 mio.).
6. *Impact from Purchase Price Allocation (PPA)*
   With reference to note 23 in the interim financial statements for the period 17 May – 31 October 2017 for the Issuer, a PPA has been prepared when the Issuer acquired the K. Nissen International A/S subgroup. The impact on the income statement for the Issuer as a result of the PPA can be referred to:
   - Amortization of recognized intangible assets, Customer relations;
   - Amortization of recognized intangible assets, know how/technology;
   - Amortization of recognized intangible assets, brand;
   - Depreciation of fair value adjustment of buildings and production equipment; and
   - Fair value adjustment related to stock and order book
7. *Other adjustments*
   Other adjustments relates to acquisition costs of DKK 24.8 mio. which has been expensed as incurred in Issuer's income statement.
8. *17 May – 31 October 2017 (IFRS)*
   The income statement for Issuer for the interim period 17 May – 31 October 2017. This is the income statement from Issuer's interim financial statements in table 1 which is in accordance with IFRS.

Operating and Financial review

AX V Nissens ApS (the Issuer)

The Issuer was established on 17 May 2017 with the purpose of acquiring the shares in K. Nissen International A/S. This transaction was conducted 30 June 2017 from which date K. Nissen International A/S became a 100% owned subsidiary of the Issuer.

The consolidated financial statement for the Issuer consists of the parent company figures for the reporting period and the consolidated figures for the subsidiary K. Nissen International A/S for the period 1 July – 31 October 2017. In addition the consolidated financial statements for the Issuer include the impact from purchase price allocation (PPA) and conversion difference between the accounting policies, IFRS applied by the Issuer, and the Danish GAAP accounting policies applied by K. Nissen International A/S.

The consolidated financial statements for the Issuer for the period 17 May – 31 October 2017 show a net loss of 23.7 mDKK, which is significantly impacted by special items of 25.7 mDKK and impact from the purchase price allocation of 18.9 mDKK relating to expensing of fair value adjustment relating to finished goods and order book of 18.9 mDKK. The special items consist mainly of acquisition costs and costs related to the conversion of the accounting policies for the issuer from Danish GAAP into IFRS. The conversion of the profit and loss account from Danish GAAP into IFRS has not identified any major gaps between the accounting

policies applied in the two accounting frame works. The difference primarily relates to the notes and to disclosures.
The consolidated balance sheet for the Issuer includes intangible assets of 1,704 mDKK of which 1,699 mDKK are intangible assets relating to the acquisition of K. Nissen International A/S. Goodwill of 937 mDKK has been allocated with 61% to the Automotive division and 39% to the Cooling Solution division. Due to the situation in the Wind market an impairment test of goodwill allocated to the Cooling Solution division has been made. The impairment test did not identify a need for write down, but as illustrated in the sensitivity analysis in note 14 to the interim financial statement of the Issuer there is only limited headroom between the calculated value in use and the carrying amount of goodwill.
With an equity of 1,303 mDKK the group has an equity ratio of 42.2%. The cash flow statement shows a positive cash flow of 115 mDKK for the period. The investment in subsidiaries of 2,097 mDKK has been financed through a bond-loan of 966 mDKK and share capital of 1,231 mDKK. Cash flow from operations amounts to 80 mDKK.

K. Nissen International A/S

The consolidated financial statements for K. Nissen International A/S for the 6 month period from 1 May – 31 October 2017 show an increase in turnover of 5.9% to 911.8 MDKK compared to the corresponding period in 2016. The operating margin at 11.9% has decreased by 2.4% compared to the previous year. The decrease is a combination of strategic organizational ramp up and market development, where the Wind industry is undergoing a period of strategic changes, which has impacted the financial performance of that segment negatively compared to the expectations for the period. For further information, see "*Risk Factors—Dependency on key customers in the wind segment*".

Profit before tax at 62.9 mDKK is negatively influenced by 43.6 mDKK regarding settlement of an interest rate swap on a mortgage loan of 100 mDKK. The loss has limited impact on the equity as previous years' fair value adjustments already were recognized as an equity transaction. The fair value adjustment recognized in the balance sheet as of 30 April 2017 amounted to 43.2 mDKK.

Cash flow from operations at 154.1 mDKK is in line with expectations. Dividend distribution of 50 mDKK to the previous sole shareholder and the settlement of the interest swap of 43.6 mDKK have had a negative impact on the net cash flow.

Due to initiatives on organization ramp up to support the future growth, the profit before financials was expected to decrease compared to previous year, the development in the Wind industry has, however, had a negative influence compared to expectations. Except for the impact from the Wind industry development the Management regards the result of K. Nissen International A/S for the 6 month period 1 May – 31 October 2017 as satisfactory.

BUSINESS

Overview

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

The Group consists of two divisions: Nissens Automotive, selling to wholesalers and distributers in the independent aftermarket (IAA); and Nissens Cooling Solutions, covering development and sales to two segments; the wind energy industry and the industrial segment, targeting respectively global wind turbine OEMs and global heavy equipment OEMs.

For the financial year 2016/2017, the Group's[5] revenue was DKK 1,603.6 million, the Group's reported profit before financials was DKK 181.6 million and its reported operating margin was 11.3%. The Group's revenue for the financial year 2016/2017 was split between 51 % relating to Automotive and 49% relating to Cooling Solutions.

The Group is headquartered in Horsens, Denmark, with most of the production being undertaken at two production facilities in Slovakia, three production facilities in Denmark, one production site in China and by several selected suppliers in China. The Group consists of 22 Subsidiaries across three continents with activities within sales, production and distribution. As of 31 December 2017, the Group employs 1,347 FTEs, of which 719 are located in Slovakia, 441 are located in Denmark, 106 are located in China and 81 are employed in other countries.

History and recent developments

The Group was established in 1921 by Mr. Julius Nissen and opened its first international offices in Finland and Sweden in 1977. In 2005 the Group established its first factory in Slovakia, and a further factory was established in 2010 in Tianjin, China. Since 2013, the Group has established an assembly setup in North Carolina, USA, and expanded its buildings in Slovakia.

In June 2017 the Issuer acquired the entire share capital of K. Nissen International A/S from Advanced Cooling A/S. Prior to the sale of K. Nissen International A/S in June 2017, the Group was a family-owned business.

Automotive Division

Nissens Automotive's dedicated focus on the independent automotive aftermarket has enabled the company to position itself as a leading independent aftermarket brand in Europe. Nissens Automotive holds a strong position with buying groups, wholesalers and to other aftermarket companies.

The Automotive Division is specialized in production and supply of products within engine cooling and climate solutions. As an independent aftermarket leading manufacturer of most essential thermal system components, the Group has a broad product portfolio coverage covering above 95% of the European car park and with approximately 10,000 different items,

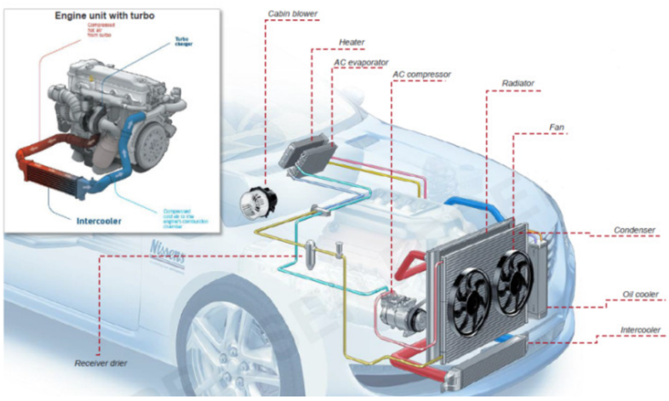


Illustration of the Automotive aftermarket products use in vehicles
(Note: Not fully covering full product- and application range)

[5] Excluding the Issuer, as the Issuer was not part of the Group when the financial report 2016/2017 was presented. The financial report 2016/2017 was presented in accordance with Danish GAAP as also described in the section: "*Summary Historical Consolidated Financial Information*".

including, *inter alia*, radiators, condensers, compressors and intercoolers. The product range of the Group covers products from the fast moving to the more special parts of the European, Asian and American vehicle brands.

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 Cooling Solutions Division fully manufactures products as well as sources components and other products from its suppliers which are then integrated into the Group's products for its own end customers. The wind segment delivers cooling systems and modules to the wind industry, whereas the industry segment is focused on cooling solutions within special machinery such as construction equipment, mining machinery and agricultural machines.

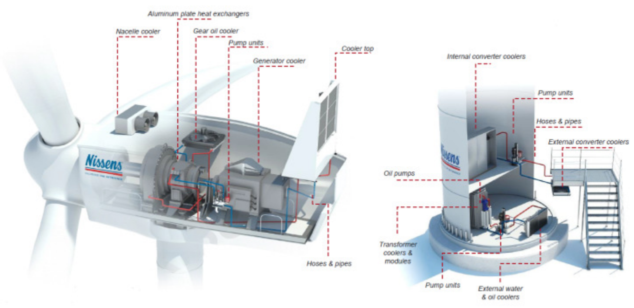


Illustration of the Cooling Solutions Wind turbine products
(Note: Not fully covering full product- and application range)

Illustration of Cooling Solutions Industrial application of products on a truck.

With more than thirty years of experience in the onshore wind industry, the Group is the preferred supplier of customized cooling solutions to the leading wind turbine manufacturers in the world.

Products

Automotive Division

The Group offers a wide range of products within its two business divisions. Within the Automotive Division, the Group offers products within two main categories: climate and engine cooling. Condensers, compressors, blowers, receivers, dryers, evaporators, heathers and fans are products offered within the climate category, and radiators, intercoolers, oil coolers and fan clutches are products offered within the engine cooling product category.

Cooling Solutions Division

The main product categories offered within the Cooling Solutions Division are *wind turbine* mechanical and electrical drive train cooling, converter & inconverter cooling, transformer cooling and climate control as well as system and module assembly for the wind industry for easy integration and final assembly by the wind industry OEMs.

Production and operations

The Group maintains six manufacturing facilities; three in Denmark, two production facilities in Slovakia and one production site in China. In addition, the Group has selected number of partner factories for components supply.

Research & development

Research and development is essential to secure future development and growth, and therefore the Group continues to spend considerable resources in R&D activities. In 2016, the Group introduced new and advanced test facilities. The R&D activities and the test facilities will drive a range of product applications for future launch and will support the ongoing product development activities.

Intellectual property

The Group has a number of intellectual property rights encompassing patents, trademarks, designs, domain names etc. The intellectual property rights of the Group are primarily held in Nissens A/S. The Group's activities are not considered to be heavily dependent on its intellectual property rights.

Description of material contracts

Share purchase agreement

On 22 May 2017, the Issuer entered into a share purchase agreement with Advanced Cooling A/S to acquire the entire share capital of K. Nissen International A/S. The transaction completed on 30 June 2017. Under the share purchase agreement, Advanced Cooling A/S provided representations and warranties in favour of the Issuer in line with market practice for a transaction such as the acquisition the entire share capital of K. Nissen International A/S. The Issuer has entered into an agreement with an insurance provider to underwrite breach of the representations and warranties by Advanced Cooling A/S under the share purchase agreement resulting in a loss for the Issuer. The insurance is subject to limitations customary for such insurances.

Super Senior Revolving Credit Facility Agreement

On 28 June 2017, the Issuer entered into a DKK 125,000,000 revolving credit facility agreement with Nordea Danmark, Filial af Nordea Bank AB (publ), Sverige and Nykredit Bank A/S as original lenders and joint mandated lead arrangers for the purpose of financing the Group's working capital requirements (the "SSRCF"). On 30 June 2017, K. Nissen International A/S acceded to the SSRCF as an additional borrower.

The SSRCF matures no later than 30 March 2022. Interest accrues and has to be paid pursuant to the SSRCF on an ongoing basis.

The terms of the SSRCF are in all material respect similar to that of the bond terms, except for the terms in respect *inter alios* of interest, fees and repayment.

It is a condition under, inter alia, the Terms and Conditions, the SSRCF and the Intercreditor Agreement (see *—Intercreditor Agreement*) that certain guarantees and security are granted as security for the Senior Secured Obligations (as defined in the Intercreditor Agreement), meaning all obligations of the Group outstanding from time to time under the Bonds, the SSRCF, any hedging agreements and new debt documents.

Intercreditor Agreement

On 28 June 2017, in connection with entering the SSRCF and the issue of the Bonds, the Issuer, Nordea Danmark, Filial af Nordea Bank AB (publ), Sverige as original senior agent, Nordea Danmark, Filial af Nordea Bank AB (publ), Sverige and Nykredit Bank A/S as original super senior RCF lenders and original hedge counterparties, Danica Pension Livsforsikringsaktieselskab as original junior lender and original junior agent and Nordic Trustee A/S as original bonds agent and original security agent, among others, entered into a intercreditor agreement (the "Intercreditor Agreement").

The Intercreditor Agreement, *inter alia*, sets out: (i) the relative ranking of certain indebtedness; (ii) the relative ranking of the Transaction Security and the Guarantees; (iii) when payments can be made in respect of certain indebtedness; (iv) turnover provisions; (v) the terms pursuant to which such indebtedness will be subordinated upon the occurrence of certain insolvency events; (vi) when enforcement actions can be taken in respect of such indebtedness; and (vii) release of the Transaction Security and the Guarantees.

According to the terms of the Intercreditor Agreement, the relevant debt shall rank in right and priority of payment in the following order: (i) first, the Super Senior Debt (*pari passu* between all indebtedness under the SSRCF and the Hedging Obligations (as defined therein) and the Senior Debt (*pari passu* between all indebtedness under the Bonds and any New Debt) *pari passu*, (ii) secondly, the Junior Debt (as defined therein), (iii) thirdly, any liabilities raised in the form of Intercompany Debt (as defined therein), and (iv) fourthly, any liabilities raised in the form of Shareholder Debt (as defined therein).

Except as otherwise disclosed in this section "*—Description of material contracts*" and to the best of the Issuer's knowledge, there are no material contracts entered into other than in the ordinary course of the Issuer's business, which could result in any Group Company being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Bondholders in respect of the Bonds.

Legal and arbitration proceedings

The Group was during 2017 engaged in discussions with a larger global OEM (the "Claimant") regarding claims of infringement of certain of the Claimant's patents (of which those patents, that are potentially relevant in any substance, only exist in one country) as well as allegations of unfair competition. The Group rejected the allegations which are considered unfounded. Initially the Claimant claimed damages of up to EUR 3.7m for the alleged patent infringement and up to EUR 8.2m for acts of unfair competition throughout Europe based on alleged product imitations and misleading advertising. The claimed amounts were estimated by the Claimant without any knowledge of the actual sales figures of the Group. The Group has assessed the claimed amounts to be unreasonably high. Settlement talks have not led to a settlement agreement. If the Claimant initiates legal proceedings and a court were to consider (i) the patents invoked by the Claimant valid and infringed by certain of the Group's products and/or (ii) the claims based on unfair competition to be valid, the Group could be ordered to pay compensation and litigation costs. If a court were to consider the patents invoked by Claimant valid and infringed, the Group will be in a position to replace its relevant products with alternative products. If courts were to consider the claims based on unfair competition to be valid, the Group will be in a position to replace its relevant products with alternative products and adjust its advertising. Such transitions will cause costs and cause a negative financial impact.

Except as disclosed above, the Group is not currently engaged in any material litigation, arbitration, prosecution or other legal proceeding, and there are no such proceedings that are pending against the Group of which the Group is aware. Disputes are not unusual in the industry in which the Group operates and the Group may become involved in disputes from time to time in the course of its business operations.

The Group has not been engaged in any material governmental, legal or arbitration proceedings over the past 12 months, which, to the best of the Group's knowledge, may have or may have had in the recent past significant effects on the Issuer and/or the Group's financial position or profitability.

MANAGEMENT

Board of Directors

The board of directors of the Issuer consist of Niels Jacobsen (chairman), Lars Cordt (deputy chairman), Alan Nissen (deputy chairman), Søren Klarskov Vilby, Christian Frigast, Marc de Jong and Manfred Wolf. The registered business address for the board of directors for the Issuer is Ormhøjgårdvej 9, 8700 Horsens, Denmark.

Executive Management

The executive management (registered with the Danish Business Authority) of the Issuer is composed by Mikkel Krogslund Andersen who is the Chief Executive Officer and Jakob Backs who is Chief Financial Officer. The registered business address for executive management for the Issuer is Ormhøjgårdvej 9, 8700 Horsens, Denmark.

Biographies

Board of Directors

Niels Jacobsen has since 1 April 2017 been Chief Executive Officer of William Demant Invest A/S, the majority shareholder of William Demant Holding A/S. Mr. Jacobsen joined the William Demant Group in 1992 as Executive Vice President and was appointed President & CEO in 1998 - a position he held until March 2017. Mr. Jacobsen also holds a number of directorship in Danish companies and organisations, including A.P. Møller - Mærsk A/S (Deputy Chairman), KIRKBI A/S (Deputy Chairman), William Demant Holding A/S (Deputy Chairman), Thomas B. Thriges Fond (Chairman) and he holds directorships in a number of wholly and partly owned companies in the William Demant Group, including Össur hf. (Chairman), Jeudan A/S (Chairman), Sennheiser Communications A/S (Chairman), HIMPP A/S (Chairman). In addition, Mr. Jacobsen is Chairman of the Board of Directors of each of Nissens A/S, K. Nissen International A/S, AX V Nissens I ApS, AX V Nissens II ApS and Founders A/S and he is furthermore the sole owner and member of the Management Board of Langelandsgården ApS as well as the sole owner of Williamsborg v/Niels Jacobsen. Mr. Jacobsen is also a member of the Board of Directors of Boston Holding A/S and a member of the Central Board of the Confederation of Danish Industries and Chairman of the Board of the Copenhagen Industries Employers' Federation. He holds an M.Sc. in business administration from the University of Aarhus in Denmark.

Lars Cordt is Partner at Axcel Management A/S, which he joined in 2006. As part of his position at Axcel Management A/S, Lars Cordt is Deputy Chairman of each of Nissens A/S, K. Nissen International A/S, AX V Nissens II ApS and AX V Nissens I ApS as well as Deputy Chairman of Mita-Teknik A/S and Mita-Teknik Invest 1 A/S. In addition, Mr. Cordt is Chairman of the Board of Directors of each of AX Mita Invest ApS, AX V Nissens III ApS, AX V INVE3 Holding III ApS, AX V INV4 Holding III ApS, AX V INV3 Holding II ApS, AX V INV3 Holding ApS and AX V INV3 Holding I ApS. Furthermore, he is manager and a member of the Board of Directors of AX IV HoldCo P/S as well as manager and sole owner of MNGT3 LC ApS. Lars Cordt was previously employed at PwC (2002-2006) and holds an M.Sc. in Finance and Accounting (FIR) from Copenhagen Business School.

Alan Nissen is the great-grandson of the founder of Nissens, and he has an M.Sc. in Engineering from the University in Odense. Mr. Nissen joined Nissens in 1982, and in 1985 he took over a part of Nissens from his father Knud Nissen, who had been the sole owner since 1969. In 1999, Alan Nissen took over the position as Chief Executive Officer of K. Nissen International A/S, and in 2006 he became the sole owner of Nissens. In 2016, he appointed the current Chief Executive Officer of K. Nissen International A/S and became the Chairman of the Board of Directors of K. Nissen International A/S which position he held until 30 June 2017. Alan Nissen currently holds a position as Deputy Chairman of the Board of Directors of each of Nissens A/S, K. Nissen International A/S, AX V Nissens II ApS and AX V Nissens I ApS. In addition, Mr. Nissen is a member of the Management Board of each of Marienborg ApS, ANTB Holding ApS, Advanced Cooling A/S and Advanced Cooling Investment A/S as well as a member of the Board of Directors of each of Advanced Cooling A/S and Advanced Cooling Investment A/S.

Søren Klarskov Vilby is Chief Executive Officer of Micro Matic A/S. Prior to his current position, Mr. Vilby was Chief Executive Officer at Senmatic A/S in which he currently is a member of the Board of Directors and he has also previously held executive positions in the Roulunds Group in Denmark and England. He is a member of the Board of Director of each of The General Council of the Confederation of Danish Industries, The Manufacturing Industry, Marius Pedersen A/S, Marius Pedersen Holding A/S and Entreprenør Marius Pedersens Fond as well as Vice Chairman of the Board of Directors of Borg Automotive A/S and a member of the Board of Directors of Borg Automotive Holding A/S. Furthermore, he is Chairman of the Board of Directors of each of Epoke A/S, Epoke Investment II A/S, Gertsen & Olufsen A/S, G&O Investment A/S, Heco Internaitonal A/S, Heco China A/S and Pres- Vac Engineering A/S. In addition, Mr. Vilby is a member of the Board of Directors of each of Nissens A/S, K. Nissen International A/S, AX V Nissens I ApS and AX V Nissens II ApS as well as the sole owner and member of the Management Board of Vilby Capital ApS. He also holds the position as Chairman of the Board of Directors of Atlas Incinerators ApS, Ejendomsselskabet Skibelund ApS, Elogic Systems A/S, Mountain Top Group ApS and Mountain Top Industries ApS as well as the position as member of the Board of Directors of Car Parts Industries ApS, MPWM 2014 A/S, MP Ejendomsaktieselskab, Ferritslev, Kildehøj ApS and Fonden AM-LAB Danmark. Mr. Vilby holds an M.Sc. in Business Economics and International Marketing and a Diploma in Business Economics - Finance.

Christian Frigast (Povl Christian Lütken Frigast) is Partner and Executive Chairman of Axcel Management A/S. From 1994 to 2016, Mr. Frigast was Managing Partner of Axcel Management A/S. Mr. Frigast has experience in general management and is actively involved in a number of retail and other companies through his numerous directorships. He is a member of the Board of Directors of each of Nissens A/S, K. Nissen International A/S, AX V Nissens II ApS and AX V Nissens I ApS and Deputy Chairman of PANDORA A/S as well as a member of the Nomination Committee and the Remuneration Committee of PANDORA A/S. In addition, Mr. Frigast is Chairman of Danmarks Skibskredit Holding A/S, Eksport Kredit Finansiering A/S, EKF Danmarks Eksportkredit and MNGT2 ApS as well as Deputy Chairman of the Danish Venture Capital and Private Equity Association (DVCA). Furthermore, Mr. Frigast is Chairman of AX IV HoldCo P/S and Axcel Management Holding ApS as well as a member of the management of AXII Holding ApS. Furthermore, Mr. Frigast is the sole owner and member of the Board of Directors and Management Board of Frigast A/S and the sole owner of Chr. Frigast. He also sits on the Board of Directors of Nordic Waterproofing Holding A/S, Danmark Skibskredit A/S and the Board Leadership Society in Denmark. Furthermore, Mr. Frigast chairs and co-founded Axcelfuture, which is working to improve the investment climate in Denmark, and he is an associate professor at Copenhagen Business School. Christian Frigast holds an M.Sc. in Economics from Copenhagen University.

Marc de Jong (Macus Johannes Cornelis de Jong) has since 2015 been Chief Executive Officer of LM Wind Power. Mr. de Jong previously worked with Philips where he was a member of the Royal Philips Group Management Committee and Chief Executive Officer of various divisions. He was also Chief Executive Officer of the automotive and identification business of NXP Semiconductors before beginning his own management consultancy. Marc de Jong is currently a member of the Supervisory Boards of First Sensor AG and Sioux BV. He holds a Master in Physics and Mathematics from VU University Amsterdam and two MBAs from the University of Rochester and Erasmus University Rotterdam.

Manfred Wolf worked from 1977 to 1995 in the aftermarket sector of the Robert Bosch Group in Stuttgart, Karlsruhe and Denham/UK. He held various managerial posts, with responsibility for the German market and the aftermarket sector in the UK. In 1995 Mr. Wolf joined MANN+HUMMEL as Head of the Service Business Unit. In 1998 he became Managing Director/Member of the Board of Directors at MANN+HUMMEL, being responsible for the Automotive and Industrial Business. In 2016 Mr. Wolf was Chairman of MANN+HUMMEL Filtration Technology Inc., Gastonia/USA and end of December 2016 he officially retired. Since 2017 Mr. Wolf has been Shareholder Representative and member of the Supervisory Board of MANN+HUMMEL. In addition, Mr. Wolf was a long-time member of the VDA - German Association of the Automotive Industry (deputy chairperson of the VDA Aftermarket Committee and member of the VDA Working Group for Trade).

Executive Management

Mikkel Krogslund Andersen became the Chief Executive Officer of the Issuer in June 2017 and the Chief Executive Officer of Nissens A/S and K. Nissen International A/S in 2016. Mr. Krogslund Andersen has been employed with Nissens A/S since 2010 and has held several positions with Nissens A/S prior to being appointed Chief Executive Officer. In addition, he is a member of the Board of Directors of Optipeople ApS. Mr. Krogslund Andersen has an M.Sc. in E-Business from the IT University of Copenhagen and a B.Sc. in Economics from The Royal Veterinary and Agricultural High School of Denmark.

Jakob Backs (Carl Jakob Backs) became the Chief Financial Officer of the Issuer in June 2017 and the Group Chief Financial Officer of Nissens A/S upon joining Nissens A/S in August 2016. Prior to joining Nissens A/S Mr. Backs has held senior management positions in Terma Aerostructures and in Tvilum. Mr. Backs holds a Master in Business Economics from Aarhus University and a Master of Business Administration from Alborg University.

Conflicts of interest

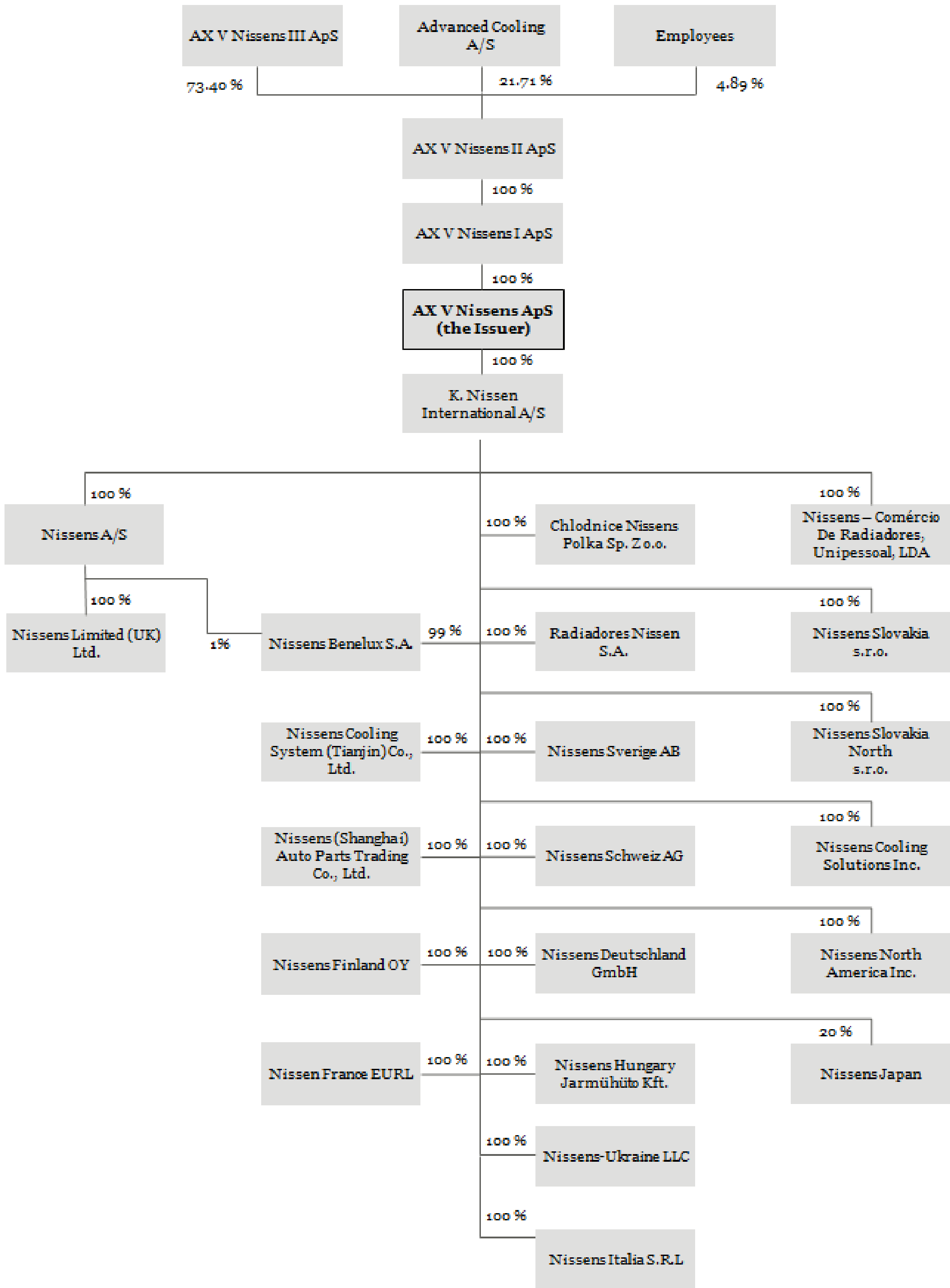
Neither current nor potential conflicts of interest exist between any duties to the Group by the individuals listed in the above section and their private interests or other duties they perform outside the Group. Each of Lars Cordt and Christian Frigast is appointed by and represents the interest of a major shareholder.

ORGANISATIONAL STRUCTURE

The Issuer is a holding company with no direct operating businesses other than the equity interests of its Subsidiaries. The Issuer requires dividends and other payments from its Subsidiaries to meet cash requirements and to fulfil its obligations under the Bonds.

Above the Issuer are two holding companies; AX V Nissens I ApS and AX V Nissens II ApS. AX V Nissens I ApS is a wholly owned subsidiary of AX V Nissens II ApS, which in turn is owned by each of AX V Nissens III ApS, Advanced Cooling A/S and certain employees.

The below chart shows the organisational structure of the Group:



MAJOR SHAREHOLDERS

As of the date of this Prospectus, the Issuer is a wholly owned Subsidiary of the Parent, which in turn is wholly owned by AX V Nissens II ApS. AX V Nissens II ApS is partly owned by AX V Nissens III ApS, Advanced Cooling A/S and certain employees (see "*Organisational Structure*").

AX V Nissens III ApS is owned by each of Axcel V K/S, Ax V Management Invest K/S, Ax V Management Invest II K/S, Pensionskassen for Sygeplejersker og Lægesekretærer, Pensionskassen for Socialrådgivere, Socialpædagoger og Kontorpersonale, Pensionskassen for Sundhedsfaglige, Chr. Augustinus Fabrikker Aktieselskab, Hermes GPE PEC III LP, Hermes GPE Horizon Co-Investment LP, Hermes GPE Direct Co-Invest V LP and Realdania.

Advanced Cooling A/S is owned by each of V.P.N. Holding ApS, J.P.N. Holding ApS, F.P.N. Holding ApS and ANTB HOLDING ApS. Advanced Cooling A/S is ultimately controlled by Alan Nissen.

No specific measures have been put in place to ensure that such control is not abused.

Furthermore, there are no arrangements, know to the Issuer, the operation of which may at a subsequent date result in a change of control of the Issuer.

OTHER INFORMATION

Clearing and settlement

The Bonds amount in total to a maximum of EUR 130,000,000. The nominal amount in respect of each Bondholder's holding of Bonds is a minimum of EUR 100,000 or, if greater, an even multiple of EUR 1,000, and all trades in Bonds shall be in a minimum amount of EUR 100,000 and, if more, in even multiples of EUR 1,000. The ISIN for the Bonds is DK0030400890.

The Bonds have been issued in accordance with Danish law and are not evidenced by any physical bond or document of title other than statements of account made by VP Securities A/S. Ownership of the Bonds is recorded and transfer effected only through the book entry system and registered maintained by VP Securities A/S in accordance with the rules and procedures of VP Securities A/S. Payment of principal, interest and, if applicable, withholding tax will be made through the system of VP Securities A/S. VP Securities A/S's address is Weidekampsgade 14, P.O. Box 4040, DK-2300 Copenhagen S, Denmark (CVR number 21 59 93 36).

Description of the Issuer and Parent

The Issuer's legal name is AX V Nissens ApS. The Issuer is registered in Denmark with the Danish Business Authority with the registration number (CVR number) 38 64 75 71. The Issuer's municipality of domicile is Horsens Municipality. The Issuer was incorporated on 17 May 2017, and the life of the Issuer is indefinite. The Issuer is a limited liability company incorporated in Denmark and subject to the Danish Companies Act and other relevant Danish legislation. The Issuer has in accordance with Section 23 of the Danish Capital Markets Act chosen Denmark as its home country. The Issuer has its registered office and address at Ormhøjgårdvej 9, 8700 Horsens, Denmark, telephone number: +45 76 26 26 26.

The Parent's legal name is AX V Nissens I ApS. The Parent is registered in Denmark with the Danish Business Authority with the registration number (CVR number) 38 64 75 39. The Parent was incorporated on 17 May 2017, and the life of the Parent is indefinite. The Parent is a limited liability company incorporated in Denmark and subject to the Danish Companies Act and other relevant Danish legislation. The Parent has its registered office and address at Ormhøjgårdvej 9, 8700 Horsens, Denmark, telephone number: +45 76 26 26 26.

Description of the Auditor

The auditor of the Issuer is ERNST & YOUNG Godkendt Revisionspartnerselskab, Englandsgade 25, DK- 5100 Odense C, authorised by the Danish Business Authority and regulated by the Danish Act on State Authorised Public Accountants and otherwise by the laws of Denmark, who conducts audits in accordance with International Standards on Auditing, and who has audited the Issuer's consolidated financial statements in accordance with such standards for the interim period 17 May to 31 October 2017 and the parent company financial statements in accordance with such standards for the interim period 17 May to 31 October 2017, and issued an auditor's report on such consolidated and parent company financial statements without any qualifications.

The Issuer's consolidated and the parent company financial statements for the interim period 17 May to 31 October 2017, K. Nissen International A/S' consolidated and parent company financial statements for the financial year ended 30 April 2017 and K. Nissen International A/S' consolidated and parent company financial statements for the financial year ended 30 April 2016 have been audited and the consolidated financial statements for the interim period 1 May to 31 October 2017 for K. Nissen International A/S has been reviewed by ERNST & YOUNG Godkendt Revisionspartnerselskab, Englandsgade 25, DK- 5100 Odense C, represented by State Authorised Public Accountants Brian Skovhus Jakobsen and Morten Østergaard Koch, who are members of FSR Danish Auditors (The Institute of State Authorised Public Accountants in Denmark). The consolidated income statement, consolidated balance sheet and consolidated cash flow statement of the Issuer in "*Summary Historical Consolidated Financial Information*" have been audited. The consolidated income statement, consolidated balance sheet and consolidated cash flow statement of K. Nissen International A/S in "*Summary Historical Consolidated Financial Information*" have been reviewed.. Except as stated in this paragraph, no other information in this Prospectus has been audited or reviewed.

Description of the Security Agent

The Security Agent is Nordic Trustee A/S. The Security Agent is incorporated in Denmark and registered with the Danish Business Authority with the registration number (CVR number) 34 70 57 20. Its registered address is

Bredgade 30, 1260 Copenhagen K, Denmark. Nordic Trustee has offices in Copenhagen, Oslo, Stockholm, Helsinki and Gardabaer. For more information please visit www.nordictrustee.com.

Description of the Agent

The Agent is Nordic Trustee A/S. The Agent is incorporated in Denmark and registered with the Danish Business Authority with the registration number (CVR number) 34 70 57 20. Its registered address is Bredgade 30, 1260 Copenhagen K, Denmark.

Information incorporated by reference

The additional information explicitly listed in the table below has been incorporated by reference in the Prospectus pursuant to section 28 of the Prospectus Regulation. Direct and indirect references in the reports to other documents or websites are not incorporated by reference and do not form part of the Prospectus. The reports speak only as of the date of their respective publications and have not been updated and in some cases they have been made superfluous by the information in this Prospectus. The Group's and the Issuer's business, financial condition, cash flows and results of operations may have changed since those dates.

The information is hereby incorporated in this Prospectus by reference as set out in the cross reference table below, and is available for inspection at the Group's head office at Ormhøjgårdvej 9, 8700 Horsens, Denmark, on weekdays during the Group's regular office hours throughout the period of validity of the Prospectus.

Document	Pages
Consolidated and parent company financial statements for K. Nissen International A/S for 2016/17	
Financial highlights	7
Financial statements	12-33
Statement by the Board of Directors and the Executive Board	2
Auditors' report	3-5
Consolidated and parent company financial statements for K. Nissen International A/S for 2015/16	
Financial highlights	2
Financial statements	9-27
Statement by the Board of Directors and the Executive Board	6
Auditors' report	7-8

Additional documents available for inspection

In addition to the documents in the above section ("*Information incorporated by reference*"), copies of the following documents are available at the Group's head office at Ormhøjgårdvej 9, 8700 Horsens, Denmark, on weekdays during the Group's regular office hours throughout the period of validity of the Prospectus:

- the Prospectus;
- the Intercreditor Agreement;
- AX V Nissens ApS' Memorandum of Association and Articles of Association.

Material interests

The Issuer is not aware of any material interests in the Bond Issue including any conflicts of interest.

Third party information

The Issuer confirms that no third party information has been reproduced in this Prospectus.

Statements regarding competitive position

Statements made in this Prospectus referring to the Group's competitive position are based on the Group's belief, and in some cases rely on the Group's internal assessment of market share based on publicly available information about the financial results and performance of market participants. Market share estimates contained in this document are based on management estimates unless otherwise indicated.

Corporate approval of the issuance of the Bonds

The issue of the Bonds in a maximum amount of EUR 130,000,000 (with possibility to issue subsequent bonds) were authorised by a unanimously resolution of the Board of Directors of the Issuer passed on 28 June 2017.

Listing information

The Bonds will be admitted to trading and official listing on the regulated market of Nasdaq Copenhagen A/S with effect from 23 March 2018. The Issuer estimates that the total expenses related to the admission to trading and official listing on Nasdaq Copenhagen A/S amounts to approximately DKK 450,000 (exclusive of VAT).

Appendix 1

AX V Nissens ApS

Ormhøjgårdvej 9, 8700 Horsens

CVR no. 38 64 75 71

Interim report

17 May - 31 October 2017

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Statement by Management on the interim report

Today, the Board of Directors and the Executive Board have discussed and approved the interim report of AX V Nissens Aps from the company's establishment 17 May - 31 October 2017.

The interim report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

In our opinion, the interim report gives a true and fair view of the financial position of the Company at 31 October 2017 and of the results of the Company's operations and cash flows for the period 17 May - 31 October 2017.

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

Horsens, 22 February 2018
Executive Board:

Mikkel Krogslund Andersen CEO	Jakob Backs CFO

Board of Directors:

Niels Jacobsen Chairman	Lars Cordt Vice Chairman	Alan Nissen Vice Chairman
Søren Klarskov Vilby	Christian Frigast	Marc de Jong
Manfred Wolf		

Independent auditor's review report

To the shareholders of AX V Nissens ApS

Opinion

We have audited the consolidated interim financial statements and the parent company interim financial statements of AX V Nissens ApS for the period 17 May – 31 October 2017, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated interim financial statements and the parent company interim financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU.

In our opinion, the consolidated interim financial statements and the parent company interim financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 October 2017 and of the results of the Group's and the Parent Company's operations and cash flows for the period 17 May – 31 October 2017 in accordance with International Financial Reporting Standards as adopted by the EU.

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 interim financial statements and the parent company interim financial statements" (hereinafter collectively referred to as "the interim financial statements") section of our report. We are independent of the Company 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. 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 interim financial statements

Management is responsible for the preparation of the interim financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and for such internal control as Management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim 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 interim 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 interim financial statements

Our objectives are to obtain reasonable assurance as to whether the interim 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 interim financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of 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.

Independent auditor's review report

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.

Kolding, 22 February 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Brian Skovhus Jakobsen	Morten Østergaard Koch
State Authorised Public Accountant	State Authorised Public Accountant

Management’s review

Financial highlights for the Group

In DKK millions, except for per share data	**17 May – 31 Oct. 2017**
Key figures	
Revenue	558.2
EBITDA before special items	59.5
Operating profit before special items	24.7
Operating loss after special items	-1.1
Loss before tax	-22.2
Loss for the period	-23.6
Non-current assets	2,072.3
Current assets	791.1
Total assets	2,863.4
Equity	1,207.6
Non-current liabilities	1.303,3
Current liabilities	352.3
Cash flows from operating activities	80.0
Cash flow from investing activities	-2,112.3
Cash flows from financing activities	2,147.2
Total cash flows	114.8
Financial ratios	
EBITDA before special items margin	10.7%
Operating margin before special items	4.4%
Operating margin after special items	-0.2%
Current ratio	224.5%
Equity ratio	42.2%
Return on equity	-1.9%
Average number of full-time employees	1,353

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

Consolidated interim financial statements

Income statement

For the period 17 May - 31 October 2017

Note	DKK'000	2017
3	Revenue	558,166
	Cost of raw materials and consumables	-291,452
	Other operating income	3,115
	Other external costs	-91,005
4	Staff costs	-119,324
	EBITDA before special items	**59,500**
	Depreciation and amortisation	-34,819
	Operating profit before special items	**24,681**
7	Special items	-25,769
	Operating loss after special items	**-1,088**
11	Finance income	574
11	Finance costs	-21,703
	Loss before tax	**-22,217**
12	Tax	-1,443
	Loss for the period	**-23,660**
	Attributed to:	
	Equity holders of AX V Nissens ApS	-23,660
		-23,660

Consolidated interim financial statements

Statement of other comprehensive income

For the period 17 May - 31 October 2017

Note	DKK'000	2017
	Loss for the period	**-23,660**
	Other comprehensive income	
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:	
	Exchange differences on translation of foreign operations	122
	Unrealized gain on interest rate swap	-2,786
	Other adjustments	934
		-1,730
12	Income tax effect	374
	Other comprehensive income/(loss) for the period, net of tax	**-1,356**
	Total comprehensive income/(loss)	**-25,016**
	Attributed to:	
	Equity holders of AX V Nissens ApS	-25,016
		-25,016

Consolidated interim financial statements

Balance sheet

Note	DKK'000	31 October 2017
	ASSETS	
	Non-current assets	
13	Intangible assets	1,703,581
15	Property, plant and equipment	366,358
10	Investments in associates	52
12	Deferred tax assets	771
	Deposits	1,551
	Total non-current assets	**2,072,313**
	Current assets	
16	Inventory	361,277
17	Trade and other receivables	314,997
	Cash and cash equivalents	114,796
	Total current assets	**791,070**
	TOTAL ASSETS	**2,863,383**
	EQUITY AND LIABILITIES	
	Equity	
18	Share capital	12,357
	Retained earnings	1,195,127
	Foreign currency translation reserve	122
	Total equity	**1,207,606**
	Non-current liabilities	
20	Borrowings	1,103,001
12	Deferred tax liabilities	195,215
19	Provisions	5,214
	Total non-current liabilities	**1,303,430**
	Current liabilities	
21	Trade and other payables	301,751
12	Income tax payable	44,608
19	Provisions	5,988
	Total current liabilities	**352,347**
	Total liabilities	**1,655,777**
	TOTAL EQUITY AND LIABILITIES	**2,863,383**

Consolidated interim financial statements

Cash flow statement

For the period 17 May - 31 October 2017

Note	DKK'000	2017
	Operating activities	
	Loss before tax for the period	-22,217
6	Depreciation and amortisation	34,819
	Net foreign exchange differences	599
	Movements in provisions	336
11	Finance income	-574
11	Finance expenses	21,703
5	Share-based payment expense	1,884
22	Changes in working capital	46,168
		82,718
12	Income tax paid/received	-2,771
	Net cash flows from operating activities	**79,947**
	Investing activities	
13	Purchase of intangible assets	-1,835
	Development expenditures capitalised	-295
15	Purchase of property, plant and equipment	-12,997
15	Proceeds from sale of property, plant and equipment	200
	Change in deposits	151
9	Investments in subsidiaries	-2,097,571
	Net cash flows used in investing activities	**-2,112,347**
	Financing activities	
	Capital injection and capital increases	1,230,738
20	Proceeds from borrowings	937,505
20	Repayment of borrowings	-2,692
11	Interest paid	-18,355
	Net cash flows from financing activities	**2,147,196**
	Cash flow for the period	**114,796**
	Cash and cash equivalents at 31 October	**114,796**

The Group has unused credit facilities amounting to 115,955 DKK'000.

Consolidated interim financial statements

Statement of changes in equity

For the period 17 May - 31 October 2017

DKK'000	Share capital	Share premium	Foreign currency translation reserve	Retained earnings	Total equity
Equity 17 May 2017	**0**	**0**	**0**	**0**	**0**
Total comprehensive income 31 October 2017					
Profit for the period	0	0	0	-23,660	-23,660
Other comprehensive income					
Unrealised loss on interest rate swap	0	0	0	-2,786	-2,786
Exchange differences on translation of foreign operations	0	0	122	0	122
Other adjustments	0	0	0	934	934
Tax on other comprehensive income	0	0	0	374	374
Total other comprehensive income	**0**	**0**	**122**	**-1,478**	**-1,356**
Total comprehensive income for the period	**0**	**0**	**122**	**-25,138**	**-25.016**
Transactions with owners					
Capital injection	50	0	0	0	50
Increase share capital	12,307	1,218,381	0	0	1,230,688
Transfer	0	-1,218,381	0	1,218,381	0
Equity-settled share-based payments	0	0	0	1,884	1,884
Total transactions with owners	12,357	0	0	1,220,265	1,232,622
Equity 31 October 2017	**12,357**	**0**	**122**	**1,195,127**	**1,207,606**

Consolidated interim financial statements

Overview of notes for the consolidated financial statements

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7	Special items
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16	Inventory
17	Trade and other receivables
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20	Borrowings
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23	Business combinations
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26	Leases
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28	Events after the reporting period
29	Standards issued but not yet effective

Consolidated interim financial statements

Notes

1 **Accounting policies**

AX V Nissens ApS is a private limited company registered in Denmark. The financial statements section of the interim report for the period 17 May - 31 October 2017 comprises both the consolidated interim financial statements of AX V Nissens ApS and its subsidiaries (the Group) and the separate parent company interim financial statements. The Company was established 17 May 2017 and hence this is the first period for which financial statements have been prepared. As such, no comparative information exists for the Group and the Company. The subsidiary K Nissen International A/S has been included in the income statement for the period 1 July – 31 October 2017, as the subsidiary was acquired 30 June 2017.

The consolidated interim financial statements for AX V Nissens ApS for the period 17 May - 31 October 2017 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

The Board of Directors and the Executive Board have on 22 February 2018 discussed and approved the interim report for AX V Nissens ApS for the period 17 May - 31 October 2017.

Basis of preparation

The consolidated interim financial statements and the separate interim financial statement have been presented in Danish kroner, rounded to the nearest DKK thousand.

The accounting policies set out below have been applied consistently in respect of the interim period.

Consolidated interim financial statements

The consolidated interim financial statements comprise AX V Nissens ApS (the parent) and the subsidiaries controlled by the parent. The Group controls an entity if the Group directly or indirectly owns more than 50% of the voting rights, or when the Group in one way or another has the ability to have a controlling influence. Companies, where the Group directly or indirectly holds between 20% and 50% of the voting rights, and has significant but not controlling influence, are seen as associates. Please refer to the overview of the Group in note 9.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity.

Business combinations and goodwill

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated profit or loss until the date of disposal and settlement date.

Gains or losses on disposal of subsidiaries and associates are stated as the difference between the sales amount and the carrying amount of net assets, including goodwill at the date of disposal and costs of disposal.

The purchase method is applied to acquisitions of new businesses over which AX V Nissens ApS obtains control. The acquired businesses' identifiable assets and liabilities are measured at fair value at the acquisition date. In connection with the acquisition, provision is made for the costs associated

Consolidated interim financial statements

Notes

1 Accounting policies (continued)

with the decided and published restructurings in the acquired business. Deferred tax related to the fair value adjustments identified is recognised.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred (a bargain purchase), then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Gains and losses at disposal of subsidiaries

Gains and losses at disposal or settlement of a subsidiary is calculated as the difference between the selling price or the disposal value and the carrying amount of the net assets, respectively, at the disposal or settlement date, including goodwill and the expected costs of sale or disposal.

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 subsidiaries are seen as independent units. The profit or loss is translated at an average exchange rate for the month, and the statement of financial position are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of such entities at closing rates and on translation of profit or loss at average exchange rates to the closing rates are recognised in other comprehensive income.

Foreign exchange adjustments of balances with the independent foreign subsidiaries considered a part of the total net investment in foreign operations are recognised under a separate translation reserve in equity.

Revenue

Revenue from sale of goods for resale and finished goods is recognised in the income statements, provided that risks and rewards have been transferred to the buyer and that the income can be reliably measured and is expected to be received. In general, this is considered to occur at the time of physical delivery. Only exception from this is bill and hold arrangements, cf. below.

The buyer has, in some cases, right to return. The Group recognizes revenue for this at the time of the physical delivery to the buyer, to the extent, that it can be measured reliably, how much of the delivery, which after the balance sheet date, cannot be returned.

Revenue is measured at fair value of the agreed consideration excl. VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Notes

1 Accounting policies (continued)

Bill and hold arrangements

In some cases the customer's request to postpone the delivery. In addition the usual recognition criteria, all of the following criteria are required to be met for the Group to recognise revenue upon the time of planned delivery:

a) the reason for the bill and hold arrangement must be substantive (for example, the arrangement might be requested by the customer because of a lack of physical space to store the goods);

b) The product must be identified separately as belonging to the customer (that is, it cannot be used by the Group to satisfy other orders);

c) The product must currently be ready for physical transfer to the customer; and

d) The Group cannot have the ability to use the product, or to direct it to another customer.

Other external expenses

Other external expenses includes expenses in regards to the company's principal activities, arising during the period. This includes expenses for sales, advertisement, administration, office buildings, debit losses etc.

Staff costs

Staff costs include wages and salaries, including holiday pay and pensions, as well as other expenses for social security etc. for the Group's employees. In the staff costs, compensation received from public authorities have been subtracted.

Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognised in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service, and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as the beginning and end of that period.

Special items

Special items include significant income and expenses of a special nature in terms of the Group's revenue-generating operating activities that cannot be attributed directly to the Group's

Consolidated interim financial statements

Notes

1 Accounting policies (continued)

ordinary operating activities. Such income and expenses includes transaction costs in a business combination.

Finance income and expenses

Finance income and expenses are recognised in the income statement for the amounts that corresponds to the transactions of the current interim financial period. Finance income and expenses comprise interest income and expenses, exchange gains and losses on transactions denominated in foreign currencies etc., as well as surcharges and allowances under the on-account tax scheme etc.

Income tax

Current income tax

AX V Nissens ApS is jointly taxed with all its Danish parent companies and subsidiaries . The subsidiaries are included in the joint taxation from the date, which they are included in the consolidation, and until the date, which they are excluded from the consolidation.

The Company's ultimate parent company, AX V Nissens III ApS, is the administrative company for the joint taxation and settles the payments of the joint taxation with the taxation authorities.

The actual corporation tax is distributed by settling joint taxation contributions between the jointly taxed companies relatively to their income. The companies with a tax deficit receive a joint tax contribution from the companies, which have been able to apply the deficit for reducing their own taxable surplus.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Tax for the interim period, which comprises the interim period's current tax charge, the interim period's joint tax contribution and deferred tax adjustments – including the adjustment of the tax rate – is recognised in the income statement for the share which is attributable to the profit for the interim period, and in other comprehensive income, with the share attributable to entries recognised in other comprehensive income.

Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the interim period, adjusted for tax on prior-period taxable income and tax paid on account.

Deferred tax is measured using the balance sheet 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 assets and liabilities without affecting neither the profit/loss for the interim period nor the taxable income.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

1 Accounting policies (continued)

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax 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 and jurisdiction.

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Income tax receivable" or "Income tax payable".

Balance sheet

Goodwill

Goodwill is measured in the balance sheet at cost in connection with initial recognition. Subsequently goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated to the cash flow generating units as defined by Management. The determination of cash generating units complies with the managerial structure and the internal control and reporting in the Group.

Other intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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.

Consolidated interim financial statements

Notes

1 Accounting policies (continued)

Rights and development expenses, which are recognised in the balance sheet, are initially measured at cost and following at cost less accumulated amortisation and impairment losses.

Following the completion of development work, development costs are amortised on a straight-line basis over the estimated useful life from the date when the asset is available for use. The amortisation period is:

Development projects	5 years
Brand	15 years
Acquired intangible assets	10 years

Gains and losses from sale of rights and development projects is calculated as the difference between the sales prices less sales expenses and the carrying amount at the date of sale. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Property, plant and equipment

Leasehold improvements and other fixtures and fittings are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

The cost for a total asset is split in separate components where material, which are depreciated separately, if the useful life of each of the components differ.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets/components. The expected useful lives are as follows:

Buildings	20-25 years
Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	2-7 years

Depreciation is calculated on the basis of the residual value and impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued.

When the depreciation period or the residual value is changed, the effect on depreciation is recognised prospectively as a change in accounting estimates.

Gains and losses at sale of property, plant and equipment is calculated as the difference between the sales price less the sales expenses and the carrying amount at the date of sale. Gains or losses are recognised in the income statement as the item other operating income and other operating expenses, respectively.

Land is not depreciated.

Investments in associates

The Group’s investments in associates are accounted for using the equity method.

Under the equity method, the investment in the associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the

Notes

1 Accounting policies (continued)

associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

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 capitalised at the commencement of the lease at the inception date 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 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.

Impairment of non-current assets

If there is an indication of impairment, the carrying amount of intangible assets and property, plant and equipment as well as investments in associates is tested for evidence of impairment.

When there is evidence that assets may be impaired, an impairment test is performed for each of the assets/group of assets. An impairment is recognised at the recoverable amount, if this is lower than the carrying amount.

The recoverable amount is the higher of the value in use or fair value less costs of disposal.

During the period of development, development costs are tested annually for impairment.

1 Accounting policies (continued)

Inventory

Inventory is measured at cost according to the FIFO method. If the net realisable value is lower than the cost, then they are impaired to the lower value.

Cost of goods for resale and as well as raw materials and consumables includes the purchase price plus the delivery cost, as well as for goods for resale indirect production expenses in terms of leaflets, packaging, as well as expenses in terms of external storage fees are added.

The net realisable value of inventories is determined as the selling price less costs of completion and costs incurred to effectuate the sale, and taking into account marketability, obsolescence and developments in the expected selling price.

Trade receivables

Trade receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method, less impairment. Any losses arising from write-down are recognised in the income statement as other external costs.

Prepayments, assets

Prepayments recognised under "Current assets" comprise expenses incurred concerning subsequent financial periods.

Equity

Dividend

Dividend proposed for the period is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed is disclosed as a separate item under equity.

Other provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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1 Accounting policies (continued)

Warranty provisions
Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

In Automotive the standard terms is 12 month warranty period. In the Cooling Solution warranty condition are in general negotiated on a customer level.

Trade and other payables

The Group's financial liabilities include trade and other payables. Trade payables are non-interest bearing and are settled on normal market terms. Other payables are non-interest bearing.

Liabilities

Financial liabilities are recognised at the date of borrowing at fair value less directly attributable 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. Non financial liabilities are measured at net realisable value.

Derivatives

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of forward currency contracts are taken directly to profit or loss (financial income and expense) as hedge accounting has not been applied for the period. Any gains or losses arising from changes in the fair value of interest rate swaps are recognised directly in other comprehensive income as hedge accounting has been applied.

Fair value

Fair value measurements are based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1 Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

Notes

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the interim period, the interim period's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the interim period.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from corporate acquisitions are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of entities are recognised up until the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and income taxes paid.

Cash flows from investing activities

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

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, paid interest on interest-bearing debts, and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank overdrafts.

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2 Significant accounting judgements, estimates and assumptions

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them.

The fair values of awards granted were determined using the Black-Scholes Model that takes into account factors specific to the share incentive plans, such as the vesting period.

The inputs used for the valuation model include among others, exercise price of the award, expected life of the option, expected volatility, expected dividend yield and risk-free interest rate.

Detailed information related to share-based payment is included in note 5.

Purchase price allocation

In June 2017, the Company acquired K. Nissen International A/S by purchasing 100% of the outstanding shares. K. Nissen International's assets, liabilities and contingent liabilities have been recognised under the purchase method in the consolidated financial statements of AX V Nissens ApS. The key assets of K. Nissen International A/S are goodwill, other intangible assets, property, plant and equipment, inventories and trade receivables. Especially with regard to the other intangible assets acquired, there are no efficient markets to be used to determine fair value. Management has therefore made an estimate in connection with the calculation of the fair value of the acquired assets and liabilities at the date of acquisition and has allocated the purchase price on that basis, see note 23. The fair value calculation is subject to uncertainty. The unallocated part of the purchase price has been recognised as goodwill related to new customers, new technology, market development and work-force.

Inventories

The net realisable value of inventories is calculated as selling price less costs of completion and costs necessary to make the sale. The Group and Management have a strong focus on inventory turnover and are continuously working with procedures to reduce risk of obsolescence. The Group has implemented fixed procedures to calculate obsolescence on stock.

Receivables

Estimates are used in determining the level of receivables that cannot be collected according to Management. When evaluating the adequacy of the allowance for doubtful receivables, Management analyses trade receivables and examines changes in customer creditworthiness, reports from credit insurance companies, customer payment patterns and current economic trends.

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3 Segment information

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

- ► Nissens Automotive
- ► Nissens Cooling Solutions

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

The Management of AX V Nissens ApS monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Interim period ended 31 October 2017	Automotive	Cooling Solution	Total segments	Unallocated	Consolidated
	MDKK	MDKK	MDKK	MDKK	MDKK
Revenue					
External customers	295.3	262.9	558.2	0	558.2
Operating profit after special items	**11.3**	**-12.4**	**-1.1**	**0**	**-1.1**
Total assets	1,570.5	1,177.3	2,747.8	115.6	2,863,4
Total liabilities	-183.8	-127.5	-311.3	-1,344.5	-1,655.8
	1,386.7	1,049.8	2,436.5	-1,228.9	1,207.6

There has not been allocated any equity, borrowings, cash, deferred tax and tax payables to the two operating segments.

Notes

3 Segment information (continued)

Geographic information

DKK'000	17 May – 31 October 2017
Revenue from external customers	
Denmark	92,274
Germany	81,838
Other	384,054
Total	558,166

The revenue information above is based on the location of the customers. Denmark and Germany are the only countries with a sale of more than 10% of total revenue.

There is only one customer who has a sale of more than 10% of the total revenue. Revenue from this customer is in the range 10%-20% of the total revenue.

DKK'000	31 October 2017
Non-current operating assets	
Denmark	1,961,005
Slovakia	106,592
China	9,419
Other	1,898
Total	2,078,914

Non-current assets for this purpose consist of property, plant and equipment, investment properties and intangible assets.

4 Staff costs

DKK'000	17 May – 31 October 2017
Wages and salaries	100,677
Pensions	11,091
Employee benefits/other remunerations	6,133
Share-based payments	1,884
Of which are development costs and own manufactured assets	-461
Total employee benefit expense	119,324
Average number of full-time employee	1,353

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Notes

4 Staff costs (continued)

Remuneration to the board of directors and executive board.

DKK'000	Board of Directors and executive board
Wages and salaries	3,478
Pensions	0
Share-based payments	665
	4,143

The warrant agreements, entered into 30 June 2017, give the key personnel the possibility to obtain up to 1,980,000 shares of 0.01 DKK each in the company. The subscription price is 0.01 DKK per share corresponding to a market value of DKK 2,365.

The remuneration of DKK 4,143 includes provision for performance related pay.

5 Share-based payments

In June 2017, the executive board and other executive employees were granted warrants to purchase 5,610,000 shares in AX V Nissens II ApS at a given exercise price. The warrants under the program will vest on 30 June 2021 or at an earlier date if the activities of the Group are disposed of in an Exit situation. The warrant program is contingent on continued employment in the Group.

The fair value of the granted warrants is estimated using the Black-Scholes model. The value is calculated applying the following assumptions:

Estimated volatility (based on a selected peer-group)	30%
Risk free interest rate	-0.43%
Vesting period	4 years
Market value per share	DKK 10

Every warrant grants the right to buy one share in AX V Nissens II ApS at a nominal value of DKK 0.01 at a price of DKK 10 + 8% p.a.

Specification of outstanding share options

	Management of the parent company	Other executive employees	Total number
Granted	1,980,000	3,630,000	5,610,000
Outstanding at 31 October 2017	1,980,000	3,630,000	5,610,000

No warrants are exercised as at 31 October 2017.

Notes

5 Share-based payments (continued)

At 31 October 2017, the expense in regard to share-based payments recognised in the income statement amounts to 1,884 DKK'000.

The fair value per warrant at grant date was estimated to be DKK 1.19.

6 Amortisation and depreciation

DKK'000	17 May – 31 October 2017
Amortisation, intangible assets	23,517
Depreciation, property, plant and equipment	11,302
	34,819

7 Special items

DKK'000	17 May – 31 October 2017
Transaction costs directly related to acquisition of K Nissen International A/S.	24,828
Cost related to transformation of Group accounts into IFRS	941
	25,769

8 Fees paid to auditors appointed at the annual general meeting

DKK'000	17 May – 31 October 2017
Statutory audit	653
Other assurance services	0
Tax and VAT advisory services	88
Other services	500
	1,241

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9 Investments in subsidiaries

Name	Registered office	Ownership 31 October 2017
Subsidiaries		
K. Nissen International A/S	Horsens, Denmark	100%
Subsidiaries of K. Nissen International A/S		
Nissens A/S	Horsens, Denmark	100%
Nissens UK Ltd	England	100%
Nissen France EURL	France	100%
Radiadores Nissen S.A.	Spain	100%
Nissens Sverige A.B.	Sweden	100%
Nissens Schweiz A.G.	Switzerland	100%
Nissens Portugal LDA	Portugal	100%
Chlodnice Nissens Polska Sp.zo.o.	Poland	100%
Nissens Belgium S.A.	Belgium	100%
Nissens Hungaria Jarmuhuto Kft	Hungary	100%
Nissens Italia S.R.L.	Italy	100%
Nissens Finland OY	Finland	100%
Nissens North America Inc	USA	100%
Nissens Slovakia S.R.O.	Slovakia	100%
Nissens Auto Parts Trading Co Ltd	Shanghai	100%
Nissens Ukraine Ltd	Ukraine	100%
Nissens Cooling Solutions Inc	USA	100%
Nissens Cooling Systems (Tianjin) Co Ltd	China	100%
Nissens Deutschland GmbH	Germany	100%
Nissens Slovakia North S.R.O.	Slovakia	100%
Nissens (Shanghai) Auto Parts Trading	Chine	100%

10 Investments in associates

	31 October 2017
Nissens Japan	52
	52

The Group has a 20% interest in Nissens Japan, which is involved in the Automotive aftermarket in Japan. Nissens Japan is a private entity that is not listed on any public exchange. The Group's interest in Nissens Japan is accounted for using the equity method in the consolidated financial statements.

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Notes

11 Net finance costs

Finance income DKK'000	17 May – 31 October 2017
Foreign exchange gains	574
Total finance income	574

Finance costs DKK'000	17 May – 31 October 2017
Interests - borrowings	17,712
Interests - other	643
Foreign exchange losses - bond	975
Amortisation establishment costs borrowings	2,031
Other finance costs	342
Total finance costs	21,703

12 Income tax

Income statement

DKK'000	17 May – 31 October 2017
Tax for the current can be specified as follows:	
Current income tax charge	-11,637
Change in provision for deferred tax	10,194
	-1,443

Tax on profit for the period can be explained as follows:

	17 May – 31 October 2017
Accounting profit before income tax	**-22,217**
Calculated 22 % tax on profit for the period	4,888
Difference in the tax rate in foreign subsidiaries relative to 22%	-113
Utilisation of previously unrecognized losses	-42
Tax effect of:	
Other non-deductible expenses	-6,176
	-1,443
Effective tax (%)	-6.5%

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12 Income tax (continued)

Tax on other comprehensive income

	15 May – 31 October 2017		
DKK'000	**Before tax**	**Taxable income/expenses**	**After tax**
Fair value adjustment of interest rate swap	-2,786	613	-2,173
Other adjustments	936	-239	697
Exchange differences on translation of foreign operations	120	0	120
	-1,730	374	1,356

Deferred tax

DKK'000	**31 October 2017**
Deferred tax 17 May	0
Currency translation	0
Deferred tax on acquisition balance	204,638
Deferred tax for the period recognised in profit for the period	-10,194
Deferred tax for the period recognised in other comprehensive income	0
Deferred tax 31 October	194,444
Reflected in the statement of financial position as follows:	
Deferred tax assets	771
Deferred tax liabilities	195,215
Deferred tax 31 October, net	194,444

DKK'000	**31 October 2017**
Deferred tax relates to:	
Intangible assets	168,712
Property, plant and equipment	32,258
Trade and other receivables	1,069
Inventory	-4,058
Borrowings	-447
Provisions and other liabilities	-2,390
Tax losses	-700
	194,444

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12 Income tax (continued)

Tax losses of 700 DKK'000 recognized as deferred tax relates to tax loss to be carried forward from Nissens Cooling System (Tianjin) Co Ltd. The tax losses are expected to be used in the current financial year.

In addition to the tax loss recognized in the balance sheet, the group has total unrecognized tax loss of 3,020 DKK'000 which due to the uncertainty of the future utilization has not been recognized in balance sheet. The tax losses can be carried forward as follow:

DKK'000	31 October 2017
Financial year 2017/18	1,125
Financial year 2018/19	1,428
Unlimited	1,428
Income tax payable 31 October	3,020

The Group has 2 subsidiaries in China for which future dividend payments will be charged an withholding tax in the range 5 – 10%. The potential withholding tax are 1,150 – 2,300 DKK'000.
The withholding tax has not been recognized in the balance sheet as there are no current plans of dividends payments from the subsidiaries in China.

Income tax payable

DKK'000	31 October 2017
Income tax payable 17 May	0
Currency translation	0
Income tax from acquisition balance	35,742
Current tax for the period	11,637
Corporation tax paid during the interim period	-2,771
Income tax payable 31 October	44,608

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13 Intangible assets

DKK'000	Goodwill	Brand	Acquired intangible assets	Rights	Development in progress	Total
Cost 17 May 2017	0	0	0	0	0	0
Additions from acquisition	936,577	331,721	452,969	3,701	0	1,724,968
Addition	0	0	0	1,835	295	2,130
Transferred	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Cost 31 October 2017	936,577	331,721	452,969	5,536	295	1,727,098
Amortisation and impairment 17 May 2017	0	0	0	0	0	0
Amortisation	0	7,371	15,102	1,044	0	23,517
Impairment	0	0	0	0	0	0
Amortisation and impairment 31 October 2017	0	7,371	15,102	1,044	0	23,517
Carrying amount 31 October 2017	936,577	324,350	437,867	4,492	295	1,703,581
Of which are finance lease assets	0	0	0	0	0	0

Acquired intangible assets consists primarily of customers and technology/know-how with carrying amounts of 256.0 MDKK and 181.9 MDKK respectively and with remaining lives of 9.5 years.

Total costs related to R&D activities amount to 8.6 MDKK for the period 1 July – 31 October 2017 of which 0.3 MDKK have been capitalized as intangible assets.

14 Impairment test

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill from acquisition of K. Nissen International A/S is by the management monitored at segment level and therefore allocated to the two segments Automotive and Cooling Solutions.

All individual assets or cash-generating units are tested for impairment in circumstances in which indicators of impairment are identified and therefore, the carrying amount may not be recoverable.

The carrying amount of goodwill is related to the two segments as follows:

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14 Impairment test (continued)

DKK'000	Goodwill	Share
Automotive	572,309	61%
Cooling Solution	364,268	39%
Total	936,577	100%

As of 31 October 2017 there has not been made any impairment test of goodwill allocated to Automotive as there has not been such impairment indicators during the period. For goodwill allocated to the Cooling Solution segment impairment test has been carried out as the price reductions announced by the Wind Industry in the period 1 July – 31 October 2017 is expected to have a future impact on the segment's financial performance.

The recoverable amount is based on value in use, which is calculated by means of expected net cash-flows on the basis of forecasts for 2017/18 – 2021/22 approved by the Executive Board.

The forecast for 2017/18 - 2021/22 is based on the expected market developments including growth in wind market and expected price levels. The discounts rates applied are in line with the discount rates applied on the purchase price allocation as of 30 June 2017. No impairment has been recognised as the impairment test indicates a headroom in the range 25 MDKK – 35 MDKK between calculated value and the carrying amount of net assets in the Cooling Solution segment. Amongst others the Automotive sales volume is driven by development in the car park in markets where Nissens is present. Amongst others Cooling Solutions sales volume is driven by the performance of the global Wind industry and the general macro economics.

The key assumptions underlying the calculation of recoverable amounts and the tolerable sensitivities heron are:

Cooling Solution	Used	Sensitivity
Growth rates 2017/18 – 2021/22	10,8%	1.0%
Growth rate in terminal period	2.0%	0.3%
Discount rate (WACC)	10.0%	0.2%

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15 Property, plant and equipment

DKK'000	Construction in progress	Land and buildings	Plant and machinery	Other fixtures and fittings	Total
Cost 17 May 2017	0	0	0	0	0
Additions from acquisition	5,301	273,978	80,607	4,977	364,863
Additions	1,111	7,627	3,657	602	12,997
Transferred	-3,971	0	3,971	0	0
Disposals	0	-7	-60	-133	-200
Cost 31 October 2017	2,441	281,598	88,175	5,446	377,660
Depreciation and impairment 17 May 2017	0	0	0	0	0
Depreciation	0	4,932	5,746	624	11,302
Impairment	0	0	0	0	0
Depreciation and impairment 31 October 2017	0	4,932	5,746	624	11,302
Carrying amount 31 October 2017	2,441	276,666	82,429	4,822	366,358
Of which are finance lease assets	0	0	0	0	0

16 Inventory

DKK'000	31 October 2017
Raw materials and consumables	84,865
Work in progress	96,700
Finished goods	179,712
	361,277

There has not been identified any needs to increase write-down of goods to net realization value since the acquisitions balance as of 30 June 2017.

17 Trade and other receivables

DKK'000	31 October 2017
Receivables from sales	292,900
Other receivables	19,224
Prepayments	2,873
	314,997

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17 Trade and other receivables (continued)

Ageing of trade receivables are specified as following

DKK'000	31 October 2017
Not due	267,602
Trade receivable overdue by 0 – 30 days	24,565
Trade receivable overdue by 31 - 90 days	733
	292,900

Provision for bad debts are specified as following

DKK'000	31 October 2017
17 May 2017	0
Addition in period	416
Utilised	0
	416

18 Equity

Capital management

On a regularly basis, the Executive Board assesses whether the Group has an adequate capital structure, just as the board of Directors regularly evaluates whether the Groups capital structure is in line with the best interests of the Group and its stakeholders.

The current capital structure was implemented to support the acquisition of K. Nissen International A/S in June 2017 and the Management's assessment is that the current capital structure is sufficient to support the Group's strategy plans. According to the current policy, the group does not distribute dividend.

		Issued shares
	Number	Nominal value
DKK'000	31 October 2017	31 October 2017
17 May	50,000	50,000
Additions	12,306,875	12,306,875
31 October – fully paid	12,356,875	12,356,875

The share capital consists of 12,356,875 shares with a nominal value of 1 DKK each. None of the shares are assigned with special rights.

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19 Provisions

DKK'000	Warranties and returns	Other
At 17 May 2017	0	0
Provision from acquisition balance	5,652	5,214
Arising during the period	2,192	0
Utilised	-1,856	0
At 31 October 2017	5,988	5,214
Current	5,988	0
Non-current	0	5,214

Provision

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

20 Borrowings

Long-term debt liabilities is due as follows:

DKK'000	31 October 2017
0-1 year	0
1-5 year	949,472
>5 years	153,529
	1,103,001

Debt liabilities included in the balance sheet include borrowing expenses, amortised over the maturity of the loan by 29.4 MDKK.

DKK'000	Average interest	Currency	Interest period	Balance
Mortage	1.7%	DKK	3 month	162,594
Bond loan	5.0%	EUR	3 month	940,407

Notes

21 Trade and other payables

DKK'000	31 October 2017
Trade payables	157,056
VAT payables	4,598
Holiday pay payable and other employee related costs	52,073
Market value of interest rate swap	2,786
Other payable expenses	85,238
	301,751

Reconciliation of movements in cash flows to changes in financing liabilities

DKK'000	17 May 2017			Non-cash changes		31 October 2017
		Acquisition	Cash flows	Foreign exchange movement	Fair value changes and amortisation	
Borrowings	0	-166,266	934,813	-977	-945	-1,103,001
Total liabilities from financing activities	**0**	**-166,266**	**934,813**	**-977**	**-945**	**-1,103,001**

22 Change in working capital

DKK'000	31 October 2017
Change in inventory	26,937
Change in receivables	103,088
Change in trade payables etc,	-83,857
	46,168

23 Business combinations

Acquisition of K. Nissen International A/S

On 30 June 2017, the Group acquired 100% of the shares of K. Nissen International A/S, an unlisted company based in Denmark. The Nissens Group 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.

The Group has incurred transaction costs of approximately DKK 25 million in connection with the acquisition for legal, financial and commercial advisors. The costs have been recognised as special items cf. note 7.

Nissens has been included in the consolidated financial statements from the date of acquisition, 1 July 2017.

Assets acquired and liabilities assumed

The provisional fair values of the identifiable assets and liabilities of K. Nissen International A/S as at the date of acquisition were:

DKK'000	**Fair value at acquisition**
Assets	
Intangible assets cf. note 13	1,724,968
Plant, Property and Equipment cf. note 15	364,863
Financial assets	1,755
Inventory	388,215
Receivables from trade etc.	418,054
Cash	64,020
	2,961,875
Liabilities	
Provisions incl. deferred tax	-215,454
Mortgage	-166,266
Trade payables etc.	-382,822
Tax payable	-35,742
	-800,284
Total cost price	**2,161,591**
Cash	-64,020
Total cost price, net	**2,097,571**

Acquired receivables include trade receivables of a fair value of 293.2 MDKK. The contractually receivable gross amount is 296.9 MDKK and hence 3.7 MDKK has been assessed as irrecoverable at the date of acquisition. Goodwill relates to e.g. new customers, new technology, market development and work-force.

The total cost price has been settled in cash.

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24 Pledges, collateral, contingencies and commitments

AX V Nissens ApS is jointly taxed with AX V III Nissens ApS, which acts as a management company, and is jointly and liable with several other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends. The liabilities have been estimated at DKK 8.0 MDKK at 31 October 2017.

Until 30 June 2017 K. Nissens International A/S and Nissens A/S was jointly taxed with ANTB Holding ApS. Tax liabilities from the period until 30 June 2017 has been estimated to 39.2 MDKK.

Commitments

The Group has entered into operating leases related to cars, gas plant and computers, with lease terms between 0 and 4 years. Detailed information related to lease agreements is in note 26.

Collateral

Land and buildings with a carrying amount of 195.2 MDKK have been pledged as security for mortgage debt of 162.5 MDKK.

Shares in K. Nissen International A/S, carrying amount 540.8 MDKK and shares in the following subsidiaries of K. Nissen International A/S, Nissens Slovakia S.r.o, carrying amount 152.0 MDKK, Nissens Slovakia North S.r.o, carrying amount 0.2 MDKK, Nissens North America Inc. carrying amount 16.2 MDKK Nissens A/S , carrying amount 377.1 MDKK and the subsidiary of Nissens A/S, Nissens UK ltd, carrying amount 5.2 MDKK have been pledged as security for bond debts of 130 MEUR.

25 Financial risk and financial instruments

Risk management policy

The Group's principal financial liabilities, other than trade payables, are mortgage and bond-loan. The main purpose of these financial liabilities are to finance the Group's operations and acquisitions of assets. The Group's principal financial assets include account receivables. The Group also enters into derivative transactions. Financial instruments applied by the Group include forward contracts on exchange rate exposes and interest hedge.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risks such as equity price risk and commodity price risk. The Group apply the following derivative financial instruments to mitigate market risks, interest rate swaps and forward contracts.

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25 Financial risk and financial instruments (continued)

Currency risk
The majority of Nissens' activities implies currency risks in connection with purchase and sales of goods and services in foreign currencies. The largest exposure for purchase are CNY, EUR and USD whereas largest invoicing currencies are EUR, PLN, USD and GBP. Currency risks are handled within the limitations of the policy approved by the board of directors. The policy does not set rules for the share of the expected future cash-flow which should be secured by financial instruments. According to the policy no more than six months' expected cash-flow should be secured by financial instruments.

Hedge accounting is not applied. All changes in financial instruments are recognized as financial income or financial expenses in the income statement.

At this balance sheet date, the Group has the following exposures towards net-monetary positions on current receivables and total liabilities.

	Change in rate	**P/L effect (MDKK)**
EUR - bond loan	0,10%	-1,0
EUR – current receivables and current liabilities	0,10%	0,1
PLN	5,00%	0,5
GBP	5,00%	0,5
USD	5,00%	1,3
CNY	5,00%	-1,3

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in the market interest rates relates primarily to the Group's mortgage and bond-loan.

An increase in the interest rate by 1 percentage in comparison to the interest rate at the balance sheet date would, all other things equal, affect the Group's profit or loss by -1.8MDKK and equity after tax by DKK -1.4 MDKK.

Pricing risk

The Group is affected by the volatility of primary aluminum prices. The outlook for aluminum prices are continuously monitored and decisions on securing expected consumption is based in accordance with policies hereon. Annual consumption of aluminum is approx. 6,000 ton. A change in LME of 1% will affect the Group's profit or loss by 0.7 MDKK.

Consolidated interim financial statements

Notes

25 **Financial risk and financial instruments (continued)**

Liquidity risk

The purpose of the Group's cash management is to ensure that the Group at all times has sufficient and flexible financial resources at its disposal and is able to honour its obligations when due. The Group's liquidity reserves consist of credit balance and fixed overdraft facilities.

Loan facilities

Besides net cash of DKK 115 MDKK the Group has undrawn credit facilities of 125 MDKK at 31 October 2017.

In addition to the credit facilities the Group has the following loans:

Maturity analysis

DKK'000	Contractual cash flow	< 1 year	1 - 3 years	3 to 5 years	>5 years
Bond loan (130 MEUR)	1,178,220	45,185	90,370	1,042,665	0
Mortgage loan	212,789	3,314	6,368	18,156	184,951
Trade payables	157,056	242,294	0	0	0
31 October 2017	1,548,065	290,793	96,738	1,060,821	184,951

The contractual cash flows are based on the non-discounted cash flows including down-payments and calculated interests based on current interest rates.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Group is exposed to credit risk from its trade receivables and from its financing activities, including deposits with banks and financial institutions (to the extent the balance is in surplus of the Group), foreign exchange transactions and other financial instruments. The credit risk incurred from trade receivables is generally managed by continuous credit evaluation of the customers and trading partners. In addition, credit risks on counterparties other than banks are minimized through the use of prepayments and credit insurance. Historically losses on receivables are at a low level.

The maximum credit risk related to trade receivables equals the carrying amount of the trade receivables.

Consolidated interim financial statements

Notes

25 Financial risk and financial instruments (continued)

Financial instruments

To minimize the interest expose on the bond loan the Group has entered into a cap on the interest rate on Bond loan. The interest cap of 5.0% is a 4-year agreement with maturity date 29 September 2021 and covers the full interest position on the 130 MEUR bond loan.

The fair value adjustment has been included under “other comprehensive income” in the Equity.

Categories of financial instruments

	Carrying amount	Fair value
DKK’000	**31 October 2017**	**31 October 2017**
Financial liabilities at fair value-derivative instruments		
Trade receivables, cash and cash equivalents	407,695	407,695
Borrowings, trade and other payables	-1,289,438	-1,289,438
Derivative financial instruments	-2,786	-2,786
	-884,529	-884,529

Fair value hierarchy of financial instruments measured at fair value

31 October 2017

DKK’000	Quoted prices (Level 1)	Observable input (Level 2)	Total
Derivative financial instruments	0	2,786	2,786
Financial liabilities	0	2,786	2,786

Methods and assumptions for calculating fair value

The determined fair value of derivative financial instruments is based on observable market data such as yield curves or forward rates.

Consolidated interim financial statements

Notes

26 Leases

Operational leases

The Group leases premises, cars, fork-lifts and gas plant under operating leases. The leasing period is typically between one and five years with the possibility of extending the contracts.

Non-cancellable operating leases are as follows:

DKK'000	31 October 2017
0-1 years	10,508
1-5 years	7,219
> 5 years	1,690
	19,417

At 31 October 2017 there has been recognised 5,437 DKK'000 in the income statement in regard to operating leases.

27 Related party disclosures

AX V Nissens ApS' related parties include the following:

Name	Registered office	Basis for controlling influence	Indirect share of votes
Axcel V K/S	Copenhagen	Participating interest	73.4%
Advanced Cooling A/S	Horsens	Participating interest	21.7%
Shareholder Alan Nissen	Horsens	Participating interest in Advanced Cooling A/S	
AX V Nissens III ApS	Horsens	Participating interest	73.4%
AX V Nissens II ApS	Horsens	Participating interest	100.0%
AX V Nissens I ApS	Horsens	Participating interest	100.0%

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

There has been paid wages and salaries to Board of Directors and the Executive Board as given in note 4. The Board of Directors has participated in capital increase in AX V Nissens II ApS.

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

Notes

28 Events after the reporting period

After the balance sheet date, no events have occurred that may have influence on the assessment of the interim financial statement for the period 17 May – 31 October 2017.

29 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plans to adopt the new standard on the required effective date and will not restate comparative information. Management has made an analysis of the impact of IFRS 9 and it is the expectation that the implementation will only have limited impact on the Group's financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group plans to adopt the new standard on the required effective date using the full retrospective method.

Management has made an analysis of the impact of IFRS 15 and it is the expectation that the only potential change will be to account for certain warranties as a separate performance obligation. However, further analysis has to be conducted to finally conclude before implementation.

IFRS 16 Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17.

29 Standards issued but not yet effective (continued)

The standard includes two recognition exemptions for lessees ‐ leases of 'low-value' assets (e.g. personal computers) and short-term leases (i.e. leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15.

A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

In 2018, the Group will continue to assess the potential effect of IFRS 16 on its consolidated financial statements.

Parent interim financial statements

Income statement

For the period 17 May - 31 October 2017

Note	DKK'000	17 May – 31 October 2017
	Other external costs	-336
	Operating loss before special items	-336
4	Special items	-941
	Operating loss after special items	-1,277
5	Net finance costs	-20,362
	Loss before tax	-21,639
6	Tax	4,747
	Loss for the period	-16,892

Parent interim financial statements

Statement of other comprehensive income

For the period ended 31 October 2017

Note	DKK'000	17 May – 31 October 2017
	Loss for the period	**-16,892**
	Other comprehensive income	
	Other comprehensive income to be reclassified to profit or loss in subsequent periods:	
	Other comprehensive income regarding market value of interest rate swap	-2,786
6	Income tax effect	613
	Other comprehensive loss for the period, net of tax	**-2,173**
	Total comprehensive income	**-19,065**

Parent interim financial statements

Balance sheet

Note	DKK'000	31 October 2017
	ASSETS	
	Non-current assets	
7	Investments in subsidiaries and associates	2,186,419
	Total non-current assets	**2,186,491**
	Current assets	
	Income tax receivable	5,360
	Cash and cash equivalents	21,556
	Total current assets	**26,916**
	TOTAL ASSETS	**2,213,335**
	EQUITY AND LIABILITIES	
	Equity	
8	Share capital	12,357
	Retained earnings	1,199,315
	Total equity	**1,211,672**
	Non-current liabilities	
9	Borrowings	940,407
	Total non-current liabilities	**940,407**
	Current liabilities	
9	Debt subsidiaries	55,860
9	Other debt	5,396
	Total current liabilities	**17,756**
	Total liabilities	**958,164**
	TOTAL EQUITY AND LIABILITIES	**2,213,335**

Parent interim financial statements

Cash flow statement

For the period 17 May - 31 October 2017

Note	DKK'000	2017
	Operating activities	
	Profit before tax	-21,639
5	Finance expenses	20,362
10	Changes in working capital	2,610
		1,333
6	Income tax paid/received	0
	Net cash flows from operating activities	**1,333**
	Investing activities	
7	Investments in subsidiaries and associates	-2,186,419
	Net cash flows used in investing activities	**-2,186,419**
	Financing activities	
	Capital injection and capital increases	1,230,737
9	Proceeds from borrowings	937,505
	Interest paid	-17,460
9	Debt subsidiaries	55,860
	Net cash flows from financing activities	**2,206,642**
	Cash flow for the period	21,556
	Net increase in cash and cash equivalent	0
	Cash and cash equivalents at 31 October	**21,556**

Parent interim financial statements

Statement of changes in equity

For the period ended 31 October 2017

DKK'000	Share capital	Share premium	Retained earnings	Total
Equity 17 May 2017	0	0	0	0
Total comprehensive income 31 October 2017				
Profit for the period	0	0	-16,892	-16,892
Other comprehensive income				
Fair value adjustment	0	0	-2,786	-2,786
Tax on other comprehensive income	0	0	613	613
Total other comprehensive income	0	0	-2,173	-2,173
Total comprehensive income for the period	0	0	-19,065	-19,065
Transactions with owners				
Capital injection	50	0	0	50
Capital increase	12,307	1,218,380	0	1,230,687
Transfer	0	-1,218,380	1,218,380	0
Dividends paid	0		0	0
Total transactions with owners	12,357	0	1,218,380	1,230,737
Equity 31 October 2017	**12,357**	**0**	**1,199,315**	**1,211,672**

Parent interim financial statements

Overview of notes for the consolidated financial statements

Note	
1	Accounting policies
2	Significant accounting judgements, estimates and assumptions
3	Staff costs
4	Special items
5	Net finance costs
6	Income tax
7	Investments in subsidiaries and associates
8	Equity
9	Borrowings
10	Change in working capital
11	Pledges, collateral and contingencies etc.
12	Financial risk and financial instruments
13	Related party disclosures
14	Events after the reporting period
15	Standards issued but not yet effective

Parent interim financial statements

Notes

1 **Accounting policies**

For the accounting policies, please refer to the consolidated financial statement's accounting policies on page 14.

Investments in subsidiaries

Dividends on investments in subsidiaries are recognised in the income statement of the Parent Company in the financial year in which the dividend is declared.

Investments in subsidiaries are measured at lower of cost and recoverable amount.

2 **Significant accounting judgements, estimates and assumptions**

For the significant accounting judgements, estimates and assumptions, please refer to the consolidated financial statement's accounting policies in note 2.

3 **Staff costs**

AX V Nissens do not have any staff costs in the current financial period.

AX V Nissens have an average of full time employees of 0.

4 **Special items**

DKK'000	17 May – 31 October 2017
Costs related to transformation of Group accounts into IFRS.	941
	941

5 **Net finance costs**

DKK'000	17 May – 31 October 2017
Interests – borrowings	17,460
Amortisation establishment costs borrowings	1,925
Foreign exchange losses - bond	975
Other finance costs	2
Total finance expenses	20,362

Parent interim financial statements

Notes

6 Income tax

Income statement

DKK'000	17 May – 31 October 2017
Current income tax	
Current income tax charge	4,747
	4,747

	17 May – 31 October 2017
Accounting profit before income tax	**-21,639**
Calculated 22 % tax on profit for the period	4,761
Tax effect of:	
Non-taxable income	-14
	4,747
Effective tax (%)	21.9 %
Tax on profit for the period can be explained as follows:	

Tax on other comprehensive income

	For the period ended 31 October 2017		
DKK'000	Before tax	Taxable income/expenses	After tax
Fair value adjustment	-2,785	613	-2,173
	-2,785	**613**	**-2,173**

Income tax receivable

	31 October 2017
Income tax payable 17 May	0
Tax on other comprehensive income	613
Current tax for the period	4,747
Income tax receivable 31 October	**5,360**

Parent interim financial statements

Notes

7 Investments in subsidiaries

DKK'000	31 October 2017
Cost 17 May	0
Additions	2,186,419
Cost 31 October	2,186,419
Carrying amount 31 October	2,186,419

For the information about subsidiaries, please refer to note 9 in the consolidated financial statements.

8 Equity

The share capital consist of 12,356,875 shares with a nominal value of 1 DKK each. None of the shares are assigned with special rights.

9 Borrowings

Long-term debt liabilities is due as follows:

DKK'000	31 October 2017
0-1 year	0
1-5 year	940.407
>5 years	0
	940.407

Reconciliation of movements in cash flows to changes in financing liabilities

DKK'000	17 May 2017	Non-cash changes			31 October 2017
		Cash flow	Foreign exchange movement	Fair value changes and amortisation	
Borrowings	0	937,505	-977	-1,925	-940,407
Debt subsidiaries	0	55,860	0	0	-55,860
Total liabilities from financing activities	**0**	**993,365**	**-977**	**-4,711**	**-996,267**

Parent interim financial statements

Notes

10 Change in working capital

DKK'000	31 October 2017
Change in trade payables etc.	2,610
	2,610

11 Pledges, collateral, contingencies and commitments.

For information on the pledges, collateral contingencies and commitments, please refer to note 24 in the consolidated financial statements.

12 Financial risks and financial instruments

The financial risks and financial instruments of AX V Nissens ApS relate to the bond loan of 130 MEUR bond loan and the related interest cap of 5% as described in note 25 in the consolidated financial statements. Please refer to this note for further information on financial risks and financial instruments.

13 Related party disclosures

Besides the information on related parties, cf. note 27 in the consolidated financial statements there have been inter-company balances between the parent and K. Nissen International A/S. Interests are charged on market terms.

14 Events after the reporting period

For information on events after the reporting period, please refer to note 28 in the consolidated financial statements.

15 Standards issued, but not yet effective

For the note on standards issued, but not yet effective, please refer to note 29 in the consolidated financial statements.

Appendix 2

K. Nissen International A/S

Ormhøjgårdvej 9, 8700 Horsens

CVR no. 70 60 69 17

Consolidated interim financial statements

1 May 2017 - 31 October 2017

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Statement by Management on the condensed interim financial statements

Today, the Board of Directors and the Executive Board have discussed and approved the condensed interim financial statements of K. Nissen International A/S for the period 1 May – 31 October 2017.

The condensed interim financial statements has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 October 2017 and of the results of the Company's operations and cash flows for the period 1 May – 31 October 2017.

Horsens, 7 December 2017
Executive Board:

Mikkel Krogslund Andersen
CEO

Board of Directors:

Niels Jacobsen
Chairman

Lars Cordt
Vice Chairman

Alan Nissen

Søren Klarskov Vilby

Christian Frigast

Marc de Jong

Manfred Wolf

Independent auditor's report

To the shareholders of K. Nissen International A/S

We have reviewed the condensed interim financial statements of K. Nissen international A/S for the period 1 May – 31 October 2017 comprising condensed income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The condensed interim financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibilities for the condensed interim financial statements

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

Auditor's responsibilities

Our responsibility is to express a conclusion on the condensed interim financial statements. We conducted our review in accordance with the International Standard on Review Engagement of Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements applicable in Denmark.

This requires us to conclude whether anything has come to our attention that causes us to believe that the condensed interim financial statements, taken as a whole, are not prepared, in all material respects, in accordance with the Danish Financial Statements Act. This standard also requires us to comply with ethical requirements.

A review of condensed interim financial statements in accordance with the International Standard on Review of Internal Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures primarily consisting of making enquiries of Management and others within the Company, as appropriate, applying analytical procedures and evaluating the evidence obtained.

The procedures performed in a review are substantially less that those performed in an audit conducted in accordance with the International Standards on Auditing. Accordingly, we do not express an audit opinion on the condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these condensed interim financial statements are not prepared, in all material respects, in accordance with the recognition and measurement provisions of the Danish Financial Statements Act.

Emphasis of matter in the condensed interim financial statements – limitation of use

We draw attention to the fact that the interim financial statements are prepared in order to comply with Management's requirements regarding financial information. Consequently, the interim financial statements may not be suitable for other purposes.

We draw attention to the fact that comparison figures in the consolidated interim financial statements have not been reviewed.

We have not modified our conclusion in respect of this matter.

Kolding, 7 December 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

Financial statements 1 May – 31 October 2017

Income statement

Note	DKKm	2017	2016
	Revenue	911.8	861.1
	Cost of sales	-460.3	-435.0
	Other operating income	4.8	4.3
	External expenses	-140.5	-128.8
	Gross margin	**315.8**	**301.6**
	Staff costs	-193.9	-166.6
	Amortisation/-depreciation and impairment of intangible assets and property, plant and equipment	-13.5	-12.2
	Profit before financials	**108.4**	**122.8**
	Financial income	0.0	0.0
	Financial expenses	-1.9	-3.1
	Profit for the period from ordinary activities before tax	**106.5**	**119.7**
	Realized loss on financial contracts	-43.6	0.0
	Profit for the period before tax	**62.9**	**119.7**
2	Tax for the year	-14.3	-26.9
	Profit/loss for the year	**48.6**	**92.8**

Financial statements 1 May – 31 October 2017

Balance sheet

Note	DKKm	2017	2016
	ASSETS		
	Non-current assets		
	Intangible assets		
	Software	4.5	2.3
		4.5	2.3
	Tangible assets		
	Land and buildings	158.2	137.4
	Plant and machinery	64.1	56.3
	Fixtures and fittings, plant and equipment	4.8	5.2
	Property, plant and equipment in progress	2.4	12.2
		229.5	211.1
	Financial assets		
	Other receivables	1.6	1.4
		1.6	1.4
	Total non-current assets	**235.6**	**214.8**
	Current assets		
	Inventories		
	Raw materials and consumables	84.9	75.7
	Work in progress	95.2	87.4
	Finished goods and goods for resale	180.4	156.0
		360.5	319.1
	Receivables		
	Trade receivables	293.2	279.9
	Deferred tax assets	2.6	3.8
	Receivables from group enterprises	55.9	0
	Other receivables and prepayments	19.5	16.7
		371.2	300.4
	Cash	**93.2**	**152.6**
	Total current assets	**824.9**	**772.1**
	TOTAL ASSETS	**1,060.5**	**986.8**

Financial statements 1 May – 31 October 2017

Balance sheet

Note	DKKm	2017	2016
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	0.7	0.7
	Retained earnings	540.1	465.6
	Dividend proposed for the year	0.0	0.0
	Total equity	**540.8**	**466.3**
	Non-current liabilities		
	Other provisions	11.5	10.9
	Debt to mortgage credit institutions	162.5	165.9
	Total non-current liabilities	**174.0**	**176.8**
	Current liabilities		
	Trade payables	157.1	125.5
	Income taxes	47.9	43.0
	Other payables	140.7	175.2
	Total current liabilities	**345.7**	**343.7**
	Total liabilities	**519.7**	**520.5**
	TOTAL EQUITY AND LIABILITIES	**1,060.5**	**986.8**

Financial statements 1 May – 31 October

Statement of changes in equity

Note	DKKm	Share capital	Retained earnings	Dividend proposed for the year	Total
	Equity at 1 May 2016	0.7	373.4	25.0	399.1
	Exchange rate adjustment	0.0	-1.6	0.0	-1.6
	Other value adjustments of equity	0.0	1.0	0.0	1.0
	Dividend distributed	0.0	0.0	-25.0	-25.0
	Profit for the period	0.0	92.8	0.0	92.8
	Equity at 1 November 2016	0.7	465.6	0.0	466.3
	Exchange rate adjustment	0.0	-1.8	0.0	-1.8
	Other value adjustments of equity	0.0	2.2	0.0	2.2
	Dividend distributed	0.0	0.0	0.0	0
	Profit for the period	0.0	-6.6	50.0	43.4
	Equity at 1 May 2017	0.7	459.4	50.0	510.1
	Exchange rate adjustment	0.0	-1.9	0.0	-1.9
	Adjustment of financial contracts, net	0.0	34.0	0.0	34.0
	Dividend distribution	0.0	0	-50.0	-50.0
	Profit for the period	0.0	48.6	0	48.6
	Equity at 31 October 2017	0.7	540.1	0.0	540.8

Financial statements 1 May – 31 October

Cash flow statement

Note	DKKm	2017	2016
	Profit before net financials	108.4	122.8
	Amortisation/depreciation	13.5	12.2
	Other adjustments of non-cash operating items	-2.0	1.5
	Cash generated from operations before changes in working capital	119.9	136.5
5	Changes in working capital	40.7	96.0
	Cash generated from operations	160.6	232.5
	Interest received	0	0
	Interest paid	-1.9	-3.0
	Income taxes paid	-5.0	-13.0
	Other adjustments from operating activities	0.4	0.0
	Cash flows from operating activities	154.1	216.5
	Acquisition of intangible assets	-3.0	-0.6
	Acquisition of tangible assets	-20.7	-20.9
	Disposal of tangible assets	0.0	1.3
	Acquisition of financial assets	0.0	-0.3
	Other adjustments from investing activities	0.1	0.0
	Cash flows from investing activities	-23.6	-20.5
	Repayment of non-current liabilities	-5,.2	-7.1
	Receivable from group enterprises	-55.9	0
	Proceeds from mortgage loans	8.2	0.0
	Dividend distribution	-50.0	-25.0
	Other adjustments from financing activities	-43.2	0.0
	Cash flows from financing activities	-146.3	-32.1
	Net cash flows	**-15.8**	**163.9**
	Cash and cash equivalents, beginning of year	109.0	-11.3
	Cash and cash equivalents, year-end	**93.2**	**152.6**

Financial statements 1 May – 31 October 2017

Notes

1 **Accounting policies**

The consolidated interim financial statements of K. Nissen International A/S for the period 1 May – 31 October 2017 has been presented according to the internal reporting format to the board of K. Nissen International A/S. The presentation differs from the annual report which is presented in report form, classified by nature.

Otherwise the consolidated interim financial statements are prepared in accordance with the Company's accounting policies as reflected in the Company's most recent financial statements published at www.cvr.dk.

2 **Tax on profit for the period**

Tax on profit for the period has been estimated at the average effective tax percentage according to the Company's most recent financial statements which amounts to 22,0%. The estimated tax is included in the consolidated interim financial statements as current tax.

3 **Contingent liabilities**

The Group has entered into rent and lease agreements with remaining terms of 0-5 years. The total rent and lease liability amounts to DKKm 19.1.

4 **Pledges, collateral, contingencies and commitments**

K. Nissens International A/S is jointly taxed with AX V III Nissens ApS, which acts as a management company, and is jointly and liable with several other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

Until 30 June 2017 K Nissens International A/S and Nissens A/S was jointly taxed with ANTB Holding ApS. Tax liabilities from the period until 30 June 2017 has been estimated to 39.2 MDKK.

Commitments

The Group leases premises, cars, fork-lifts and gas plant under operating leases. The leasing period is typically between 1 and 5 years with the possibility of extending the contracts.

Non-cancellable operating leases are as follows:

DKKm	**31 October 2017**
0-1 years	10.5
1-5 years	7.2
> 5 years	1.7
	19.4

Financial statements 1 May – 31 October 2017

Notes

4 **Pledges, collateral, contingencies and commitments (continued)**

Collateral

Land and buildings have been pledged as security for mortgage debt of DKKm 165.2. Land and buildings have a total carrying amount of DKKm 76.8.

Shares in K Nissen International A/S, carrying amount 540.8 MDKK and share is the following subsidiaries of K Nissen International A/S, Nissens Slovakia S.r.o, carrying amount 152.0 MDKK, Nissens Slovakia North S.r.o, carrying amount 0.2 MDKK, Nissens North America Inc. carrying amount 16.2 MDKK Nissens A/S , carrying amount 377.1 MDKK and the subsidiary of Nissens A/S, Nissens UK ltd, carrying amount 5.2 MDKK has been pledged as security for bond debts of 130 MEUR.

5 Changes in working capital

DKKm	2017	2016
Change in inventories	17.1	8.9
Change in receivables	42.2	67.7
Change in prepayments and trade and other payables	-18.6	19.4
	40.7	96.0