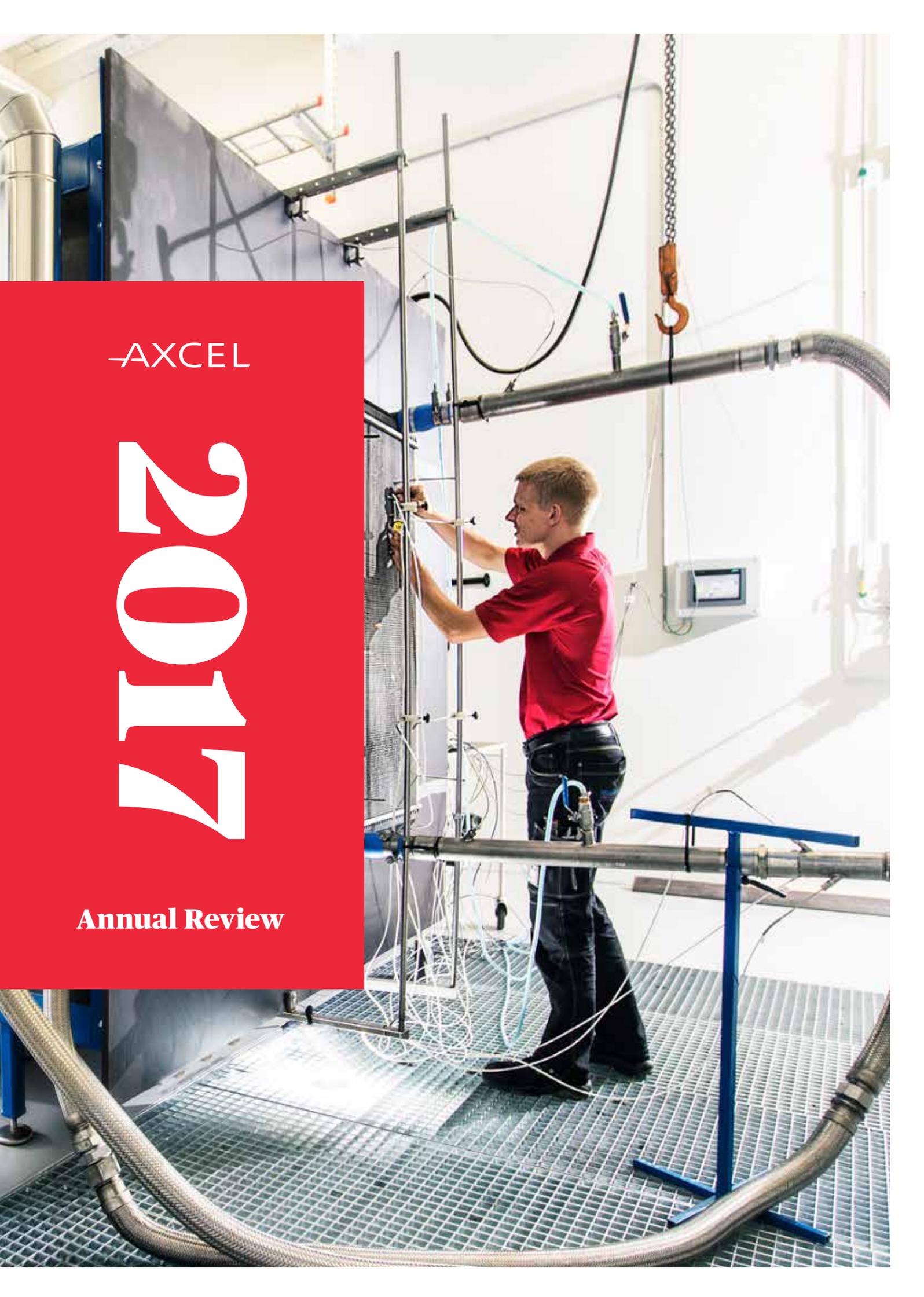


AXCEL

2017

Annual Review







Global cooling specialist  
poised for growth → **12**



Corporate social  
responsibility → **20**



Axcel Company  
Day 2017 → **14**

# Contents

Foreword	<b>04</b>
Investment results for 2017	<b>06</b>
Axcel V raised with total committed capital of DKK 4.6 billion	<b>07</b>
Key figures	<b>08</b>
News 2017/2018	<b>10</b>
Global cooling specialist poised for growth	<b>12</b>
Axcel Company Day 2017	<b>14</b>
Axcelfuture 2017	<b>15</b>
Portfolio	<b>18</b>
Corporate social responsibility	<b>20</b>
Axcel's management and partners	<b>22</b>
Advisory Board for Axcel's funds	<b>24</b>
Axcel's funds and investors	<b>26</b>
Further information about Axcel	<b>28</b>



# **Strong transactions and Axcel V in place**



← From left: Lars Rebien Sørensen, Chairman of the Advisory Board; Christian Frigast, Executive Chairman; and Christian Schmidt-Jacobsen, Managing Partner.

2017 was another busy year for Axcel, with some strong transactions and, above all, the raising of a fifth fund, which was closed in March 2018. Axcel V hit its hard cap of DKK 4.6 billion, making it the largest buyout fund ever raised in Denmark.

The successful launch of Axcel V bears witness to the depth of support for Axcel's investment team and its focused approach to investment and ownership, building on more than 20 years' experience in the Nordic region. The fund has attracted a diverse group of investors, from large institutional investors in the Nordic countries, elsewhere in Europe and the US, to a variety of families, funds and entrepreneurs. With this fifth fund, Axcel has now raised almost DKK 15 billion since it was formed in 1994.

Axcel V operates in a market which has seen record activity levels recently, with a tendency towards higher company valuations. The fund has nevertheless been able to invest in four growth-oriented companies, with the result that around a third of the fund has already been invested.

In May 2017, Axcel V invested in Nissens, a leading global producer and supplier of cooling and climate products for the global automotive aftermarket and cooling systems for the sustainable energy sector. This was followed in October by Mountain Top Industries, which supplies accessories for pick-up trucks from the likes of Ford, Nissan, Renault, VW, Mercedes-Benz and Toyota for factory fitting. February 2018 saw an investment in IsaDora, a producer of cosmetics products for the eyes, complexion, lips and nails sold to around 5,000 stores in 40 countries. Most recently, in April, Axcel has invested in Orion Diagnostica, a producer of point-of-care medical diagnostics solutions.

As can be seen from page 6, Axcel's funds delivered a highly satisfactory investment profit of DKK 650 million in 2017. This was driven by a very successful exit from LESSOR Group by Axcel IV and the revaluation of other investments due to their strong performance.

At the end of the year, Niels B. Christiansen stepped down from Axcel's Advisory Board after 12 years, seven of them as Chairman, in order to reduce his

external commitments after being appointed CEO of LEGO. Axcel has benefited greatly from his commercial insight and international outlook over the years in both new investments and existing companies, and we are delighted that Niels will continue to work with Axcel as an Industrial Adviser.

The new Chairman of the Advisory Board is Lars Rebien Sørensen, who brings with him extensive international experience. He began his career at Novo Nordisk in 1982 and joined its corporate management team in 1994. He was promoted to CEO in 2000, holding the position until 2016, and was named the world's best-performing CEO by *Harvard Business Review* two years in a row. He is currently Vice Chairman of Carlsberg and the Novo Nordisk Foundation, and also sits on a number of other boards in Denmark and abroad.

A number of Axcel's companies made great progress in 2017 due to operational improvements, aided to some extent by strong global economic growth and continued low interest rates, which have benefited the Nordic economies. A number of add-on investments were also made during the year to help propel portfolio companies towards market leadership.

Activity in the M&A market was high once again, although the number of transactions in the Nordic region was slightly down on the previous year. 2018 has kicked off with further high levels of activity, and these are expected to last all year.

Axcel aims to continue to generate competitive returns on the strength of our unique approach to active ownership. Uncertainty about global growth prospects has, however, been exacerbated by growing protectionist tendencies globally which may impact to some extent on European companies' market opportunities. For this reason, Axcel's future will partly be focusing this year on how changes to global trading patterns could affect companies.

# Investment results for 2017

Axcel III, IV and V generated an investment profit of DKK 650 million in 2017, a very satisfactory performance.

The profit for 2017 stems from Axcel IV and is due primarily to a successful exit from LESSOR Group and further progress at Conscia, Frontmatec and Danish Ship Finance. Axcel V did not contribute to the profit for the year because the fund only started up in April 2017 and its companies are still carried at cost.

Thanks to these results, Axcel IV remains one of the top-performing Nordic funds raised in 2010/11.

## The year's transactions

Axcel acquired two companies in 2017, Nissens and Mountain Top Industries, both of them Danish and both through Axcel V.

Nissens, a developer, manufacturer and supplier of cooling solutions for the global automotive and wind power industries, was acquired in June 2017 in partnership with four of the investors in Axcel's funds.

Mountain Top Industries, one of the world's leading producers of accessories for pick-up trucks, followed in November.

These high activity levels have continued into 2018, with Axcel V investing in Swedish cosmetics company IsaDora in February and Finnish diagnostics specialist Orion Diagnostica in April.

All of these investments have got off to a good start and are making satisfactory progress. In line with Axcel's focus, three of these four investments were made in partnership with the families that owned the companies, with the vendors reinvesting in substantial holdings alongside Axcel as principal shareholder.

The companies in Axcel IV have also made a number of add-on investments during the period: Conscia invested heavily in the acquisition of Dutch company Vosko, Delete acquired UEP, and Frontmatec invested in UK company Accles & Shelvoke and China's Jining Xinglong Food Machinery Manufacturing Co. at the beginning of 2018.

Axcel IV's remaining shares in Nordic Waterproofing were sold in February 2017. Otherwise, there were no exits during the year. At the beginning of 2018, Axcel IV sold LESSOR Group to US-based payroll services company Paychex, and Axcel III sold Driconeq to Irish company Mincon.

This leaves Axcel's funds with holdings in 11 companies with combined revenue of more than DKK 9.5 billion and around 6,000 employees.

## Overview of Axcel's investments

Since 1994, Axcel has raised five funds with total committed capital of some DKK 14.7 billion. These have made 50 platform investments in Nordic companies, together with almost 100 add-on investments, and exited 39 of these.

A total of DKK 26.0 billion has been paid out to investors, and the remaining portfolio companies are valued at DKK 4.0 billion. Thus Axcel has multiplied investors' invested capital of DKK 9.9 billion by a factor of 3.0 over its lifetime.

## Axcel's investment profit

(DKKm)	2013	2014	2015	2016	2017
Axcel III	4,509	1,743	3	-17	1
Axcel IV	146	134	153	706	649
Axcel V					0
<b>Total</b>	<b>4,655</b>	<b>1,877</b>	<b>156</b>	<b>689</b>	<b>650</b>

## Axcel's investments and value of invested capital

(DKKm)	Axcel III	Axcel IV	Axcel V	Total
Invested capital	2,696	3,500	706	6,902
Proceeds from invested capital	18,484	2,046	0	20,530
Valuation of companies	28	3,250	706	3,984
Value of invested capital	18,512	5,296	706	24,514
Return multiple	6.9	1.5	-	-

# Axcel V raised with total committed capital of DKK 4.6 billion

Axcel has finished raising its fifth fund, hitting its hard cap of DKK 4.6 billion thanks to strong backing from both existing investors and a wide range of new investors from the Nordic region, the rest of Europe and the US.

The successful launch of Axcel V bears witness to the depth of support for Axcel's focused approach to investment and ownership, which builds on more than 20 years' experience in the Nordic region.

A long track record of good results and a strong network made it possible to attract a diverse group of investors to Axcel V, from large institutional investors in the Nordic countries, elsewhere in Europe and the US, to a variety of families, funds and entrepreneurs.

Axcel's unique investment approach is about identifying where value can be created, so paving the way for a clear focus in the business. Like its predecessor, Axcel V will invest in leading medium-sized companies in Denmark and the other Nordic countries with considerable development potential. Axcel has built up an extensive industrial network over the years, creating unique opportunities to invest in growth-oriented companies.

**“I'm delighted that we've not only had such strong support from our longstanding investors, but also attracted brand-new investors both in Denmark and abroad. As a result, Axcel V hit its hard cap of DKK 4.6 billion, making it our largest fund yet and DKK 1 billion bigger than Axcel IV.”**

Christian Frigast  
*Executive Chairman, Axcel*

These might be family-owned businesses needing a partner to implement a new growth strategy, local players looking to expand abroad, or companies wanting to focus or grow their core business. Following this strategy, Axcel's funds have now made 50 platform investments, together with almost 100 add-on investments, and exited 39 of these.

Axcel V is registered in Denmark and has been authorised as an alternative investment fund by the Danish regulator Finanstilsynet.



**“We encountered keen interest in our new fund, which appealed to investors with its focused strategy in a market teeming with exciting investment opportunities. We look forward now to continuing to create value for our investors.”**

Christian Schmidt-Jacobsen  
*Managing Partner, Axcel*



**“Axcel has delivered strong returns over a long period and has an extensive industrial network in Denmark and the other Nordic countries. For that reason, we were very happy to invest in Axcel V.”**

Jesper Langmack  
*CIO Equities and Alternatives, Danica Pension*



**“Axcel operates in a market where we see great potential for further growth, and as we also have great faith in Axcel's experienced investment team, we were pleased to come on board in Axcel V.”**

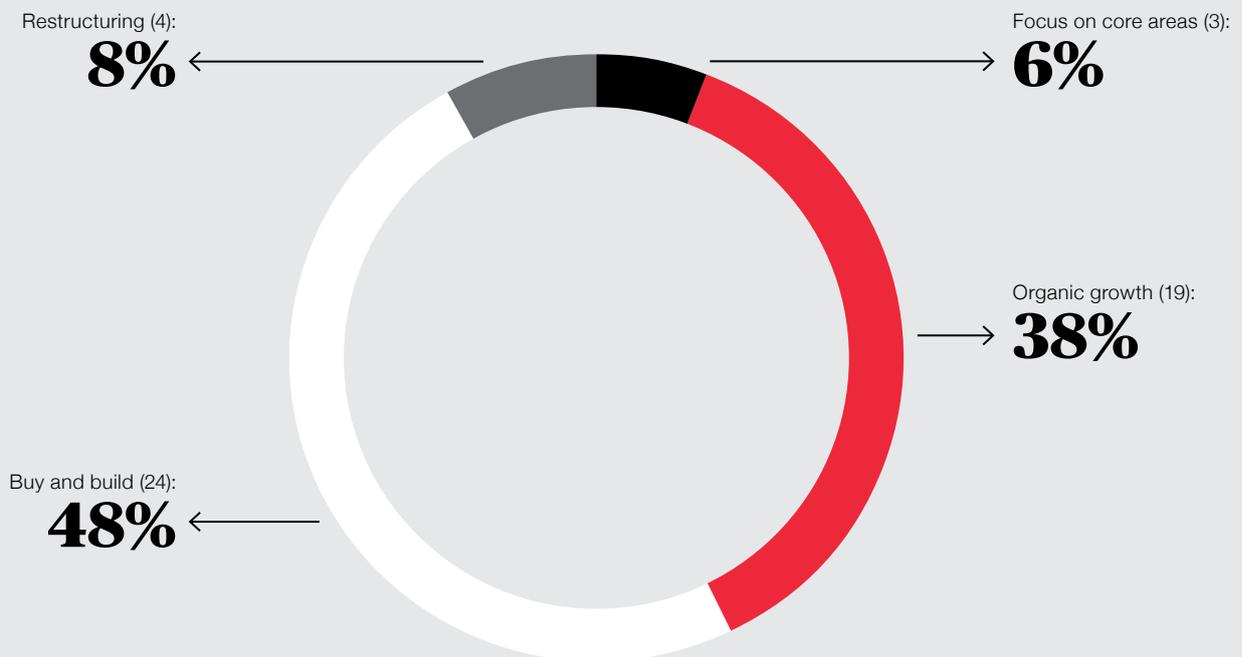
Ulrik Spork  
*Chairman, Dansk Vækstkapital II*

# Axcel's key figures

The charts below show the environment in which Axcel works, the 50 companies in which we have invested, what their strategies are, and how long Axcel has owned the companies.

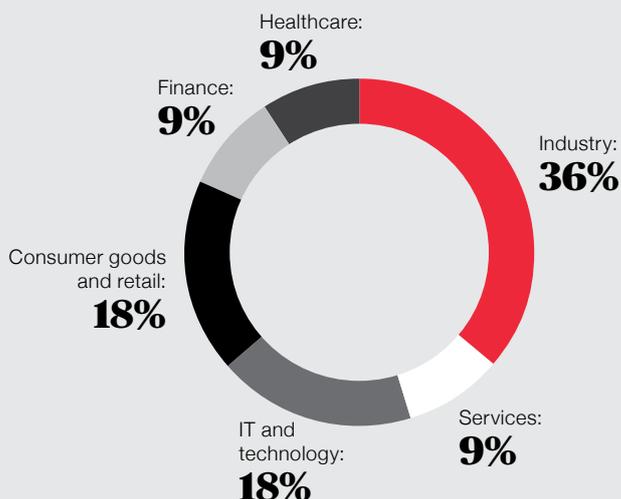
## Axcel's strategies for value creation

Half of Axcel's investments are buy-and-build cases, where value is created through a combination of organic growth, acquisitions and realisation of synergies.



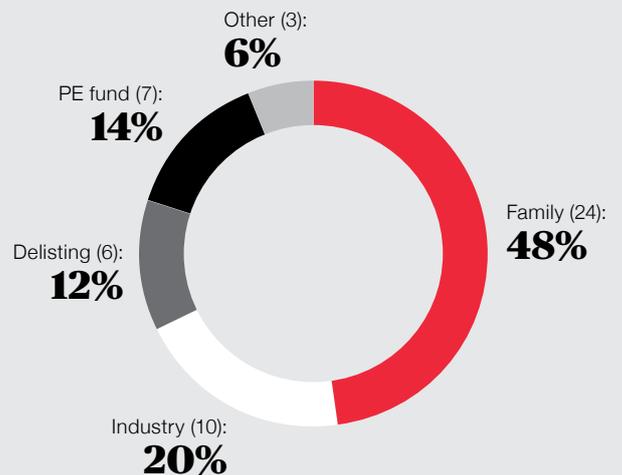
## Axcel's companies by sector

Axcel has mainly acquired companies within manufacturing and business services.



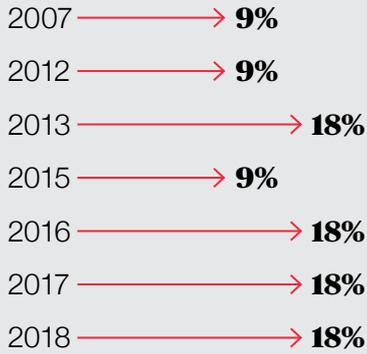
## Who Axcel acquired its companies from

Axcel has mainly acquired its companies from families.



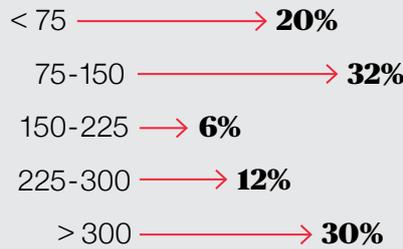
### Axcel's existing investments by year of investment

The majority of Axcel's 11 companies have been acquired since 2013.



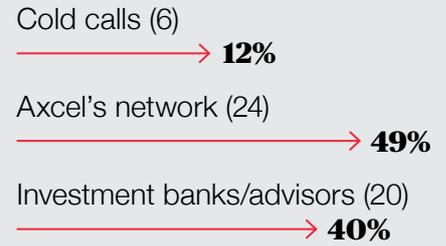
### Axcel's investments by size (equity in DKKm)

Axcel invests primarily in medium-sized Danish and Swedish companies. The values in the chart are the size of Axcel's equity investment.



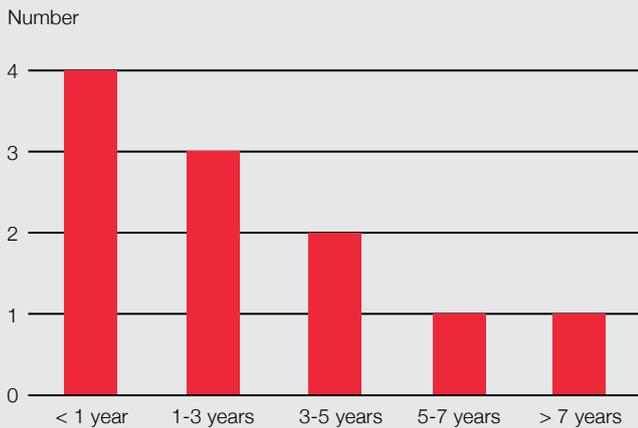
### Axcel's acquisitions

Acquisitions are generated to a great extent through Axcel's network, but also through cold calls, investment banks and advisors.



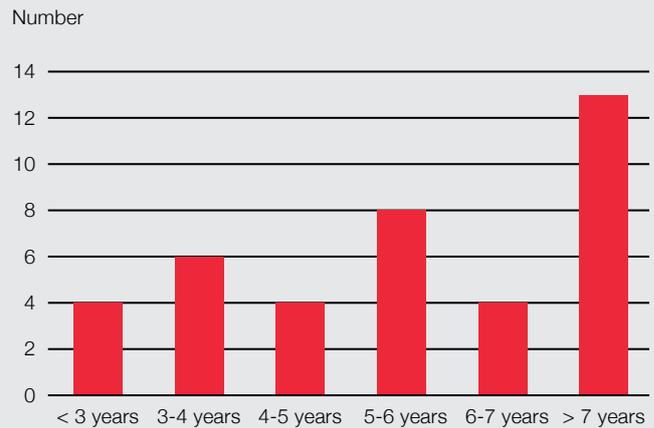
### Existing companies by length of ownership

The majority of Axcel's 11 existing companies have been owned for less than five years.



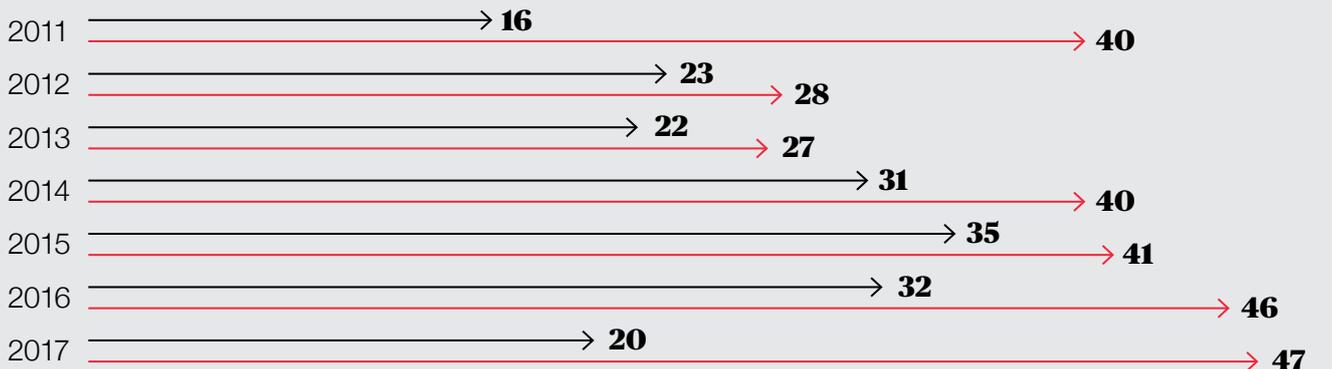
### Exits – how long Axcel held the companies

Axcel has sold a total of 39 companies, the majority of which were owned for at least five years.



### Danish and Swedish buyouts in Axcel's segment

Axcel's segment is defined as transactions involving a private equity fund, where the company acquired has revenue above DKK 100m.



## The year's exits



MARCH 2018

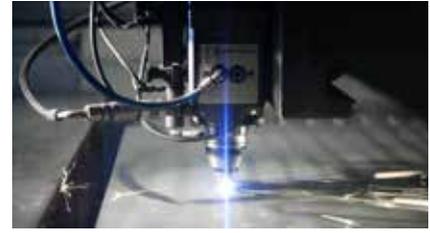
**Driconeq** Mining and drilling equipment producer Driconeq was sold after more than a decade of ownership to Mincon Group PLC, an Irish engineering group specialising in the design, production, sale and servicing of drilling equipment and accessories. Driconeq is the tenth company to be sold by Axcel III.



MARCH 2018

**LESSOR Group** After 17 months' intensive ownership, payroll and HCM technology specialist LESSOR Group was sold to US company Paychex, Inc., a leading supplier of integrated HR management tools to small and medium-sized enterprises. Under Axcel's stewardship, LESSOR markedly increased its revenue and earnings and now has more than 40,000 clients in Denmark, Sweden, Norway and Germany. The acquisition of LESSOR gives Paychex a strong foothold in the European market.

## The year's acquisitions



JUNE 2017

**Nissens** Axcel acquired Nissens, a leading supplier of cooling solutions, after almost a century of family ownership. The company has two business units: Nissens Automotive, which develops, manufactures and sells cooling and climate products for the global automotive aftermarket, and Nissens Cooling Solutions, which designs, manufactures and sells custom cooling components, systems and modules for the wind turbine industry and the industrial sector, including the defence, mining and civil engineering industries. The group has more than 1,300 employees worldwide, with sales and production facilities across three continents.

## The year's add-ons

### Conscia

LEVEL 8, FEBRUARY 2017

Level 8 is a Cisco Premier Partner and focuses on delivering secure network solutions to a wide range of public and private entities. Its 20 employees, based mainly in Aarhus, will be fully integrated into Conscia.

CLOUD PARTNERS, APRIL 2017

Cloud Partners (formerly Dashsoft) is an Amazon Advanced Partner and Reseller with 11 certifications and 21 accreditations, and was among the first to gain experience of AWS.

VOSKO, JUNE 2017

Vosko is a Cisco Gold Partner in the Netherlands with more than 130 employees. It is a full-service supplier of enterprise networking, unified communications, security, data centres and managed services. The acquisition gives Conscia a strong position in the Dutch market and additional expertise in vertical markets such as health care, central government and higher education.

### Delete Group

VARIOUS, DECEMBER 2017

The acquisition of industrial cleaning and sewer service companies Uudenmaan Erikoispuhdistus Oy, T&K Karppanen Oy and Kaivopumppu M Kulmala Oy strengthens Delete's position as a leading supplier of environmental

services in the Nordic countries. The three companies have strong regional positions in Finland and an extensive fleet of machinery.

YKKÖSPURKU OY, APRIL 2018

The acquisition of demolition firm Ykköspurku cements Delete's leadership position in the Finnish demolition market.

### EG

NOTAPLAN, MARCH 2017

Notaplan is a Danish specialist in IT solutions mainly for the automotive industry.

LESSOR-5, MARCH 2017

LESSOR-5 is a Danish firm with an efficient and flexible web-based payroll system.

### Frontmatec

ACCLES & SHELVOKE, MAY 2017

British company Accles & Shelvoke has been developing and producing humane captive-bolt stunning tools for slaughterhouses since 1913.

JINING XINGLONG FOOD MACHINERY

MANUFACTURING CO., MARCH 2018

Xinglong is a leading Chinese producer of equipment for the slaughterhouse industry. The acquisition gives Frontmatec a strong foothold in the Chinese market.



OCTOBER 2017

**Mountain Top Industries** Market-leading Mountain Top has been producing accessories for pick-up trucks since 1978 and has around 170 employees working on design, development and production in Denmark. In 2014, the company also opened a sales office in Australia. Mountain Top supplies accessories to carmakers such as Ford, Nissan, Renault, VW, Mercedes-Benz and Toyota for factory fitting, but also to the aftermarket.



FEBRUARY 2018

**IsaDora** IsaDora is one of the Nordic region's leading cosmetics brands, with production and headquarters in Sweden and additional production facilities in Switzerland. Its products for the eyes, complexion, lips and nails are sold by around 5,000 stores in 40 countries. The main markets are Sweden, the other Nordic countries, Germany and the Middle East. Products are sold directly to department stores, perfumeries, fashion outlets and online retailers in Sweden and another six European countries, and through distributors elsewhere.



APRIL 2018

**Orion Diagnostica** Finnish company Orion Diagnostica is a leading player in the attractive point-of-care diagnostics (POS) market with a large portfolio of high-quality products. It has a strong position in several European markets and China, and is establishing a foothold in the attractive US market. Axcel will work with the company's management team to build further on Orion's solid market position and sees interesting opportunities to expand geographically and broaden the product range.

## New faces at Axcel



EXECUTIVE ASSISTANT

**Bettina Krygell**

Bettina Krygell studied at Copenhagen Business School and worked in reinsurance at Fielding & Partners in London before embarking on a long career as a PA at Nordea. Bettina joined Axcel in November 2017 as Executive Assistant to Executive Chairman Christian Frigast.



INVESTMENT MANAGER

**Rasmus Ditlevsen**

Rasmus Ditlevsen holds an MSc in Finance from Copenhagen Business School and has also studied at Columbia University, Harvard University and the London School of Economics. He joined Axcel in 2017 from Goldman Sachs.



ASSOCIATE DIRECTOR

**Christian Curtz Henriksen**

Christian Curtz Henriksen holds an MSc in Economics and Business Administration from Aarhus University and was promoted to Associate Director in January 2018. Previous employers include Deloitte and PANDORA.



ASSOCIATE DIRECTOR

**Jacob Walberg**

Jacob Walberg has an MSc in Finance from Cass Business School and joined Axcel in 2017. Previous employers include Nomura and KPMG.



# Global cooling specialist poised for growth

In May 2017, Axcel invested in cooling specialist Nissens, which supplies cooling systems to both the automotive aftermarket and the wind power and industrial markets. Founded in Denmark in 1921, the company is now a global operation with 1,300 employees and sales and production facilities across three continents. We ask Lars Cordt, the Partner responsible for the investment at Axcel, how things have gone at Nissens since the transaction.

↓ **From left:** Alan Nissen, Vice Chairman; Niels Jacobsen, Chairman; Lars Cordt, Vice Chairman (and Partner at Axcel); and Mikkel Kroghslund Andersen, CEO.

## **Has the investment gone to plan?**

Yes, we've got off to a good start and produced a strong plan for both business units. Things are going particularly well on the automotive and industrial side, thanks to favourable trading conditions and Nissens' strong market position. We also still see great potential in wind power, where the competitiveness of offshore turbines relative to other energy sources is expected to be an important factor in the transition to renewables.

## **What has Axcel done since the acquisition?**

Nissens was, and remains, a very well-run company, so there hasn't been a need for sweeping changes. We picked this up in our initial assessment of the company, which highlighted the strength of its management.

One area where we can make a difference is in creating a strong board. Here we've brought in Niels Jacobsen [chairman of LEGO, ed.], whose prodigious experience both in Denmark and abroad will benefit both us as owners and management in their strategy work. We've also recruited some strong players from the automotive and wind power industries, and their extensive networks will help when talking to key customers.

We're also delighted that former owner and CEO Allan Nissen has remained on the board, as this brings valuable continuity.

## **The company has two very different business units – how do you view this?**

Both business units are involved in cooling, but their customers are quite different. In the automotive aftermarket, Nissens supplies solutions for retrofitting air-conditioning systems to cars that are typically three to five years old. Nissens specialises in developing solutions that suit many different cars, and this is a clear competitive advantage because it substantially reduces inventory costs.

When it comes to wind turbines, customers are OEMs, and Nissens often helps them develop the right solutions, so it's a very different setup. The cooling system is only a small part of the overall economics of a wind turbine, but is also an incredibly important factor in ensuring that the turbine is up and running and delivers the expected power. This makes Nissens a key technology partner for OEMs.

So yes, they are to a large extent two separate businesses, but there are still enough synergies in terms of management and technology for it to make sense to have the two under one umbrella.

## **Where do you see the growth opportunities for Nissens?**

One thing we've learned during our ownership of Nissens is that there are quite a few more acquisition candidates out there than we originally realised. We'll therefore be considering these possibilities as part of our growth strategy.

Acquisitions could strengthen Nissens in a number of areas. They could provide access to new markets, they could broaden the product range, and they could strengthen the company's market position and bargaining power.

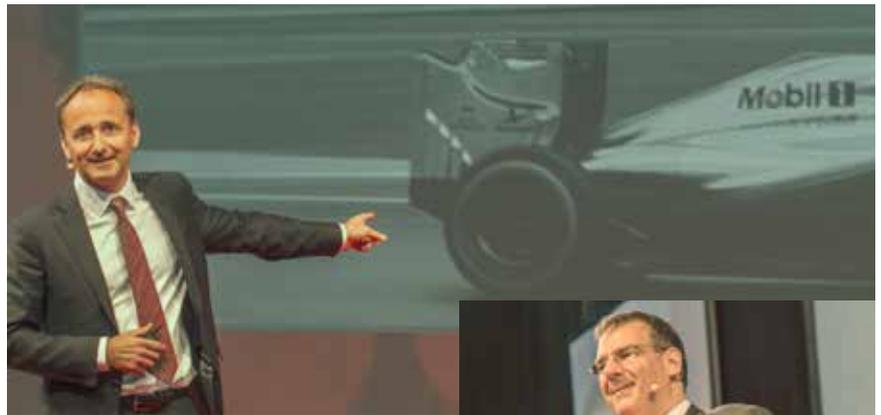




Axcel's network assembled in Copenhagen on 9 May 2017 for the annual Company Day event. The overall themes "Reinventing business" and "Globalisation at a crossroads?" looked at the influence of technology on the way we do business, and new protectionist tendencies in the wake of Brexit and the election of Donald Trump.

## Reinventing business

New technology is increasingly challenging the way we do business. Should we stick to the old business model or find new ways of doing things? How do we take critical decisions to change track at the right time? How do we make sure that innovative new approaches are a success? Ron Adner, Professor of Strategy and Entrepreneurship at Tuck School of Business, and Jim Snabe, Chairman of Siemens and Maersk, provided examples of how these issues can be tackled.



↑ **Top:** Jim Hagemann Snabe, Chairman of Siemens and Maersk.

→ **Right:** Ron Adner, Professor of Strategy and Entrepreneurship at Tuck School of Business.



## Globalisation at a crossroads?

Exports are crucial for prosperity and growth, especially in small, open economies like the Nordic countries. Globalisation and trade agreements are therefore beneficial for the region. But with Brexit, the election of Donald Trump as US president and – at the time – the prospect of Marine Le Pen being elected as French president, there are signs that the trend towards increased globalisation and world trade is in retreat. Danish finance minister Kristian Jensen and former Maersk CEO Nils Smedegaard Andersen discussed what these developments mean for Nordic companies together with economist Linda Yueh and Gerard Lyons, former chief economic adviser to Boris Johnson.



↑ **Top** (from left): Nils Smedegaard Andersen, former CEO of Maersk; Kristian Jensen, Danish minister of finance; Jarl Frijs-Madsen, Associated Partner at the Copenhagen Institute for Futures Studies; Linda Yueh, economist, broadcaster and author; and Gerard Lyons, former chief economic adviser to former Mayor of London Boris Johnson.

← **Left** (from left): Nils Smedegaard Andersen, former CEO of Maersk, and Jim Hagemann Snabe, Chairman of Siemens and Maersk.

# Axcelfuture 2017

## THEME 1:

### More refugees in work

Axcelfuture completed its refugee project on 9 June 2017 with a conference in Copenhagen, where 17 recommendations for bringing refugees and businesses closer together were handed to employment minister Troels Lund Poulsen. The recommendations were drawn up by a working group put together by Axcelfuture under Thomas Gyldal Petersen, Mayor of Herlev.

The group also included representatives of large companies, municipalities, the Danish Red Cross and both sides of the Danish Parliament. The aim of the recommendations was to get up to half of the 19,000 refugees then without a job into work, so saving local and central government around DKK 1.5 billion a year.

## THEME 2:

### Ownership succession

Axcelfuture also rounded off its succession project in August with a conference in Copenhagen, where a report produced together with Professors Morten Bennedsen and Kasper Meisner Nielsen was unveiled.

The report shows that failure to plan ownership changes and generation changes can reduce the value of a business. The key to successful succession is to plan the company's future ownership and future management so that it comes out of the transition stronger.

## THEME 3:

### Copenhagen as a financial hub

In September, Axcelfuture completed its project to promote Copenhagen as a financial hub in partnership with a variety of players in the financial sector, including Finance Denmark, ATP, PFA, Pension-Danmark, Kromann Reumert and the Danish Financial Services Union.

The key message was that the financial sector is one of Denmark's positions of strength, with strong players that help generate jobs, growth and exports. The project concluded with a conference in Copenhagen on 5 September.

Read more about Axcelfuture's trip to London on pages 16-17.

## New faces on the board



### Marianne Philip

PARTNER, KROMANN REUMERT

Marianne Philip has been a Partner at Danish law firm Kromann Reumert since 1987 and chaired its board from 2011 to 2014. She is an Associate Professor at Copenhagen Business School and Vice Chair of the Danish Corporate Governance Committee.

Marianne specialises in capital markets, mergers and acquisitions, company law, and insolvency and reconstruction.



### Claus Gregersen

CEO, CHR. AUGUSTINUS FABRIKKER

Claus Gregersen is CEO of Chr. Augustinus Fabrikker A/S and served as CEO of Carnegie Investment Bank from 2010 to 2017.

He was also recently appointed Chairman of the Danish Growth Fund.

**Axcelfuture's Board of Directors** (from left): →  
 Claus Gregersen, CEO, Chr. Augustinus Fabrikker;  
 Christian Schmidt-Jacobsen, Managing Partner, Axcel;  
 Eivind Kolding; Lars Munch, Chairman, JP/Politikens Hus;  
 Joachim Sperling, Director, Axcelfuture; Marianne Philip,  
 Partner, Kromann Reumert; Christian Frigast, Chairman,  
 Axcelfuture; Allan Polack, Group CEO, PFA; Christoffer  
 Müller, Director, Axcel; and Peter Schütze, Chairman, Falck.



# Axcelfuture in London

Axcelfuture played host when a large Danish delegation visited London.

The delegation included business minister Brian Mikkelsen and PFA CEO Allan Polack and urged financial services companies moving out of London in the wake of Brexit to “Consider Copenhagen”.

A number of events were held in London, including a reception at the Royal Automobile Club.

The project is continuing under the banner “Copenhagen Financial Hub” with the vision of making the city a global centre for the asset management and fintech industries. The aim is to position and develop the city’s financial sector, create a world-class financial ecosystem and ensure internationally competitive regulatory conditions.



# Axcel's companies – strategy and key figures



## Ball Group

	2017	2016
Revenue (DKKm)	484	398
EBITDA (DKKm)*	15	7
NIBD (DKKm)	97	55
Tax (DKKm)	0	1
Number of employees	334	334

**Investment year:** 2007

**Investment officer:** Asbjørn Mosgaard Hyldgaard

**Registered office:** Billund, Denmark

Ball Group develops, markets and sells women's fashions in the plus-size segment under the Zizzi brand. Zizzi has been leading the way in plus-size fashions since 2000 and is one of the Nordic region's fastest-growing brands in the international plus-size segment with more than 100 concept stores in Northern Europe and the online platform zizzi.dk.

### Development strategy

Axcel's development strategy involves continued geographical expansion, increased same-store sales, more shops and increased wholesale revenue for the plus-size concept. The goal is to consolidate Zizzi's position in the Nordic region and move into selected European markets in the longer term.



## Conscia

	2017	2016
Revenue (DKKm)	1,398	757
EBITDA (DKKm)	180	83
NIBD (DKKm)	995	282
Tax (DKKm)	26	18
Number of employees	329	120

**Investment year:** 2015

**Investment officer:** Christian Bamberger Bro

**Registered office:** Brøndby, Denmark

Conscia supplies IT infrastructure solutions and 24/7 network, data centre and mobility support. In a few short years, Conscia has become one of the most important players in the market for large network solutions in the Nordic region and won recognition as the strongest integrator of Cisco hardware. Cisco is the world's leading producer of networking and data centre equipment and focuses, like Conscia, on developing integrated solutions that are the foundation for all of the client's IT.

### Development strategy

The goal is to consolidate Conscia's strong market position in Denmark within the supply of IT infrastructure and related services, and to build up considerable market positions in countries such as Sweden, Norway and the Netherlands, where Conscia recently established itself through the acquisition of three companies, providing a unique platform for future growth.



## Frontmateg

	2017	2016
Revenue (DKKm)	1,363	1,266
EBITDA (DKKm)	205	196
NIBD (DKKm)	774	N/A
Tax (DKKm)	5	N/A
Number of employees	991	840

**Investment year:** 2016

**Investment officer:** Christoffer Müller

**Registered office:** Kolding, Denmark

Frontmateg is a leading supplier of high-tech solutions to the global food industry, known for its advanced solutions and equipment for slaughterhouses spanning the entire value chain from classification of carcasses to slaughter lines, cutting and deboning lines, hygiene solutions and control systems, to logistics and packing.

### Development strategy

Axcel aims to build a global market leader in high-tech solutions and equipment for the global slaughterhouse industry and substantially increase earnings by integrating the merged businesses.



## Mita-Teknik

	2017	2016
Revenue (DKKm)	N/A	N/A
EBITDA (DKKm)	40	42
NIBD (DKKm)	178	217
Tax (DKKm)	3	0
Number of employees	224	231

**Investment year:** 2012

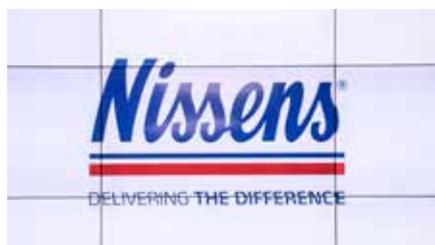
**Investment officer:** Lars Cordt

**Registered office:** Rødkærø, Denmark

Mita-Teknik is a world-leading producer of control concepts for the wind turbine and other industries. The company offers a unique control concept for the wind turbine industry that can be tailored to the individual customer's needs and spans the control, management and monitoring of components, turbines and entire wind farms alike.

### Development strategy

Axcel's objective is to further develop the company's current global market position as a supplier of control systems for the wind turbine industry. This requires increased penetration of both existing and new customers, products and markets while maintaining the company's high product and service quality.



## Nissens

	2017	2016
Revenue (DKKm)	1,604	N/A
EBITDA (DKKm)*	224	N/A
NIBD (DKKm)	94	N/A
Tax (DKKm)	40	N/A
Number of employees	1,300	N/A

**Investment year:** 2017

**Investment officer:** Lars Cordt

**Registered office:** Horsens, Denmark

Nissens has two business units: Nissens Automotive, which develops, manufactures and sells cooling and climate products for the global automotive aftermarket, and Nissens Cooling Solutions, which designs, manufactures and sells custom cooling components, systems and modules for the wind turbine industry and the industrial sector, including the mining and civil engineering industries. The group has more than 1,300 employees worldwide, with sales and production facilities across three continents. Nissens Automotive and Nissens Cooling Solutions are renowned for their focus on innovation and product development, high product quality and strong logistical and supply chain concepts.

### Development strategy

Nissens has seen strong growth in all segments in recent years and is well-positioned for further expansion. Axcel's strategy is to work towards global growth and expansion of market share with an unwavering focus on customer service and product development.

\* Normalised.



## Danish Ship Finance

	2017	2016
Net interest and fee income (DKKkm)	<b>655</b>	849
Net profit (DKKkm)	<b>334</b>	188
Tax (DKKkm)	<b>93</b>	54
Number of employees	<b>72</b>	68

**Investment year:** 2016  
**Investment officer:** Peter Nyegaard  
**Registered office:** Copenhagen, Denmark

Danish Ship Finance – Danmarks Skibskredit A/S – is a Danish financial institution that issues loans to Danish and foreign shipowners secured against their vessels. The company's vision is to be the most recognised and stable provider of financing for reputable shipowners. The loan portfolio has broad exposure to numerous shipping segments and focuses on shipowners in Denmark and abroad with high credit ratings.

### Development strategy

A strong ownership consortium, comprising Axcel and pension funds PFA and PKA, will help the company continue and accelerate its growth based on its existing strategy.



## Delete Group

	2017	2016
Revenue (EURm)	<b>177</b>	167
EBITDA (EURm)	<b>15</b>	19
NIBD (EURm)	<b>90</b>	77
Tax (EURm)	<b>1</b>	1
Number of employees	<b>818</b>	697

**Investment year:** 2013  
**Investment officer:** Vilhelm Sundström  
**Registered office:** Helsinki, Finland

Delete Group supplies environmental services to the industrial, construction, real estate and public sectors in Finland and Sweden. It has four divisions: industrial cleaning, heavy demolition, decontamination, and industrial and construction waste management and recycling.

### Development strategy

Together with Delete's management, Axcel aims to create growth by extending the company's range of services and geographical footprint, in part by strengthening its activities across the Nordic region. Delete Group's market is highly fragmented, with few large and many small players, which provides scope for further consolidation.



## EG

	2017	2016
Revenue (DKKkm)	<b>1,900</b>	2,043
EBITDA (DKKkm)*	<b>254</b>	303
NIBD (DKKkm)	<b>1,707</b>	1,422
Tax (DKKkm)	<b>0</b>	11
Number of employees	<b>1,821</b>	1,856

**Investment year:** 2013  
**Investment officer:** Christian Bamberger Bro  
**Registered office:** Copenhagen, Denmark

EG is one of Scandinavia's leading software and IT service providers with a strong position in the SME market. It has around 1,850 employees at 30 offices across Denmark, Norway and Sweden. EG supplies ERP solutions, in-house software solutions and related services through five industry-specific divisions.

### Development strategy

The aim is to further increase market share through EG's strong position, in-house software solutions and unique capacity to offer a complete product range, as well as to further increase operational efficiency and make further small to medium-sized acquisitions.



## Mountain Top

	2017	2016
Revenue (DKKkm)	<b>N/A</b>	N/A
EBITDA (DKKkm)*	<b>115</b>	N/A
NIBD (DKKkm)	<b>-35</b>	N/A
Tax (DKKkm)	<b>24</b>	N/A
Number of employees	<b>165</b>	N/A

**Investment year:** 2017  
**Investment officer:** Christoffer Müller  
**Registered office:** Frederikssund, Denmark

Mountain Top has been producing accessories for pick-up trucks since 1978 and has around 170 employees working on design, development and production in Frederikssund, Denmark. In 2014, the company also opened a sales office in Australia. Mountain Top supplies accessories to carmakers such as Ford, Nissan, Renault, VW, Mercedes-Benz and Toyota for factory fitting, but also to the aftermarket. The company has won Danish business paper *Børsen's* Gazelle Award for fast-growing companies eight times, most recently in 2017, and is the current holder of PwC Denmark's Owner-Manager of the Year Award.

### Development strategy

Axcel's goal is to expand both sales and production in a number of new markets, including the US where some 3 million pick-up trucks are sold each year. This will be achieved through organic growth in both established and new markets, with a continued focus on product development, quality and reliability.



## IsaDora

	2017	2016
Revenue (SEKkm)	<b>435</b>	N/A
EBITDA (SEKkm)*	<b>162</b>	N/A
NIBD (SEKkm)	<b>N/A</b>	N/A
Tax (SEKkm)	<b>25</b>	N/A
Number of employees	<b>200</b>	N/A

**Investment year:** 2018  
**Investment officer:** Vilhelm Sundström  
**Registered office:** Malmö, Sweden

IsaDora is a Swedish producer and distributor of cosmetics with production and headquarters in Sweden and additional production facilities in Switzerland. Its products for the eyes, complexion, lips and nails are sold by around 5,000 stores in 40 countries. The main markets are Sweden, the other Nordic countries, Germany and the Middle East. Products are sold directly to department stores, perfumeries, fashion outlets and online retailers in Sweden and another six European countries, and through distributors elsewhere.

### Development strategy

Axcel aims to defend IsaDora's leading position in Sweden and bolster its position in the other Nordic countries, where the market has been growing by as much as 5% annually. Axcel will also look at the Middle East, Southern Europe, Eastern Europe, Asia and the US, which are all exciting markets with considerable potential and even higher growth rates.



## Orion Diagnostica

	2017	2016
Revenue (EURm)	<b>54</b>	N/A
EBITDA (EURm)	<b>N/A</b>	N/A
NIBD (EURm)	<b>N/A</b>	N/A
Tax (EURm)	<b>N/A</b>	N/A
Number of employees	<b>282</b>	N/A

**Investment year:** 2018  
**Investment officer:** Thomas Blomqvist  
**Registered office:** Espoo, Finland

Founded in 1974, Orion Diagnostica manufactures and markets a range of diagnostics equipment, with a particular focus on point-of-care solutions that enable healthcare practitioners to quickly carry out diagnostic tests close to the patient. The company has an in-house sales force spread across the Nordic region, Germany and Central & Eastern Europe, as well as a global distributor network covering some 50 countries. The company currently employs a total of around 300 FTEs, of whom some 50 are based outside Finland. Orion Diagnostica is headquartered in Espoo, Finland.

### Development strategy

Axcel will work with the company's management team to build further on Orion's solid market position and sees interesting opportunities to expand geographically and broaden the product range in order to make the company an even stronger player in the global diagnostics market.



# CSR at Axcel

Axcel believes sustainability at both fund and company level to be crucial for successful investments. Sustainability issues are therefore on the agenda at all portfolio companies.

Axcel joined the UN Global Compact back in 2010 and has worked strategically with corporate social responsibility (CSR) at both fund and company level ever since.

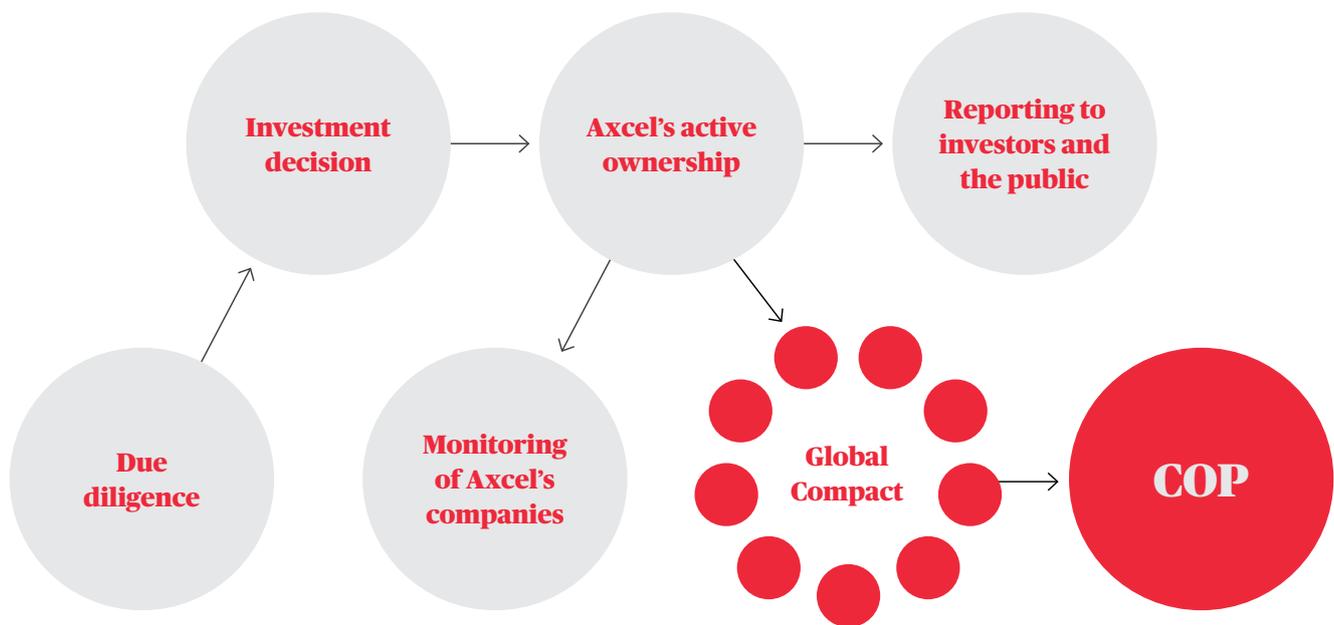
We submitted our first report under the UN's Principles of Responsible Investment (PRI) initiative in 2016, and the most recent was filed in April 2018.

Axcel has noted greatly increased interest in CSR issues among investors and other stakeholders in recent years. Axcel therefore continues to develop CSR procedures. More stringent CSR legislation will affect future reporting at our Danish companies.

The principles for how Axcel works with portfolio companies on the development of CSR systems are documented in Axcel's CSR handbook. The handbook guides management and CSR staff at

portfolio companies through the first steps towards fulfilling the CSR requirements during the first 24 months of ownership, which includes joining the UN Global Compact. Axcel invests only in companies that comply with, or are prepared to comply with, the Global Compact principles, and portfolio companies prepare an annual Communication on Progress (COP), which is published on the Global Compact website.

While the Global Compact focuses on CSR at company level, the PRI look at environmental, social and governance (ESG) issues at fund level. By signing up to both schemes, Axcel has the best possible basis for creating a framework for CSR reporting that is familiar to both companies and investors.



↑ All portfolio companies are required to join the Global Compact within one year and work on continuous improvement against its ten principles.

Axcel wants to make sure that we follow up on ESG matters in all parts of the investment process. When screening future investment opportunities, Axcel incorporates ESG factors into the general evaluation criteria. Before any final decision to invest in a company is made, Axcel performs a due diligence analysis, which incorporates a systematic review of the company's ESG performance. As an active owner, Axcel also takes responsibility for considering ESG in day-to-day business activities. Axcel puts great effort into offering continuous support to its companies by providing tools, guidance and knowledge-sharing opportunities on CSR and corporate governance issues.

Axcel has developed a CSR policy explaining Axcel's commitments, which can be downloaded from our website.

Axcel aims to invest in companies which behave responsibly, as this will ensure the best possible risk profile. However, we also wish to promote socioeconomic development in general and therefore encourage portfolio companies to contribute to their local communities and their development where this makes commercial sense.

We will also be focusing more on individual boards' involvement in COPs, and in future it will be a requirement that these reports are considered at board level.

#### Axcel works to ensure that its companies:

- comply with relevant laws, rules and internationally recognised principles
- consider risks relating to CSR issues and address them proactively
- are in a position to meet the requirements and expectations of customers and business partners concerning supply chain management and codes of conduct
- consider future business opportunities and positioning in relation to CSR
- comply with the DVCA's guidelines on openness and transparency

Most of Axcel's companies have published a COP, and the rest are on the way to doing so.

Axcel regularly suggests improvements, and in 2017, we improved our supervision to ensure compliance by encouraging all companies to introduce KPIs in relevant areas. Axcel also decided to include governance in the COP.

Axcel has also improved ESG matters internally by establishing a whistleblowing solution that allows anonymous reporting of violations of financial regulations within Axcel Management as well as any unethical behaviour. The reporting system is hosted by an independent party, guaranteeing the system's security and anonymity, while the investigation of reported incidents is performed by the compliance unit.

#### Global Compact status of Axcel-owned companies as at 30 April 2018

	Joined Global Compact	First COP
Ball Group	Yes	2012
Conscia	Yes	–
Danish Ship Finance	Yes	2017
Delete Group	Yes	2015
EG	Yes	2015
Frontmatec	Yes	–
IsaDora	New investment	–
Mita-Teknik	Yes	2015
Mountain Top Industries	New investment	–
Nissens	New investment	–
Orion Diagnostica	New investment	–

# Axcel's management and Advisory Board



## **Christian Schmidt-Jacobsen, Managing Partner**

Christian Schmidt-Jacobsen holds an MSc in Economics and joined Axcel in 2015. He was previously CFO of Icopal, and before that worked at Chr. Hansen and Danske Bank Corporate Finance. He also worked at Axcel from 1999 to 2005. Christian was made Managing Partner at Axcel in 2016. He sits on the boards of EG, Frontmtec and Delete Group.



## **Christian Frigast, Executive Chairman**

Christian holds an MSc (Economics) and was Managing Partner at Axcel from 1994 to 2016. Prior to that he was employed by Incentive A/S (1993-94) and Nordea (1976-93). He is Chairman of Axcel Management, Danish Ship Finance Holding and EKF Danmarks Eksportkredit, and Vice Chairman of PANDORA, DVCA and Axcel's Advisory Board. He also sits on the boards of Nordic Waterproofing, the Denmark-America Foundation, the Board Leadership Society, Danish Ship Finance and Nykredit's IPO Advisory Board. Christian helped found and chairs Axcel's think-tank, Axcelfuture, and is an Associate Professor at Copenhagen Business School.



## **Christian Bamberger Bro**

Christian Bamberger Bro holds an MSc in Economics and Business Administration from Aarhus University and began at Axcel in 2014, having worked for Permira in London and Stockholm since 2006 and for McKinsey and Nordea Corporate Finance in Copenhagen before that. He is Vice Chairman of Conscia and EG.



## **Peter Nyegaard, CFO**

Peter Nyegaard holds an MSc in Economics and joined Axcel in 2015. He previously spent more than 25 years at Nordea, most recently as a member of the Group Executive Management. Peter has overall responsibility for Axcel's finance functions, fund management and investor relations. He chairs Danish bank FIH, is Vice Chairman of Danish Ship Finance and sits on the board of Orion Diagnostica.



## **Lars Cordt**

Lars Cordt holds an MSc in Economics and Business Administration and joined Axcel in 2006. He was previously employed at PwC (2002-06). Lars is Vice Chairman of Mita-Teknik and Nissens.



## **Nikolaj Vejlsgaard**

Nikolaj Vejlsgaard holds an MSc in Economics and Business Administration and joined Axcel in 1998. Prior to that he was employed by the Superfos group (1996-98). Nikolaj sits on the boards of Axcel Management, Conscia, Mountain Top Industries and IsaDora.



## **Vilhelm Sundström**

Vilhelm Sundström holds an MSc in Economics and joined Axcel in 2006. He was formerly a director at Merrill Lynch International in London. Prior to that, he worked for such companies as Carnegie (2002-05), Morgan Stanley (1995-97 and 1999-2002) and Nordic Capital (1997-99). Vilhelm heads Axcel's office in Stockholm and sits on the boards of Delete Group and IsaDora.



## **Thomas Blomqvist**

Thomas Blomqvist holds an MSc in Finance and International Business from the Stockholm School of Economics and an MBA from INSEAD and joined Axcel in 2016. He has extensive private equity experience, having previously been the partner responsible for the Nordic region at The Riverside Company. Prior to that, Thomas worked as an investment banker at Morgan Stanley and JPMorgan in London.



# Advisory Board for Axcel's funds

## 1. Lars Rebien Sørensen (Chairman)

Lars Rebien Sørensen was CEO of Novo Nordisk for 16 years. He is now Vice Chairman of Carlsberg and also sits on the boards of Jungbunzlauer, Essity, Thermo Fischer Scientific, the Novo Nordisk Foundation and Novo Holdings A/S. Lars was made an Associate Professor at Copenhagen University in 2007 and was named the world's best-performing CEO by *Harvard Business Review* in both 2015 and 2016.

## 2. Christian Frigast (Vice Chairman)

Christian was Managing Partner at Axcel from 1994 to 2016. Prior to that he was employed by Incentive A/S (1993-94) and Nordea (1976-93). He is Chairman of Axcel Management, Danish Ship Finance Holding and EKF Danmarks Eksportkredit, and Vice Chairman of PANDORA and DVCA. He also sits on the boards of Nordic Waterproofing, the Denmark-America Foundation, the Board Leadership Society, Danish Ship Finance and Nykredit's IPO Advisory Board. Christian helped found and chairs Axcel's think-tank, Axcel-future, and is an Associate Professor at Copenhagen Business School.

## 3. Mette Vestergaard

Mette Vestergaard is SVP for Global People & Communications at LEO Pharma. She was previously a Vice President at Novozymes and CEO of Mannaz. Mette sits on the boards of DESMI, DHI Group and Copenhagen Business School.

## 4. Jens W. Moberg

Jens W. Moberg chairs the boards of Grundfos and PostNord, among others, and was previously a CVP at Microsoft and CEO of Better Place Danmark and Alecia.

## 5. Peter Damgaard Jensen

Peter Damgaard Jensen is CEO of PKA, a director of Forsikring & Pension and Vice Chairman of Forca.

## 6. Lars Westerberg

Lars Westerberg is a former President and CEO of Gränges, ESAB and Autoliv. He currently sits on the boards of Volvo, SSAB, Sandvik and Stena.



## 7. Magnus Lindquist

Magnus Lindquist is Co-Managing Partner of CORDET Capital Partners LLP. He was previously a Partner/Investment Professional at Triton Advisers Nordic AB with responsibility for the Nordic region (2008-15) and Group Vice President and CFO of Autoliv Inc. (2001-08).

## 8. Lars Munch

Lars Munch is a former CEO and now Chairman of media company JP/Politikens Hus. He is also Chairman of the Louisiana Museum of Modern Art, Museumsfonden and Louisiana-Fonden, BRFFonden, BRFFolding, SOS Children's Villages Denmark and the Press Freedom and Development Fund (Paris). Lars is a member of the boards of the Novo Nordisk Foundation and the European Press Prize (Amsterdam), as well as a member of the Executive Committee for the World Association of Newspapers and News Publishers.



### 9. Peter Schütze

Peter Schütze is a former member of the Group Executive Management at Nordea AB and CEO of Nordea Bank Danmark. He is now Chairman of rail company DSB and Falck, and of the investment committee of the Danish Climate Investment Fund and the Danish Agribusiness Fund. Peter is also Vice Chairman of SimCorp, the Nordea Foundation and the Nordea Bank Foundation, a member of the board of the Lundbeck Foundation and a member of the Systemic Risk Council.

### 10. Mads Nipper

Mads Nipper is CEO of Grundfos and sits on the boards of Tulip and B&O. He worked previously at LEGO, most recently as Chief Marketing Officer. Mads is also a board and policy committee member at the Confederation of Danish Industry (DI).

### 11. Jørgen Høholt

Jørgen Høholt was previously Head of Corporate and Investment Banking Denmark at Nordea, where he worked from 2000 to 2017.

# Axcel's funds and investors

## Axcel IV

**Launch:** 2010

**Status:** Realisation period

**Geographical focus:** Nordics

**Investments:** 12

**Exits:** 5 (6)\*

**Committed capital:** DKK 3.6bn

**Legal structure:** Limited partnership

**Average ownership period:** 3.5 years (for existing investments) and 3.3 years for all (incl. exits)

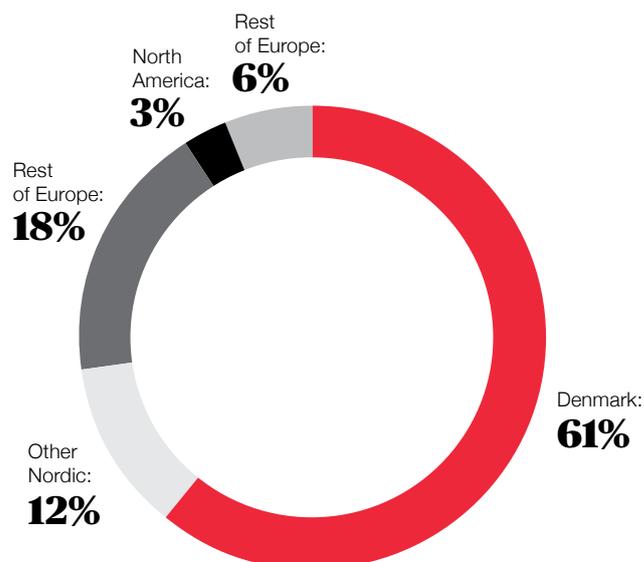
Investments	Acquisition year	Exit year	
Cimbria	2011	2013	
Nordic Waterproofing	2011	Listed	
Mita-Teknik	2012		
EXHAUSTO	2013	2016	
Netel	2013	2016	
Delete Group	2013		
EG	2013		
Silkeborg Data	2014	Merged with EG (2015)	
Conscia	2015	2018	
LESSOR Group	2016		
Frontmatec	2016		
Danish Ship Finance	2016		
			DKKkm
Invested capital:			3,500
Proceeds from invested capital:			2,046
Valuation of companies:			3,250
<b>Value of invested capital:</b>			<b>5,296</b>

\* Silkeborg Data merged with EG.

## Axcel IV investors by region

Axcel IV was raised in 2010 as a standard private equity limited partnership focusing on the Danish and Swedish mid-market.

The fund has committed capital of DKK 3.6bn and has invested in 12 companies.



## Axcel V

**Launch:** 2017

**Status:** Investment period

**Geographical focus:** Nordics

**Investments:** 4

**Exits:** 0

**Committed capital:** DKK 4.6bn

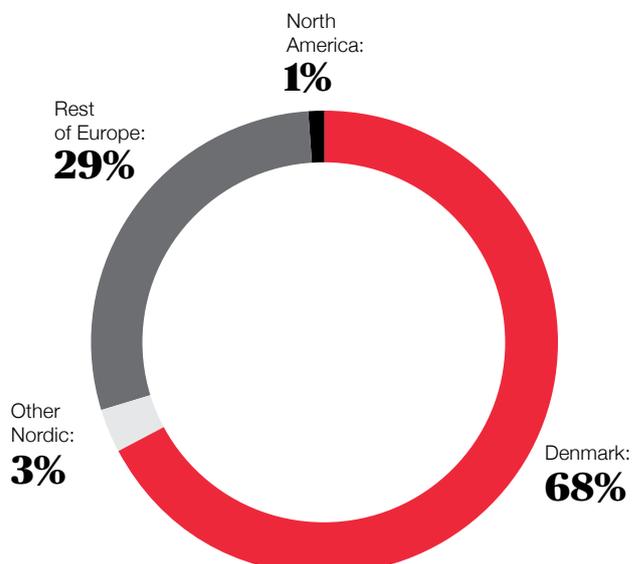
**Legal structure:** Limited partnership

**Average ownership period:** 0.4 years

Investments	Acquisition year	Exit year	
Nissens	2017		
Mountain Top	2017		
IsaDora	2018		
Orion Diagnostica	2018		
			DKKkm
Invested capital:			706
Proceeds from invested capital:			0
Valuation of companies:			706
<b>Value of invested capital:</b>			<b>706</b>

## Axcel V investors by region

Axcel V was raised in April 2017 as a EUR 617 million standard private equity limited partnership focusing on the Nordic mid-market. The fund has invested in four companies.







Additional information about Axcel, its companies, etc. can be found on Axcel's website, [www.axcel.dk](http://www.axcel.dk), and the latest financial statements can also be downloaded from the site. For any further information, please contact:

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