

## **MANN+HUMMEL Vokes Air A/S**

Avedøreholmen 86-88

2650 Hvidovre

Central Business Registration No

69474012

## **Annual report 2016**

The Annual General Meeting adopted the annual report on 24.03.2017

### **Chairman of the General Meeting**

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Name: Johnny Hauballe

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## Entity details

### Entity

MANN+HUMMEL Vokes Air A/S  
Avedøreholmen 86-88  
2650 Hvidovre

Central Business Registration No: 69474012  
Registered in: Hvidovre  
Financial year: 01.01.2016 - 31.12.2016

Phone: +4536496600  
Website: [www.vokesair.com](http://www.vokesair.com)  
E-mail: [info-dk@vokesair.com](mailto:info-dk@vokesair.com)

### Board of Directors

Steffen Schneider, Chairman  
Johnny Hauballe  
Philippe Rhoumy

### Executive Board

Johnny Hauballe, Chief Executive Officer

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
Postboks 1600  
0900 København C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of MANN+HUMMEL Vokes Air A/S for the financial year 01.01.2016 - 31.12.2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Hvidovre, 24.03.2017

### Executive Board

Johnny Hauballe  
Chief Executive Officer

### Board of Directors

Steffen Schneider  
Chairman

Johnny Hauballe

Philippe Rhoumy

## Independent auditor's reports

### To the shareholders of MANN+HUMMEL Vokes Air A/S

#### Report on extended review of the financial statements

We have performed an extended review of the financial statements of MANN+HUMMEL Vokes Air A/S for the financial year 01.01.2016 - 31.12.2016. The financial statements, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies, are prepared in accordance with the Danish Financial Statements Act.

#### Management's responsibility for the financial statements

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

#### Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

#### Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

#### Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

## Independent auditor's reports

In connection with our extended review of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

København, 24.03.2017

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Claus Jorch Andersen

State Authorised Public Accountant

## Management commentary

### Primary activities

The Entity's core business is to sell filters.

### Development in activities and finances

This year the Entity realised a proffit of DKK 753 thousand after which equity amounts to DKK 7,156 thousand.

Management consider the performance as satisfying.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

## Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
<b>Gross profit</b>		<b>7.295.506</b>	<b>6.135</b>
Staff costs	1	(5.906.156)	(5.822)
Depreciation, amortisation and impairment losses	2	<u>(381.673)</u>	<u>(330)</u>
<b>Operating profit/loss</b>		<b>1.007.677</b>	<b>(17)</b>
Other financial income	3	199	0
Other financial expenses	4	<u>(41.423)</u>	<u>(52)</u>
<b>Profit/loss before tax</b>		<b>966.453</b>	<b>(69)</b>
Tax on profit/loss for the year	5	<u>(213.026)</u>	<u>10</u>
<b>Profit/loss for the year</b>		<b><u>753.427</u></b>	<b><u>(59)</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>753.427</u>	<u>(59)</u>
		<b><u>753.427</u></b>	<b><u>(59)</u></b>

## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Goodwill		257.290	600
<b>Intangible assets</b>	6	<b>257.290</b>	<b>600</b>
Other fixtures and fittings, tools and equipment		143.786	132
<b>Property, plant and equipment</b>	7	<b>143.786</b>	<b>132</b>
Other receivables		150.000	150
Deferred tax		46.632	32
<b>Fixed asset investments</b>	8	<b>196.632</b>	<b>182</b>
<b>Fixed assets</b>		<b>597.708</b>	<b>914</b>
Raw materials and consumables		1.521.498	1.419
<b>Inventories</b>		<b>1.521.498</b>	<b>1.419</b>
Trade receivables		2.465.313	2.837
Receivables from group enterprises	9	4.716.303	3.088
Other receivables		3.141	7
Income tax receivable		0	118
Prepayments		84.298	59
<b>Receivables</b>		<b>7.269.055</b>	<b>6.109</b>
<b>Cash</b>		<b>1.551.968</b>	<b>1.688</b>
<b>Current assets</b>		<b>10.342.521</b>	<b>9.216</b>
<b>Assets</b>		<b>10.940.229</b>	<b>10.130</b>

## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Contributed capital	10	1.875.000	1.875
Retained earnings		5.281.261	4.528
<b>Equity</b>		<b><u>7.156.261</u></b>	<b><u>6.403</u></b>
Trade payables		793.860	880
Payables to group enterprises		439.550	389
Income tax payable		93.364	0
Other payables		2.457.194	2.458
<b>Current liabilities other than provisions</b>		<b><u>3.783.968</u></b>	<b><u>3.727</u></b>
<b>Liabilities other than provisions</b>		<b><u>3.783.968</u></b>	<b><u>3.727</u></b>
<b>Equity and liabilities</b>		<b><u>10.940.229</u></b>	<b><u>10.130</u></b>
Unrecognised rental and lease commitments	11		

## Statement of changes in equity for 2016

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	1.875.000	4.527.834	6.402.834
Profit/loss for the year	0	753.427	753.427
<b>Equity end of year</b>	<b>1.875.000</b>	<b>5.281.261</b>	<b>7.156.261</b>

## Notes

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>1. Staff costs</b>		
Wages and salaries	5.829.560	5.658
Pension costs	52.245	51
Other social security costs	24.351	113
	<b>5.906.156</b>	<b>5.822</b>
Average number of employees	<b>12</b>	<b>11</b>
	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	343.053	308
Depreciation of property, plant and equipment	38.620	22
	<b>381.673</b>	<b>330</b>
	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>3. Other financial income</b>		
Interest income	199	0
	<b>199</b>	<b>0</b>
	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>4. Other financial expenses</b>		
Financial expenses from group enterprises	30.341	37
Interest expenses	11.082	15
	<b>41.423</b>	<b>52</b>
	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK'000</b>
<b>5. Tax on profit/loss for the year</b>		
Tax on current year taxable income	227.364	0
Change in deferred tax for the year	(14.338)	(10)
	<b>213.026</b>	<b>(10)</b>



## Notes

### 9. Receivables from group enterprises

Receivables from group enterprises comprise a group cash pool scheme between the Group's bank connections and MANN+HUMMEL Vokes Air A/S which amounts to DKK 4.7 million. The cash is available for daily operations according to the Group's instructions.

	<u>Number</u>	<u>Par value DKK</u>	<u>Nominal value DKK</u>
<b>10. Contributed capital</b>			
Ordinary shares	1.875	1000	1.875.000
	<b>1.875</b>		<b>1.875.000</b>

	<u>2016 DKK</u>	<u>2015 DKK'000</u>
<b>11. Unrecognised rental and lease commitments</b>		
Hereof liabilities under rental or lease agreements until maturity in total	<b>1.525.318</b>	<b>1.714</b>

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

### Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, cost of raw materials and consumables and external expenses.

#### Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

#### Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

#### Staff costs

## Accounting policies

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

### Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

### Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

### Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

## Balance sheet

### Goodwill

Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If it is not possible to estimate the useful life reliably, it is set at 10 years. Useful lives are reassessed on an annual basis. The amortisation periods used are 5 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

### Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

## Accounting policies

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5-10 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### Inventories

Inventories are measured at the lower of cost using the weighted average prices and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

### Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### Cash

Cash comprises cash in hand and bank deposits.

### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

### Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax