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# ***Busch Vakuumtechnik A/S***

Parallelsvej 11, DK-8680 Ry

## **Annual Report for 1 January - 31 December 2016**

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CVR No 77 28 29 12

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
17/3 2017

Jørgen Wittendorf  
Lorensen  
Chairman



**pwc**

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# Management's Statement

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Busch Vakuumtechnik A/S for the financial year 1 January - 31 December 2016.

The Annual Report is 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 at 31 December 2016 of the Company and of the results of the Company operations for 2016.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Ry, 17 March 2017

## Executive Board

Jørgen Wittendorf Lorentsen  
CEO

Hanne Pedersen

## Board of Directors

Johannes Karl Ottomar Busch  
Chairman

Ayhan Busch

Ayla Busch

# Independent Auditor's Report

To the Shareholder of Busch Vakuumtechnik A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Busch Vakuumtechnik A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the 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 the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these 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 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.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

# Independent Auditor's Report

- 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Aarhus, 17 March 2017

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Thyge Belter

State Authorised Public Accountant

## Company Information

### **The Company**

Busch Vakuumtechnik A/S  
Parallelvej 11  
DK-8680 Ry

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E-mail: [info@busch.dk](mailto:info@busch.dk)

Website: [www.busch.dk](http://www.busch.dk)

CVR No: 77 28 29 12

Financial period: 1 January - 31 December

Municipality of reg. office: Skanderborg

### **Board of Directors**

Johannes Karl Ottomar Busch, Chairman  
Ayhan Busch  
Ayla Busch

### **Executive Board**

Jørgen Wittendorf Lorentsen  
Hanne Pedersen

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Nobelparken  
Jens Chr. Skous Vej 1  
DK-8000 Aarhus C

### **Lawyers**

LETT Advokatfirma  
Rådhuspladsen 14  
1550 København V

## Company Information

### **Bankers**

Danske Bank  
Ry afdeling  
Klostervej 2  
DK-8680 Ry

### **Consolidated Financial Statements**

The company is wholly owned by Dr. -Ing. Karl Busch Holding GmbH,  
Zürich, Switzerland

The Company's ultimate parent is Busch SE, Maulburg, Germany

# Income Statement 1 January - 31 December

	Note	2016 DKK	2015 DKK
<b>Gross profit/loss</b>		<b>21.863.511</b>	<b>16.636.752</b>
Distribution expenses	2	-5.580.571	-4.963.095
Administrative expenses	2	-5.635.741	-4.892.751
<b>Operating profit/loss</b>		<b>10.647.199</b>	<b>6.780.906</b>
Other operating income		30.771	65.361
<b>Profit/loss before financial income and expenses</b>		<b>10.677.970</b>	<b>6.846.267</b>
Financial income		1.518	41.289
Financial expenses		-47.201	-27.949
<b>Profit/loss before tax</b>		<b>10.632.287</b>	<b>6.859.607</b>
Tax on profit/loss for the year	3	-2.354.767	-1.621.502
<b>Net profit/loss for the year</b>		<b>8.277.520</b>	<b>5.238.105</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings	8.277.520	5.238.105
	<b>8.277.520</b>	<b>5.238.105</b>



# Balance Sheet 31 December

## Assets

	Note	2016 DKK	2015 DKK
Land and buildings		6.726.655	3.861.568
Plant and machinery		79.562	74.829
Other fixtures and fittings, tools and equipment		1.011.242	1.175.240
Leasehold improvements		79.148	16.375
Property, plant and equipment in progress		0	198.165
<b>Property, plant and equipment</b>		<b>7.896.607</b>	<b>5.326.177</b>
<b>Fixed assets</b>		<b>7.896.607</b>	<b>5.326.177</b>
<b>Inventories</b>	4	<b>9.514.566</b>	<b>9.177.555</b>
Trade receivables		24.354.400	12.004.374
Receivables from group enterprises		941.443	383.298
Other receivables		37.633	529
Prepayments		189.617	267.424
<b>Receivables</b>		<b>25.523.093</b>	<b>12.655.625</b>
<b>Cash at bank and in hand</b>		<b>11.833.625</b>	<b>14.398.234</b>
<b>Currents assets</b>		<b>46.871.284</b>	<b>36.231.414</b>
<b>Assets</b>		<b>54.767.891</b>	<b>41.557.591</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2016 DKK	2015 DKK
Share capital		3.500.000	3.500.000
Retained earnings		37.538.506	29.260.986
<b>Equity</b>	<b>5</b>	<b>41.038.506</b>	<b>32.760.986</b>
Provision for deferred tax		335.700	402.100
Other provisions	6	941.214	535.000
<b>Provisions</b>		<b>1.276.914</b>	<b>937.100</b>
Trade payables		1.232.357	1.677.793
Payables to group enterprises		6.513.872	1.803.973
Corporation tax		368.913	22.223
Other payables		4.290.179	3.981.146
Deferred income		47.150	374.370
<b>Short-term debt</b>		<b>12.452.471</b>	<b>7.859.505</b>
<b>Debt</b>		<b>12.452.471</b>	<b>7.859.505</b>
<b>Liabilities and equity</b>		<b>54.767.891</b>	<b>41.557.591</b>
Main activity	1		
Contingent assets, liabilities and other financial obligations	7		

## Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	3.500.000	29.260.986	32.760.986
Net profit/loss for the year	0	8.277.520	8.277.520
<b>Equity at 31 December</b>	<b>3.500.000</b>	<b>37.538.506</b>	<b>41.038.506</b>

# Notes to the Financial Statements

## 1 Main activity

As in previous years the Company's main activity is:

Sale and service of vacuum pumps and vacuum systems and low pressure compressors and stationary and mobile rotary lobe blowers.

## 2 Staff

	2016 DKK	2015 DKK
Wages and Salaries	15.203.005	14.088.409
Pensions	1.233.728	1.123.108
Other social security expenses	303.857	288.270
	<b>16.740.590</b>	<b>15.499.787</b>

Wages and Salaries, pensions and other social security expenses are recognised in the following items:

Cost of sales	8.999.047	8.358.764
Distribution expenses	3.931.749	3.705.365
Administrative expenses	3.809.794	3.435.658
	<b>16.740.590</b>	<b>15.499.787</b>

<b>Average number of employees</b>	<b>28</b>	<b>27</b>
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## 3 Tax on profit/loss for the year

Current tax for the year	2.422.913	1.696.224
Deferred tax for the year	-66.400	-75.000
Adjustment of tax concerning previous years	-1.746	278
	<b>2.354.767</b>	<b>1.621.502</b>

## Notes to the Financial Statements

	2016 DKK	2015 DKK
<b>4 Inventories</b>		
Work in progress	785.253	463.668
Finished goods and goods for resale	8.541.645	8.473.063
Prepayments for goods	187.668	240.824
	<b>9.514.566</b>	<b>9.177.555</b>

## 5 Equity

The share capital consists of 35 shares of a nominal value of DKK 100,000. No shares carry any special rights.

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

## 6 Other provisions

Guarantee provisions	941.214	535.000
	<b>941.214</b>	<b>535.000</b>

The provisions are expected to mature as follows:

Within 1 year	565.314	321.300
Between 1 and 5 years	375.900	213.700
	<b>941.214</b>	<b>535.000</b>

## 7 Contingent assets, liabilities and other financial obligations

### Charges and security

The Company's bankers have provided a working guarantee of total DKK 860k against business partners.

The Company has entered into a rental agreement which is non-cancellable until 1 March 2018. The rental obligation amounts to DKK 130.200.

# Notes, Accounting Policies

## Basis of Preparation

The Annual Report of Busch Vakuumtechnik A/S for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2016 are presented in DKK.

## Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

## Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

## Notes, Accounting Policies

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

### Income Statement

#### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

The Company's gross profit/loss includes revenue less cost of sales.

#### Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

#### Cost of sales

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

#### Distribution expenses

Distribution expenses comprise costs in the form of salaries to sales and distribution staff, advertising and marketing expenses as well as operation of motor vehicles, depreciation, etc.

#### Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc.

# Notes, Accounting Policies

## Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of fixed assets.

## Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised exchange adjustments.

## Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

# Balance Sheet

## Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, where production has started 1 January 2003 or later, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers as well as overheads.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are not recognised in cost.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Production buildings	25-30 years
Plant and machinery	3-5 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

Assets costing less than DKK 12,900 are expensed in the year of acquisition.



# Notes, Accounting Policies

## **Impairment of fixed assets**

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

## **Inventories**

Inventories are measured at the lower of cost based on the average cost formula and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables and direct labour with addition of indirect production costs. Indirect production costs comprise the cost of indirect materials and labour as well as maintenance and depreciation of the machinery, factory buildings and equipment used in the manufacturing process as well as costs of factory administration and management. Any borrowing costs in the production period are not included.

## **Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

## **Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

## **Equity**

### ***Dividend***

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

# Notes, Accounting Policies

## Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of . Provisions are measured and recognised based on experience with guarantee work.

## Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

## Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

## Financial debts

Other debts are measured at amortised cost, substantially corresponding to nominal value.

## Deferred income

Deferred income comprises payments received in respect of income in subsequent years.