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# ***Bollfilter Nordic ApS***

Hammerbakken 21, DK-3460 Birkerød

## **Annual Report for 1 January - 31 December 2019**

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CVR No 88 44 60 11

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
31/3 2020

Robert Jellinggaard  
Chairman of the General  
Meeting



# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Company Information</b>	
Company Information	5
Management's Review	6
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	7
Balance Sheet 31 December	8
Statement of Changes in Equity	10
Notes to the Financial Statements	11

# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Bollfilter Nordic ApS for the financial year 1 January - 31 December 2019.

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 2019 of the Company and of the results of the Company operations for 2019.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Birkerød, 31 March 2020

## Executive Board

Robert Jellinggaard

## Board of Directors

Jörg Tholen

Torsen Vogel

# Independent Auditor's Report

To the Shareholder of Bollfilter Nordic ApS

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Bollfilter Nordic ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the 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.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

# Independent Auditor's Report

## 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## Independent Auditor's Report

- 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.

Ringsted, 31 March 2020

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Claus Kjær Poulsen

statsautoriseret revisor

mne10677

## **Company Information**

### **The Company**

Bollfilter Nordic ApS  
Hammerbakken 21  
DK-3460 Birkerød

Telephone: + 45 45 42 12 00  
Website: [www.bollfilter.dk](http://www.bollfilter.dk)

CVR No: 88 44 60 11  
Financial period: 1 January - 31 December  
Municipality of reg. office: Rudersdal

### **Board of Directors**

Jörg Tholen  
Torsen Vogel

### **Executive Board**

Robert Jellinggaard

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Eventyrvej 16  
DK-4100 Ringsted

### **Bankers**

Danske Bank A/S

## **Management's Review**

Financial Statements of Bollfilter Nordic ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Annual Report has been prepared under the same accounting policies as last year.

### **Key activities**

As in previous years, the company's main activity has been the sale of filters and machines etc. and assembly thereof in the Nordic countries.

### **Development in the year**

The income statement of the Company for 2019 shows a profit of DKK 5,765,148, and at 31 December 2019 the balance sheet of the Company shows equity of DKK 9,549,293.

### **Unusual events**

The financial position at 31 December 2019 of the Company and the results of the activities of the Company for the financial year for 2019 have not been affected by any unusual events.

### **Subsequent events**

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



## Income Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
<b>Gross profit/loss</b>		<b>21.454.463</b>	<b>13.895.800</b>
Distribution expenses	1	-12.509.497	-11.258.139
Administrative expenses		-1.461.309	-1.616.169
<b>Operating profit/loss</b>		<b>7.483.657</b>	<b>1.021.492</b>
Financial income		7.575	537
Financial expenses		-59.959	-116.130
<b>Resultat før skat</b>		<b>7.431.273</b>	<b>905.899</b>
Tax on profit/loss for the year	2	-1.666.125	-230.313
<b>Net profit/loss for the year</b>		<b>5.765.148</b>	<b>675.586</b>

## Distribution of profit

	2019 DKK	2018 DKK
<b>Proposed distribution of profit</b>		
Proposed dividend for the year	5.750.000	1.000.000
Retained earnings	15.148	-324.414
	<b>5.765.148</b>	<b>675.586</b>

# Balance Sheet 31 December

## Assets

	Note	2019 DKK	2018 DKK
Other fixtures and fittings, tools and equipment		28.906	59.861
Leasehold improvements		239.785	281.371
<b>Property, plant and equipment</b>	3	<b>268.691</b>	<b>341.232</b>
Other receivables		92.608	98.684
<b>Fixed asset investments</b>		<b>92.608</b>	<b>98.684</b>
<b>Fixed assets</b>		<b>361.299</b>	<b>439.916</b>
<b>Inventories</b>		<b>1.841.820</b>	<b>1.751.577</b>
Trade receivables		48.618.014	11.361.347
Other receivables		1.121.396	94.352
Deferred tax asset	4	0	18.000
Corporation tax		0	139.493
Prepayments		108.333	420.411
<b>Receivables</b>		<b>49.847.743</b>	<b>12.033.603</b>
<b>Cash at bank and in hand</b>		<b>11.095.426</b>	<b>5.245.068</b>
<b>Currents assets</b>		<b>62.784.989</b>	<b>19.030.248</b>
<b>Assets</b>		<b>63.146.288</b>	<b>19.470.164</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		600.000	600.000
Retained earnings		3.199.293	3.184.145
Proposed dividend for the year		5.750.000	1.000.000
<b>Equity</b>		<b>9.549.293</b>	<b>4.784.145</b>
Provision for deferred tax	4	2.000	0
<b>Provisions</b>		<b>2.000</b>	<b>0</b>
Prepayments received from customers		500.040	0
Trade payables		483.387	349.905
Payables to group enterprises		48.481.699	12.427.200
Corporation tax		1.250.638	11.867
Other payables		2.879.231	1.897.047
<b>Short-term debt</b>		<b>53.594.995</b>	<b>14.686.019</b>
<b>Debt</b>		<b>53.594.995</b>	<b>14.686.019</b>
<b>Liabilities and equity</b>		<b>63.146.288</b>	<b>19.470.164</b>
Contingent assets, liabilities and other financial obligations	5		
Related parties	6		
Accounting Policies	7		
Staff	1		

## Statement of Changes in Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	600.000	3.184.145	1.000.000	4.784.145
Ordinary dividend paid	0	0	-1.000.000	-1.000.000
Net profit/loss for the year	0	15.148	5.750.000	5.765.148
<b>Equity at 31 December</b>	<b>600.000</b>	<b>3.199.293</b>	<b>5.750.000</b>	<b>9.549.293</b>

## Notes to the Financial Statements

	2019 <u>DKK</u>	2018 <u>DKK</u>
<b>1 Staff</b>		
Wages and Salaries	9.102.992	7.627.362
Pensions	550.177	669.207
Other social security expenses	423.226	381.278
	<u><b>10.076.395</b></u>	<u><b>8.677.847</b></u>
Staff expenses are recognised in the following items:		
Distribution expenses	<u>10.076.395</u>	<u>8.677.847</u>
	<u><b>10.076.395</b></u>	<u><b>8.677.847</b></u>
<b>Average number of employees</b>	<u><b>12</b></u>	<u><b>12</b></u>
<b>2 Tax on profit/loss for the year</b>		
Current tax for the year	1.645.807	218.313
Deferred tax for the year	20.000	12.000
Adjustment of tax concerning previous years	318	0
	<u><b>1.666.125</b></u>	<u><b>230.313</b></u>

## Notes to the Financial Statements

### 3 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost at 1 January	816.799	415.862
Cost at 31 December	816.799	415.862
Impairment losses and depreciation at 1 January	756.938	134.491
Depreciation for the year	30.955	41.586
Impairment losses and depreciation at 31 December	787.893	176.077
<b>Carrying amount at 31 December</b>	<b>28.906</b>	<b>239.785</b>
Depreciated over	3-5 years	10 years
	2019 DKK	2018 DKK
Depreciation and impairment of property, plant and equipment are recognised in the following items:		
Distribution expenses	72.541	84.907
	<b>72.541</b>	<b>84.907</b>

### 4 Provision for deferred tax

Property, plant and equipment	17.000	12.000
Trade receivables	-18.000	-38.000
Prepayments	3.000	8.000
Transferred to deferred tax asset	0	18.000
<b>Provision for deferred tax</b>	<b>2.000</b>	<b>0</b>

Deferred tax has been provided at 22% corresponding to the current tax rate.

#### Deferred tax asset

Calculated tax asset	0	18.000
<b>Carrying amount</b>	<b>0</b>	<b>18.000</b>

## Notes to the Financial Statements

	<u>2019</u> DKK	<u>2018</u> DKK
<b>5 Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
The following assets have been placed as security with bankers:		
Bank accounts with balances of	<u>19.929</u>	<u>20.000</u>
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments	<u>226.282</u>	<u>482.550</u>
The company has entered into lease contracts with a lease obligation during the periods of non-termination. The total rental obligation is DKK	<u>501.618</u>	<u>795.336</u>

## 6 Related parties

The Company is included in the Group Annual Report of the Parent Company:

<u>Name</u>	<u>Place of registered office</u>
Boll & Kirch Filterbau GmbH	Germany

The Group Annual Report of Boll & Kirch Filterbau GmbH may be obtained at the following address:

Siemensstrasse 10-14  
50170 Kerpen

# Notes to the Financial Statements

## 7 Accounting Policies

The Annual Report of Bollfilter Nordic ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 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.

### Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

### Translation policies

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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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.



# Notes to the Financial Statements

## 7 Accounting Policies (continued)

### Income Statement

#### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and 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.

#### Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and cost of sales.

#### 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. Amortisation of goodwill is also included to the extent that goodwill relates to distribution activities.

#### Administrative expenses

Administrative expenses comprise expenses for Management, administrative staff, office expenses, depreciation, etc. Amortisation of goodwill is also included to the extent that goodwill relates to administrative activities.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

# Notes to the Financial Statements

## 7 Accounting Policies (continued)

### 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.

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:

Other fixtures and fittings, tools and equipment	3-5	years
Leasehold improvements	10	years

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of intangible assets and 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.

### Fixed asset investments

Fixed asset investments consist of depositories.

### Inventories

Inventories are measured at the lower of cost under the FIFO method 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. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

# Notes to the Financial Statements

## 7 Accounting Policies (continued)

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.

### **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.

### **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.

### **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 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. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

# Notes to the Financial Statements

## 7 Accounting Policies (continued)

### Financial debts

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