
Bollfilter Nordic ApS

Hammerbakken 21, DK-3460 Birkerød

Annual Report for 1 January - 31 December 2020

CVR No 88 44 60 11

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
6 /5 2021

Robert Jellinggaard
Chairman of the General
Meeting



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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 2020.

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 2020 of the Company and of the results of the Company operations for 2020.

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, 6 May 2021

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 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020 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 2020, 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, 6 May 2021

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Brian Petersen

statsautoriseret revisor

mne28701

Company Information

The Company

Bollfilter Nordic ApS
Hammerbakken 21
DK-3460 Birkerød

Telephone: + 45 45 42 12 00
Website: 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

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 2020 shows a profit of DKK 4,215,226, and at 31 December 2020 the balance sheet of the Company shows equity of DKK 8,014,519.

The Management assesses that the COVID-19 did not have a significant impact on the results and the activities of 2020. The Management do not expect the pandemic to have a significant impact on the results and activities of 2021 either.

Unusual events

The financial position at 31 December 2020 of the Company and the results of the activities of the Company for the financial year for 2020 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	2020 DKK	2019 DKK
Gross profit/loss		18.346.655	21.454.463
Distribution expenses	1	-11.251.155	-12.509.497
Administrative expenses		-1.491.748	-1.461.309
Operating profit/loss		5.603.752	7.483.657
Resultat før finansielle poster		5.603.752	7.483.657
Financial income		1.886	7.575
Financial expenses		-193.511	-59.959
Resultat før skat		5.412.127	7.431.273
Tax on profit/loss for the year	2	-1.196.901	-1.666.125
Net profit/loss for the year		4.215.226	5.765.148

Distribution of profit

	2020 DKK	2019 DKK
Proposed distribution of profit		
Proposed dividend for the year	4.000.000	5.750.000
Retained earnings	215.226	15.148
	4.215.226	5.765.148

Balance Sheet 31 December

Assets

	Note	2020 DKK	2019 DKK
Other fixtures and fittings, tools and equipment		891	28.906
Leasehold improvements		198.199	239.785
Property, plant and equipment	3	199.090	268.691
Other receivables		92.608	92.608
Fixed asset investments		92.608	92.608
Fixed assets		291.698	361.299
Inventories		2.479.342	1.841.820
Trade receivables		16.776.679	48.618.014
Other receivables		869.151	1.121.396
Deferred tax asset	4	7.000	0
Prepayments		89.890	108.333
Receivables		17.742.720	49.847.743
Cash at bank and in hand		4.095.600	11.095.426
Currents assets		24.317.662	62.784.989
Assets		24.609.360	63.146.288

Balance Sheet 31 December

Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		600.000	600.000
Retained earnings		3.414.519	3.199.293
Proposed dividend for the year		4.000.000	5.750.000
Equity		8.014.519	9.549.293
Provision for deferred tax	4	0	2.000
Provisions		0	2.000
Prepayments received from customers		581.594	500.040
Trade payables		498.089	483.387
Payables to group enterprises		11.222.970	48.481.699
Corporation tax		940.303	1.250.638
Other payables		3.351.885	2.879.231
Short-term debt		16.594.841	53.594.995
Debt		16.594.841	53.594.995
Liabilities and equity		24.609.360	63.146.288
Contingent assets, liabilities and other financial obligations	5		
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Staff			

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	3.199.293	5.750.000	9.549.293
Ordinary dividend paid	0	0	-5.750.000	-5.750.000
Net profit/loss for the year	0	215.226	4.000.000	4.215.226
Equity at 31 December	600.000	3.414.519	4.000.000	8.014.519

Notes to the Financial Statements

	2020 <u>DKK</u>	2019 <u>DKK</u>
1 Staff		
Wages and Salaries	8.653.191	9.102.992
Pensions	587.246	550.177
Other social security expenses	398.873	423.226
	<u>9.639.310</u>	<u>10.076.395</u>
Staff expenses are recognised in the following items:		
Distribution expenses	<u>9.639.310</u>	<u>10.076.395</u>
	<u>9.639.310</u>	<u>10.076.395</u>
Average number of employees	<u>12</u>	<u>12</u>
2 Tax on profit/loss for the year		
Current tax for the year	1.206.750	1.645.807
Deferred tax for the year	-9.000	20.000
Adjustment of tax concerning previous years	-849	318
	<u>1.196.901</u>	<u>1.666.125</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	787.893	176.077
Depreciation for the year	28.015	41.586
Impairment losses and depreciation at 31 December	815.908	217.663
Carrying amount at 31 December	891	198.199
Depreciated over	3-5 years	10 years
	2020 DKK	2019 DKK
Depreciation and impairment of property, plant and equipment are recognised in the following items:		
Distribution expenses	69.601	72.541
	69.601	72.541

4 Deferred tax asset

Property, plant and equipment	21.000	17.000
Trade receivables	-37.000	-18.000
Prepayments	9.000	3.000
Transferred to deferred tax asset	7.000	0
Provision for deferred tax	0	2.000

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

Deferred tax asset

Calculated tax asset	7.000	0
Carrying amount	7.000	0

Notes to the Financial Statements

	<u>2020</u> DKK	<u>2019</u> DKK
5 Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with bankers:		
Bank accounts with balances of	<u>274.753</u>	<u>19.929</u>
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments	<u>224.644</u>	<u>226.282</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>403.267</u>	<u>501.618</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 2020 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 2020 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

The fixed assets' residual values are determined at nil.

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

Notes to the Financial Statements

7 Accounting Policies (continued)

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.

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.

Notes to the Financial Statements

7 Accounting Policies (continued)

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.

Financial debts

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