



BSB Maskinfabrik A/S

Kongsbjerg 33
6640 Lunderskov
CVR No. 25631587

Annual report 2022

The Annual General Meeting adopted the annual report on 14.06.2023

Jesper Knudsen

Chairman of the General Meeting

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Entity details

Entity

BSB Maskinfabrik A/S

Kongsbjerg 33

6640 Lunderskov

Business Registration No.: 25631587

Registered office: Kolding

Financial year: 01.01.2022 - 31.12.2022

Phone number: 75559966

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URL: www.bsb-industry.dk

Board of Directors

Carsten Bezaleel Raunsbæk

Per Lyngaa

Jesper Knudsen

Benny Elneff

Bjarne Elneff

Executive Board

Morten Krusborg

Claus Iwersen

Bank

Danske Bank A/S, Erhverv Kolding

Kolding Åpark 8H

6000 Kolding

Attorney

Andersen Partners

Buen 11

6000 Kolding

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Egtved Allé 4

6000 Kolding

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of BSB Maskinfabrik A/S for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022.

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.

Lunderskov, 14.06.2023

Executive Board

Morten Krusborg

Claus Iwersen

Board of Directors

Carsten Bezaleel Raunsbæk

Per Lyngaa

Jesper Knudsen

Benny Elneff

Bjarne Elneff

Independent auditor's report

To the shareholders of BSB Maskinfabrik A/S

Opinion

We have audited the financial statements of BSB Maskinfabrik A/S for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared 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 31.12.2022 and of the results of its operations and cash flows for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

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.

In connection with our audit 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 audit 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.

Kolding, 14.06.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Morten Almtoft Lund

State Authorised Public Accountant
Identification No (MNE) mne41365

Management commentary

Financial highlights

	2022	2021	2020	2019	2018
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Revenue	726,126	621,511	540,718	424,592	324,235
Gross profit/loss	110,093	128,115	108,699	85,876	77,603
Operating profit/loss	52,594	62,341	50,458	37,116	33,470
Net financials	4,282	886	(1,697)	(1,032)	(1,766)
Profit/loss for the year	44,374	49,290	37,967	28,109	24,705
Total assets	371,333	350,191	284,009	261,148	256,149
Investments in property, plant and equipment	1,839	9,853	2,780	426	8,957
Equity	182,752	151,226	127,320	99,357	76,321
Ratios					
Gross margin (%)	15.16	20.61	20.10	20.23	23.93
EBIT margin (%)	7.24	10.03	9.33	8.74	10.32
Net margin (%)	6.11	7.93	7.02	6.62	7.62
Return on equity (%)	26.57	35.39	33.50	32.00	37.16
Equity ratio (%)	49.22	43.18	44.83	38.05	29.80

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

$\frac{\text{Gross profit/loss} * 100}{\text{Revenue}}$

EBIT margin (%):

$\frac{\text{Operating profit/loss} * 100}{\text{Revenue}}$

Net margin (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Revenue}}$

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Primary activities

The Company's primary activity is to provide total solutions in steel, stainless steel and aluminum. The Company provides complete innovative solutions to the global market.

Development in activities and finances

The Company's activity for 2022 has met our expectations considered the challenges on the raw material market, as a result, the financial performance was on the level that was expected.

Profit/loss for the year in relation to expected developments

The profit after tax for the year amounted to DKK 44.374k. The management is overall satisfied with the result of 2022.

Outlook

The Company operates in a competitive market and a market that expect a high activity in the future. The overall outlook for the wind industry in a longer perspective is good, but the higher demand that was expected for 2023 has been postponed. We expect the activity to be on similar level as 2022. Earnings are expected in line with recent years.

Statutory report on corporate social responsibility

Business model

The Company's primary activity is to provide total solutions in steel, stainless steel and aluminum. The Group provides complete innovative solutions to the global market. The Company has modern machinery and a staff with high expertise. Production takes place in several factories.

Our solutions are distributed worldwide, and our suppliers are a sensible mix of big world-renowned companies and small local suppliers of special items.

Environment

The most significant environmental impacts are related to energy consumption as well as the use of steel as our primary raw material.

The Company is committed to ESG and strives to be an engaged and environmental-friendly business partner. The Company has a significant impact on the CO₂ emissions with large energy consumption as well as using steel as raw material but contributes to lowering the CO₂ emissions by using only renewable energy sources and ensuring circular economy and responsible waste handling, and committing to environmental responsibility, the business takes ownership over its impact on the environment. The Company also prioritizes the partnerships for a sustainable future, and by that help impacting on a broader perspective.

As a supplier of solutions to the big Wind OEMs the Company contributes directly to the green transition. 2022 was the first year where statutory energy inspection was required due to the size of BSB. This inspection requires us to map our top 3 energy consuming activities and implement actions to decrease this. 2022 was also the year where we opened up for UN 17 sustainable development goals (SDG's) and identified which goals we support. This was rewarded with a nomination for Business Kolding's yearly SDG award. We have also found and implemented software to calculate LCA (life-cycle-assessments) that are used to identify how much CO₂ we emit based on 1 produced item. This tool will also provide us with the biggest contributors of CO₂, enabling us to focus on the primary factors.

Consumption of energy is always being monitored to continuously balancing increased production with decreased consumption. This year we have had the same level per working hour as 2021, and we need to decide new actions to drive it lower.

Waste handling has been driven by legal requirement in terms of sorting, but our next step in 2022 was circular economy, trying to establish collaborations with other companies to share our trash as their treasures. This topic is still immature in the market making it difficult to find optimal solution, but we have started separating plastic and selling it instead of incineration.

Looking into 2023 we are focusing on LCA for deliveries to specific customers. This will go hand in hand with our ever-developing plans for reducing energy consumption. We will also develop our partnerships with our suppliers on packaging methods to reduce waste.

Health, safety, environment

Our biggest resource is our employees, and they are therefore our biggest risk. Retention of our employees to maintain the level of competency and ability to deliver.

Our most valuable resource is our employees, and if we fail to maintain a healthy and safe working environment we run a risk of accidents, illness and related absence. Such risk would not only negatively affect the individual, but in turn also our operations and ability to succeed with our business. Therefore, the safety and well-being of our employees is very important to us, and we are continuously working on making it easy to do the right things in a safe manner.

Well-being is not only about safety and not getting hurt, but also about making sure that we are treating each other with respect and providing the best prerequisites for succeeding.

In 2021 we conducted our first employee satisfaction survey, and we repeated it in 2022 with minor changes. It is important that we have the right focus and asking the right questions to identify if there are issues that we need to take care of.

We have also implemented software to ensure chemical workplace assessment (legal requirement) and made more efforts into better ergonomics for the employees.

We have continued involvement of employees in safe working and established a new way of registration of near-misses to make it easier for employees to make the registration.

We are not only following the rules, we are also involving people on all levels of the organization to ensure that the DNA of the Company is maintained during uncertain times.

For 2023 we will continue to investigate the good solutions. Our sustainability strategy will be tuned to fit the direction of the EU's CSRD, to support that we focus broadly on sustainability and not only on environment. Safety and employee well-being is important, and we will further develop the employee involvement to build on that.

Code of Conduct

Introduction

Respect for and compliance with the law takes a high priority for the Company and complying with the various legal and regulatory frameworks that apply in the jurisdictions where it operates, the Company can protect its integrity and reputation.

Purpose of the Code of Conduct

The Code of Conduct is a collection of rules and policy statements intended to assist employees in their daily decision making. It sets forth guidelines for how to behave in relation to customers, suppliers, the authorities and other stakeholders.

The Code of Conduct applies to all entities and employees in the Company, and it is important that every employee understands and complies with the Code of Conduct. To ensure that every employee is familiar with the Code of Conduct, each manager is responsible for seeing that it is known and adhered to within their respective team.

Violation of the Code of Conduct

Failure to comply with the Code of Conduct may expose employees and the Company to reputational damage as well as to legal and regulatory sanctions. Disciplinary proceedings in case of severe compliance misconduct may result in a reprimand, fine or dismissal.

Human rights

The Company adheres to all relevant laws and regulations aimed at the protection and promotion of human rights globally and at work.

The Company sees its employees as its greatest asset. Each employee is valuable and together they form the foundation for the Company's success.

It is important that employees treat everyone with dignity and respect. The Company does not accept discrimination based upon ethnic background, gender, religion, age or sexual orientation. Discriminatory behavior or harassment of any kind is not tolerated.

We train our employees in human rights, respect their right to freedom of association, and recognize the right to be member of a union or other collective bargaining group.

The Company is not aware of any breaches with human rights in our supply chain, but acknowledges that there is a risk that our suppliers are not complying to the human rights. The Company is trying to mitigate this by signing contracts with our suppliers before initiating a cooperation to make sure that the human rights are respected.

We do an annual evaluation of our suppliers according to our categorization. The evaluation consists of performance in terms of delivery and quality, but also in terms of Environment, Health and Safety and Code of Conduct.

Child labor

The Company supports all efforts to eliminate child labour in the long term. In the meantime, we will ensure that the UN Convention on the Rights of the Child is respected in all activities we take part in.

The Company requires a minimum age of 15 years for employees, and children aged 15-18 can never do strenuous or potentially hazardous work tasks. Moreover, children aged 15-18 must always be supervised and supported with training and frequent dialogues with their superiors. The best interest of the child is always priority.

Anti-corruption, bribery and fraud

The Company condemns corruption in all its forms and does not tolerate it in its business or with its business partners. If employees are involved in bribery or corruption, they may find themselves personally criminally liable and subject to disciplinary action.

The three following principles apply:

- The Company and its employees do not accept or solicit bribes in any form.
- The Company does not make, and will not accept, facilitation payments or kickbacks of any kind.
- The Company's employees do not give or receive gifts above token value apart from gifts given or received in specific situations.

The line between right and wrong can sometimes be difficult to draw because of variations in local culture, customs and habits. If in doubt, employees should refer their concerns to their manager.

The Company does not tolerate any form of fraud, including theft, embezzlement, money laundering or misuse of the company's property.

In 2022 there has not been any kind of corruption in the Company.

In some countries there can be a higher risk for corruption. The Company are signing contracts with their suppliers where they need to make sure that they have not had any problem with corruption. For all main suppliers there will be an onsite audit to make sure that they are fulfilled all requirements that has been provided by the Company.

Gifts and entertainment

From time to time in the normal course of business relations, gifts (including entertainment) are offered, given and received. All employees must exercise great care with respect to gifts to and from customers, suppliers or others with whom they come into professional contact.

Dealing with confidential information

All employees have a legal duty to safeguard confidential information, regardless of whether it is obtained from customers, associates, suppliers or sources within the Company. Confidential information must not be disclosed to third parties without the owner's consent.

Relations with suppliers

The Company wants to help promote social and environmental improvements at our suppliers.

The Company expects that our suppliers comply with national laws and internationally recognized standards and conventions for ethical, environmental and social conditions.

Relations with customers

The aim is to ensure that customers trust the Company and experience value-creating relations. All communications through all channels to all target groups should be open, truthful and unambiguous.

Managing complaints

The Company must deal with complaints from customers or former customers promptly and fairly and in accordance with applicable laws and regulations. The Company has developed procedures to support this

process.

Corporate social responsibility in 2023

In 2023 a whistleblower channel will be available for employees of BSB. This channel can be used to report wrongdoings such as corruption, abuse of power, discrimination and harassment internally before authorities or the media are contacted.

The Company will continue to enforce our code of conduct, and will implement digital insurance of legal compliance, where we are alerted on any change in any relevant legislation in order to ensure continuous compliance.

Supplier Management is one of the primary focus areas of 2023. This will help the Company build partnerships with the suppliers to accommodate the future requirements in all aspects of human rights and sustainability.

Statutory report on the underrepresented gender

The Company wants to give equal conditions for all regardless of religion, ethnic origin or gender. Therefore, gender is considered in the selection process when recruiting or appointing, but the primary criteria for hiring will be competencies and personality. An important consideration is that the Company operates in an industry where management at all levels primarily consists of men, which may be a challenge in a recruitment process when selecting the best competences and still favoring the underrepresented gender. As laid down in the Company's strategy, the Company has a goal that no gender should be represented by less than 25% at all management levels.

In the Company Board of Directors, the gender distribution was 0 women and 5 men. The Company's goal is to increase the number of female board members by 1 and will make an effort to reach this goal by the financial year 2024.

At the Company's other management levels, the gender distribution was 1 woman and 4 men. The Company's goal is to increase the number of female management members by 1 and will make an effort to reach this goal by the financial year 2024.

Statutory report on data ethics policy

We are conscious and aware of the many opportunities and uncertainties that come with the use of digital tools. As part of our work to ensure best practice in handling data responsibly and in accordance with the General Data Protection Regulation (GDPR), we have articulated our requirements and expectations to our employees around GDPR in a policy. We do not use complex technologies, our data landscape is fairly simple at the moment. Based on the above, we have not found it necessary to develop a specific policy around data ethics. However, we continuously consider ethical matters, in the way we handle and use data in order to ensure the rights and expectations of our employees and our customers.

Events after the balance sheet date

See note 1 regarding events after the balance sheet date.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Revenue	2	726,126,440	621,511,022
Costs of raw materials and consumables		(590,689,179)	(471,721,393)
Other external expenses	3	(25,343,923)	(21,674,526)
Gross profit/loss		110,093,338	128,115,103
Staff costs	4	(51,478,971)	(60,079,116)
Depreciation, amortisation and impairment losses	5	(6,019,934)	(5,694,881)
Operating profit/loss		52,594,433	62,341,106
Other financial income from group enterprises		191,275	113,548
Other financial income	6	5,533,136	1,805,179
Other financial expenses	7	(1,442,580)	(1,033,035)
Profit/loss before tax		56,876,264	63,226,798
Tax on profit/loss for the year	8	(12,502,430)	(13,936,679)
Profit/loss for the year	9	44,373,834	49,290,119

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Goodwill		0	0
Intangible assets	10	0	0
Land and buildings		4,265,843	4,548,576
Plant and machinery		6,743,281	10,155,000
Other fixtures and fittings, tools and equipment		2,459,345	2,900,552
Leasehold improvements		51,750	96,804
Property, plant and equipment	11	13,520,219	17,700,932
Receivables from group enterprises		7,664,306	7,664,306
Deposits		1,957,350	0
Financial assets	12	9,621,656	7,664,306
Fixed assets		23,141,875	25,365,238
Raw materials and consumables		31,327,192	23,924,756
Work in progress		4,629,594	5,826,686
Manufactured goods and goods for resale		59,602,394	51,894,834
Inventories		95,559,180	81,646,276
Trade receivables		234,312,913	230,147,608
Receivables from group enterprises		9,447,195	7,011,042
Deferred tax	13	2,001,828	1,962,871
Other receivables		4,772,444	3,162,563
Derivative financial instruments	14	2,029,461	0
Receivables		252,563,841	242,284,084
Cash		67,831	895,506
Current assets		348,190,852	324,825,866
Assets		371,332,727	350,191,104

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		9,000,000	9,000,000
Reserve for fair value adjustments of hedging instruments		1,763,632	(388,295)
Retained earnings		146,988,516	127,614,682
Proposed dividend		25,000,000	15,000,000
Equity		182,752,148	151,226,387
Other provisions	15	2,500,000	2,500,000
Provisions		2,500,000	2,500,000
Mortgage debt		2,101,654	2,399,079
Bank loans		2,999,990	3,480,000
Lease liabilities		7,159,437	10,184,310
Other payables	16	0	1,004,961
Non-current liabilities other than provisions	17	12,261,081	17,068,350
Current portion of non-current liabilities other than provisions	17	3,834,759	4,423,502
Bank loans		51,177,368	35,005,734
Trade payables		91,641,605	97,859,303
Payables to group enterprises		6,518,123	13,470,815
Joint taxation contribution payable		13,148,341	13,698,616
Other payables		7,499,302	14,938,397
Current liabilities other than provisions		173,819,498	179,396,367
Liabilities other than provisions		186,080,579	196,464,717
Equity and liabilities		371,332,727	350,191,104
Events after the balance sheet date	1		
Fair value information	19		
Unrecognised rental and lease commitments	20		
Assets charged and collateral	21		
Related parties with controlling interest	22		
Non-arm's length related party transactions	23		

Statement of changes in equity for 2022

	Contributed capital DKK	Reserve for fair value adjustments of hedging instruments DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	9,000,000	(388,295)	127,614,682	15,000,000	151,226,387
Ordinary dividend paid	0	0	0	(15,000,000)	(15,000,000)
Fair value adjustments of hedging instruments	0	2,758,881	0	0	2,758,881
Tax of entries on equity	0	(606,954)	0	0	(606,954)
Profit/loss for the year	0	0	19,373,834	25,000,000	44,373,834
Equity end of year	9,000,000	1,763,632	146,988,516	25,000,000	182,752,148

Cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		52,594,433	62,341,106
Amortisation, depreciation and impairment losses		6,019,934	5,694,881
Working capital changes	18	(37,738,386)	(35,533,730)
Cash flow from ordinary operating activities		20,875,981	32,502,257
Financial income received		5,724,411	1,918,727
Financial expenses paid		(1,442,580)	(1,033,035)
Taxes refunded/(paid)		(13,091,662)	(3,717,167)
Cash flows from operating activities		12,066,150	29,670,782
Acquisition etc of property, plant and equipment		(1,839,221)	(9,852,765)
Repayments received		0	127,896
Cash flows from investing activities		(1,839,221)	(9,724,869)
Free cash flows generated from operations and investments before financing		10,226,929	19,945,913
Loans raised		16,171,634	6,451,728
Repayments of loans etc		(4,391,051)	(7,382,977)
Incurrence of debt to group enterprises		(6,952,692)	7,228,127
Dividend paid		(15,000,000)	(25,000,000)
Paid holiday fund obligation		(1,004,961)	(54,901)
Other cash flows from financing activities		122,466	(384,213)
Cash flows from financing activities		(11,054,604)	(19,142,236)
Increase/decrease in cash and cash equivalents		(827,675)	803,677
Cash and cash equivalents beginning of year		895,506	91,829
Cash and cash equivalents end of year		67,831	895,506
Cash and cash equivalents at year-end are composed of:			
Cash		67,831	895,506
Cash and cash equivalents end of year		67,831	895,506

Notes

1 Events after the balance sheet date

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

2 Revenue

	2022	2021
	DKK	DKK
Denmark	574,385,240	551,497,762
EU	15,458,985	22,731,706
Other countries	136,282,215	47,281,554
Total revenue by geographical market	726,126,440	621,511,022

3 Fees to the auditor appointed by the Annual General Meeting

For an overview of fees to auditor appointed by the Annual General Meeting refer to the annual report for BSB Group A/S

4 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	47,063,371	53,642,923
Pension costs	3,593,696	5,669,897
Other social security costs	821,904	766,296
	51,478,971	60,079,116
Average number of full-time employees	71	72

	Remuneration	
	of	of
	Management	Management
	2022	2021
	DKK	DKK
Executive Board	680,004	-
Board of Directors	6,059,384	-
Total amount for management categories	-	3,141,747
	6,739,388	3,141,747

The remuneration of management is shown accumulated for 2021 referring to §98B of The Danish Financial Statements Act.

5 Depreciation, amortisation and impairment losses

	2022	2021
	DKK	DKK
Depreciation of property, plant and equipment	5,976,528	5,694,881
Profit/loss from sale of intangible assets and property, plant and equipment	43,406	0
	6,019,934	5,694,881

6 Other financial income

	2022	2021
	DKK	DKK
Exchange rate adjustments	5,507,171	1,805,179
Other financial income	25,965	0
	5,533,136	1,805,179

7 Other financial expenses

	2022	2021
	DKK	DKK
Other interest expenses	1,368,510	767,308
Exchange rate adjustments	0	129,037
Other financial expenses	74,070	136,690
	1,442,580	1,033,035

8 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	12,541,387	13,806,984
Change in deferred tax	(38,957)	129,695
	12,502,430	13,936,679

9 Proposed distribution of profit and loss

	2022	2021
	DKK	DKK
Ordinary dividend for the financial year	25,000,000	15,000,000
Retained earnings	19,373,834	34,290,119
	44,373,834	49,290,119

10 Intangible assets

	Goodwill DKK
Cost beginning of year	3,000,000
Cost end of year	3,000,000
Amortisation and impairment losses beginning of year	(3,000,000)
Amortisation and impairment losses end of year	(3,000,000)
Carrying amount end of year	0

11 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	23,108,540	48,543,425	15,862,422	550,518
Additions	1,174,537	0	664,684	0
Disposals	0	(2,318,671)	(4,069,767)	0
Cost end of year	24,283,077	46,224,754	12,457,339	550,518
Depreciation and impairment losses beginning of year	(18,559,964)	(38,388,425)	(12,961,870)	(453,714)
Depreciation for the year	(1,457,270)	(3,411,719)	(1,062,485)	(45,054)
Reversal regarding disposals	0	2,318,671	4,026,361	0
Depreciation and impairment losses end of year	(20,017,234)	(39,481,473)	(9,997,994)	(498,768)
Carrying amount end of year	4,265,843	6,743,281	2,459,345	51,750
Recognised assets not owned by entity	0	6,743,281	0	0

12 Financial assets

	Receivables from group enterprises DKK	Deposits DKK
Cost beginning of year	7,664,306	0
Additions	0	1,957,350
Cost end of year	7,664,306	1,957,350
Carrying amount end of year	7,664,306	1,957,350

13 Deferred tax

	2022	2021
	DKK	DKK
Property, plant and equipment	(163,409)	(1,053,426)
Inventories	(255,055)	(102,667)
Provisions	550,000	550,000
Liabilities other than provisions	1,870,292	2,568,964
Deferred tax	2,001,828	1,962,871

	2022	2021
	DKK	DKK
Changes during the year		
Beginning of year	1,962,871	2,092,566
Recognised in the income statement	38,957	(129,695)
End of year	2,001,828	1,962,871

Deferred tax assets

The company expect to make use of the deferred tax asset in future tax profits.

14 Derivative financial instruments

Derivative financial instruments include the fair value of hedging instruments of TDKK 223. The hedging instruments has been entered to secure a fixed interest rate on the company's variable-rate bank loans. The hedging instruments have a principal of DKK 6,2 million and secures a fixed interest rate of 1,15 % for the remaining term of 7 years.

Furthermore, deriative financial instruments include the fair value of foreign exchange forward transactions of TDKK 1,807. The foreign exchange forward transactions have been entered to secure the company's purchases of goods against unexpected exchange rate adjustment. The foreign exchange forward transactions secure the exchange rate of PLN 2,0-, PLN 2,5-, USD 1,6- and USD 1,1 million for the coming six months after year end, which in a total amounts to PLN 13,5 million and USD 2,7 milion.

The financial instruments are entered with the company's bank.

15 Other provisions

Other provisions consist of provisions for warranty.

16 Other payables

	2022	2021
	DKK	DKK
Holiday pay obligation	0	1,004,961
	0	1,004,961

17 Non-current liabilities other than provisions

	Due within 12 months	Due within 12 months	Due after more than 12 months	Outstanding after 5 years
	2022	2021	2022	2022
	DKK	DKK	DKK	DKK
Mortgage debt	302,033	334,472	2,101,654	805,206
Bank loans	480,000	480,000	2,999,990	1,079,990
Lease liabilities	3,052,726	3,609,030	7,159,437	0
	3,834,759	4,423,502	12,261,081	1,885,196

18 Changes in working capital

	2022	2021
	DKK	DKK
Increase/decrease in inventories	(13,912,904)	(27,460,549)
Increase/decrease in receivables	(4,676,851)	(27,006,750)
Increase/decrease in trade payables etc	(19,148,631)	18,933,569
	(37,738,386)	(35,533,730)

19 Fair value information

	Fair value adjustments of hedging instruments	Fair value adjustments of foreign exchange forward transactions
	DKK	DKK
Fair value end of year	222,557	1,806,904
Unrealised fair value adjustments recognised in the fair value reserve in equity	354,214	2,404,667

20 Unrecognised rental and lease commitments

	2022	2021
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	33,659,972	14,412,694
Liabilities under rental agreements or leases with group enterprises until expiry	9,144,000	11,430,000

21 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties registered to the mortgagor on properties of DKK 5,000k. The carrying amount of mortgaged properties is DKK 4,266k

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on properties of DKK 8,750k. The mortgage deed registered to the mortgagor of DKK 8,750k is provided as security for all bank commitments in BSB Ejendomme ApS.

Certain items of plant and machinery, and other fixtures etc have been financed by means of finance leases. The carrying amount of assets held under finance leases is DKK 6,743k.

Payables to credit institutions are secured on a floating charge of DKK 42,000k on the Company's assets. of which a floating charge of DKK 40,000k is provided as security for bank commitments in BSB Poland Sp. Z.o.o. and a floating charge of DKK 2,000k as security for bank commitments in BSB Ejendomme ApS.

The Company has guaranteed the bank commitments of BSB Ejendomme ApS.

22 Related parties with controlling interest

BSB Group A/S CVR nr. 41966262, Industrivej 7, 6640 Lunderskov owns all shares in the Entity, thus exercising control.

There are no other parties with controlling interest

23 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

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.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Income statement

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

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Other financial income

Other financial income comprises including interest income on receivables from group enterprises, transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For other amounts of goodwill, useful life has been 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. Useful lives are reassessed annually. The amortisation periods used are 5 years.

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

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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. For assets subject to financial lease, cost represents the lowest value of either the fair value of the asset or the present value of future lease payments.

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:

	Useful life
Buildings	10-33 years
Plant and machinery	5-8 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

Indirect production costs comprise indirect materials and labour costs, costs of maintenance of, depreciation of and impairment losses relating to machinery, factory buildings and equipment used in the manufacturing process, and costs of factory administration and management. Finance costs are not included in cost.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and

costs incurred to execute sale.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Lease liabilities

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities

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

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, inception of finance leases, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.