



## BSB Maskinfabrik A/S

Kongsbjerg 33  
6640 Lunderskov  
CVR No. 25631587

## Annual report 2021

The Annual General Meeting adopted the  
annual report on 14.06.2022

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**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: 01.01.2021 - 31.12.2021

Phone number: 75559966

Fax: 75559966

URL: [www.bsb-industry.dk](http://www.bsb-industry.dk)

## Board of Directors

Carsten Bezaleel Raunsbæk

Per Lyngaa

Jesper Knudsen

Benny Elneff

Bjarne Elneff

## Executive Board

Benny Elneff

## Bank

Danske Bank A/S, Finanscenter Trekantområdet

Havneparken 3

7100 Vejle

## Attorney

Andersen Partners

Jernbanegade 31

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 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations and cash flows for the financial year 01.01.2021 - 31.12.2021.

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, 14.06.2022

## Executive Board

**Benny Elneff**

## 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 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations and cash flows for the financial year 01.01.2021 - 31.12.2021 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, 14.06.2022

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Morten Almtoft Lund**

State Authorised Public Accountant  
Identification No (MNE) mne41365

# Management commentary

## Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
<b>Key figures</b>					
Revenue	621,511	540,718	424,592	324,235	294,520
Gross profit/loss	128,115	108,699	85,876	77,603	95,600
Operating profit/loss	62,341	50,458	37,116	33,470	27,648
Net financials	886	(1,697)	(1,032)	(1,766)	(784)
Profit/loss for the year	49,290	37,967	28,109	24,705	20,954
Total assets	350,191	284,009	261,148	256,149	151,359
Investments in property, plant and equipment	9,853	2,780	426	8,957	2,829
Equity	151,226	127,320	99,357	76,321	56,649
<b>Ratios</b>					
Gross margin (%)	20.61	20.10	20.23	23.93	32.46
EBIT margin (%)	10.03	9.33	8.74	10.32	9.39
Net margin (%)	7.93	7.02	6.62	7.62	7.11
Return on equity (%)	35.39	33.50	32.00	37.16	44.47
Equity ratio (%)	43.18	44.83	38.05	29.80	37.43

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

### Gross margin (%):

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

Revenue

### EBIT margin (%):

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

Revenue

### Net margin (%):

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

Revenue

### Return on equity (%):

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

Average equity



**Equity ratio (%):**

Equity \* 100

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 2021 has exceeded expectations and, as a result, the financial performance has also been above expectations. There has been a large demand for the Company's services/products related to total solutions, and this area has especially contributed to the growth.

### Profit/loss for the year in relation to expected developments

The profit after tax for the year amounted to DKK 49.290k. The management is overall satisfied with the result of 2021.

### Outlook

The Company operates in a competitive market and a market with high activity. In beginning of 2022 the conflict in Ukraine resulted in the industry being hit with shortage of supply on raw material and as a consequence a substantial price increase. These circumstances adds to the difficulty in forecasting our activity level in second half of 2022, however if we assume the current level, we expect the activity to be slightly higher than in 2021. 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 Company 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.

#### Environment

The Company gives high priority to the environment and strives to be an environmentally friendly business partner in the industry where the Company operates. The Company's strategy is to work continuously with the entire value chain. We believe that our most significant environmental impacts are related to energy consumption. As a production company we have high energy and material consumption, which we try to reduce through the following initiatives:

- Material and increased recycling
- CO2 reduction
- Energy optimisation
- Waste optimisation
- Substitution of chemicals to avoid negative impact on the environment.

2021 has been used to build on top of the certification accomplished in 2020.

The sustainability agenda consist of many different topics, which we are trying to bridge, and we meet many different requirements from customers and authorities. We have therefore used 2021 to identify areas where we can continue to make an impact:

- Baselineing within scope 1 and 2 that identified the biggest CO2 contributors (CO2-calculation)
- Design-thinking with GCO (EU funded project)
  - o Reuse of condensed water from heating pumps as cooling aid in machines
  - o Phasing out PSE

- Reduction of consumption, continued from 2020
- Waste management, legal requirement

Different smaller projects as:

- Reduction of material consumption
- Better chargers for forklifts
- Optimization of ventilation filters

### **Health, safety, environment**

The Company strives to provide good working conditions for its employees, and therefore it is the Company's policy to create a safe and healthy workplace, where the involvement of employees in relation to quality, environment, health and social conditions is a natural way of working. The Company has a flat organisation that promotes a safe and healthy working environment at all levels of the Company. The Company works with competency development of its employees and makes them aware of their important role in meeting customer demand and requirements.

Health and Safety is important to ensure the well-being of our employees covering both mental and physical health. We will continue to work with the mindset of a safe workplace:

- Employee satisfaction survey was implemented
- Competency lift for middle management
- Information screens was implemented to support the need for information and involvement of the employees
- Phase out of harmful chemicals
- Projects for better ergonomic
- Employee involvement in selection of values

### **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 behaviour or harassment of any kind is not tolerated.

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

The Company is convinced that in 2021 there has not been any breaches with human rights.

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.

**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 2021 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.

### **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 taken into account 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 favouring 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 2023.

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 2023.

**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 2021

	Notes	2021 DKK	2020 DKK
Revenue	2	621,511,022	540,718,343
Costs of raw materials and consumables		(471,721,393)	(411,688,760)
Other external expenses		(21,674,526)	(20,330,394)
<b>Gross profit/loss</b>		<b>128,115,103</b>	<b>108,699,189</b>
Staff costs	3	(60,079,116)	(52,808,965)
Depreciation, amortisation and impairment losses	4	(5,694,881)	(5,431,815)
<b>Operating profit/loss</b>		<b>62,341,106</b>	<b>50,458,409</b>
Other financial income from group enterprises		113,548	259,900
Other financial income	5	1,805,179	383
Other financial expenses	6	(1,033,035)	(1,957,159)
<b>Profit/loss before tax</b>		<b>63,226,798</b>	<b>48,761,533</b>
Tax on profit/loss for the year	7	(13,936,679)	(10,794,420)
<b>Profit/loss for the year</b>	8	<b>49,290,119</b>	<b>37,967,113</b>

# Balance sheet at 31.12.2021

## Assets

	Notes	2021 DKK	2020 DKK
Goodwill		0	0
<b>Intangible assets</b>	9	<b>0</b>	<b>0</b>
Land and buildings		4,548,576	6,433,924
Plant and machinery		10,155,000	4,518,547
Other fixtures and fittings, tools and equipment		2,900,552	1,715,577
Leasehold improvements		96,804	0
Prepayments for property, plant and equipment		0	875,000
<b>Property, plant and equipment</b>	10	<b>17,700,932</b>	<b>13,543,048</b>
Receivables from group enterprises		7,664,306	7,792,202
<b>Financial assets</b>	11	<b>7,664,306</b>	<b>7,792,202</b>
<b>Fixed assets</b>		<b>25,365,238</b>	<b>21,335,250</b>
Raw materials and consumables		23,924,756	16,358,003
Work in progress		5,826,686	6,606,892
Manufactured goods and goods for resale		51,894,834	31,220,832
<b>Inventories</b>		<b>81,646,276</b>	<b>54,185,727</b>
Trade receivables		230,147,608	206,068,383
Receivables from group enterprises		7,011,042	0
Deferred tax	12	1,962,871	2,092,566
Other receivables		3,162,563	235,038
<b>Receivables</b>		<b>242,284,084</b>	<b>208,395,987</b>
<b>Cash</b>		<b>895,506</b>	<b>91,829</b>
<b>Current assets</b>		<b>324,825,866</b>	<b>262,673,543</b>
<b>Assets</b>		<b>350,191,104</b>	<b>284,008,793</b>



**Equity and liabilities**

	<b>Notes</b>	<b>2021 DKK</b>	<b>2020 DKK</b>
Contributed capital		9,000,000	9,000,000
Reserve for fair value adjustments of hedging instruments		(388,295)	(4,082)
Retained earnings		127,614,682	93,324,563
Proposed dividend		15,000,000	25,000,000
<b>Equity</b>		<b>151,226,387</b>	<b>127,320,481</b>
Other provisions	13	2,500,000	2,500,000
<b>Provisions</b>		<b>2,500,000</b>	<b>2,500,000</b>
Mortgage debt		2,399,079	2,733,551
Bank loans		3,480,000	3,960,000
Lease liabilities		10,184,310	4,532,506
Other payables	14	1,004,961	1,059,862
<b>Non-current liabilities other than provisions</b>	15	<b>17,068,350</b>	<b>12,285,919</b>
Current portion of non-current liabilities other than provisions	15	4,423,502	3,623,578
Bank loans		35,005,734	41,574,239
Trade payables		97,859,303	74,190,197
Payables to group enterprises		13,470,815	6,242,688
Joint taxation contribution payable		13,698,616	3,608,799
Other payables		14,938,397	12,662,892
<b>Current liabilities other than provisions</b>		<b>179,396,367</b>	<b>141,902,393</b>
<b>Liabilities other than provisions</b>		<b>196,464,717</b>	<b>154,188,312</b>
<b>Equity and liabilities</b>		<b>350,191,104</b>	<b>284,008,793</b>
Events after the balance sheet date	1		
Financial instruments	17		
Fair value information	18		
Unrecognised rental and lease commitments	19		
Assets charged and collateral	20		
Related parties with controlling interest	21		
Non-arm's length related party transactions	22		

# Statement of changes in equity for 2021

	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	(4,082)	93,324,563	25,000,000	127,320,481
Ordinary dividend paid	0	0	0	(25,000,000)	(25,000,000)
Fair value adjustments of hedging instruments	0	(492,581)	0	0	(492,581)
Tax of entries on equity	0	108,368	0	0	108,368
Profit/loss for the year	0	0	34,290,119	15,000,000	49,290,119
<b>Equity end of year</b>	<b>9,000,000</b>	<b>(388,295)</b>	<b>127,614,682</b>	<b>15,000,000</b>	<b>151,226,387</b>

# Cash flow statement for 2021

	Notes	2021 DKK	2020 DKK
Operating profit/loss		62,341,106	50,458,409
Amortisation, depreciation and impairment losses		5,694,881	5,431,831
Other provisions		0	2,000,000
Working capital changes	16	(35,533,730)	(54,318,243)
<b>Cash flow from ordinary operating activities</b>		<b>32,502,257</b>	<b>3,571,997</b>
Financial income received		1,918,727	260,280
Financial expenses paid		(1,033,035)	(1,649,713)
Taxes refunded/(paid)		(3,717,167)	(13,971,840)
<b>Cash flows from operating activities</b>		<b>29,670,782</b>	<b>(11,789,276)</b>
Acquisition etc of property, plant and equipment		(9,852,765)	(2,780,330)
Repayments received		127,896	20,307,789
<b>Cash flows from investing activities</b>		<b>(9,724,869)</b>	<b>17,527,459</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>19,945,913</b>	<b>5,738,183</b>
Loans raised		6,451,728	5,009,499
Repayments of loans etc		(7,382,977)	(3,218,582)
Incurrence of debt to group enterprises		7,228,127	0
Dividend paid		(25,000,000)	(10,000,000)
Provision of holiday fund obligation		(54,901)	742,517
Other cash flows from financing activities		(384,213)	0
<b>Cash flows from financing activities</b>		<b>(19,142,236)</b>	<b>(7,466,566)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>803,677</b>	<b>(1,728,383)</b>
Cash and cash equivalents beginning of year		91,829	1,820,212
<b>Cash and cash equivalents end of year</b>		<b>895,506</b>	<b>91,829</b>
Cash and cash equivalents at year-end are composed of:			
Cash		895,506	91,829
<b>Cash and cash equivalents end of year</b>		<b>895,506</b>	<b>91,829</b>

# 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

	2021 DKK	2020 DKK
Denmark	551,497,762	482,499,633
EU	22,731,706	16,564,826
Other countries	47,281,554	41,653,884
<b>Total revenue by geographical market</b>	<b>621,511,022</b>	<b>540,718,343</b>

## 3 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	53,642,923	46,889,170
Pension costs	5,669,897	5,430,913
Other social security costs	766,296	488,882
	<b>60,079,116</b>	<b>52,808,965</b>

Average number of full-time employees	72	65
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	Remuneration of Management 2021 DKK	Remuneration of Management 2020 DKK
Total amount for management categories	3,141,747	1,966,415
	<b>3,141,747</b>	<b>1,966,415</b>

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

## 4 Depreciation, amortisation and impairment losses

	2021 DKK	2020 DKK
Depreciation of property, plant and equipment	5,694,881	5,431,815
	<b>5,694,881</b>	<b>5,431,815</b>

**5 Other financial income**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Exchange rate adjustments	1,805,179	0
Other financial income	0	383
	<b>1,805,179</b>	<b>383</b>

**6 Other financial expenses**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Other interest expenses	767,308	1,213,650
Exchange rate adjustments	129,037	618,048
Other financial expenses	136,690	125,461
	<b>1,033,035</b>	<b>1,957,159</b>

**7 Tax on profit/loss for the year**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Current tax	13,806,984	11,248,889
Change in deferred tax	129,695	(454,469)
	<b>13,936,679</b>	<b>10,794,420</b>

**8 Proposed distribution of profit and loss**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Ordinary dividend for the financial year	15,000,000	25,000,000
Retained earnings	34,290,119	12,967,113
	<b>49,290,119</b>	<b>37,967,113</b>

## 9 Intangible assets

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

## 10 Property, plant and equipment

	<b>Land and buildings DKK</b>	<b>Plant and machinery DKK</b>	<b>Other fixtures and fittings, tools and equipment DKK</b>	<b>Leasehold improvements DKK</b>	<b>Prepayments for property, plant and equipment DKK</b>
Cost beginning of year	23,108,540	39,942,554	13,880,727	405,319	875,000
Transfers	0	875,000	0	0	(875,000)
Additions	0	7,725,871	1,981,695	145,199	0
<b>Cost end of year</b>	<b>23,108,540</b>	<b>48,543,425</b>	<b>15,862,422</b>	<b>550,518</b>	<b>0</b>
Depreciation and impairment losses beginning of year	(16,674,616)	(35,424,007)	(12,165,150)	(405,319)	0
Depreciation for the year	(1,885,348)	(2,964,418)	(796,720)	(48,395)	0
<b>Depreciation and impairment losses end of year</b>	<b>(18,559,964)</b>	<b>(38,388,425)</b>	<b>(12,961,870)</b>	<b>(453,714)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>4,548,576</b>	<b>10,155,000</b>	<b>2,900,552</b>	<b>96,804</b>	<b>0</b>
Recognised assets not owned by entity	0	10,155,000	0	0	0

## 11 Financial assets

	<b>Receivables from group enterprises DKK</b>
Cost beginning of year	7,792,202
Exchange rate adjustments	(127,896)
<b>Cost end of year</b>	<b>7,664,306</b>
<b>Carrying amount end of year</b>	<b>7,664,306</b>

**12 Deferred tax**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Property, plant and equipment	1,180,675	976,476
Inventories	(102,667)	(153,473)
Provisions	550,000	550,000
Liabilities other than provisions	334,863	719,563
<b>Deferred tax</b>	<b>1,962,871</b>	<b>2,092,566</b>

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
<b>Changes during the year</b>		
Beginning of year	2,092,566	1,638,097
Recognised in the income statement	(129,695)	454,469
<b>End of year</b>	<b>1,962,871</b>	<b>2,092,566</b>

**Deferred tax assets**

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

**13 Other provisions**

Other provisions consist of provisions for warranty.

**14 Other payables**

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Holiday pay obligation	1,004,961	1,059,862
	<b>1,004,961</b>	<b>1,059,862</b>

**15 Non-current liabilities other than provisions**

	<b>Due within 12</b>	<b>Due within 12</b>	<b>Due after</b>	<b>Outstanding</b>
	<b>months</b>	<b>months</b>	<b>more than 12</b>	<b>after 5 years</b>
	<b>2021</b>	<b>2020</b>	<b>months</b>	<b>2021</b>
	<b>DKK</b>	<b>DKK</b>	<b>2021</b>	<b>DKK</b>
	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>	<b>DKK</b>
Mortgage debt	334,472	334,184	2,399,079	1,066,954
Bank loans	480,000	480,000	3,480,000	1,560,000
Lease liabilities	3,609,030	2,809,394	10,184,310	0
Other payables	0	0	1,004,961	0
	<b>4,423,502</b>	<b>3,623,578</b>	<b>17,068,350</b>	<b>2,626,954</b>

## 16 Changes in working capital

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Increase/decrease in inventories	(27,460,549)	(19,830,141)
Increase/decrease in receivables	(27,006,750)	(27,050,395)
Increase/decrease in trade payables etc	18,933,569	(7,437,707)
	<b>(35,533,730)</b>	<b>(54,318,243)</b>

## 17 Financial instruments

Other payables include the fair value of hedging instruments of TDKK 132. 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 8 years.

Furthermore, other payables include the fair value of foreign exchange forward transactions of TDKK -598. 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 million for the coming six months after year end, which in a total amounts to PLN 12,0 million.

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

## 18 Fair value information

	<b>Fair value adjustments of hedging instruments</b>	<b>Fair value adjustments of foreign exchange forward transactions</b>
	<b>DKK</b>	<b>DKK</b>
Fair value end of year	131,657	(597,763)
Unrealised fair value adjustments recognised in the fair value reserve in equity	105,182	(597,763)

## 19 Unrecognised rental and lease commitments

	<b>2021</b>	<b>2020</b>
	<b>DKK</b>	<b>DKK</b>
Liabilities under rental or lease agreements until maturity in total	14,412,694	16,941,337
Liabilities under rental agreements or leases with group enterprises until expiry	11,430,000	13,716,000

## 20 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties.

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.



The carrying amount of mortgaged properties is DKK 4,549k.

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 10,155 k.

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.

### **21 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

### **22 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:

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.