



# ÅRSRAPPORT 2021

## ANNUAL REPORT 2021

Årsrapporten er fremlagt og godkendt på selskabets ordinære  
generalforsamling den 28. april 2022

Adopted at the annual general meeting on 28th April 2022

A handwritten signature in blue ink, appearing to read 'Carsten Clemensen', written over a horizontal line.

Carsten Clemensen  
Dirigent / Chairman

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### Statement by management on the annual report

The board of directors and executive board have today discussed and approved the annual report of B&R Industrial Automation A/S for the financial year 1 January - 31 December 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31 December 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

In our opinion, the management's review gives a fair review of the matters dealt with in the management's review.


Management recommends that the annual report should be approved at the annual general meeting.

Odense, 28 April 2022

#### Executive board

  
Carsten Clemensen  
CEO  
Tina Karina Larsen  
CFO

#### Board of Directors

  
Jörg Theis  
Chairman  
Carsten Clemensen  
Clemens Sager

## Independent auditor's report

### To the shareholder of B&R Industrial Automation A/S

#### Opinion

We have audited the financial statements of B&R Industrial Automation A/S for the financial year 1 January – 31 December 2021, comprising accounting policies, income statement, balance sheet and notes. 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 Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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 responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## Independent auditor's report

- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Fredericia, 28 April 2022

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Nikolaj Møller Hansen  
State Authorised Public Accountant

MNE33220



Niklas R. Filipson  
State Authorised Public Accountant

MNE47781

## Company details

<b>The company</b>	B&R Industrial Automation A/S Rolundvej 17 DK-5260 Odense S
Telephone:	63153080
Website:	<a href="http://www.br-automation.com">www.br-automation.com</a>
CVR no.:	29 69 17 46
Financial year:	1 January - 31 December 2021
Established:	8 June 2006
Domicile:	Odense
<b>Board of Directors</b>	Jörg Theis, chairman Carsten Clemensen Clemens Sager
<b>Executive board</b>	Carsten Clemensen, CEO Tina Karina Larsen, CFO
<b>Auditors</b>	KPMG Statsautoriseret Revisionspartnerselskab Vesterballevej 27, 2 7000 Fredericia CVR-nr. 25 57 81 98

## Management's review

### Business activities

The main activity of the company is to deliver a complete automation solution that provides maximum flexibility and economic efficiency for our customers in the Machine & Factory Automation market.

Our slogan is our mission. The pursuit of **Perfection in Automation** has inspired and guided B&R and for us, perfection means more than developing the best solutions in industrial automation. It also means developing the best relationships – with our customers and partners as well as our employees and suppliers.

The company is offering a comprehensive portfolio of versatile products and a wide array of preprogrammed technology functions for machinery and equipment. These allow us to design custom solutions that significantly reduce both overall costs as well as the number of components used.

From conceptual design to after-sales service, we accompany our customers through every step the way. Together we develop the hardware and software solutions that best satisfy their unique requirements and provide them with a technological edge in their market.

The production process is undertaken by the parent company, whereas the sale of group products is under-taken by B&R Industrial Automation A/S. The products are sold primarily in Denmark and the other Nordic countries.

### Development in activities and financial position

In 2021, COVID-19 still affected our customers and indirectly the Machine & Factory Automation market was affected as well. The year 2021 was marked by continuously monitoring and evaluating the market that lead to a strong focus on cost reduction. We have reported a significant build up of order backlog towards the end of 2021, both due to the longer lead times of products and due to an increased demand for our products.

The Company's income statement for the year ended 31 December shows a profit of kr. 3.713.278 and the balance sheet at 31 December 2021 shows equity of kr. 5.915.389.

### Outlook

We expect the market in the first half of 2022 will be in the same situation as the main part of 2021, with increased lead times and pressure on the supply chain. We expect the lead times to improve in the second half of 2022, allowing us to increase output of products.

## Financial statements

### Accounting policies

The annual report of B&R Industrial Automation A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The annual report for 2021 is presented in kr.

#### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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

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

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit comprises revenue, cost of sales, other operating income and other external expenses.

##### Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue from the sale of services is recognised on a straight-line basis in the income statement as the services are provided.

Services based on time spent are recognised in revenue as the work is performed.

Revenue is measured at fair value of the agreed consideration ex. VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.



## Financial statements

### Accounting policies

#### Other operating income

Other operating income includes items of a secondary nature in relation to the company's activities, including profits from the disposal of property, plant and equipment.

#### Other operating costs

Other operating expenses includes items of a secondary nature in relation to the company's activities, including losses on the disposal of property, plant and equipment.

#### Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale.

#### Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

#### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

#### Depreciation

Depreciation comprise the year's depreciation of property, plant and equipment.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial income and expenses. Financial income and expenses include interest income and expenses, realised and unrealised capital/exchange gains and losses on foreign currency transactions.

#### Tax on profit for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to entries directly in equity.

The company is covered by the Danish rules on compulsory joint taxation of the Danish subsidiaries of the ABB Group.

The Danish subsidiaries of the ABB Group form part of the joint taxation from the date on which they are included in the consolidated financial statements and up to the date on which they exit the consolidation.

#### Balance sheet

##### Property, plant and equipment

Leasehold improvements and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

## Financial statements

### Accounting policies

Where individual parts of an item of property, plant and equipment have different useful lives, the cost is divided into separate parts, which are depreciated separately.

Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	7-10 years

The useful life and residual value are reviewed annually. A change is treated as an accounting estimate, and the impact on depreciation is recognised in the future.

Gains and losses on the sale of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the time of sale. Profit or loss is recognized in the income statement under other operating income or other operating expenses.

The carrying amount of property, plant and equipment is assessed annually for indications of impairment, in addition to what is expressed by depreciation. If there are indications of impairment, an impairment test is performed of each asset or group of connected assets, respectively.

Write-downs are made to the recoverable amount if this is lower than the carrying amount.

#### Deposits

Deposits recognised under financial fixed assets are recognised at amortised cost.

#### Leases

All leases are operating leases. Payments relating to operating leases and any other leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under contingent liabilities etc.

#### Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

#### Services in progress

Services in progress are measured at the selling price of the work performed less progress billings and expected losses. The selling price is measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual service in progress. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to the individual service contract.

When the selling price of a service in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual service contract is recognised in the balance sheet as receivables or payables, respectively. Net assets comprise the total of services in progress where the selling price of the work performed exceeds progress billings. Net liabilities comprise the total of services in progress where progress billings exceed the selling price.

Prepayments from customers are recognised as liabilities.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

## **Financial statements**

### **Accounting policies**

#### **Prepayments**

Prepayments comprise costs incurred concerning subsequent financial years.

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash in bank.

#### **Equity**

##### **Dividend**

Dividends that are expected to be paid for the year are shown as a separate item under equity.

#### **Income tax and deferred tax**

Joint tax receivables and joint tax payables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss allowed for carry forward are measured at the value to which the asset is expected to be realised, either by elimination in tax on future income or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

#### **Liabilities**

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which usually corresponds to nominal value.

**Income statement 1 January - 31 December 2021**

	Note	2021 kr.	2020 kr.
<b>Gross Profit</b>	1	<b>41.253.553</b>	<b>41.753.982</b>
Staff costs	2	-35.877.148	-36.413.344
Depreciation		-448.837	-601.283
<b>Profit from ordinary operating activities</b>		<u><b>4.927.568</b></u>	<u><b>4.739.355</b></u>
Financial expenses		-159.674	-111.341
<b>Profit before tax</b>		<u><b>4.767.894</b></u>	<u><b>4.628.014</b></u>
Tax on profit for the year		-1.054.615	-977.205
<b>NET PROFIT FOR THE YEAR</b>		<u><b>3.713.278</b></u>	<u><b>3.650.809</b></u>
<b>Profit appropriation</b>			
Retained earnings		3.713.278	3.650.809
		<u><b>3.713.278</b></u>	<u><b>3.650.809</b></u>

**Balance sheet 31 December 2021**

	Note	2021 kr.	2020 kr.
<b>ASSETS</b>			
Other fixtures and fittings, tools and equipment		50.788	154.617
Leasehold improvements		1.750.177	2.057.326
<b>Property, plant and equipment</b>		<u><b>1.800.965</b></u>	<u><b>2.211.943</b></u>
Deposits		351.759	348.359
<b>Financial assets</b>		<u><b>351.759</b></u>	<u><b>348.359</b></u>
<b>Total fixed assets</b>		<u><b>2.152.724</b></u>	<u><b>2.560.302</b></u>
Trade receivables		18.682.109	18.544.559
Services in progress		121.102	768.657
Receivables from group entities		124.536	220.799
Other receivables		92	8.144
Prepayments		164.640	255.283
<b>Receivables</b>		<u><b>19.092.479</b></u>	<u><b>19.797.442</b></u>
<b>Cash at bank and in hand</b>		<u><b>4.463.397</b></u>	<u><b>8.975.657</b></u>
<b>Total current assets</b>		<u><b>23.555.876</b></u>	<u><b>28.773.099</b></u>
<b>TOTAL ASSETS</b>		<u><u><b>25.708.600</b></u></u>	<u><u><b>31.333.401</b></u></u>

**Balance sheet 31 December 2021**

	Note	2021 kr.	2020 kr.
<b>LIABILITIES AND EQUITY</b>			
Share capital		1.000.000	1.000.000
Retained earnings		4.915.389	4.852.919
Proposed dividends		0	0
<b>Total equity</b>	<b>3</b>	<b><u>5.915.389</u></b>	<b><u>5.852.919</u></b>
<b>Provisions</b>			
Deferred tax		<u>72.729</u>	<u>69.008</u>
<b>Liabilities other than provisions</b>			
Prepayments received from customers		0	253.010
Trade payables		311.775	405.810
Payables to group entities		14.364.534	17.105.301
Corporation tax		1.050.894	1.566
Other payables		3.993.279	7.645.787
<b>Short-term debt</b>		<b><u>19.720.482</u></b>	<b><u>25.411.474</u></b>
<b>Total debt</b>		<b><u>19.720.482</u></b>	<b><u>25.411.474</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b><u>25.708.600</u></b>	<b><u>31.333.401</u></b>
Contractual obligations, contingent liabilities etc.	4		
Related parties	5		

## Notes

### 1 Gross profit

In 2020, gross profit included special items comprising compensation under COVID-19 governmental compensation aid packages totalling DKK 1.583.511. For 2021, the corresponding amount is DKK 23.254.

	2021 kr.	2020 kr.
<b>2 Staff costs</b>		
Wages and salaries	32.028.974	32.122.878
Pensions	2.536.279	2.489.014
Other social security costs	324.987	209.986
Other staff costs	986.908	1.591.466
	<u>35.877.148</u>	<u>36.413.344</u>
Average number of employees	<u>49</u>	<u>48</u>

### 3 Equity

	Share capital	Retained earnings	Total
Equity at 1 January	1.000.000	4.852.919	5.852.919
Paid extraordinary dividend	0	-3.650.809	-3.650.809
Transferred over the profit appropriation/ distribution of loss	0	3.713.278	3.713.278
Equity at 31 December	<u>1.000.000</u>	<u>4.915.388</u>	<u>5.915.389</u>

## Notes

### 4 Contractual obligations, contingent liabilities etc.

#### Contingent liabilities

The Company is jointly taxed with the other Danish companies in the ABB Group. As a wholly-owned subsidiary, together with the other companies included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends. Any subsequent correction of the taxable jointly taxed income or withholding taxes could result in an adjustment of the Company's liability.

	2021 kr.	2020 kr.
<b>Lease obligations</b>		
<b>Operating lease commitments</b>		
Vehicle and other commitments		
Within 1 year	939.879	821.218
Between 1 and 5 years	334.171	152.247
	<b>1.274.050</b>	<b>973.465</b>
Rental commitment		
Within 1 year	1.149.219	1.112.527
Between 1 and 5 years	0	999.167
	<b>1.149.219</b>	<b>2.111.694</b>
<b>Total operating lease commitments</b>	<b>2.423.269</b>	<b>3.085.159</b>

### 5 Related parties

#### Control

B&R Industrial Automation GmbH, B&R Strasse 1, 5142 Eggelsberg, Austria, controls the Company through ownership by holding the majority of the shares in the Company.

B&R Industrial Automation A/S is part of the consolidated financial statements of ABB Ltd., Zürich, and the consolidated financial statements of ABB Ltd., Zürich, is the smallest and largest group in which the Company is included as a subsidiary.