



BSB Group A/S

Industrivej 7
6640 Lunderskov
CVR No. 41966262

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 Group A/S
Industrivej 7
6640 Lunderskov

Business Registration No.: 41966262
Registered office: Kolding
Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Jesper Knudsen
Benny Elneff
Bjarne Elneff

Executive Board

Benny Elneff

Bank

Danske Bank A/S, Finanscenter Trekantområdet
Havneparken 3
7100 Vejle

Lawyer

Andersen Partners
Jernbanegade 31
6000 Kolding

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Egtved Allé 4
6000 Kolding

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of BSB Group 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 consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated 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

Benny Elneff

Board of Directors

Jesper Knudsen

Benny Elneff

Bjarne Elneff

Independent auditor's report

To the shareholders of BSB Group A/S

Opinion

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2022 and of the results of their operations and the consolidated 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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 DKK'000	2021 DKK'000	2020 DKK'000
Key figures			
Revenue	772,125	639,641	553,665
Gross profit/loss	152,304	165,849	146,122
Operating profit/loss	61,467	71,682	62,334
Net financials	2,001	370	(2,721)
Profit/loss for the year	49,378	56,224	48,260
Balance sheet total	433,907	406,399	326,805
Investments in property, plant and equipment	5,087	16,074	152,963
Equity	218,769	190,569	149,911
Ratios			
Gross margin (%)	19.73	25.93	26.39
Net margin (%)	6.40	8.79	8.72
Equity ratio (%)	50.42	46.89	45.87

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

Net margin (%):

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

Revenue

Equity ratio (%):

$\frac{\text{Equity}}{\text{Balance sheet total}} * 100$

Balance sheet total

Primary activities

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

Development in activities and finances

The Group'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 49.378 k. The management is overall satisfied with the result of 2022.

Outlook

The Group 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 Group'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 Group 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 Group is committed to ESG and strives to be an engaged and environmental-friendly business partner. The Group 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 Group 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 Group 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 Group 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 Group and complying with the various legal and regulatory frameworks that apply in the jurisdictions where it operates, the Group 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 Group, 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 Group 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 Group adheres to all relevant laws and regulations aimed at the protection and promotion of human rights globally and at work.

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

It is important that employees treat everyone with dignity and respect. The Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group and its employees do not accept or solicit bribes in any form.
- The Group does not make, and will not accept, facilitation payments or kickbacks of any kind.
- The Group'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 Group does not tolerate any form of fraud, including theft, embezzlement, money laundering or misuse of the Group's property.

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

In some countries there can be a higher risk for corruption. The Group 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 Group.

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 Group. Confidential information must not be disclosed to third parties without the owner's consent.

Relations with suppliers

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

The Group 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 Group and experience value-creating relations. All communications through all channels to all target groups should be open, truthful and unambiguous.

Managing complaints

The Group must deal with complaints from customers or former customers promptly and fairly and in accordance with applicable laws and regulations. The Group 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 Group 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 Group 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 Group 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 Group 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 Group's strategy, the Group has a goal that no gender should be represented by less than 25% at all management levels.

In the Group Board of Directors, the gender distribution was 0 women and 5 men. The Group'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 Group's other management levels, the gender distribution was 1 woman and 4 men. The Group'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.

Consolidated income statement for 2022

	Notes	2022 DKK	2021 DKK
Revenue	2	772,125,305	639,640,518
Other operating income		1,026,084	2,291,757
Costs of raw materials and consumables		(577,752,541)	(445,100,284)
Other external expenses	3	(43,025,987)	(30,945,626)
Property costs		(69,151)	(37,256)
Gross profit/loss		152,303,710	165,849,109
Staff costs	4	(79,566,010)	(83,426,907)
Depreciation, amortisation and impairment losses	5	(11,270,263)	(10,740,137)
Operating profit/loss		61,467,437	71,682,065
Other financial income	6	5,539,216	1,863,186
Other financial expenses	7	(3,537,790)	(1,493,598)
Profit/loss before tax		63,468,863	72,051,653
Tax on profit/loss for the year	8	(14,091,248)	(15,827,516)
Profit/loss for the year	9	49,377,615	56,224,137

Consolidated balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Acquired intangible assets		385,779	82,920
Prepayments for intangible assets		252,227	424,680
Intangible assets	10	638,006	507,600
Land and buildings		31,921,031	34,231,267
Plant and machinery		13,492,421	18,402,852
Other fixtures and fittings, tools and equipment		5,419,058	4,952,275
Leasehold improvements		51,750	96,804
Property, plant and equipment in progress		196,584	96,307
Property, plant and equipment	11	51,080,844	57,779,505
Deposits		1,957,350	0
Other receivables		16,682	313,174
Financial assets	12	1,974,032	313,174
Fixed assets		53,692,882	58,600,279
Raw materials and consumables		41,252,424	30,026,625
Work in progress		14,370,836	13,833,077
Manufactured goods and goods for resale		59,994,140	51,958,284
Prepayments for goods		0	705
Inventories		115,617,400	95,818,691

Trade receivables		253,241,263	241,711,054
Deferred tax	13	3,806,032	3,620,522
Other receivables		4,772,444	3,162,563
Derivative financial instruments	14	2,146,558	0
Prepayments	15	143,892	173,569
Receivables		264,110,189	248,667,708
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Cash		486,505	3,312,776
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Current assets		380,214,094	347,799,175
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Assets		433,906,976	406,399,454
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Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		500,000	500,000
Translation reserve		(1,733,077)	(1,257,930)
Reserve for fair value adjustments of hedging instruments		1,950,487	(346,805)
Retained earnings		203,051,276	168,673,661
Proposed dividend for the financial year		15,000,000	23,000,000
Equity		218,768,686	190,568,926
Other provisions	16	2,500,000	2,500,000
Provisions		2,500,000	2,500,000
Mortgage debt		3,854,650	4,278,160
Bank loans		16,298,985	7,689,450
Lease liabilities		7,159,437	10,184,310
Other payables	17	304,169	1,427,566
Deferred income	20	0	716,726
Non-current liabilities other than provisions	19	27,617,241	24,296,212
Current portion of non-current liabilities other than provisions	19	5,729,086	6,858,175
Bank loans		51,181,990	46,694,576
Trade payables		103,348,767	104,535,667
Tax payable		13,592,438	14,035,573
Other payables		10,465,563	16,910,325
Deferred income	20	703,205	0
Current liabilities other than provisions		185,021,049	189,034,316
Liabilities other than provisions		212,638,290	213,330,528
Equity and liabilities		433,906,976	406,399,454
Events after the balance sheet date	1		
Fair value information	22		
Unrecognised rental and lease commitments	23		
Assets charged and collateral	24		
Transactions with related parties	25		
Group relations	26		
Subsidiaries	27		

Consolidated statement of changes in equity for 2022

	Contributed capital DKK	Translation reserve DKK	Reserve for fair value adjustments of hedging instruments DKK	Retained earnings DKK	Proposed dividend for the financial year DKK
Equity beginning of year	500,000	(1,257,930)	(346,805)	168,673,661	23,000,000
Ordinary dividend paid	0	0	0	0	(23,000,000)
Exchange rate adjustments	0	(475,147)	0	0	0
Fair value adjustments of hedging instruments	0	0	2,945,246	0	0
Tax of entries on equity	0	0	(647,954)	0	0
Profit/loss for the year	0	0	0	34,377,615	15,000,000
Equity end of year	500,000	(1,733,077)	1,950,487	203,051,276	15,000,000
					Total DKK
Equity beginning of year					190,568,926
Ordinary dividend paid					(23,000,000)
Exchange rate adjustments					(475,147)
Fair value adjustments of hedging instruments					2,945,246
Tax of entries on equity					(647,954)
Profit/loss for the year					49,377,615
Equity end of year					218,768,686

Consolidated cash flow statement for 2022

	Notes	2022 DKK	2021 DKK
Operating profit/loss		61,467,437	71,682,065
Amortisation, depreciation and impairment losses		11,270,263	10,475,393
Working capital changes	21	(44,480,156)	(43,676,639)
Other adjustments		139,583	44,554
Cash flow from ordinary operating activities		28,397,127	38,525,373
Financial income received		5,539,216	1,863,186
Financial expenses paid		(3,537,790)	(1,493,598)
Taxes refunded/(paid)		(14,719,893)	(5,326,455)
Other cash flows from operating activities		2,297,292	(341,048)
Cash flows from operating activities		17,975,952	33,227,458
Acquisition etc. of intangible assets		(743,624)	(505,259)
Sale of intangible assets		350,220	0
Acquisition etc. of property, plant and equipment		(5,087,194)	(16,073,759)
Sale of property, plant and equipment		163,859	1,070,176
Sale of fixed asset investments		0	287,761
Cash flows from investing activities		(5,316,739)	(15,221,081)
Free cash flows generated from operations and investments before financing		12,659,213	18,006,377
Loans raised		25,776,518	6,451,441
Repayments of loans etc.		(17,257,041)	(7,234,691)
Dividend paid		(23,000,000)	(15,000,000)
Paid holiday fund obligation		(1,004,961)	(54,901)
Cash flows from financing activities		(15,485,484)	(15,838,151)

Increase/decrease in cash and cash equivalents	(2,826,271)	2,168,226
Cash and cash equivalents beginning of year	3,312,776	1,144,550
Cash and cash equivalents end of year	486,505	3,312,776
<hr/>		
Cash and cash equivalents at year-end are composed of:		
Cash	486,505	3,312,776
Cash and cash equivalents end of year	486,505	3,312,776
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Notes to consolidated financial statements

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	61,457,850	40,861,202
Other countries	136,282,215	47,281,554
Total revenue by geographical market	772,125,305	639,640,518

3 Fees to the auditor appointed by the Annual General Meeting

	2022	2021
	DKK	DKK
Statutory audit services	309,655	264,975
Tax services	46,000	30,000
Other services	125,000	122,574
	480,655	417,549

4 Staff costs

	2022	2021
	DKK	DKK
Wages and salaries	70,033,180	72,549,162
Pension costs	3,593,696	5,669,897
Other social security costs	5,939,134	5,207,848
	79,566,010	83,426,907
Average number of full-time employees	234	214

	Remuneration of manage- ment 2022 DKK	Remuneration of manage- ment 2021 DKK
Executive Board	440,004	-
Board of Directors	5,702,895	-
Total amount for management categories	-	3,141,747
	6,142,899	3,141,747

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

5 Depreciation, amortisation and impairment losses

	2022 DKK	2021 DKK
Amortisation of intangible assets	253,645	92,056
Depreciation on property, plant and equipment	10,973,212	10,648,081
Profit/loss from sale of intangible assets and property, plant and equipment	43,406	0
	11,270,263	10,740,137

6 Other financial income

	2022 DKK	2021 DKK
Other interest income	6,080	14,811
Exchange rate adjustments	5,507,171	1,805,179
Other financial income	25,965	43,196
	5,539,216	1,863,186

7 Other financial expenses

	2022 DKK	2021 DKK
Other interest expenses	2,869,571	1,269,438
Exchange rate adjustments	654,114	129,037
Other financial expenses	14,105	95,123
	3,537,790	1,493,598

8 Tax on profit/loss for the year

	2022	2021
	DKK	DKK
Current tax	14,455,539	15,551,532
Change in deferred tax	(352,754)	286,976
Refund in joint taxation arrangement	(11,537)	(10,992)
	14,091,248	15,827,516

9 Proposed distribution of profit/loss

	2022	2021
	DKK	DKK
Ordinary dividend for the financial year	15,000,000	23,000,000
Retained earnings	34,377,615	33,224,137
	49,377,615	56,224,137

10 Intangible assets

	Acquired intangible assets DKK	Prepayments for intangible assets DKK
Cost beginning of year	1,098,725	424,680
Exchange rate adjustments	(19,897)	(7,690)
Additions	558,167	185,457
Disposals	0	(350,220)
Cost end of year	1,636,995	252,227
Amortisation and impairment losses beginning of year	(1,015,805)	0
Exchange rate adjustments	18,234	0
Amortisation for the year	(253,645)	0
Amortisation and impairment losses end of year	(1,251,216)	0
Carrying amount end of year	385,779	252,227

11 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Property, plant and equipment in progress DKK
Cost beginning of year	64,988,822	75,887,322	20,926,183	550,518	96,307
Exchange rate adjustments	(514,447)	(471,382)	(91,699)	0	(1,744)
Additions	1,389,227	1,296,625	2,139,875	0	261,467
Disposals	0	(2,427,872)	(4,069,767)	0	(159,446)
Cost end of year	65,863,602	74,284,693	18,904,592	550,518	196,584
Depreciation and impairment losses beginning of year	(30,757,555)	(57,484,470)	(15,973,908)	(453,714)	0
Exchange rate adjustments	99,333	320,350	54,208	0	0
Depreciation for the year	(3,284,349)	(6,051,614)	(1,592,195)	(45,054)	0
Reversal regarding disposals	0	2,423,462	4,026,361	0	0
Depreciation and impairment losses end of year	(33,942,571)	(60,792,272)	(13,485,534)	(498,768)	0
Carrying amount end of year	31,921,031	13,492,421	5,419,058	51,750	196,584
Recognised assets not owned by Entity	0	9,802,244	0	0	0

12 Financial assets

	Deposits DKK	Other receivables DKK
Cost beginning of year	0	313,174
Additions	1,957,350	0
Disposals	0	(296,492)
Cost end of year	1,957,350	16,682
Carrying amount end of year	1,957,350	16,682

13 Deferred tax

	2022 DKK	2021 DKK
Property, plant and equipment	612,786	1,795,887
Inventories	282,988	390,937
Provisions	727,284	683,875
Liabilities other than provisions	2,182,974	749,823
Deferred tax	3,806,032	3,620,522

Changes during the year	2022 DKK	2021 DKK
Beginning of year	3,620,522	3,915,574
Recognised in the income statement	352,754	(286,976)
Exchange rate adjustments	(13,653)	(8,076)
Other adjustments	(153,591)	0
End of year	3,806,032	3,620,522

Deferred tax assets

The Group 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 DKK 2,147. The hedging instruments has been entered to secure a fixed interest rate on the Group's variable-rate bank loans. The hedging instruments have a principal of DKK 9,45 million and secures a fixed interest rate of 1,15% for the remaining term of 7 years.

Furthermore, other payables include the fair value of foreign exchange forward transactions of DKK 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 million.

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

15 Prepayments

Prepayments consist off costs related to the following year such as rent and lease.

16 Other provisions

Other provisions consist of provisions for warranty.

17 Other payables

	2022 DKK	2021 DKK
Wages and salaries, personal income taxes, social security costs, etc. payable	100,222	0
Holiday pay obligation	0	1,134,128
Other costs payable	203,947	293,438
	304,169	1,427,566

18 Deferred income

Deferred income consist of received subsidy for acquisition or production of fixed assets.

19 Non-current liabilities other than provisions

	Due within 12 months 2022 DKK	Due within 12 months 2021 DKK	Due after more than 12 months 2022 DKK	Outstanding after 5 years 2022 DKK
Mortgage debt	431,720	490,526	3,854,650	2,005,470
Bank loans	1,008,000	1,008,000	16,298,985	2,266,190
Lease liabilities	3,052,726	3,609,030	7,159,437	0
Other payables	1,236,640	526,962	304,169	0
Deferred income	0	1,223,657	0	0
	5,729,086	6,858,175	27,617,241	4,271,660

20 Deferred income

Deferred income consist of received subsidy for acquisition or production of fixed assets.

21 Changes in working capital

	2022 DKK	2021 DKK
Increase/decrease in inventories	(19,798,709)	(38,140,588)
Increase/decrease in receivables	(11,832,683)	(35,104,781)
Increase/decrease in trade payables etc.	(12,848,764)	29,568,730
	(44,480,156)	(43,676,639)

22 Fair value information

	Fair Value adjustments of hedging instruments DKK	Fair value adjustments of foreign exchange forward transactions DKK
Fair value end of year	339,654	1,806,904
Unrealised fair value adjustments recognised in the fair value reserve in equity	540,579	2,404,667

23 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Total liabilities under rental or lease agreements until maturity	24,515,972	2,982,694

24 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties registered to the mortgagor on properties of DKK 5,000k.

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on properties of DKK 8,750k and 7,900k.

The carrying amount of mortgaged properties is DKK 9,909k.

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 9,802k.

Payables to credit institutions are secured on a floating charge of DKK 42,000k on the Group's assets.

Bank loan is secured by mortgage with first priority use on land property, located in Ciechocin: Land and Mortgage Register No. TO1G100023977/4, Land and Mortgage Register No. TO1G10O0247542, conducted by the District Court in Golub-Dobrzyn, IV Division of Land and Mortgage Registers, up to the amount of PLN 10,000,000.00, together with an assignment of rights under the insurance policy for the mortgaged property in accordance with the Insurance Policy Assignment Agreement and a registered pledge with first priority of satisfaction, up to the maximum security amount of PLN 6,000,000.00, established on the Borrower's movable property.

25 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

26 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
BSB Group A/S, Lunderskov

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
BSB Group A/S, Lunderskov

27 Subsidiaries

	Registered in	Corporate form	Ownership %
BSB Maskinfabrik A/S	Lunderskov, Denmark	A/S	100
BSB Ejendomme ApS	Lunderskov, Denmark	ApS	100
BSB Poland Sp. z o.o.	Ciechocin, Poland	Sp. z o.o.	100

Parent income statement for 2022

	Notes	2022 DKK	2021 DKK
Other external expenses		(177,423)	(94,411)
Gross profit/loss		(177,423)	(94,411)
Income from investments in group enterprises		49,983,827	56,307,520
Other financial expenses		(440,326)	36
Profit/loss before tax		49,366,078	56,213,145
Tax on profit/loss for the year	2	11,537	10,992
Profit/loss for the year	3	49,377,615	56,224,137

Parent balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Investments in group enterprises		217,521,182	180,715,210
Financial assets	4	217,521,182	180,715,210
Fixed assets		217,521,182	180,715,210
Receivables from group enterprises		1,284,766	9,904,958
Joint taxation contribution receivable		13,603,975	14,056,231
Receivables		14,888,741	23,961,189
Cash		26,201	3,101
Current assets		14,914,942	23,964,290
Assets		232,436,124	204,679,500

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		500,000	500,000
Reserve for net revaluation according to equity method		119,831,680	93,025,708
Retained earnings		83,437,007	74,043,219
Proposed dividend for the financial year		15,000,000	23,000,000
Equity		218,768,687	190,568,927
Trade payables		75,000	75,000
Tax payable		13,592,437	14,035,573
Current liabilities other than provisions		13,667,437	14,110,573
Liabilities other than provisions		13,667,437	14,110,573
Equity and liabilities		232,436,124	204,679,500
Events after the balance sheet date	1		
Employees	5		
Contingent liabilities	6		
Related parties with controlling interest	7		
Transactions with related parties	8		

Parent statement of changes in equity for 2022

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend for the year DKK	Total DKK
Equity beginning of year	500,000	93,025,708	74,043,219	23,000,000	190,568,927
Ordinary dividend paid	0	0	0	(23,000,000)	(23,000,000)
Exchange rate adjustments	0	(475,147)	0	0	(475,147)
Other entries on equity	0	2,297,292	0	0	2,297,292
Profit/loss for the year	0	24,983,827	9,393,788	15,000,000	49,377,615
Equity end of year	500,000	119,831,680	83,437,007	15,000,000	218,768,687

Notes to parent financial statements

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 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Refund in joint taxation arrangement	(11,537)	(10,992)
	(11,537)	(10,992)

3 Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Ordinary dividend for the financial year	15,000,000	23,000,000
Retained earnings	34,377,615	33,224,137
	49,377,615	56,224,137

4 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	112,689,502
Cost end of year	112,689,502
Revaluations beginning of year	68,025,708
Exchange rate adjustments	(475,147)
Adjustments on equity	2,297,292
Share of profit/loss for the year	49,760,970
Adjustment of intra-group profits	222,857
Dividend	(15,000,000)
Revaluations end of year	104,831,680
Carrying amount end of year	217,521,182

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

5 Employees

The Entity has no employees.

6 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the

jointly taxed entities, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

7 Related parties with controlling interest

There are no parties with controlling interest.

8 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during 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 consolidated financial statements and parent 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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc. in which the enterprises concerned are controlled by the Parent, under which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in translation reserve in equity.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. 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 reserve for fair value adjustments of hedging instruments 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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

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.

Property costs

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

Staff costs

Staff costs comprise wages and salaries, 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.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

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 Parent is jointly taxed with all of its 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

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are 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 held under finance leases, cost is the lower of the asset's fair value and 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	10-40 years
Plant and machinery	3-10 years
Other fixtures and fittings, tools and equipment	3-10 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.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Reference is made to

the above section on business combinations for more details about the accounting policies applied to acquisitions of investments in group enterprises.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Investments in group enterprises 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 on 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.

Joint taxation contributions payable or receivable

Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, 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.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

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.

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.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

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 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 less short-term bank loans.