

BSB Group A/S

Industrivej 7
6640 Lunderskov
CVR No. 41966262

Annual report 2024

The Annual General Meeting adopted the annual report on 19.06.2025

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: 01.01.2024 - 31.12.2024

Board of Directors

Jesper Knudsen
Benny Elneff
Bjarne Elneff
Per Lyngaa
Carsten Bezaleel Raunsbæk

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 01.01.2024 - 31.12.2024.

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 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024.

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, 19.06.2025

Executive Board

Benny Elneff

Board of Directors

Jesper Knudsen

Benny Elneff

Bjarne Elneff

Per Lyngaa

Carsten Bezaleel Raunsbæk

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 01.01.2024 - 31.12.2024, 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 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Kolding, 19.06.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Morten Almtoft Lund
State Authorised Public Accountant
Identification No (MNE) mne41365

Management commentary

Financial highlights

	2024 DKK'000	2023 DKK'000	2022 DKK'000	2021 DKK'000	2020 DKK'000
Key figures					
Revenue	712,063	708,993	772,125	639,641	553,665
Gross profit/loss	142,438	155,772	152,304	165,849	146,122
Operating profit/loss	34,566	59,338	61,467	71,682	62,334
Net financials	(2,968)	(3,198)	2,001	370	(2,721)
Profit/loss for the year	24,910	43,933	49,378	56,224	48,260
Balance sheet total	456,007	352,657	433,907	406,399	326,805
Investments in property, plant and equipment	13,087	6,517	5,087	16,074	152,963
Equity	256,728	249,289	218,769	190,569	149,911
Ratios					
Gross margin (%)	20.00	21.97	19.73	25.93	26.39
Net margin (%)	3.50	6.20	6.40	8.79	8.72
Return on equity (%)	9.85	18.77	24.13	33.03	32.19
Equity ratio (%)	56.30	70.69	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 (%):
Gross profit/loss * 100
Revenue

Net margin (%):
Profit/loss for the year * 100
Revenue

Return on equity (%):
Profit/loss for the year * 100
Average equity

Equity ratio (%):
Equity * 100
Balance sheet total

Primary activities

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

Development in activities and finances

The Group's activity and result for 2024 has not met our expectations, but considering the challenges in the wind market the financial performance was on an acceptable level. Despite increased revenue, the results for the year has been affected by market dynamics and continued investment in operations.

Profit/loss for the year in relation to expected developments

The profit after tax for the year amounted to DKK 24,910k. The management is overall satisfied with the result of 2024.

Outlook

The Group operates in a competitive and dynamic market. While the long-term outlook for the wind industry remains positive, the global market continues to be impacted by geopolitical uncertainty and macroeconomic challenges. As a result, we expect a revenue of DKK 700m. to 750m., and earnings of DKK 25m. to 30m. in 2025 However, we remain confident that demand will pick up as market conditions stabilize, and the Group is well-positioned to capture future growth when it materializes.

Statutory report on corporate social responsibility

Business model

The Group's primary activity is to provide total solutions in steel, stainless steel and aluminum and to supply assembly and logistics solutions. 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.

Sustainability – Our responsibility – Your future.

In 2024 the Group continued the work towards a more sustainable future, we launched our slogan and our steps towards a greener future was embedded in the strategy launched Summer 2024. In 2024 we identified the main areas to be prioritized within ESG for the Group, these are:

1. Environment: C02 Reduction
2. Environment: Waste and Resources
3. Social: Supplier Management
4. Social: Health and safety
5. Governance: Legislation and compliance

The areas are cemented and re-infored in outcome of The Double Materiality Assessment (DMA) work.

Double Materiality Assessment

A requirement in the CSRD reporting (Corporate Sustainable Reporting Directive) is the DMA, which the Group has carried out is identifying the material impacts emerging from ESG. The process of creating the DMA has been a mapping of the entire value chain both downstream and upstream and with input from internal and external stakeholders. The outcome of collected data from a variety of sources can be summarized into:

Environment:	*Reduce GHG emissions in own operations.* *Minimize waste.*	*Monitoring energy consumptions in own operations and reducing energy intensity through opportunities for alternative solutions.* *Support initiatives to increase recycling of waste.*
Social:	*Safe and healthy working environment in own operations and across the value chain.* *Embrace diversity.* *Labor Conditions and Human Rights in own operations and across the value chain.* *Supplier Management*	*Managing safety risks* *Code of conduct*
Governance:	*Anti-corruption Bribery and Fraud*	*Geopolitical influence may impact business.* *Audits of processes and systems to ensure compliance.* *Responsible sourcing and responsible collaboration.*

Environment
The most significant environmental impacts continues to be related to energy consumption as well as the use of steel as our primary raw material and highest contributor to the C02-emissions in the Group. The Group contributes to lowering the CO2-emissions by using only renewable energy sources, responsible waste handling, and committing to environmental responsibility. The business takes ownership over its impact on the environment. In 2025 the renewable sourced energy increased from 85% in 2023 to approx. 90% in 2024.

Consumption of electricity, gas and water is monitored through KPI's. The Group is changing measurement methodology to measure energy intensity instead in order to continuously balancing the increased production with requirement to decrease consumption. In 2024, the Group has experienced unintended increase of gas consumption in their newest site and has taken swift actions to control this via procurement and installation of an ECL-solution to measure and control temperatures remotely. Management is following up. For 2025 it is planned to phase out gas from the Group's 2 locations in Lunderskov. Furthermore, an analysis of waste streams is planned together with external partners to investigate, whether our operational waste can be converted into products in other companies or re-used by others. Such to continue to lower outlet of C02-emissions.

Social Responsibility
At the Group, social responsibility is deeply rooted in who we are. As a manufacturer of metal components and customized solutions we recognize our role not only in the industrial sector, but also in the local communities where we operate. Our commitment goes beyond sourcing, production, and logistics – we aim to be a responsible and engaged neighbor, employer, and business partner in vibrant communities.

The Group are proud supporters of the Beat Cancer initiative, contributing annually to the fight against cancer. In addition, we provide financial support to a variety of local initiatives, including youth sports, cultural activities, and educational programs.

The risks are identified in section Double Materiality Assessment.

In 2024, the Group welcomed an ESG intern to help us assess and strengthen the social dimension of our ESG efforts. Our employees are our most important assets and their well-being is therefore important. We have created a work-environment, where flexibility, work-life balance, inclusion and diversity is key-words. This is

reflected in our Employee-Handbook and HR-policies that have been updated in 2024 and the beginning of 2025 with guidelines and description of the Group's values. . We have since initiated targeted efforts to create meaningful improvements in these areas.

Health & Safety
Health and safety remain a cornerstone of our ESG agenda, both internally and within our wider environment. Our employees are at the heart of the Group's success – and also represent one of our most important responsibilities. Ensuring a safe and healthy working environment is essential to protecting both individuals and the overall performance of our business.

In 2024, we introduced an electronic guest registration system at our Danish facilities to enhance on-site safety. The same year, we conducted another employee satisfaction survey, which revealed a high level of satisfaction across the organization. Based on the survey management has decided to change information level for 2025. It is important for management that employees are well informed about the Strategy and direction of the Group In 2025 management will conduct a new survey to track if employee well-being, development opportunities, and overall organizational culture has been improved.

Through our active staff association, we regularly organize social events that bring together both blue-collar and white-collar employees. These events help strengthen our internal community, promote inclusion, and enhance team spirit across our different locations.

Governance
Through audits from external certified organizations and customers we assure that we are in compliance with laws and regulations and customers requirements. Audits are conducted on processes and systems in the Group and non-conformities are corrected to ensure the Group is compliant with legislations and standards. For employees, shareholders and customers we are transparent in deviations raised in our ISO standards. In upstream we strive to source from responsible suppliers and these are to some extent customer specific and pre-approved by our customers.

Code of Conduct

Commitment
At the Group we are committed to conducting our business in an ethical, responsible, and sustainable way. Our Code of Conduct outlines together with our values, a framework of standards and principles that guide our actions, our decisions and the expectations for our employees, management, suppliers, customers and other stakeholders throughout the entire value chain. With our code of conduct we ensure that we promote integrity, transparency, safety and a social and environmental responsibility towards a more sustainable future. Such with the respect of the individual, the environment and the society.

Anticipation
The Code of Conduct is a collection of rules and policy statements intended to assist in the daily decision making in different contexts. The Code of Conduct applies to the employees in the Group and all our business partners. It is important that everyone understands and complies with the Code of Conduct to be able to act in a correct way.

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 fine or discontinuation of the relationship, this could be terminating the collaboration with a business

partner. Employees in the Group will continuously be trained in this Code of Conduct to ensure the individual has the needed information to act accordingly.

Ethical Business Practice
The Group adheres to the standards of integrity in business activities, and we comply with the applicable laws, regulations and industry standards. We expect our business partners and stakeholders to comply with applicable laws and regulations to promote fair business, competition and prohibit antitrust practices.

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

The following principles apply:
- The Group and its employees does not accept or solicit bribes in any form.
- The Group does not accept facilitation payments or kickbacks of any kind. Business partners must have policies in place to avoid corruption, bribery, fraud and all conflicts of interest.
- The Group's employees do not give or receive gifts above EUR 150, apart from gifts given in specific situations with their leaders approval. Gifts, favors and entertainment in business situations with suppliers and customers must not influence business decisions.

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

The risks are identified in section Double Materiality Assessment.

In 2024 there has not been any kind of corruption in the Group.

We have not identified any significant corruption risks in our operations. However, as we have a global supply chain, there will be some risk for corruption. Therefore, we mitigate this risk through various initiatives. The Group holds the right to audit main suppliers to make sure that they are fulfilling all requirements that has been provided by the Group. The Group have HR-policies where it is described, how their employees are expected to act with business partners. We will continue theses initiatives in 2025 to decrease potential corruption risks.

Human rights
The Group adheres to all relevant laws and regulations aimed at the protection and promotion of human rights globally and expects the same of business partners and stakeholders throughout the entire value chain.

It is important that everyone in the relationship is treated with dignity and respect. The Company does not accept discrimination based upon age, ethnic background, disability, gender, political beliefs, religion, or sexual orientation. Discriminatory behavior or harassment of any kind is not tolerated. The Company has an inclusive working culture and embraces diversity. We respect the right for freedom of association and recognize the right to be a member of a union or other collective bargaining company.

A whistle blower system is implemented in the Group, and in 2024 no breaches with human rights has been reported.

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, which is described in our double materiality assessment. The Group is trying to mitigate this by signing contracts with our suppliers before initating a cooperation to make sure that the human rights are respected.

The Group do an annual evaluation of our suppliers according to categorization. The evaluation consists of performance in terms of delivery and quality, but also in terms of Enviroment, Health and Safety and Code of Conduct. In 2025 we will continue these evaluations, including human rights requirements.

Child Labor and Forced Labor
Across our supply chain we prohibit forced labor of any kind. Child labor law and national labor law must be met. It is expected that all labor must be voluntary and that employees have the right to end an employment and move freely on the labor market.

Confidential information and data security
All employees have a legal duty to safeguard confidential information, regardless of whether it is obtained from customers, associates, suppliers or inside the Group. Confidential information must not be disclosed to third parties without the owner's consent. Sensitive data must be stored in secure locations and transmitted via a secure method. It is expected that business partners regularly review and update security policies to adapt to emerging IT threats. Risk assessments and identification of vulnerabilities shall be made to implement appropriate mitigation plans to avoid cyber-attacks and other unauthorized access to confidential data and systems.

Health and Safety
The workforce at the Group is one of the most important resources. The wellbeing, a safe and healthy working environment has the highest priority in the Group who is ISO 45001 certified and actively manages, prevents and mitigates health and safety risks during the management system. Business partners must ensure that all their organizations comply with all national health and safety laws and regulations and continuously promote wellbeing and a safe working environment for the entire workforce. Unsafe conditions must be reported and preventive measures taken and all employees must be trained in health and safety practices.

Climate, Environment and Energy
The Group is ISO 14001 certified and aim to be net zero in 2045 and works with elements of UN's Sustainable Goals. It is a prerequisite that business partners comply with national laws and internationally recognized standards for the environment, climate and social conditions. Suppliers must be able to demonstrate programs which improve the environment and reduce GHGs. The Group aims to help promote such improvements at our suppliers.

The Group uses renewable energy sources and implements energy efficient technologies aiming at reducing our carbon footprint. CO2 emissions are tracked as a part of the sustainability journey. There are processes and measures in place for waste handling and waste is disposed in a safe manner minimizing the risk of environmental impact on the climate. Measurable goals are set to reduce emissions and energy consumption.

The Group has the ambition to have a greener planet.

Supply Chain Responsibility
The Group prioritizes suppliers who demonstrate an ethical and responsible sustainable sourcing and manufacturing. Suppliers are selected and monitored in accordance with the criteria, values and standards of the Group. Through audits and self-assessments suppliers are evaluated to see if they comply and meet the criteria

i.e. within environment, sustainability, quality, health and safety. Corrective actions and improvements may be needed within an agreed time frame if suppliers do not comply.

Mutual trust is built through quality and value-creating relationships with both suppliers and customers. The Group is ISO 9001 certified and actively engages with it customers to provide solutions, long term partnerships and ensure full customer satisfaction. Deliverables on time and in the agreed quality are fundamental in the business of The Group who fosters a culture to enhance operational efficiency and work with continuous improvements throughout the supply chain and business.

Whistleblower

The Group has a whistleblower channel that will be available for stakeholders of the Group. 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 channel is managed from an external source to ensure anonymity and data security. The Group encourages business partners to ensure confidentiality and protection for individuals who report unethical practiced or violations of the laws and such should be done without fear of retaliation.

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 2024

	Notes	2024 DKK	2023 DKK
Revenue	2	712,063,388	708,993,425
Other operating income		958,837	888,419
Costs of raw materials and consumables		(524,666,800)	(503,495,387)
Other external expenses	3	(45,844,851)	(50,574,720)
Property costs		(72,145)	(39,762)
Gross profit/loss		**142,438,429**	**155,771,975**
Staff costs	4	(97,495,671)	(85,370,505)
Depreciation, amortisation and impairment losses	5	(10,376,879)	(11,063,554)
Operating profit/loss		**34,565,879**	**59,337,916**
Other financial income	6	869,975	1,916,639
Other financial expenses	7	(3,837,715)	(5,114,218)
Profit/loss before tax		**31,598,139**	**56,140,337**
Tax on profit/loss for the year	8	(6,688,331)	(12,206,953)
Profit/loss for the year	9	**24,909,808**	**43,933,384**

Consolidated balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Acquired intangible assets		373,373	282,964
Goodwill		0	0
Prepayments for intangible assets		0	272,676
Intangible assets	10	**373,373**	**555,640**
Land and buildings		29,397,279	31,319,946
Plant and machinery		15,521,082	11,333,491
Other fixtures and fittings, tools and equipment		6,858,929	6,268,770
Leasehold improvements		0	9,265
Property, plant and equipment in progress		236,475	81,083
Prepayments for property, plant and equipment		0	87,246
Property, plant and equipment	11	**52,013,765**	**49,099,801**
Deposits		1,957,350	1,957,350
Financial assets	12	**1,957,350**	**1,957,350**
Fixed assets		**54,344,488**	**51,612,791**
Raw materials and consumables		25,449,736	29,406,907
Work in progress		11,567,618	11,592,015
Manufactured goods and goods for resale		88,001,273	44,743,382
Prepayments for goods		0	95,532
Inventories		**125,018,627**	**85,837,836**

Trade receivables		260,067,893	193,905,196
Deferred tax	13	4,329,392	4,210,684
Other receivables		1,366,680	1,810,462
Derivative financial instruments	14	99,760	514,403
Tax receivable		1,554,060	0
Prepayments	15	268,701	284,320
Receivables		**267,686,486**	**200,725,065**
Cash		**8,957,615**	**14,481,158**
Current assets		**401,662,728**	**301,044,059**
Assets		**456,007,216**	**352,656,850**

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital	16	500,000	500,000
Translation reserve		1,982,661	1,127,135
Reserve for fair value adjustments of hedging instruments		350,977	677,405
Retained earnings		238,894,468	228,984,660
Proposed dividend for the financial year		15,000,000	18,000,000
Equity		**256,728,106**	**249,289,200**
Other provisions	17	4,500,000	4,500,000
Provisions		**4,500,000**	**4,500,000**
Mortgage debt		2,969,516	3,435,563
Bank loans		18,122,886	5,683,436
Lease liabilities		8,966,640	4,152,684
Other payables	18	313,936	333,709
Non-current liabilities other than provisions	19	**30,372,978**	**13,605,392**
Current portion of non-current liabilities other than provisions	19	5,328,083	5,543,427
Bank loans		19,612,273	8,036,948
Trade payables		126,575,017	58,677,703
Tax payable		0	3,539,495
Other payables		12,549,263	9,364,850
Deferred income	20	341,496	99,835
Current liabilities other than provisions		**164,406,132**	**85,262,258**
Liabilities other than provisions		**194,779,110**	**98,867,650**
Equity and liabilities		**456,007,216**	**352,656,850**
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Consolidated statement of changes in equity for 2024

	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	1,127,135	677,405	228,984,660	18,000,000
Ordinary dividend paid	0	0	0	0	(18,000,000)
Exchange rate adjustments	0	855,526	0	0	0
Fair value adjustments of hedging instruments	0	0	(418,497)	0	0
Tax of entries on equity	0	0	92,069	0	0
Profit/loss for the year	0	0	0	9,909,808	15,000,000
Equity end of year	**500,000**	**1,982,661**	**350,977**	**238,894,468**	**15,000,000**

	Total DKK
Equity beginning of year	249,289,200
Ordinary dividend paid	(18,000,000)
Exchange rate adjustments	855,526
Fair value adjustments of hedging instruments	(418,497)
Tax of entries on equity	92,069
Profit/loss for the year	24,909,808
Equity end of year	**256,728,106**

Consolidated cash flow statement for 2024

	Notes	2024 DKK	2023 DKK
Operating profit/loss		34,565,879	59,337,916
Amortisation, depreciation and impairment losses		10,376,879	11,063,554
Other provisions		0	2,000,000
Working capital changes	21	(33,165,829)	47,240,415
Profit/loss on sold fixed assets		0	(77,252)
Other adjustments		280,144	400,220
Cash flow from ordinary operating activities		**12,057,073**	**119,964,853**
Financial income received		869,975	1,916,639
Financial expenses paid		(3,837,715)	(5,114,218)
Taxes refunded/(paid)		(11,900,594)	(22,664,548)
Other cash flows from operating activities		(326,428)	(1,273,082)
Cash flows from operating activities		**(3,137,689)**	**92,829,644**
Acquisition etc. of intangible assets		(551,047)	(248,444)
Acquisition etc. of property, plant and equipment		(4,749,426)	(6,516,675)
Sale of property, plant and equipment		1,104,779	302,218
Cash flows from investing activities		**(4,195,694)**	**(6,462,901)**
Free cash flows generated from operations and investments before financing		**(7,333,383)**	**86,366,743**
Loans raised		24,014,775	8,036,948
Repayments of loans etc.		(4,204,935)	(65,409,038)
Dividend paid		(18,000,000)	(15,000,000)
Cash flows from financing activities		**1,809,840**	**(72,372,090)**
Increase/decrease in cash and cash equivalents		**(5,523,543)**	**13,994,653**

Cash and cash equivalents beginning of year	14,481,158	486,505
Cash and cash equivalents end of year	**8,957,615**	**14,481,158**

Cash and cash equivalents at year-end are composed of:		
Cash	8,957,615	14,481,158
Cash and cash equivalents end of year	**8,957,615**	**14,481,158**

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

	2024 DKK	2023 DKK
Denmark	546,879,832	528,753,499
EU	107,204,251	83,435,359
Other countries	57,979,305	96,804,567
Total revenue by geographical market	**712,063,388**	**708,993,425**

3 Fees to the auditor appointed by the Annual General Meeting

	2024 DKK	2023 DKK
Statutory audit services	329,523	323,015
Tax services	39,500	50,000
Other services	94,900	150,825
	463,923	**523,840**

4 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	84,022,794	73,400,029
Pension costs	4,860,470	4,030,837
Other social security costs	8,612,407	7,939,639
	97,495,671	**85,370,505**

Average number of full-time employees	**247**	**237**

	Remuneration of management 2024 DKK	Remuneration of management 2023 DKK
Total amount for management categories	3,434,315	3,085,274
	3,434,315	**3,085,274**

The remuneration of management for 2024 is shown accumulated refering to §98B of The Danish Financial Statments Act.

5 Depreciation, amortisation and impairment losses

	2024 DKK	2023 DKK
Amortisation of intangible assets	461,630	368,191
Depreciation on property, plant and equipment	9,915,249	10,695,363
	10,376,879	**11,063,554**

6 Other financial income

	2024 DKK	2023 DKK
Other interest income	559,891	37,024
Exchange rate adjustments	310,084	1,879,615
	869,975	**1,916,639**

7 Other financial expenses

	2024 DKK	2023 DKK
Other interest expenses	2,433,157	3,829,004
Exchange rate adjustments	1,260,885	1,224,443
Other financial expenses	143,673	60,771
	3,837,715	**5,114,218**

8 Tax on profit/loss for the year

	2024 DKK	2023 DKK
Current tax	6,793,762	12,577,473
Change in deferred tax	(105,431)	(348,629)
Refund in joint taxation arrangement	0	(21,891)
	6,688,331	**12,206,953**

9 Proposed distribution of profit/loss

	2024 DKK	2023 DKK
Ordinary dividend for the financial year	15,000,000	18,000,000
Retained earnings	9,909,808	25,933,384
	24,909,808	**43,933,384**

10 Intangible assets

	Acquired intangible assets DKK	Goodwill DKK	Prepayments for intangible assets DKK
Cost beginning of year	2,018,154	3,000,000	272,676
Exchange rate adjustments	36,897	0	4,985
Additions	551,047	0	0
Disposals	0	(3,000,000)	(277,661)
Cost end of year	**2,606,098**	**0**	**0**
Amortisation and impairment losses beginning of year	(1,735,190)	(3,000,000)	0
Exchange rate adjustments	(35,905)	0	0
Amortisation for the year	(461,630)	0	0
Reversal regarding disposals	0	3,000,000	0
Amortisation and impairment losses end of year	**(2,232,725)**	**0**	**0**
Carrying amount end of year	**373,373**	**0**	**0**

11 Property, plant and equipment

	Land and buildings DKK	Plant and machinery DKK	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK	Property, plant and equipment in progress DKK
Cost beginning of year	65,641,149	79,308,778	20,819,567	535,027	81,083
Exchange rate adjustments	563,725	580,845	121,080	0	1,482
Additions	540,463	9,642,411	2,654,513	0	249,539
Disposals	(86,315)	(6,174,268)	(1,191,894)	0	(95,629)
Cost end of year	**66,659,022**	**83,357,766**	**22,403,266**	**535,027**	**236,475**
Depreciation and impairment losses beginning of year	(34,321,203)	(67,975,287)	(14,550,797)	(525,762)	0
Exchange rate adjustments	(141,150)	(474,613)	(81,964)	0	0
Depreciation for the year	(2,885,705)	(4,916,809)	(2,103,470)	(9,265)	0
Reversal regarding disposals	86,315	5,530,025	1,191,894	0	0
Depreciation and impairment losses end of year	**(37,261,743)**	**(67,836,684)**	**(15,544,337)**	**(535,027)**	**0**
Carrying amount end of year	**29,397,279**	**15,521,082**	**6,858,929**	**0**	**236,475**
Recognised assets not owned by Entity	0	12,499,621	0	0	0

	Prepayments for property, plant and equipment DKK
Cost beginning of year	87,246
Exchange rate adjustments	0
Additions	0
Disposals	(87,246)
Cost end of year	**0**
Depreciation and impairment losses beginning of year	0
Exchange rate adjustments	0
Depreciation for the year	0
Reversal regarding disposals	0
Depreciation and impairment losses end of year	**0**
Carrying amount end of year	**0**
Recognised assets not owned by Entity	0

12 Financial assets

	Deposits DKK
Cost beginning of year	1,957,350
Cost end of year	**1,957,350**
Carrying amount end of year	**1,957,350**

13 Deferred tax

	2024 DKK	2023 DKK
Property, plant and equipment	2,597,900	2,672,508
Inventories	239,615	364,744
Provisions	1,219,512	1,171,801
Liabilities other than provisions	272,365	1,631
Deferred tax	**4,329,392**	**4,210,684**

Changes during the year	2024 DKK	2023 DKK
Beginning of year	4,210,684	3,806,032
Recognised in the income statement	105,431	348,629
Exchange rate adjustments	13,277	56,023
End of year	**4,329,392**	**4,210,684**

Deferred tax assets

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

14 Derivative financial instruments

Deriative financial instruments include the fair value of hedging instruments of kDKK 99. 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 6 years.

Furthermore, deriative financial instruments include the fair value of foreign exchange forward transactions of kDKK -4. 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 milion per month for the coming six months after year end, which in a total amounts to PLN 12 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 Contributed capital

	Number	Par value DKK	Nominal value DKK
Share capital	500,000	1	500,000
	500,000		**500,000**

17 Other provisions

Other provisions consist of provisions for warranty.

18 Other payables

	2024 DKK	2023 DKK
Wages and salaries, personal income taxes, social security costs, etc. payable	296,666	216,640
Other costs payable	17,270	117,069
	313,936	**333,709**

19 Non-current liabilities other than provisions

	Due within 12 months 2024 DKK	Due within 12 months 2023 DKK	Due after more than 12 months 2024 DKK	Outstanding after 5 years 2024 DKK
Mortgage debt	463,006	427,435	2,969,516	984,397
Bank loans	1,008,000	1,008,000	18,122,886	630,190
Lease liabilities	3,060,224	3,048,486	8,966,640	3,319,091
Other payables	796,853	1,059,506	313,936	0
	5,328,083	**5,543,427**	**30,372,978**	**4,933,678**

20 Deferred income

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

21 Changes in working capital

	2024 DKK	2023 DKK
Increase/decrease in inventories	(39,180,791)	29,875,096
Increase/decrease in receivables	(65,288,653)	63,710,926
Increase/decrease in trade payables etc.	71,303,615	(46,345,607)
	(33,165,829)	**47,240,415**

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	99,760	(3,856)
Unrealised fair value adjustments recognised in the fair value reserve in equity	749,950	(331,453)

23 Unrecognised rental and lease commitments

	2024 DKK	2023 DKK
Total liabilities under rental or lease agreements until maturity	22,201,804	24,549,257

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 6,034k.

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 12,500k.

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, lV 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 Industry 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
BSB Holding Americas Inc	Texas, USA	Inc	100.00

Parent income statement for 2024

	Notes	2024 DKK	2023 DKK
Other external expenses		(198,240)	(99,505)
Gross profit/loss		**(198,240)**	**(99,505)**
Income from investments in group enterprises		24,362,657	44,012,052
Other financial income	2	948,384	0
Other financial expenses		(21,886)	(1,054)
Profit/loss before tax		**25,090,915**	**43,911,493**
Tax on profit/loss for the year	3	(181,107)	21,891
Profit/loss for the year	4	**24,909,808**	**43,933,384**

Parent balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Investments in group enterprises		238,725,949	238,120,364
Financial assets	5	**238,725,949**	**238,120,364**
Fixed assets		**238,725,949**	**238,120,364**
Receivables from group enterprises		18,235,659	11,197,300
Tax receivable		1,554,060	0
Joint taxation contribution receivable		0	3,561,388
Receivables		**19,789,719**	**14,758,688**
Cash		**22,599**	**24,644**
Current assets		**19,812,318**	**14,783,332**
Assets		**258,538,267**	**252,903,696**

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		500,000	500,000
Reserve for net revaluation according to equity method		125,322,617	150,430,862
Retained earnings		115,905,490	80,358,339
Proposed dividend for the financial year		15,000,000	18,000,000
Equity		**256,728,107**	**249,289,201**
Trade payables		75,000	75,000
Tax payable		0	3,539,495
Joint taxation contribution payable		1,735,160	0
Current liabilities other than provisions		**1,810,160**	**3,614,495**
Liabilities other than provisions		**1,810,160**	**3,614,495**
Equity and liabilities		**258,538,267**	**252,903,696**

Events after the balance sheet date	1
Employees	6
Contingent liabilities	7
Related parties with controlling interest	8
Non-arm's length related party transactions	9

Parent statement of changes in equity for 2024

	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	150,430,862	80,358,339	18,000,000	249,289,201
Ordinary dividend paid	0	0	0	(18,000,000)	(18,000,000)
Exchange rate adjustments	0	855,526	0	0	855,526
Other entries on equity	0	(326,428)	0	0	(326,428)
Dividends from group enterprises	0	(50,000,000)	50,000,000	0	0
Profit/loss for the year	0	24,362,657	(14,452,849)	15,000,000	24,909,808
Equity end of year	**500,000**	**125,322,617**	**115,905,490**	**15,000,000**	**256,728,107**

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 Other financial income

	2024 DKK	2023 DKK
Financial income from group enterprises	948,384	0
	948,384	**0**

3 Tax on profit/loss for the year

	2024 DKK	2023 DKK
Current tax	181,107	0
Refund in joint taxation arrangement	0	(21,891)
	181,107	**(21,891)**

4 Proposed distribution of profit and loss

	2024 DKK	2023 DKK
Ordinary dividend for the financial year	15,000,000	18,000,000
Retained earnings	9,909,808	25,933,384
	24,909,808	**43,933,384**

5 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	112,689,502
Additions	713,830
Cost end of year	**113,403,332**
Revaluations beginning of year	125,430,862
Exchange rate adjustments	855,526
Adjustments on equity	(326,428)
Share of profit/loss for the year	25,034,573
Adjustment of intra-group profits	(671,916)
Dividend	(25,000,000)
Revaluations end of year	**125,322,617**
Carrying amount end of year	**238,725,949**

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

6 Employees

The Entity has no employees.

7 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.

8 Related parties with controlling interest

There are no parties with controlling interest.

9 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, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds .

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 normal 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

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 one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. 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.

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.

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.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and

doubtful debts.

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.

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.

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.

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.