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**d line A/S**
Roskildevej 22
2620 Albertslund
Central Business Registration
No 32948367

# Annual report 2019

The Annual General Meeting adopted the annual report on 26.06.2020

**Chairman of the General Meeting**

Name: Hans Christian Petersen

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# Entity details

**Entity**
d line A/S
Roskildevej 22
2620 Albertslund

Central Business Registration No (CVR): 32948367
Founded: 03.06.2010
Registered in: Albertslund
Financial year: 01.01.2019 - 31.12.2019

Phone: +4572170138
Website: www.dline.com

**Board of Directors**
Hans Christian Petersen
Martin Meesenburg
Stefan Ehrlich-Adam
Frederik Petersen
Morten Balsby

**Executive Board**
Frederik Petersen

**Bank**
Sparekassen Sjælland-Fyn A/S
Isefjord Alle 5
4300 Holbæk

**Auditors**
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of d line A/S for the financial year 01.01.2019 - 31.12.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations and cash flows for the financial year 01.01.2019 - 31.12.2019.

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.

Albertslund, 26.06.2020

**Executive Board**

Frederik Petersen

**Board of Directors**

| | | |
|---|---|---|
| Hans Christian Petersen | Martin Meesenburg | Stefan Ehrlich-Adam |
| Frederik Petersen | Morten Balsby | |

# Independent auditor's report

**To the shareholders of d line A/S**

**Opinion**

We have audited the consolidated financial statements and the parent financial statements of d line A/S for the financial year 01.01.2019 - 31.12.2019, 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 31.12.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor’s responsibilities for the audit of the 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter regarding circumstances in the financial statements**

We draw attention to note 1 in the annual report, which states that there is uncertainty in the recognition and measurement of the company's deferred tax assets.

**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 Group or 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

# Independent auditor's report

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

# Independent auditor's report

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.

Copenhagen, 26.06.2020

**Deloitte**
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Christian Sanderhage
State Authorised Public Accountant
Identification No (MNE) mne23347

Mads Juul Hansen
State Authorised Public Accountant
Identification No (MNE) mne44386

# Management commentary

| | 2019 DKK'000 | 2018 DKK'000 | 2017 DKK'000 | 2016 DKK'000 | 2015 DKK'000 |
|---|---|---|---|---|---|
| **Financial highlights** | | | | | |
| **Key figures** | | | | | |
| Revenue | 77.451 | 67.949 | 71.161 | 65.115 | 54.874 |
| Gross profit/loss | 24.940 | 22.734 | 24.197 | 22.845 | 13.504 |
| Operating profit/loss | 1.453 | (1.565) | 2.916 | (1.475) | (4.650) |
| Net financials | (2.608) | (4.596) | (713) | 2.706 | (746) |
| Profit/loss for the year | (1.593) | (6.346) | 1.763 | 1.095 | (4.752) |
| Total assets | 51.099 | 48.452 | 54.569 | 52.290 | 46.748 |
| Investments in property, plant and equipment | 633 | 879 | 1.836 | 367 | 144 |
| Equity | 19.868 | 21.457 | 27.810 | 26.539 | 24.787 |
| Cash flows from (used in) operating activities | (61) | 1.100 | 4.359 | 3.977 | (1.592) |
| Cash flows from (used in) investing activities | (4.049) | (2.662) | (4.659) | (212) | (303) |
| Cash flows from (used in) financing activities | 29 | (1.987) | (1.730) | - | 196 |
| Average numbers of employees | 86 | 86 | 82 | 85 | 77 |
| | | | | | |
| **Ratios** | | | | | |
| Gross margin (%) | 32,2 | 33,5 | 34,0 | 35,1 | 24,6 |
| Return on equity (%) | (7,7) | (25,8) | 6,5 | 4,3 | (17,2) |
| Solvency Ratio (%) | 51,0 | 51,0 | 50,9 | 46,4 | 55,2 |

*Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.*

| **Ratios** | **Calculation formula** | **Calculation formula reflects** |
|---|---|---|
| Gross margin (%) | $\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$ | The entity's operating gearing. |
| Return on equity (%) | $\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$ | The entity's return on capital invested in the entity by the owners. |
| Solvency Ratio (%) | $\frac{\text{Equity x 100}}{\text{Total assets}}$ | The financial strength of the Entity. |

# Management commentary

**Primary activities**

d line is a leading Danish design brand that conceives and hand crafts enduring architectural hardware, sanitary ware and solutions for barrier-free living. The designs behind the brand – which include the perfectly balanced lever handles – respond to needs, while pushing to evolve, innovate and lead in new areas.

Launched in 1971 with the coordinated line of stainless steel architectural products that Knud Holscher created for St Catherine's College Oxford, d line has since collaborated with iconic Danish designers including Arne Jacobsen and Bjarke Ingels. The ambition of the brand is to be universally known, coveted and admired for the uncompromising endurance of its design, craftsmanship and quality.

The main activity of d line is to market premium quality stainless steel products targeted at the building industry. In addition to the company's core BtB business, d line intends to devote significant time and effort in to pursuing international e-commerce opportunities in the BtC (private end-consumer) segment, which offers tremendous potential for value creation.

**Development in activities and finances**

In 2019, d line generated a loss of DKK 1,2 million before tax (2018: loss of DKK 6,2 million) which is a decrease of DKK 5,0 million and achieved free cash flow from operating activities of DKK -0,1 million compared to DKK 1,1 million the year before. The main factors are as follows:

- Sales increased in main markets due to the effect of our five letter strategy, investments in sales personel. d line has in 2019 seen an increase in its pipeline of projects for 2020.
- As with previous years, d line has invested heavily in product development and is in 2020 introducing as new series of products designed by Bjarke Ingels Group (BIG) and Tom Dixon. The internal product development cost related to specific products are capitalised.
- d line has invested in an e-commerce platform to market its products towards the private end-consumer. This activity is expected to strengthen the d line brand awareness.
- d line' loans of DKK 3,8 million to Friday Home was in December 2019 converted to equity. This was done to continue the development and promotion of the Friday Home products. In January 2020 Friday Homes capital has increased by inviting new investors. The d line investment in Friday Home APS has changed to 20%.

Equity amounts to DKK 19,9 million on December 31$^{st}$ 2019 compared to DKK 21,5 million on December 31$^{st}$ 2018.

The result of 2019 is considered insatisfactory if compared to expectations, but satisfactory in general and compared to 2018.

# Management commentary

### Capital resources

Cash amounts to DKK 1,9 million on December 31st 2019. In addition, d line has an overdraft facility at Sparekassen Sjælland-Fyn and further loans from shareholders. These loan facilities, combined with the cash in hand, are expected to be sufficient to cover d line's capital needs in the coming year.

### Outlook

In March 2020, d line and the rest of the world experienced the consequences of the corona crisis. Sales have decreased. Mostly in the EU and UK where the markets have closed down. Even though d line is experiencing decreasing sales, our pipeline is still high and has grown 17% compared to last year. Our work with CRM and our pipeline has been intensified and we are even closer to the projects and customers than before. Projects are monitored in each market and the tendency that we see is that the majority of our projects are postponed/put on hold and not cancelled or lost.

As a consequence d line has swiftly adapted a new structure and reduced the cost base. The changes will be fully implemented in 2021, which means that 2020 will show a poor result, cost savings and some extraordinary transitional expenses.

d line has;

- adapted a new company structure to a more simple one. Sales will happen out of the DK office and UK office. EU sales efforts will be taken care of from Denmark, and Asia sales will be taken care of out of UK.
- acquired QTOO in order to support our project work within sanitary projects
- reduced the cost base
- continued focus on the five letter strategy
- invested in a senior sales staff
- intensified CRM & pipeline

### Particular risks

### Market risks

The Company is operating world-wide; however, the core markets are within Europe. Each market is evaluated individually.

### Currency risk

As mentioned above, d line's core markets are within Europe. Most of these markets are exposed to EUR or DKK, apart from the US, Singapore and the UK, as these markets are exposed to USD, SGD and GBP. With regard to purchases, the main vendors are paid in EUR and DKK, and some oversea vendors are paid in USD. d line has not made hedges to eliminate any risks and protection against exposures related to currency risks, as these risks are assessed to be at an acceptable level.

# Management commentary

**Interest risk**

The bank loans are floating-rate loans. Consequently, d line is subject to an interest rate risk that is not considered significant in the current financial markets. The loans from shareholders are fixed-rate loans.

**Credit risk**

Each market and client are evaluated individually and many of d line's clients are clients with whom d line has traded with for many years. Only clients with positive payment records are allowed credit. All other clients must make full payment or partly prepayments when placing orders. The credit risk is assessed to be at an acceptable level.

**Environmental performance**

d line's products are of premium quality made from marine-grade, non-corrosive and rust resistant stainless steel AISI 316. The AISI 316 stainless steel gives the products maximum durability. Furthermore, d line products are made of up to 70% recycled steel and its waste material is recycled.

d line's waste minimisation goals include a keen focus on getting its production perfect each time. This focus means that these types of scraps only account for about 0.3% of the entire production.

**Strategic decisions**

d line's strategy; The Five Letters, is an operational and KPI's driven initiative to strengthen its four main sales regions and its e-commerce platform.

The Five Letters focus on the ability to service the architect and assist with project consulting. In relation to this, a product development plan has been detailed out to stay relevant in the market and increase the brand awareness. It is d line's ambition to deliver products of premium quality with the best possible customer service, as these elements are the key to d line's success.

**Events after the balance sheet date**

Since the balance sheet date the world has experienced a pandemic outbreak of corona virus closing most countries down for a long period of time. This has obviously had a large effect on sales and caused structural changes in d line, which is mentioned above.

Other than that, no material events have occurred after the balance sheet date to this date, which would influence the annual report.

# Consolidated income statement for 2019

| | Notes | 2019 DKK'000 | 2018 DKK'000 |
|---|---|---|---|
| Revenue | | 77.451 | 67.949 |
| Cost of sales | | (38.095) | (34.712) |
| Other external expenses | | (14.416) | (10.503) |
| **Gross profit/loss** | | **24.940** | **22.734** |
| Staff costs | 2 | (20.608) | (21.480) |
| Depreciation, amortisation and impairment losses | 3 | (2.879) | (2.819) |
| **Operating profit/loss** | | **1.453** | **(1.565)** |
| Income from investments in associates | | (1.378) | 0 |
| Other financial income | 4 | 118 | 173 |
| Impairment losses on financial assets | | 0 | (3.500) |
| Other financial expenses | 5 | (1.348) | (1.269) |
| **Profit/loss before tax** | | **(1.155)** | **(6.161)** |
| Tax on profit/loss for the year | 6 | (438) | (185) |
| **Profit/loss for the year** | 7 | **(1.593)** | **(6.346)** |

# Consolidated balance sheet at 31.12.2019

| | Notes | 2019 DKK'000 | 2018 DKK'000 |
|---|---|---|---|
| Completed development projects | | 2.056 | 1.424 |
| Acquired patents | | 31 | 34 |
| Acquired licences | | 518 | 928 |
| Goodwill | | 5.751 | 6.948 |
| Development projects in progress | | 1.823 | 1.341 |
| **Intangible assets** | 8 | **10.179** | **10.675** |
| Land and buildings | | 1.257 | 1.212 |
| Other fixtures and fittings, tools and equipment | | 1.719 | 1.846 |
| Leasehold improvements | | 122 | 254 |
| **Property, plant and equipment** | 9 | **3.098** | **3.312** |
| Investments in associates | | 2.263 | 0 |
| Deposits | | 396 | 388 |
| **Fixed asset investments** | 10 | **2.659** | **388** |
| **Fixed assets** | | **15.936** | **14.375** |
| Raw materials and consumables | | 6.158 | 6.519 |
| Manufactured goods and goods for resale | | 7.727 | 8.073 |
| **Inventories** | | **13.885** | **14.592** |
| Trade receivables | | 13.276 | 9.812 |
| Deferred tax | | 2.908 | 4.172 |
| Other receivables | | 1.567 | 1.261 |
| Income tax receivable | | 326 | 294 |
| Prepayments | 11 | 1.258 | 855 |
| **Receivables** | | **19.335** | **16.394** |
| **Cash** | | **1.943** | **3.091** |
| **Current assets** | | **35.163** | **34.077** |
| **Assets** | | **51.099** | **48.452** |

# Consolidated balance sheet at 31.12.2019

| | Notes | 2019 DKK'000 | 2018 DKK'000 |
|---|---|---|---|
| Contributed capital | | 10.000 | 10.000 |
| Retained earnings | | 9.868 | 11.457 |
| **Equity** | | **19.868** | **21.457** |
| Payables to shareholders and management | | 2.550 | 2.550 |
| Other payables | | 95 | 0 |
| **Non-current liabilities other than provisions** | 12 | **2.645** | **2.550** |
| Current portion of long-term liabilities other than provisions | 12 | 517 | 1.351 |
| Bank loans | | 16.063 | 13.130 |
| Trade payables | | 6.129 | 5.736 |
| Income tax payable | | 707 | 478 |
| Other payables | | 5.170 | 3.750 |
| **Current liabilities other than provisions** | | **28.586** | **24.445** |
| **Liabilities other than provisions** | | **31.231** | **26.995** |
| **Equity and liabilities** | | **51.099** | **48.452** |

| | |
|---|---|
| Uncertainty relating to recognition and measurement | 1 |
| Unrecognised rental and lease commitments | 14 |
| Assets charged and collateral | 15 |

# Consolidated statement of changes in equity for 2019

| | Contributed capital DKK'000 | Retained earnings DKK'000 | Total DKK'000 |
|---|---|---|---|
| Equity beginning of year | 10.000 | 11.457 | 21.457 |
| Exchange rate adjustments | 0 | 4 | 4 |
| Profit/loss for the year | 0 | (1.593) | (1.593) |
| **Equity end of year** | **10.000** | **9.868** | **19.868** |

The share capital consists of 10,000 shares of a nominal value of DKK 1,000. No shares carry special rights.

No changes to the contributed capital have been made in the past five years.

# Consolidated cash flow statement for 2019

| | Notes | 2019 DKK'000 | 2018 DKK'000 |
|---|---|---|---|
| Operating profit/loss | | 1.452 | (1.566) |
| Amortisation, depreciation and impairment losses | | 2.879 | 2.819 |
| Working capital changes | 13 | (1.784) | 1.594 |
| **Cash flow from ordinary operating activities** | | **2.547** | **2.847** |
| Financial income received | | 118 | 173 |
| Financial expenses paid | | (2.726) | (1.269) |
| Income taxes refunded/(paid) | | 0 | (651) |
| **Cash flows from operating activities** | | **(61)** | **1.100** |
| Acquisition etc of intangible assets | | (1.586) | (1.718) |
| Acquisition etc of property, plant and equipment | | (633) | (1.280) |
| Sale of property, plant and equipment | | 27 | 336 |
| Acquisition of fixed asset investments | | (1.857) | 0 |
| **Cash flows from investing activities** | | **(4.049)** | **(2.662)** |
| Repayments of debt | | 29 | (1.987) |
| **Cash flows from financing activities** | | **29** | **(1.987)** |
| **Increase/decrease in cash and cash equivalents** | | **(4.081)** | **(3.549)** |
| Cash and cash equivalents beginning of year | | (10.039) | (6.490) |
| **Cash and cash equivalents end of year** | | **(14.120)** | **(10.039)** |
| Cash and cash equivalents at year-end are composed of: | | | |
| Cash | | 1.943 | 3.091 |
| Short-term debt to banks | | (16.063) | (13.130) |
| **Cash and cash equivalents end of year** | | **(14.120)** | **(10.039)** |

# Notes to consolidated financial statements

### 1. Uncertainty relating to recognition and measurement

Deferred tax assets have a net value of DKK 2,908 thousand. Deferred tax assets consists of accumulated taxable losses. Deferred tax assets is recognized in the balance sheet under the asumption of a utilasation within a foreseeable future. Due to the outbreak of COVID-19, there is a natural material uncertainty related to budget assumptions and as such to the expected utilasation of the deferred tax losses.

| | 2019<br>DKK'000 | 2018<br>DKK'000 |
|---|---|---|
| **2. Staff costs** | | |
| Wages and salaries | 19.530 | 24.857 |
| Pension costs | 786 | 707 |
| Other social security costs | 421 | 84 |
| Other staff costs | 1.339 | 1.414 |
| Staff costs classified as assets | (1.468) | (5.582) |
| | **20.608** | **21.480** |
| Average number of employees | **89** | **86** |

The company have left out remuneration of management in accordance with the Danish Financial Act Statements § 98B, 3.

| | 2019<br>DKK'000 | 2018<br>DKK'000 |
|---|---|---|
| **3. Depreciation, amortisation and impairment losses** | | |
| Amortisation of intangible assets | 2.035 | 1.896 |
| Depreciation of property, plant and equipment | 847 | 927 |
| Profit/loss from sale of intangible assets and property, plant and equipment | (3) | (4) |
| | **2.879** | **2.819** |

| | 2019<br>DKK'000 | 2018<br>DKK'000 |
|---|---|---|
| **4. Other financial income** | | |
| Other interest income | 7 | 4 |
| Exchange rate adjustments | 103 | 169 |
| Other financial income | 8 | 0 |
| | **118** | **173** |

| | 2019<br>DKK'000 | 2018<br>DKK'000 |
|---|---|---|
| **5. Other financial expenses** | | |
| Exchange rate adjustments | 316 | 149 |
| Other financial expenses | 1.032 | 1.120 |
| | **1.348** | **1.269** |

# Notes to consolidated financial statements

| | 2019<br>DKK'000 | 2018<br>DKK'000 |
|---|---|---|
| **6. Tax on profit/loss for the year** | | |
| Current tax | 438 | 185 |
| | **438** | **185** |

| | 2019<br>DKK'000 | 2018<br>DKK'000 |
|---|---|---|
| **7. Proposed distribution of profit/loss** | | |
| Retained earnings | (1.593) | (6.346) |
| | **(1.593)** | **(6.346)** |

| | Completed develop-ment projects<br>DKK'000 | Acquired patents<br>DKK'000 | Acquired licences<br>DKK'000 | Goodwill<br>DKK'000 |
|---|---|---|---|---|
| **8. Intangible assets** | | | | |
| Cost beginning of year | 2.006 | 463 | 4.044 | 13.899 |
| Transfers | 974 | 0 | 0 | 0 |
| Additions | 0 | 0 | 130 | 0 |
| Disposals | 0 | 0 | (47) | 0 |
| **Cost end of year** | **2.980** | **463** | **4.127** | **13.899** |
| Amortisation and impairment losses beginning of year | (582) | (429) | (3.116) | (6.951) |
| Amortisation for the year | (342) | (3) | (493) | (1.197) |
| **Amortisation and impairment losses end of year** | **(924)** | **(432)** | **(3.609)** | **(8.148)** |
| **Carrying amount end of year** | **2.056** | **31** | **518** | **5.751** |

# Notes to consolidated financial statements

| | Development projects in progress DKK'000 |
|---|---|
| **8. Intangible assets** | |
| Cost beginning of year | 1.341 |
| Transfers | (974) |
| Additions | 1.456 |
| Disposals | 0 |
| **Cost end of year** | **1.823** |
| | |
| Amortisation and impairment losses beginning of year | 0 |
| Amortisation for the year | 0 |
| **Amortisation and impairment losses end of year** | **0** |
| | |
| **Carrying amount end of year** | **1.823** |

**Development projects**

Development projects amount to DKK 3,879 thousand, of which development projects in progress represent DKK 1,823 thousand. Capitalised costs for development projects primarily consist of labour costs.

| | Land and buildings DKK'000 | Other fixtures and fittings, tools and equipment DKK'000 | Leasehold improvements DKK'000 |
|---|---|---|---|
| **9. Property, plant and equipment** | | | |
| Cost beginning of year | 1.304 | 10.760 | 415 |
| Additions | 57 | 576 | 0 |
| Disposals | 0 | (3) | 0 |
| **Cost end of year** | **1.361** | **11.333** | **415** |
| | | | |
| Depreciation and impairment losses beginning of year | (92) | (8.914) | (161) |
| Depreciation for the year | (12) | (703) | (132) |
| Reversal regarding disposals | 0 | 3 | 0 |
| **Depreciation and impairment losses end of year** | **(104)** | **(9.614)** | **(293)** |
| | | | |
| **Carrying amount end of year** | **1.257** | **1.719** | **122** |

# Notes to consolidated financial statements

| | Investments in associates DKK'000 | Deposits DKK'000 |
|---|---|---|
| **10. Fixed asset investments** | | |
| Cost beginning of year | 0 | 388 |
| Additions | 17 | 8 |
| **Cost end of year** | **17** | **396** |
| Adjustments on equity | 3.489 | 0 |
| Share of profit/loss for the year | (1.243) | 0 |
| **Revaluations end of year** | **2.246** | **0** |
| **Carrying amount end of year** | **2.263** | **396** |

**11. Prepayments**

Prepayment comprise prepayments made for rent, insurance, travelling expenses, etc, that do not relate to the period.

| | Due within 12 months 2019 DKK'000 | Due within 12 months 2018 DKK'000 | Due after more than 12 months 2019 DKK'000 | Outstanding after 5 years DKK'000 |
|---|---|---|---|---|
| **12. Liabilities other than provisions** | | | | |
| Payables to shareholders and management | 0 | 0 | 2.550 | 2.550 |
| Other payables | 517 | 1.351 | 95 | 0 |
| | **517** | **1.351** | **2.645** | **2.550** |

| | 2019 DKK'000 | 2018 DKK'000 |
|---|---|---|
| **13. Change in working capital** | | |
| Increase/decrease in inventories | 707 | 1.402 |
| Increase/decrease in receivables | (2.363) | 341 |
| Increase/decrease in trade payables etc | (128) | (149) |
| | **(1.784)** | **1.594** |

| | 2019 DKK'000 | 2018 DKK'000 |
|---|---|---|
| **14. Unrecognised rental and lease commitments** | | |
| Liabilities under rental or lease agreements until maturity in total | **2.490** | **3.568** |

# Notes to consolidated financial statements

### 15. Assets charged and collateral

| | 2019 DKK'000 | 2018 DKK'000 |
|---|---|---|
| The following assets have been placed as security with banks: | | |
| Mortgage deeds registered to the mortgagor totalling DKK 15,000 thousand providing security on simple claims, inventory, property, plant and equipment at a total carrying amount of: | **29.947** | **27.716** |

# Parent income statement for 2019

| | Notes | 2019 DKK'000 | 2018 DKK'000 |
|---|---|---|---|
| Revenue | | 49.886 | 43.727 |
| Other operating income | | 360 | 0 |
| Cost of sales | | (28.032) | (24.716) |
| Other external expenses | | (9.783) | (8.455) |
| **Gross profit/loss** | | **12.431** | **10.556** |
| Staff costs | 2 | (12.202) | (12.036) |
| Depreciation, amortisation and impairment losses | 3 | (1.803) | (1.734) |
| **Operating profit/loss** | | **(1.574)** | **(3.214)** |
| Income from investments in group enterprises | | 2.207 | 1.091 |
| Income from other fixed asset investments | | 0 | (3.500) |
| Other financial income | 4 | 109 | 172 |
| Other financial expenses | 5 | (2.661) | (1.189) |
| **Profit/loss before tax** | | **(1.919)** | **(6.640)** |
| Tax on profit/loss for the year | 6 | 326 | 294 |
| **Profit/loss for the year** | 7 | **(1.593)** | **(6.346)** |

# Parent balance sheet at 31.12.2019

| | Notes | 2019 DKK'000 | 2018 DKK'000 |
|---|---|---|---|
| Completed development projects | | 2.056 | 1.424 |
| Acquired patents | | 31 | 36 |
| Acquired licences | | 488 | 785 |
| Goodwill | | 1.515 | 1.987 |
| Development projects in progress | | 1.822 | 1.312 |
| **Intangible assets** | 8 | **5.912** | **5.544** |
| Land and buildings | | 196 | 208 |
| Other fixtures and fittings, tools and equipment | | 909 | 920 |
| Leasehold improvements | | 122 | 253 |
| **Property, plant and equipment** | 9 | **1.227** | **1.381** |
| Investments in group enterprises | | 9.632 | 9.027 |
| Deposits | | 361 | 355 |
| **Fixed asset investments** | 10 | **9.993** | **9.382** |
| **Fixed assets** | | **17.132** | **16.307** |
| Raw materials and consumables | | 6.158 | 6.519 |
| Manufactured goods and goods for resale | | 5.886 | 6.783 |
| **Inventories** | | **12.044** | **13.302** |
| Trade receivables | | 7.073 | 4.949 |
| Receivables from group enterprises | | 3.828 | 4.584 |
| Deferred tax | | 4.166 | 4.166 |
| Other receivables | | 758 | 1.050 |
| Income tax receivable | | 326 | 294 |
| Prepayments | 11 | 1.258 | 757 |
| **Receivables** | | **17.409** | **15.800** |
| **Cash** | | **165** | **647** |
| **Current assets** | | **29.618** | **29.749** |
| **Assets** | | **46.750** | **46.056** |

# Parent balance sheet at 31.12.2019

| | Notes | 2019<br>DKK'000 | 2018<br>DKK'000 |
|---|---|---|---|
| Contributed capital | | 10.000 | 10.000 |
| Reserve for development expenditure | | 3.025 | 2.052 |
| Retained earnings | | 6.843 | 9.405 |
| **Equity** | | **19.868** | **21.457** |
| Payables to shareholders and management | | 2.550 | 2.550 |
| **Non-current liabilities other than provisions** | 12 | **2.550** | **2.550** |
| Current portion of long-term liabilities other than provisions | 12 | 0 | 1.351 |
| Bank loans | | 16.063 | 13.130 |
| Trade payables | | 3.308 | 3.432 |
| Payables to group enterprises | | 1.528 | 1.679 |
| Other payables | 13 | 3.433 | 2.457 |
| **Current liabilities other than provisions** | | **24.332** | **22.049** |
| **Liabilities other than provisions** | | **26.882** | **24.599** |
| **Equity and liabilities** | | **46.750** | **46.056** |

| | |
|---|---|
| Uncertainty relating to recognition and measurement | 1 |
| Unrecognised rental and lease commitments | 14 |
| Assets charged and collateral | 15 |

# Parent statement of changes in equity for 2019

| | Contributed capital DKK'000 | Reserve for development expenditure DKK'000 | Retained earnings DKK'000 | Total DKK'000 |
|---|---|---|---|---|
| Equity beginning of year | 10.000 | 2.052 | 9.405 | 21.457 |
| Exchange rate adjustments | 0 | 0 | 4 | 4 |
| Transfer to reserves | 0 | 973 | (973) | 0 |
| Profit/loss for the year | 0 | 0 | (1.593) | (1.593) |
| **Equity end of year** | **10.000** | **3.025** | **6.843** | **19.868** |

The share capital consists of 10,000 shares of a nominal value of DKK 1,000. No shares carry special rights.

No changes to the contributed capital have been made in the past five years.

# Notes to parent financial statements

### 1. Uncertainty relating to recognition and measurement

Deferred tax assets have a net value of DKK 4,166 thousand. Deferred tax assets consists of accumulated taxable losses. Deferred tax assets is recognized in the balance sheet under the asumption of a utilasation within a foreseeable future. Due to the outbreak of COVID-19, there is material a natural uncertainty related to budget assumptions and as such to the expected utilasation of the deferred tax losses.

| | 2019 DKK'000 | 2018 DKK'000 |
|---|---|---|
| **2. Staff costs** | | |
| Wages and salaries | 10.503 | 10.125 |
| Pension costs | 786 | 708 |
| Other social security costs | 91 | 84 |
| Other staff costs | 822 | 1.119 |
| | **12.202** | **12.036** |
| Average number of employees | **12** | **12** |

### Special incentive programmes

The company have left out remuneration of management in accordance with the Danish Financial Act Statements § 98B, 3.

| | 2019 DKK'000 | 2018 DKK'000 |
|---|---|---|
| **3. Depreciation, amortisation and impairment losses** | | |
| Amortisation of intangible assets | 1.246 | 1.170 |
| Depreciation of property, plant and equipment | 565 | 568 |
| Profit/loss from sale of intangible assets and property, plant and equipment | (8) | (4) |
| | **1.803** | **1.734** |

| | 2019 DKK'000 | 2018 DKK'000 |
|---|---|---|
| **4. Other financial income** | | |
| Other interest income | 14 | 2 |
| Exchange rate adjustments | 95 | 170 |
| | **109** | **172** |

| | 2019 DKK'000 | 2018 DKK'000 |
|---|---|---|
| **5. Other financial expenses** | | |
| Exchange rate adjustments | 314 | 147 |
| Other financial expenses | 2.347 | 1.042 |
| | **2.661** | **1.189** |

# Notes to parent financial statements

| | 2019<br>DKK'000 | 2018<br>DKK'000 |
|---|---|---|
| **6. Tax on profit/loss for the year** | | |
| Current tax | (326) | (294) |
| | **(326)** | **(294)** |

| | 2019<br>DKK'000 | 2018<br>DKK'000 |
|---|---|---|
| **7. Proposed distribution of profit/loss** | | |
| Transferred to reserve for net revaluation according to the equity method | 0 | (1.147) |
| Retained earnings | (1.593) | (5.199) |
| | **(1.593)** | **(6.346)** |

| | Completed develop-ment projects<br>DKK'000 | Acquired patents<br>DKK'000 | Acquired licences<br>DKK'000 | Goodwill<br>DKK'000 |
|---|---|---|---|---|
| **8. Intangible assets** | | | | |
| Cost beginning of year | 2.006 | 464 | 3.897 | 6.638 |
| Transfers | 974 | 0 | 0 | 0 |
| Additions | 0 | 0 | 130 | 0 |
| **Cost end of year** | **2.980** | **464** | **4.027** | **6.638** |
| Amortisation and impairment losses beginning of year | (582) | (428) | (3.112) | (4.651) |
| Amortisation for the year | (342) | (5) | (427) | (472) |
| **Amortisation and impairment losses end of year** | **(924)** | **(433)** | **(3.539)** | **(5.123)** |
| **Carrying amount end of year** | **2.056** | **31** | **488** | **1.515** |

# Notes to parent financial statements

| | Development projects in progress DKK'000 |
|---|---|
| **8. Intangible assets** | |
| Cost beginning of year | 1.312 |
| Transfers | (974) |
| Additions | 1.484 |
| **Cost end of year** | **1.822** |
| | |
| Amortisation and impairment losses beginning of year | 0 |
| Amortisation for the year | 0 |
| **Amortisation and impairment losses end of year** | **0** |
| | |
| **Carrying amount end of year** | **1.822** |

**Development projects**

Development projects amount to DKK 3,878 thousand, of which development projects in progress represent DKK 1,822. Capitalised costs for development projects primarily consist of labour costs.

| | Land and buildings DKK'000 | Other fixtures and fittings, tools and equipment DKK'000 | Leasehold improvements DKK'000 |
|---|---|---|---|
| **9. Property, plant and equipment** | | | |
| Cost beginning of year | 300 | 8.166 | 415 |
| Additions | 0 | 411 | 0 |
| Disposals | 0 | (3) | 0 |
| **Cost end of year** | **300** | **8.574** | **415** |
| | | | |
| Depreciation and impairment losses beginning of year | (92) | (7.246) | (162) |
| Depreciation for the year | (12) | (422) | (131) |
| Reversal regarding disposals | 0 | 3 | 0 |
| **Depreciation and impairment losses end of year** | **(104)** | **(7.665)** | **(293)** |
| | | | |
| **Carrying amount end of year** | **196** | **909** | **122** |

# Notes to parent financial statements

| | Investments in group enterprises DKK'000 | Deposits DKK'000 |
|---|---|---|
| **10. Fixed asset investments** | | |
| Cost beginning of year | 10.063 | 355 |
| Additions | 0 | 6 |
| **Cost end of year** | **10.063** | **361** |
| | | |
| Revaluations beginning of year | (1.036) | 0 |
| Exchange rate adjustments | 111 | 0 |
| Amortisation of goodwill | (726) | 0 |
| Share of profit/loss for the year | 3.016 | 0 |
| Dividend | (1.796) | 0 |
| **Revaluations end of year** | **(431)** | **0** |
| | | |
| **Carrying amount end of year** | **9.632** | **361** |

# Notes to parent financial statements

| | Registered in | Equity interest | Equity (local currency 000´) |
|---|---|---|---|
| Investments in group enterprises comprise: | | | |
| d line production u.a.b. | Lithuania | 100 | 2.252 |
| d line asia pte ltd. | Singapore | 100 | 1.026 |
| Eisenware Limited | United Kingdom | 100 | 2.266 |
| d line invest ApS | Denmark | 100 | 33 |

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

**11. Prepayments**

Prepayments comprise prepayments made for rent, insurance, travelling expenses, etc, that do not relate to the period.

| | Due within 12 months 2018 DKK'000 | Outstanding after 5 years DKK'000 |
|---|---|---|
| **12. Liabilities other than provisions** | | |
| Payables to shareholders and management | 0 | 2.550 |
| Other payables | 1.351 | 0 |
| | **1.351** | **2.550** |

| | 2019 DKK'000 | 2018 DKK'000 |
|---|---|---|
| **13. Other payables** | | |
| Wages and salaries, personal income taxes, social security costs, etc payable | 11 | 11 |
| Holiday pay obligation | 1.022 | 898 |
| Other costs payable | 2.400 | 1.548 |
| | **3.433** | **2.457** |

| | 2019 DKK'000 | 2018 DKK'000 |
|---|---|---|
| **14. Unrecognised rental and lease commitments** | | |
| Liabilities under rental or lease agreements until maturity in total | **2.490** | **3.568** |

# Notes to parent financial statements

### 15. Assets charged and collateral

| | 2019<br>DKK'000 | 2018<br>DKK'000 |
|---|---|---|
| The following assets have been placed as security with banks: | | |
| Mortgage deeds registered to the mortgagor totalling DKK 10,000 thousand providing security on simple claims, inventory, property, plant and equipment at a total carrying amount of: | **29.947** | **27.716** |

# 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 (medium).

**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. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

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.

# Accounting policies

**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 one 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.

**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.

**Cost of sales**

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

**Other external expenses**

Other external expenses include expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-down of receivables.

**Staff costs**

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for Entity staff.

**Depreciation, amortisation and impairment losses**

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

**Income from investments in associates**

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

**Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies.

**Impairment losses on financial assets**

Impairment of financial assets comprises impairment of financial assets which are not measured at fair value on a current basis.

# Accounting policies

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities.

**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.

**Balance sheet**

**Goodwill**

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10-20 years. Useful life are based on an individual assessment of the nature and impact of the acquisition.

**Intellectual property rights etc**

Intellectual property rights etc comprise patents, licences (software) and development projects.

Patents and licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Patents are amortised over the remaining patent period, and licences are amortised over the licence period; however, not exceeding five years.

Development projects are measured at the lower of cost less accumulated amortisation and recoverable amount. Development projects are amortised over 5 - 10 years. The useful lives are based on an individual assessment of impact and usefulness of the development projects in the d line product line.

**Property, plant and equipment**

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

| | |
|---|---|
| Buildings | 25 years |
| Other fixtures and fittings, tools and equipment | 3-8 years |
| Leasehold improvements | 10 years |

**Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

# Accounting policies

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

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 under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life which is 10-20 years. Useful life is based on an individual assessment of the nature and impact of the acquisition.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

**Investments in associates**
Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised pro rata internal profits and losses.

Associates with negative equity are measured at DKK 0, and any receivables from these associates are written down by the share of such negative equity if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if there is a legal or constructive obligation to cover the liabilities of the relevant associate.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in associates 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 applied for the manufacturing process as well as 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.

# Accounting policies

**Receivables**
Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

**Deferred tax**
Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

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.

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

**Cash**
Cash comprises cash in hand and bank deposits.

**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.

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

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

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

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as 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 as well as the raising of loans, inception of finance leases, instalments on interest-bearing

# Accounting policies

debt, purchase of treasury shares, and payment of dividend.

Cash and cash equivalents comprise cash and short-term bank loans.