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Rabalderstræde 7, 2. sal
DK-4000 Roskilde
CVR no. 20 22 26 70

D LINE A/S

JYLLINGEVEJ 59, KL., 2720 VANLØSE

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2023

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 18 June 2024

Hans Christian Petersen

The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.

CVR NO. 32 94 83 67

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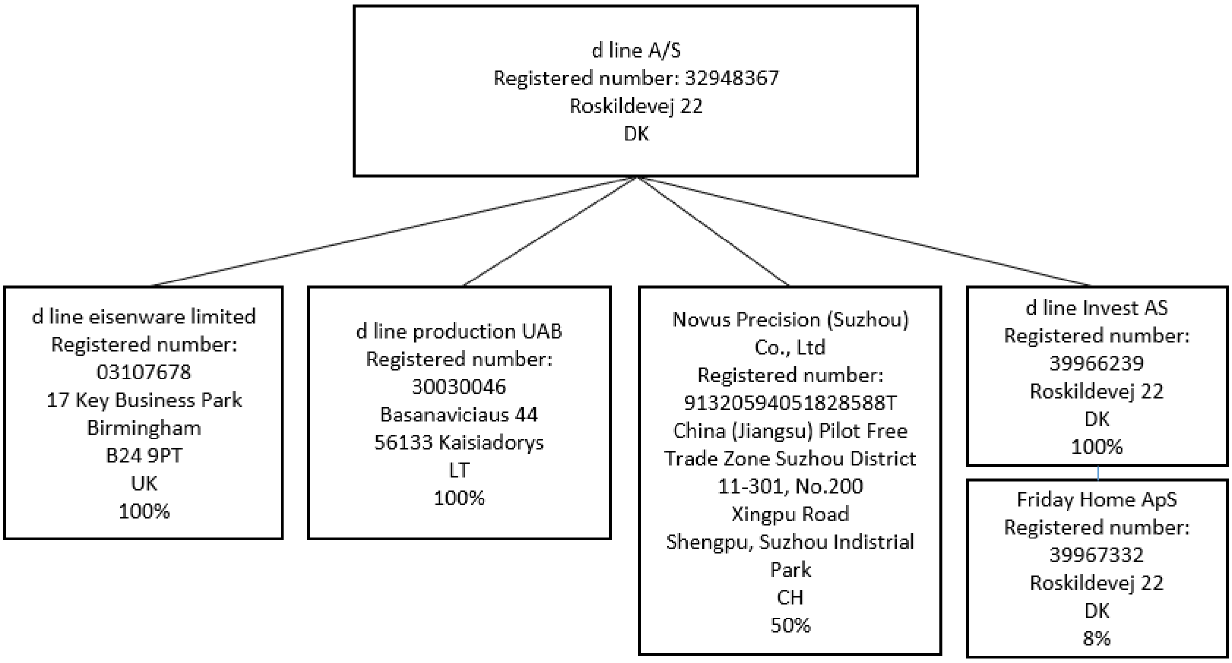
COMPANY DETAILS

Company	D LINE A/S Jyllingevej 59, kl. 2720 Vanløse	
	CVR No.:	32 94 83 67
	Established:	3 June 2010
	Municipality:	Copenhagen
	Financial Year:	1 January - 31 December
Board of Directors	Frederik Petersen, chairman Hans Christian Petersen Martin Meesenburg Morten Balsby Stefan Ehrlich-Adam	
Executive Board	Peter Bjertrup Jensen	
Auditor	BDO Statsautoriseret revisionsaktieselskab Rabalderstræde 7, 2. sal 4000 Roskilde	

GROUP STRUCTURE



MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of D LINE A/S for the financial year 1 January - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2023 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2023.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Vanløse, 18 June 2024

Executive Board

Peter Bjertrup Jensen

Board of Directors

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

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of D LINE A/S

Opinion
We have audited the Consolidated Financial Statements and the Annual Financial Statements of the Company of D LINE A/S for the financial year 1 January - 31 December 2023, which comprise income statement, Balance Sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group and the Parent Company, as well as consolidated statement of cash flows for the Group. The Consolidated Financial Statements and the Annual Financial Statements of the Company are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Annual Financial Statements of the Company give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2023 and of the results of the Group and the Parent Company's operations as well as the consolidated cash flows of the Group for the financial year 1 January - 31 December 2023 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 Annual Financial Statements of the Company" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibilities for the Consolidated Financial Statements and the Annual Financial Statements of the Company
Management is responsible for the preparation of Consolidated Financial Statements and the Annual Financial Statements of the Company 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 the Annual Financial Statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Consolidated Financial Statements and the Annual Financial Statements of the Company unless Management either intends to liquidate the Group or the Company 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 Company Financial Statements
Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 the Annual Financial Statements of the Company.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements and the Annual Financial Statements of the Company, 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 Parent Company'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 Annual Financial Statements of the Company 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 Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements and the Annual Financial Statements of the Company 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 Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Annual Financial Statements of the Company, including the disclosures, and whether the Consolidated Financial Statements and the Annual Financial Statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on Management Commentary
Management is responsible for Management Commentary.

Our opinion on the Consolidated Financial Statements and the Annual Financial Statements of the Company does not cover 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 Annual Financial Statements of the Company, our responsibility is to read Management Commentary and, in doing so, consider whether Management Commentary is materially inconsistent with the Consolidated Financial Statements and the Annual Financial Statements of the Company or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that Management Commentary is in accordance with the Consolidated Financial Statements and the Annual Financial Statements of the Company and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

INDEPENDENT AUDITOR'S REPORT

Roskilde, 18 June 2024

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Ferass Hamade
State Authorised Public Accountant
MNE no. mne35441

FINANCIAL HIGHLIGHTS OF THE GROUP

	2023 DKK '000	2022 DKK '000	2021 DKK '000	2020 DKK '000	2019 DKK '000
Income statement					
Net revenue	69.358	89.651	88.415	63.941	77.451
Gross profit/loss	28.488	30.286	30.932	20.200	24.940
Operating profit/loss of main activities	-2.571	4.607	7.429	-6.002	1.453
Financial income and expenses, net	-1.888	-1.370	-451	-987	-2.608
Profit/loss for the year	-3.691	2.869	9.589	-6.979	-1.593
Balance sheet					
Total assets	72.127	76.422	72.589	65.705	51.099
Equity	29.143	24.288	22.114	12.694	19.868
Cash flows					
Cash flows from operating activities	5.442	-2.107	3.509	-1.314	-61
Cash flows from investing activities	4.418	-5.749	-5.525	-2.119	-4.049
Cash flows from financing activities	-9.835	7.878	16.085	4.693	29
Investment in property, plant and equipment	-670	-506	-598	-598	-1.719
Average number of full-time employees	**77**	**82**	**82**	**82**	**89**
Key ratios					
Gross margin	41,1	33,8	35,0	31,6	32,2
Equity ratio	40,4	31,8	30,5	19,3	44,3
Return on equity	-13,8	12,4	55,1	-42,9	-7,7

The ratios stated in the list of key figures and ratios have been calculated as follows:

Gross margin: $\frac{\text{Gross profit x 100}}{\text{Net revenue}}$

Equity ratio: $\frac{\text{Equity (ex. minorities), at year-end x 100}}{\text{Total assets, at year-end}}$

Return on equity: $\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

MANAGEMENT COMMENTARY

Principal 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 endconsumer) segment, which offers tremendous potential for value creation.

Development in activities and financial and economic position
The year 2023 was marked by a confluence of external challenges and internal strategic realignments, leading to a financial outcome that fell short of our expectations, with a recorded loss of DKK 3.7 million. This unsatisfactory performance was largely influenced by a difficult market situation, characterized by inflation and high interest rates across our key markets. These conditions slowed down retail sales and led to postponements in several planned projects, directly affecting our revenue streams.

Strategic Responses and Adjustments
In response to these adverse conditions, we have implemented several critical measures designed to steer our company back to profitability in 2024:

1. Reorganization for Enhanced Sales Focus: We have restructured our team to increase our sales capabilities in both Denmark and the United Kingdom, aiming to improve market penetration and customer engagement in these regions.

2. Optimization of Overheads: We have carried out significant optimizations in our overheads to reduce costs and enhance operational efficiency, which is crucial for maintaining competitiveness in challenging economic times.

3. Focus on High-Profit Product Groups: Prioritizing high-profit product groups allows us to align our resources more effectively and capitalize on the most lucrative opportunities available to us.

Profit/loss for the year compared to the expected development
In 2023, d line generated a loss of DKK 3,7 million (2022: profit of DKK 2,8 million). The free cash flow from operating activities was DKK 5,4 million compared to DKK -2,1 million the year before.

Equity amounts to DKK 29,1 million on December 31st 2023 compared to DKK 24,2 million on December 31st 2022.

The result of 2023 is considered unsatisfactory.

Significant events after the end of the financial year
No events have occurred after the end of the financial year of material importance for the Company's financial position.

Capital resources
Cash amounts to DKK 1,2 million on December 31st 2023. In addition, d line has an overdraft facility at Sparekassen Sjælland-Fyn, a state guaranteed “corona loan”, 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.

Environmental situation
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 minimization 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.

The FOCUS (Finding our unified core strengths) is and an extension to the Five Letters with the major purpose of making sure of “house in order”.

Particular risks
Market risk
The Company is operating world-wide; however, the core markets are within Europe and Great Britain. 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 and the UK, as these markets are exposed to USD 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.

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
d line has credit insurance. Furthermore, 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.

Future expectations
Outlook for 2024
While we are taking robust steps to address the challenges of the past year, we anticipate 2024 to remain challenging due to the persistent economic pressures. However, with the strategies we have set in place, we expect an improved performance, albeit under continued difficult conditions. Our focus will remain on agility and strategic foresight, enabling us to navigate these complexities effectively.

Future expectations (continued)

Long-Term Growth Strategy

Beyond our immediate measures, we have developed a comprehensive growth strategy aimed at doubling our turnover by no later than 2027. This plan includes expanding our market footprint, diversifying our product offerings, and continuously improving our customer engagement tactics, setting the stage for sustained growth and profitability.

Commitment to Stakeholders

We remain steadfast in our commitment to transparency and accountability. The strategic initiatives we have undertaken are crafted to not only mitigate the current financial downturn but also to build a resilient foundation for future growth. We appreciate the continued support of our shareholders and stakeholders as we move forward with our long-term vision.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

		Group		Parent Company	
	Note	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
NET REVENUE		**69.358**	**89.651**	**45.048**	**63.024**
Other operating income		339	0	339	0
Cost of sales		-32.753	-44.618	-21.281	-37.141
Other external expenses		-8.456	-14.747	-13.561	-8.370
GROSS PROFIT/LOSS		**28.488**	**30.286**	**10.545**	**17.513**
Staff costs	1	-26.097	-21.544	-10.658	-12.112
Depreciation, amortisation and impairment		-4.623	-4.135	-3.727	-3.038
OPERATING LOSS		**-2.232**	**4.607**	**-3.840**	**2.363**
Income from investments in subsidiaries and associates	2	-161	572	481	1.823
Other financial income	3	703	370	1.020	734
Other financial expenses	4	-2.591	-1.740	-2.518	-1.739
LOSS BEFORE TAX		**-4.281**	**3.809**	**-4.857**	**3.181**
Tax on profit/loss for the year	5	590	-940	1.166	-312
LOSS FOR THE YEAR	6	**-3.691**	**2.869**	**-3.691**	**2.869**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group 2023 DKK '000	Group 2022 DKK '000	Parent Company 2023 DKK '000	Parent Company 2022 DKK '000
Development projects completed..		8.727	6.581	8.705	6.547
Intangible fixed assets acquired....		2.770	2.564	2.739	2.547
Goodwill..............................		12.240	14.616	11.047	12.697
Intangible assets.....................	7	**23.737**	**23.761**	**22.491**	**21.791**
Land and buildings..................		1.436	1.448	148	160
Other plants, machinery, tools and equipment............................		1.236	1.507	724	989
Leasehold improvements...........		371	100	371	100
Property, plant and equipment...	8	**3.043**	**3.055**	**1.243**	**1.249**
Equity investments in group enterprises............................		0	0	7.477	9.162
Equity investments in associated enterprises............................		1.013	1.266	1.013	1.266
Other securities and equity investments...........................		5.858	5.858	0	0
Rent deposit and other receivables............................		218	585	218	585
Financial non-current assets......	9	**7.089**	**7.709**	**8.708**	**11.013**
NON-CURRENT ASSETS.............		**33.869**	**34.525**	**32.442**	**34.053**
Raw materials and consumables....		11.369	10.184	5.677	8.182
Finished goods and goods for resale..................................		7.665	11.043	4.764	11.043
Inventories...........................		**19.034**	**21.227**	**10.441**	**19.225**
Trade receivables....................		7.586	10.935	4.387	4.459
Receivables from group enterprises............................		0	0	12.750	10.045
Receivables from associated enterprises............................		829	0	829	0
Deferred tax assets..................	10	6.535	5.369	6.535	5.369
Other receivables....................		2.533	2.635	1.519	2.362
Prepayments and accrued income .	11	486	501	418	501
Receivables..........................		**17.969**	**19.440**	**26.438**	**22.736**
Cash and cash equivalents.........		**1.255**	**1.230**	**439**	**334**
CURRENT ASSETS....................		**38.258**	**41.897**	**37.318**	**42.295**
ASSETS................................		**72.127**	**76.422**	**69.760**	**76.348**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2023 DKK '000	Group 2022 DKK '000	Parent Company 2023 DKK '000	Parent Company 2022 DKK '000
Share Capital	12	18.510	10.000	18.510	10.000
Reserve for development costs		6.790	0	6.790	0
Retained profit		3.843	14.288	3.843	14.288
EQUITY		**29.143**	**24.288**	**29.143**	**24.288**
Bank loan		2.474	3.316	2.474	3.316
Payables to shareholder and management		3.099	4.510	3.099	4.510
Other liabilities		1.649	4.140	1.649	4.123
Non-current liabilities	13	**7.222**	**11.966**	**7.222**	**11.949**
Bank debt		17.741	22.003	17.741	22.003
Prepayments from customers		104	0	0	0
Trade payables		7.503	7.772	2.830	6.121
Payables to group enterprises		0	0	4.523	4.844
Corporation tax		570	604	0	0
Other liabilities		9.844	9.789	8.301	7.143
Current liabilities		**35.762**	**40.168**	**33.395**	**40.111**
LIABILITIES		**42.984**	**52.134**	**40.617**	**52.060**
EQUITY AND LIABILITIES		**72.127**	**76.422**	**69.760**	**76.348**

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EQUITY

DKK '000	Group Share Capital	Reserve for development costs	Retained profit	Total
Equity at 1 January 2023	10.000	0	14.288	24.288
Proposed profit allocation, see note 6			-3.691	-3.691
Transactions with owners				
Capital increase	8.510			8.510
Other legal bindings				
Capitalized development costs		2.494	-7.601	-5.107
Foreign exchange adjustments			36	36
Other adjustments		5.107		5.107
Transfers				
Depreciations		-811	811	0
Equity at 31 December 2023	**18.510**	**6.790**	**3.843**	**29.143**

DKK '000	Parent Company Share Capital	Reserve for development costs	Retained profit	Total
Equity at 1 January 2023	10.000	0	14.288	24.288
Proposed profit allocation, jf. note 6			-3.691	-3.691
Transactions with owners				
Capital increase	8.510			8.510
Other legal bindings				
Capitalized development costs		2.494	-7.601	-5.107
Foreign exchange adjustments			36	36
Other adjustments		5.107		5.107
Transfers				
Depreciations		-811	811	0
Equity at 31 December 2023	**18.510**	**6.790**	**3.843**	**29.143**

The company has issued 1.000 new shares during the financial year, with a nominal value of T.DKK 8.510

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2023 DKK '000	2022 DKK '000
Profit/loss for the year	-3.691	2.869
Depreciation and amortisation, reversed	4.623	4.135
Profit/loss from associates	161	-572
Tax on profit/loss, reversed	576	940
Corporation tax paid	-1.776	-350
Change in inventories	2.193	828
Change in receivables (ex tax)	3.469	-3.134
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	-113	-6.823
CASH FLOWS FROM OPERATING ACTIVITY	**5.442**	**-2.107**
Purchase of intangible assets	-3.913	-4.327
Purchase of property, plant and equipment	-670	-506
Purchase of financial assets	-218	0
Sale of financial assets	585	0
Other cash flows from investing activities	8.634	-916
CASH FLOWS FROM INVESTING ACTIVITY	**4.418**	**-5.749**
Changes in subordinated loan capital	-1.411	1.960
Change in receivables associated companies	-829	0
Bank debt	-4.262	5.918
Other cash flows from financing activities	-3.333	0
CASH FLOWS FROM FINANCING ACTIVITY	**-9.835**	**7.878**
CHANGE IN CASH AND CASH EQUIVALENTS	**25**	**22**
Cash and cash equivalents at 1. januar	1.230	1.208
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**1.255**	**1.230**
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents	1.255	1.230
CASH AND CASH EQUIVALENTS	**1.255**	**1.230**

NOTES

	Group		Parent Company		
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000	Note
Staff costs					1
Average number of full time employees	77	82	13	14	
Wages and salaries	22.891	20.143	7.996	10.827	
Pensions	828	762	669	762	
Social security costs	316	116	241	116	
Other staff costs	2.062	523	1.752	407	
	26.097	**21.544**	**10.658**	**12.112**	
Income from investments in subsidiaries and associates					2
Income from investments in subsidiaries	0	0	642	1.251	
Income from investments in associates	-161	572	-161	572	
	-161	**572**	**481**	**1.823**	
Other financial income					3
Group enterprises	0	0	332	358	
Other interest income	703	370	688	376	
	703	**370**	**1.020**	**734**	
Other financial expenses					4
Other interest expenses	2.591	1.740	2.518	1.739	
	2.591	**1.740**	**2.518**	**1.739**	
Tax on profit/loss for the year					5
Calculated tax on taxable income of the year	576	628	0	0	
Adjustment of tax for previous years	0	326	0	326	
Adjustment of deferred tax	-1.166	-14	-1.166	-14	
	-590	**940**	**-1.166**	**312**	
Proposed distribution of profit					6
Retained earnings	-3.691	2.869	-3.691	2.869	
	-3.691	**2.869**	**-3.691**	**2.869**	

NOTES

Note

Intangible assets 7

DKK '000	Group: Development projects completed	Group: Intangible fixed assets acquired	Group: Goodwill
Cost at 1 January 2023	9.978	6.640	24.281
Additions	3.197	716	0
Cost at 31 December 2023	**13.175**	**7.356**	**24.281**
Amortisation at 1 January 2023	3.397	4.076	9.665
Amortisation for the year	1.051	510	2.376
Amortisation at 31 December 2023	**4.448**	**4.586**	**12.041**
Carrying amount at 31 December 2023	**8.727**	**2.770**	**12.240**

Development projects amount to T.DKK 8.727, at the end of the year there are no development projects in progress. Capitalised costs for development projects primarily consist of labour costs.

DKK '000	Parent Company: Development projects completed	Parent Company: Intangible fixed assets acquired	Parent Company: Goodwill
Cost at 1 January 2023	9.944	6.623	21.638
Additions	3.197	696	0
Cost at 31 December 2023	**13.141**	**7.319**	**21.638**
Amortisation at 1 January 2023	3.397	4.076	8.941
Amortisation for the year	1.039	504	1.650
Amortisation at 31 December 2023	**4.436**	**4.580**	**10.591**
Carrying amount at 31 December 2023	**8.705**	**2.739**	**11.047**

Development projects amount to T.DKK 8.705, at the end of the year there are no development projects in progress. Capitalised costs for development projects primarily consist of labour costs.

Property, plant and equipment 8

DKK '000	Group: Land and buildings	Group: Other plants, machinery, tools and equipment	Group: Leasehold improvements
Cost at 1 January 2023	1.588	17.161	1.211
Additions	0	325	345
Cost at 31 December 2023	**1.588**	**17.486**	**1.556**
Depreciation and impairment losses at 1 January 2023	140	15.650	1.111
Depreciation for the year	12	600	74
Depreciation and impairment losses at 31 December 2023	**152**	**16.250**	**1.185**
Carrying amount at 31 December 2023	**1.436**	**1.236**	**371**

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Note

Tangible fixed assets (continued) 8

DKK '000	Parent Company: Land and buildings	Other plants, machinery, tools and equipment	Leasehold improvements
Cost at 1 January 2023	300	14.220	1.109
Additions	0	183	345
Cost at 31 December 2023	**300**	**14.403**	**1.454**
Depreciation and impairment losses at 1 January 2023	140	13.231	1.009
Depreciation for the year	12	448	74
Depreciation and impairment losses at 31 December 2023	**152**	**13.679**	**1.083**
Carrying amount at 31 December 2023	**148**	**724**	**371**

Financial non-current assets 9

DKK '000	Group: Equity investments in associated enterprises	Other securities	Rent deposit and other receivables
Cost at 1 January 2023	494	5.858	585
Additions	0	0	218
Disposals	0	0	-585
Cost at 31 December 2023	**494**	**5.858**	**218**
Revaluation at 1 January 2023	772	0	0
Exchange adjustment	-92	0	0
Profit/loss for the year	-161	0	0
Revaluation at 31 December 2023	**519**	**0**	**0**
Carrying amount at 31 December 2023	**1.013**	**5.858**	**218**

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Note

Fixed asset investments (continued) 9

DKK '000	Parent Company: Equity investments in group enterprises	Equity investments in associated enterprises	Rent deposit and other receivables
Cost at 1 January 2023	9.978	494	585
Transferred	0	0	0
Additions	0	0	218
Disposals	0	0	-585
Cost at 31 December 2023	**9.978**	**494**	**218**
Revaluation at 1 January 2023	637	772	0
Exchange adjustment	128	-92	0
Dividend	-2.456	0	0
Profit/loss for the year	1.368	-161	0
Revaluation at 31 December 2023	**-323**	**519**	**0**
Impairment losses and amortisation of goodwill at 1 January 2023	1.452	0	0
Amortisation of goodwill	726	0	0
Impairment losses and amortisation of goodwill at 31 December 2023	**2.178**	**0**	**0**
Carrying amount at 31 December 2023	**7.477**	**1.013**	**218**

Investments in subsidiaries (DKK '000)

Name and domicil	Equity	Profit/loss for the year	Ownership
d line production u.a.b., Lithuania	2.970	276	100 %
Eisenware Limited, United Kingdom	4.458	1.435	100 %
d line invest ApS, Denmark	-1.131	-343	100 %

Investments in associates (DKK '000)

Name and domicil	Equity	Profit for the year	Ownership
Novus Precision, China	2.026	-161	50 %

Deferred tax assets 10

The provision for deferred tax is related to differences between the carrying amount and tax value of securities, receivables, intangible and tangible fixed assets, including recognised finance lease contracts.

NOTES

Note

	Group		Parent Company	
	2023 DKK '000	**2022** DKK '000	**2023** DKK '000	**2022** DKK '000
Deferred tax assets, beginning of year	5.369	5.355	5.369	5.355
Deferred tax of the year, income statement	1.166	14	1.166	14
Deferred tax assets 31 December 2023	**6.535**	**5.369**	**6.535**	**5.369**

d line expect in the following years to have positive results. It is therefore the expectation that the company in the following years are able to use the deferred tax asset.

Prepayments and accrued income 11

Costs	486	501	418	501
	486	**501**	**418**	**501**

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

Share Capital 12

	2023 DKK '000	**2022** DKK '000
Allocation of share capital:		
Shares, 18.510 unit in the denomination of 1.000 DKK	18.510	18.510
	18.510	**18.510**

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Long-term liabilities 13

	Group			
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Bank loan	2.474	0	0	3.316
Payables to shareholder and management	3.099	0	0	4.510
Other liabilities	4.786	3.137	0	7.260
	10.359	**3.137**	**0**	**15.086**

	Parent Company			
	31/12 2023 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2022 total liabilities
Bank loan	2.474	0	0	3.316
Payables to shareholder and management	3.099	0	0	4.510
Other liabilities	4.786	3.137	0	7.243
	10.359	**3.137**	**0**	**15.069**

Contingencies etc. 14

Contingent liabilities

	Group		Parent Company	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Liabilities under rental or lease agreements until maturity in total	237	870	237	870
Between 1 and 5 years	89	0	89	0
	326	**870**	**326**	**870**
Within 1 year	447	0	447	0
Between 1 and 5 years	1.676	0	1.676	0
	2.123	**0**	**2.123**	**0**

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Charges and securities 15

Mortgage deeds registrered to the mortgagor totalling T.DKK 18.000 providing security on simple claims, inventory, property, plant and equipment at a total carrying amount of:

	Group	Parent Company
	DKK '000	DKK '000
Land and buildings	1.436	148
Other plants, machinery, tools and equipment	1.236	724
Leasehold improvements	371	371
Inventories	19.034	10.441
Receivables (excl. tax)	11.430	19.900

Related parties 16

The Company's related parties include d line production u.a.b., Eisenware Limited and d line invest ApS.

Controlling interest

There are none with controlling interest.

Transactions with related parties

The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.

ACCOUNTING POLICIES

The Annual Report of D LINE A/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

Consolidated Financial Statements
The Consolidated Financial Statements include the Parent Company D LINE A/S and the subsidiaries in which D LINE A/S directly or indirectly holds more than 50% of the voting rights or in any other way has a controlling influence. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence, are considered associates, see the Group structure.

The Consolidated Financial Statements consolidate the Financial Statements of the Parent Company and the subsidiaries by combining uniform accounts items. Intercompany income and expenses, shareholdings, intercompany accounts and dividend, and realised and unrealised gains and losses arising from transactions between the consolidated enterprises are fully eliminated in the consolidation.

Newly acquired or newly formed entities within the Group are recognised in the Consolidated Financial Statements as if the entity has been combined from the earliest financial period included in the Consolidated Financial Statements. Consolidated or wound up entities are recognised in the Consolidated Income Statement from the earliest financial period included in the Financial Statements. Comparative figures are corrected for newly acquired, sold or wound-up entities.

Acquired entities within the Group are recognised in the Consolidated Financial Statements according to the combination method, the combination being regarded as completed as from the earliest financial period included in the Consolidated Financial Statements, and by using the carrying amounts of the assets and liabilities acquired.

Positive and negative differences between the acquisition cost and the carrying amounts of acquired and identified assets and liabilities are recognised in equity at the acquisition. The remaining amount is 1.193 DKK ('000).

Transaction costs incurred in relation to acquisition of entities are recognised in the Income Statement in the year they were paid.

Investments in subsidiary enterprises are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Investments in associates are measured in the Balance Sheet at the proportional share of the equity value of the enterprises, calculated under the accounting policies of the Parent Company and eliminating proportionally any unrealised intercompany gains and losses. The proportional share of the results of the associates is recognised in the Income Statement after elimination of the proportional share of internal gains and losses.

INCOME STATEMENT

Net revenue
Net revenue from the sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales
Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

ACCOUNTING POLICIES

Other operating income
Other operating income includes items of a secondary nature in relation to the Group’s and the Company’s activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Other external expenses
Other external expenses include other production, sales, delivery and administrative costs, including costs of energy, marketing, premises, loss on bad debts, lease expenses, etc

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions, and other costs of social security etc., for the Group and the Parent Company's employees. Repayments from public authorities are deducted from staff costs.

Income from investments in subsidiaries and associates
The proportional share of the results of subsidiaries, stated according to the Parent Company’s accounting policies and with full elimination of unrealised intercompany profits/losses and deduction of amortisation of added value and goodwill resulting from purchase price allocation at the date of acquisition, is recognised in the Parent Company’s Income Statement.

In connection with transfers, potential profits are recognised when the economic rights related to the sold equity interests are transferred, however, at the earliest when the profit has been realised or is regarded as realisable. Moreover, realised losses other than impairments are included where identified.

Financial income and expenses
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from securities, debt and transactions in foreign currencies, as well as charges and allowances under the tax-on-account scheme, etc. Financial income and expenses are recognised by the amounts that relate to the financial year. Interest income and expenses are calculated on amortised cost prices.

Tax
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the Income Statement by the share that may be attributed to the profit for the year, and is recognised directly in equity by the share that may be attributed to entries directly to equity.

BALANCE SHEET

Intangible fixed assets
Acquired goodwill is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over the expected useful life which is estimated to 5 years. The period of amortisation is determined based on an assessment of the acquired company’s position in the market and earnings profile, and the industry-specific conditions.

Patents and licences are measured at the lower of cost less accumulated amortisation and the recoverable amount. Patents are amortised over the remaining patent period and licences are amortised over the period of the agreement, however, no more than 8 years.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

ACCOUNTING POLICIES

Tangible fixed assets
Land and buildings, production plant and machinery, other plant, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Buildings	25 years	0 %
Other plant, fixtures and equipment	3 - 8 years	0 %
Leasehold improvements	10 years	0 %

Profit or loss on sale of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the date of sale. Profit or loss is recognised in the Income Statement as other operating income or other operating expenses.

Financial non-current assets
Investments in Equity interests in are measured in the Parent Company Balance Sheet under the equity method, which is regarded as a method of measuring/consolidation.

Equity investments in are measured in the Balance Sheet at the proportional share of the enterprises' carrying equity value, calculated in accordance with the Parent Company's accounting policies with deduction or addition of unrealised intercompany profits or losses and with addition or deduction of the residual value of positive or negative goodwill calculated according to the acquisition method. Negative goodwill is recognised in the Income Statement when the equity interest is acquired. Where the negative goodwill is related to acquired contingent liabilities, the negative goodwill will be recognised as income when the contingent liabilities have been settled or cease.

The combination method is applied when acquiring enterprises within the Group, where the combination is regarded as completed from the earliest financial period included in the Financial Statements, and by using the carrying amounts of the assets and liabilities acquired.

The difference between the acquisition cost and carrying amounts is recognised directly in equity.

Net revaluation of equity interests in subsidiaries is transferred under equity to reserve for net revaluation under the equity value method to the extent that the carrying amount exceeds the acquisition value.

Profit and loss at disposal of investments in subsidiaries and associates are determined as the difference between the net selling price and the carrying amount of the disposed investment at the time of sale, including non-depreciated excess values and goodwill. Profit and loss are recognised in the Income Statement under income from investments.

Subsidiaries and associates with a negative carrying equity value are measured to DKK 0 and any amounts due from these enterprises are written down to the extent that it is deemed to be irrecoverable. If the carrying negative equity value exceeds receivables, the residual amount is recognised under provision for liabilities to the extent that the Company has a legal or actual liability to cover the subsidiary's subsidiaries and associates deficit.

ACCOUNTING POLICIES

Impairment of fixed assets
The carrying amount of intangible fixed and tangible assets together with fixed assets, which are not measured at fair value,, are assessed annually for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the recoverable amount is lower than the carrying amount, the asset is written down to the recoverable amount.

The recoverable amount is calculated at the higher of the capital value and the sales value less expected costs of a sale. The capital value is determined as the Company's share in the current value of the net cash flows which the subsidiary is expected to generate through its activities and from sale of assets after the end of their useful lives. A discount rate is used which reflects the risk-free market rate and the owners' minimum return on interest requirements for similar assets. The growth rate in the terminal period is determined in accordance with the standards within the industry.

Inventories
Inventories are measured at cost using the FIFO-principle. If the net realisable amount is lower than cost, the inventories are written down to the lower amount.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct payroll cost and other direct and other indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, the cost of factory administration and management and capitalised development costs relating to the products.

The net realisable value of inventories is stated at the expected sales price less direct completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price of the inventories.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is written down to meet expected losses.

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the Balance Sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

ACCOUNTING POLICIES

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the amount at which the asset is expected to be used within a reasonable number of years, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the Balance Sheet date will be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less transaction costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the Income Statement over the loan period.

The amortised cost of current liabilities corresponds usually to the nominal value.

CASH FLOW STATEMENT

With reference to Section 86(4) of the Danish Financial Statements Act, the company has not prepared a cash flow statement. A cash flow statement has been prepared for the Group.

The cash flow statement shows the Company's cash flows for the year for operating activities, investing activities and financing activities in the year, the change in cash and cash equivalents of the year and cash and cash equivalents at beginning and end of the year.

Cash flows from operating activities:
Cash flows from operating activities are computed as the results for the year adjusted for non-cash operating items, changes in net working capital and corporation tax paid.

Cash flows from investing activities:
Cash flows from investing activities include payments in connection with purchase and sale of intangible and tangible fixed asset and fixed asset investments.

Cash flows from financing activities:
Cash flows from financing activities include changes in the size or composition of share capital and related costs, and borrowings and repayment of interest-bearing debt and payment of dividend to shareholders.

Cash and cash equivalents:
Cash and cash equivalents include bank overdraft and cash in hand.