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

D LINE A/S

ROSKILDEVEJ 22, 2620 ALBERTSLUND

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2021

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 30 March 2022

____
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.

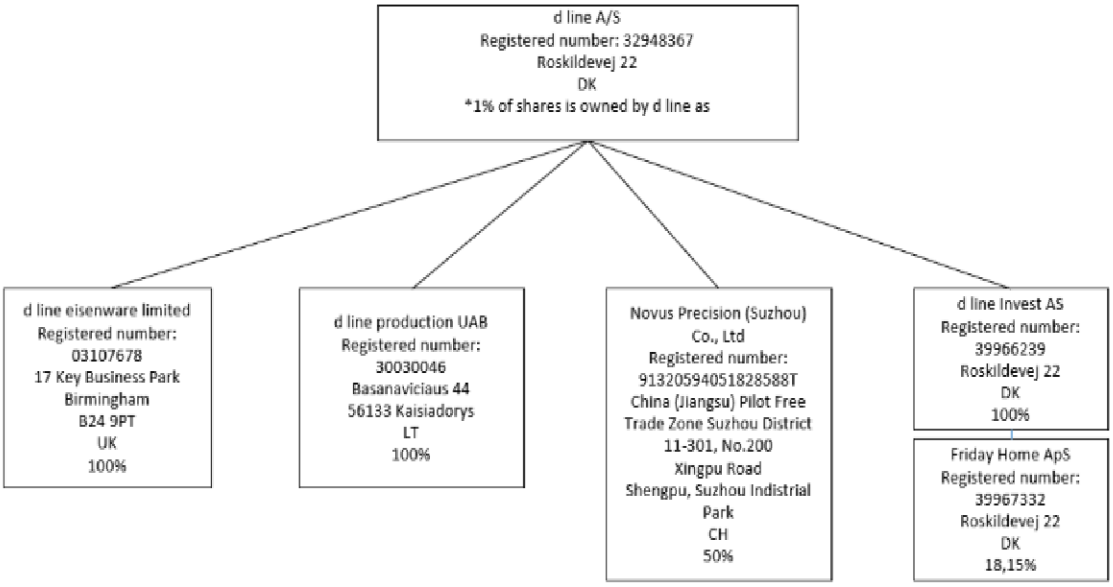
CVR NO. 32 94 83 67

CONTENTS

COMPANY DETAILS

Company	D LINE A/S Roskildevej 22 2620 Albertslund	
	CVR No.:	32 94 83 67
	Established:	3 June 2010
	Municipality:	Albertslund
	Financial Year:	1 January - 31 December
Board of Directors	Hans Christian Petersen, chairman Martin Meesenburg Stefan Ehrlich-Adam Frederik Petersen Morten Balsby Ole Winberg	
Executive Board	Frederik Petersen	
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 2021.

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 2021 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2021.*

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.

Albertslund, 30 March 2022

Executive Board

Frederik Petersen

Board of Directors

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

INDEPENDENT AUDITOR'S REPORT

To the Shareholders 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 2021, 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 2021 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 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the 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:

- *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, 30 March 2022

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Ferass Hamade
State Authorised Public Accountant
MNE no. mne35441

FINANCIAL HIGHLIGHTS OF THE GROUP

	2021 DKK '000	2020 DKK '000	2019 DKK '000	2018 DKK '000	2017 DKK '000
Income statement					
Net revenue	88.415	63.941	77.451	67.949	71.161
Gross profit/loss	30.932	20.200	24.940	22.734	24.197
Operating profit/loss of main activities	7.429	-6.002	1.453	-1.565	2.916
Financial income and expenses, net	-451	-987	-2.608	-4.596	-713
Profit/loss for the year	9.589	-6.979	-1.593	-6.346	1.763
Balance sheet					
Total assets	71.247	65.705	51.099	48.452	54.569
Equity	22.114	12.694	19.868	21.457	27.810
Cash flows					
Cash flows from operating activities	3.509	-1.314	-61	1.100	4.359
Cash flows from investing activities	-5.525	-2.119	-4.049	-2.662	-4.659
Cash flows from financing activities	0	4.693	29	-1.987	-1.930
Investment in property, plant and equipment	598	598	1.719	1.846	1.989
Average number of full-time employees	**82**	**82**	**89**	**86**	**82**
Key ratios					
Gross margin	35,0	31,6	32,2	33,5	34,0
Return on invested capital	62,6	-21,6	-10,9	16,2	-8,7
Equity ratio	31,0	19,3	44,3	50,9	50,8
Return on equity	55,1	-42,9	-7,7	-25,8	6,5

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

Invested capital:	*NWC + intangible and tangible assets (ex goodwill) - provisions - other operating liabilities, non-current*
Gross margin:	$\frac{\textit{Gross profit x 100}}{\textit{Net revenue}}$
Return on invested capital:	$\frac{\textit{Operating Profit/loss adjusted for goodwill amortisation x 100}}{\textit{Average invested capital}}$
Equity ratio:	$\frac{\textit{Equity (ex. minorities), at year-end x 100}}{\textit{Total assets, at year-end}}$
Return on equity:	$\frac{\textit{Profit/loss after tax x 100}}{\textit{Average equity}}$

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. Already recognised worldwide for their perfectly crafted L lever handle from 1971, the brand aspires to be known and coveted by architects for their sustainable, highly enduring taps and sanitary dispensers.

Development in activities and financial and economic position
• d line has in 2021 consolidated the business and turned a loss in 2020 of DKK 7 million to a profit in 2021 of DKK 9,6 million. Both by growing sales, but also by managing a lower cost base. The turnaround is still continuing on through a strategic focus across the entire value chain (part of their FOCUS strategy)
• Pipeline continues to increase in 2021.
• As with previous years, d line has invested heavily in product development. In 2021 focus has primarily been on managing and developing current collections.

Profit/loss for the year compared to the expected development
In 2021, d line generated a profit DKK 8,0 million before tax (2020: loss of DKK 6,9 million). The free cash flow from operating activities was DKK 3,5 million compared to DKK -1,3 million the year before. The main factors are as follows:

- *Growth in sales.*
- *d line has been through a turnaround and adjusting the cost base and thereby lowering the break-even point. d line has;*
    - *In 2020 adapted a new company structure to a simpler one. Sales will happen out of the DK office and UK office. EU and Asia sales efforts will be taken care of from Denmark.*
    - *The above means more quality and focus will go into servicing the positive and growing markets and distributors – something we have been lacking over the last years.*
    - *Acquired QTOO in order to support our project work within sanitary projects*
    - *Reduced the cost base*
    - *Continued the five-letter strategy to keep the direction and implementing must-win-battles of the FOCUS-strategy*
    - *Intensified CRM & pipeline*
    - *Intensified the work of a more accurate and sellable stock*

Equity amounts to DKK 22,1 million on December 31st 2021 compared to DKK 12,7 million on December 31st 2020.

The result of 2021 has restored the pre-corona equity and is considered satisfactory..

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 2021. 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.

MANAGEMENT COMMENTARY

Capital resources (continued)

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.

Particular risks
Market risk
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.

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
As mentioned d line adapted a new structure and reduced the cost base. In 2022 further growth is expected.

The year has started well with sales above expectations. All efforts are to continue to meet budgets and control the cost base while consolidating the business making it ready for further growth. We see a very solid project pipeline and some projects already starting to materialize. Not least Denmark is seeing a positive situation in the building industry - something we benefit from in d line.

Treasury shares

	2021	**2020**
	DKK '000	DKK '000
The amount of own shares comprise of:		
Shares, 100 of 1.000 DKK..	100.000	100.000

MANAGEMENT COMMENTARY

	100.000	**100.000**
Own shares in % of share capital:		
d line..	1,0	1,0
	1,0	**1,0**

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

		Group		Parent Company	
	Note	2021 DKK '000	2020 DKK '000	2021 DKK '000	2020 DKK '000
NET REVENUE		**88.415**	**63.941**	**58.537**	**46.331**
Cost of sales		-46.084	-32.137	-33.593	-27.012
Other external expenses		-11.399	-11.604	-8.644	-9.342
GROSS PROFIT/LOSS		**30.932**	**20.200**	**16.300**	**9.977**
Staff costs	1	-19.858	-23.425	-10.507	-14.852
Depreciation, amortisation and impairment		-3.645	-2.777	-3.503	-2.556
OPERATING PROFIT		**7.429**	**-6.002**	**2.290**	**-7.431**
Income from investments in subsidiaries and associates	2	1.096	10	4.417	1.049
Other financial income	3	647	1.439	1.843	421
Other financial expenses		-1.098	-2.426	-1.403	-1.018
PROFIT BEFORE TAX		**8.074**	**-6.979**	**7.147**	**-6.979**
Tax on profit/loss for the year	4	1.515	0	1.515	0
PROFIT FOR THE YEAR	5	**9.589**	**-6.979**	**8.662**	**-6.979**

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BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group 2021 DKK '000	Group 2020 DKK '000	Parent Company 2021 DKK '000	Parent Company 2020 DKK '000
Development projects completed		5.626	4.504	5.626	4.504
Intangible fixed assets acquired		37	142	37	142
Goodwill		17.131	19.507	14.348	15.274
Intangible assets	6	**22.794**	**24.153**	**20.011**	**19.920**
Land and buildings		1.460	1.472	172	184
Other plants, machinery, tools and equipment		1.610	1.237	1.064	598
Leasehold improvements		6	17	6	17
Property, plant and equipment	7	**3.076**	**2.726**	**1.242**	**799**
Equity investments in group enterprises		0	0	9.782	10.784
Equity investments in associated enterprises		1.648	697	721	697
Rent deposit and other receivables		361	361	361	361
Financial non-current assets	8	**2.009**	**1.058**	**10.864**	**11.842**
NON-CURRENT ASSETS		**27.879**	**27.937**	**32.117**	**32.561**
Raw materials and consumables		8.741	8.023	7.567	6.422
Finished goods and goods for resale		11.972	9.107	11.972	9.107
Inventories		**20.713**	**17.130**	**19.539**	**15.529**
Trade receivables		10.317	11.445	4.491	6.287
Receivables from group enterprises		5.000	3.153	7.225	3.703
Receivables corporation tax		0	399	0	326
Deferred tax assets	9	5.355	4.166	5.355	4.166
Other receivables		775	213	489	13
Receivables		**21.447**	**19.376**	**17.560**	**14.495**
Cash and cash equivalents		**1.208**	**1.262**	**114**	**247**
CURRENT ASSETS		**43.368**	**37.768**	**37.213**	**30.271**
ASSETS		**71.247**	**65.705**	**69.330**	**62.832**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group 2021 DKK '000	Group 2020 DKK '000	Parent Company 2021 DKK '000	Parent Company 2020 DKK '000
Share capital	10	10.000	10.000	10.000	10.000
Reserve for net revaluation according to equity va		0	0	0	1.119
Reserve for development costs		4.388	3.513	4.388	3.513
Retained profit		7.726	-819	6.799	-1.938
EQUITY		**22.114**	**12.694**	**21.187**	**12.694**
Bank loan		4.158	5.000	4.158	5.000
Payables to shareholder an management		2.550	2.550	2.550	2.550
Other liabilities		8.124	11.785	8.107	11.785
Non-current liabilities	11	**14.832**	**19.335**	**14.815**	**19.335**
Bank debt		16.085	9.123	16.085	14.367
Trade payables		9.597	10.989	6.850	6.735
Payables to group enterprises		0	0	2.000	1.592
Other liabilities		8.619	13.564	8.393	8.109
Current liabilities		**34.301**	**33.676**	**33.328**	**30.803**
LIABILITIES		**49.133**	**53.011**	**48.143**	**50.138**
EQUITY AND LIABILITIES		**71.247**	**65.705**	**69.330**	**62.832**

Contingencies etc.	12
Charges and securities	13
Related parties	14

EQUITY

	Group			
	Share capital	Reserve for development costs	Retained profit	Total
Equity at 1 January 2021	10.000	3.513	-819	12.694
Proposed profit allocation, according note 5			8.714	8.714
Transactions with owners				
Transfers to/from reserves		875	-875	0
Other legal bindings				
Exchange rate adjustment			706	706
Equity at 31 December 2021	**10.000**	**4.388**	**7.726**	**22.114**

	Parent Company				
	Share capital	Reserve for net revaluation according to equity va	Reserve for development costs	Retained profit	Total
Equity at 1 January 2021	10.000	1.119	3.513	-1.938	12.694
Proposed profit allocation, according note 5		-1.119		8.906	7.787
Transactions with owners					
Transfers to/from reserves			875	-875	0
Other legal bindings					
Exchange rate adjustment				706	706
Equity at 31 December 2021	**10.000**	**0**	**4.388**	**6.799**	**21.187**

CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2021 DKK '000	**2020** DKK '000
Profit/loss for the year	9.589	-6.979
Depreciation and amortisation, reversed	3.645	2.777
Profit/loss from associates	3.321	411
Tax on profit/loss, reversed	-1.515	0
Other adjustments	0	3.717
Corporation tax paid	-326	0
Change in inventories	-3.583	-3.245
Change in receivables (ex tax)	-1.281	-660
Change in other provisions	-1.914	2.665
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	-4.427	0
CASH FLOWS FROM OPERATING ACTIVITY	**3.509**	**-1.314**
Purchase of intangible assets	-2.026	-970
Sale of intangible fixed assets	-1.720	-1.116
Purchase of property, plant and equipment	-896	-33
Sale of property, plant and equipment	122	0
Other cash flows from investing activities	-1.005	0
CASH FLOWS FROM INVESTING ACTIVITY	**-5.525**	**-2.119**
Changes in subordinated loan capital	0	5.000
Dividends paid in the financial year	0	-307
CASH FLOWS FROM FINANCING ACTIVITY	**0**	**4.693**
CHANGE IN CASH AND CASH EQUIVALENTS	**-2.016**	**1.260**
Cash and cash equivalents at 1. januar	-12.861	-14.121
CASH AND CASH EQUIVALENTS AT 31. DECEMBER	**-14.877**	**-12.861**
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents	1.208	1.262
Short-term debt to banks	-16.085	-14.123
CASH AND CASH EQUIVALENTS, NET DEBT	**-14.877**	**-12.861**

NOTES

	Group 2021 DKK '000	Group 2020 DKK '000	Parent Company 2021 DKK '000	Parent Company 2020 DKK '000	Note
Staff costs					1
Average number of employees	82	82	14	11	
Wages and salaries	17.721	21.503	8.744	12.930	
Pensions	1.042	841	786	841	
Social security costs	105	86	105	86	
Other staff costs	990	995	871	995	
	19.858	**23.425**	**10.506**	**14.852**	
Income from investments in subsidiaries and associates					2
Income from investments in subsidiaries	0	0	4.248	1.039	
Result of equity investments in associat enterprises	1.096	10	169	10	
	1.096	**10**	**4.417**	**1.049**	
Other financial income					3
Group enterprises	244	196	244	196	
Other interest income	403	1.243	1.599	225	
	647	**1.439**	**1.843**	**421**	
Tax on profit/loss for the year					4
Adjustment of tax for previous years	-326	0	-326	0	
Adjustment of deferred tax	-1.189	0	-1.189	0	
	-1.515	**0**	**-1.515**	**0**	
Proposed distribution of profit					5
Allocation to reserve for net revaluation according to equity value	0	0	-1.119	1.119	
Allocation to reserves for development cost	875	488	875	488	
Retained earnings	8.714	-7.467	8.906	-8.586	
	9.589	**-6.979**	**8.662**	**-6.979**	

NOTES

Note

Intangible assets 6

	Group		
	Development projects completed	Intangible fixed assets acquired	Goodwill
Cost at 1 January 2021	5.872	4.590	28.899
Additions	1.820	26	0
Cost at 31 December 2021	**7.692**	**4.616**	**28.899**
Amortisation at 1 January 2021	1.368	4.448	9.392
Amortisation for the year	698	131	1.650
Amortisation at 31 December 2021	**2.066**	**4.579**	**11.042**
Carrying amount at 31 December 2021	**5.626**	**37**	**17.857**

Development projects amount to T.DKK 5.626, at the end of the year are there no development projects in progress. Capitalised costs for development projects primarily consist of labour costs.

	Parent Company		
	Development projects completed	Intangible fixed assets acquired	Goodwill
Cost at 1 January 2021	5.872	4.590	21.638
Additions	1.820	26	0
Cost at 31 December 2021	**7.692**	**4.616**	**21.638**
Amortisation at 1 January 2021	1.368	4.448	5.640
Amortisation for the year	698	131	1.650
Amortisation at 31 December 2021	**2.066**	**4.579**	**7.290**
Carrying amount at 31 December 2021	**5.626**	**37**	**14.348**

Development projects amount to T.DKK 5.626, at the end of the year are there no development projects in progress. Capitalised costs for development projects primarily consist of labour costs.

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NOTES

Note

Property, plant and equipment 7

	Group		
	Land and buildings	Other plants, machinery, tools and equipment	Leasehold improvements
Cost at 1 January 2021	1.588	10.847	1.009
Additions	0	896	0
Disposals	0	-122	0
Cost at 31 December 2021	**1.588**	**11.621**	**1.009**
Depreciation and impairment losses at 1 January 2021	116	9.610	992
Depreciation for the year	12	401	11
Depreciation and impairment losses at 31 December 2021	**128**	**10.011**	**1.003**
Carrying amount at 31 December 2021	**1.460**	**1.610**	**6**

	Parent Company		
	Land and buildings	Other plants, machinery, tools and equipment	Leasehold improvements
Cost at 1 January 2021	300	12.952	1.009
Additions	0	896	0
Disposals	0	-27	0
Cost at 31 December 2021	**300**	**13.821**	**1.009**
Depreciation and impairment losses at 1 January 2021	116	12.356	992
Depreciation for the year	12	401	11
Depreciation and impairment losses at 31 December 2021	**128**	**12.757**	**1.003**
Carrying amount at 31 December 2021	**172**	**1.064**	**6**

Financial non-current assets 8

	Group		
	Equity investments in group enterprises	Equity investments in associated enterprises	Rent deposit and other receivables
Cost at 1 January 2021	0	494	361
Disposals	0	0	0
Cost at 31 December 2021	**0**	**494**	**361**
Revaluation at 1 January 2021	0	203	0
Exchange adjustment	0	-145	0
Profit/loss for the year	0	1.096	0
Revaluation at 31 December 2021	**0**	**1.154**	**0**
Carrying amount at 31 December 2021	**0**	**1.648**	**361**

NOTES

Note

Fixed asset investments (continued) 8

	Parent Company		
	Equity investments in group enterprises	Equity investments in associated enterprises	Rent deposit and other receivables
Cost at 1 January 2021	10.063	494	361
Cost at 31 December 2021	**10.063**	**494**	**361**
Revaluation at 1 January 2021	721	203	0
Exchange adjustment	-561	-145	0
Dividend	-4.725	0	0
Profit/loss for the year	4.284	169	0
Revaluation at 31 December 2021	**-281**	**227**	**0**
Carrying amount at 31 December 2021	**9.782**	**721**	**361**

Investments in subsidiaries (DKK '000)

Name and domicil	Equity	Profit/loss for the year	Ownership
d line production u.a.b., Lithaunia	2.638	121	100 %
Eisenware Limited, United Kingdom	4.360	4.905	100 %
d line invest ApS, Denmark	-421	674	100 %

Investments in associates (DKK '000)

Name and domicil	Equity	Profit for the year	Ownership
Novus Precision, China	1.073	169	50 %

NOTES

Note

Deferred tax assets 9

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.

	Group		Parent Company	
	2021 DKK '000	**2020** DKK '000	**2021** DKK '000	**2020** DKK '000
Deferred tax, beginning of year......	4.166	2.908	4.166	2.908
Changes................................	1.189	1.258	1.189	1.258
Deferred tax assets 31 December 2021....................................	**5.355**	**4.166**	**5.355**	**4.166**

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.

	2021 DKK '000	**2020** DKK '000
Share capital 10		
Allocation of share capital:		
Shares, 10.000 unit in the denomination of 1.000 DKK...........	10.000	10.000
	10.000	**10.000**

Long-term liabilities 11

	Group			
	31/12 2021 total liabilities	**Repayment next year**	**Debt outstanding after 5 years**	**31/12 2020 total liabilities**
Bank loan...	4.158	0	0	5.000
Payables to shareholder and management...	2.550	0	0	2.550
Other liabilities................................	8.124	3.103	0	11.785
	14.832	**3.103**	**0**	**19.335**

	Parent Company			
	31/12 2021 total liabilities	**Repayment next year**	**Debt outstanding after 5 years**	**31/12 2020 total liabilities**
Bank loan...	4.158	0	0	5.000
Payables to shareholder and management...	2.550	0	0	2.550
Other liabilities................................	8.107	3.103	0	11.785
	14.815	**3.103**	**0**	**19.335**

NOTES

Note

Contingencies etc. 12

Contingent liabilities

	Group		Parent Company	
	2021 DKK '000	**2020** DKK '000	**2021** DKK '000	**2020** DKK '000
Liabilities under rental or lease agreements until maturity in total .	1.181	1.854	1.181	1.854
	1.181	**1.854**	**1.181**	**1.854**

Charges and securities 13

Mortgage deeds registrered to the mortgagor totalling T.DKK 15.000 providing security on simple claims, inventory, property, plant and equipment at a total carrying amount of............		40.675		32.972

Related parties 14

The Company's related parties include:

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 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class C, medium-size enterprises.

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 difference from acquired entities is 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 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.

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.

ACCOUNTING POLICIES

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.

Fixed asset investments

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.

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.

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.

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.

ACCOUNTING POLICIES

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.

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.

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.

ACCOUNTING POLICIES

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.