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CVR no. 20 22 26 70

**D LINE A/S**  
**JYLLINGEVEJ 59, KL., 2720 VANLØSE**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2022**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 27 May 2023**

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**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**

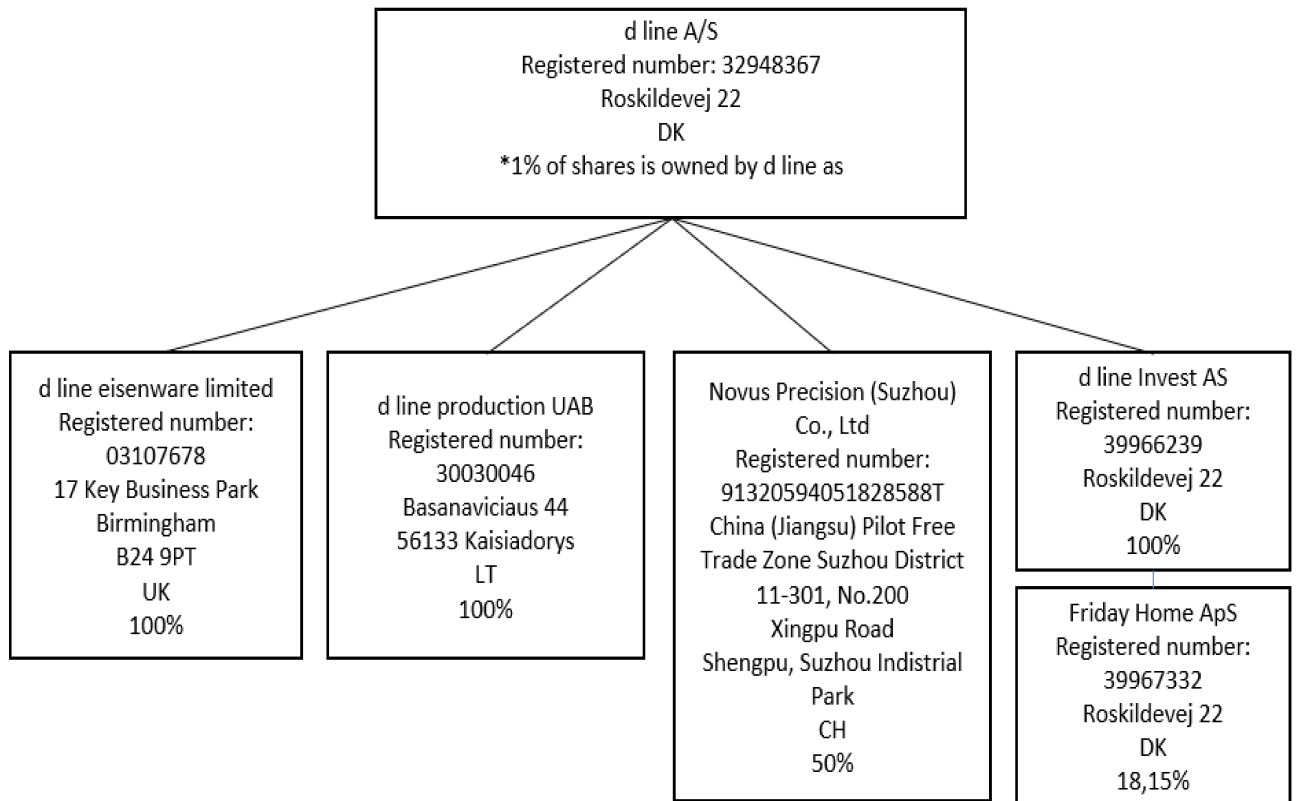
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**COMPANY DETAILS**

<b>Company</b>	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
<b>Board of Directors</b>	Hans Christian Petersen, chairman Martin Meesenburg Stefan Ehrlich-Adam Frederik Petersen Morten Balsby
<b>Executive Board</b>	Peter Bjertrup Jensen
<b>Auditor</b>	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 2022.*

*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 2022 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2022.*

*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, 27 May 2023

Executive Board

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Peter Bjertrup Jensen

Board of Directors

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Hans Christian Petersen  
Chairman

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Martin Meesenburg

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Stefan Ehrlich-Adam

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Frederik Petersen

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Morten Balsby

## 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 2022, 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 2022 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 2022 in accordance with the Danish Financial Statements Act.*

### **Basis for Opinion**

*We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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, 27 May 2023

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Ferass Hamade  
State Authorised Public Accountant  
MNE no. mne35441



**FINANCIAL HIGHLIGHTS OF THE GROUP**

	2022 DKK '000	2021 DKK '000	2020 DKK '000	2019 DKK '000	2018 DKK '000
<b>Income statement</b>					
Net revenue.....	89.651	88.415	63.941	77.451	67.949
Gross profit/loss.....	30.286	30.932	20.200	24.940	22.734
Operating profit/loss of main activities...	4.607	7.429	-6.002	1.453	-1.565
Financial income and expenses, net.....	-1.370	-451	-987	-2.608	-4.596
Profit/loss for the year.....	2.869	9.589	-6.979	-1.593	-6.346
<b>Balance sheet</b>					
Total assets.....	76.422	72.589	65.705	51.099	48.452
Equity.....	24.288	22.114	12.694	19.868	21.457
<b>Cash flows</b>					
Cash flows from operating activities.....	-2.107	3.509	-1.314	-61	1.100
Cash flows from investing activities.....	-5.749	-5.525	-2.119	-4.049	-2.662
Cash flows from financing activities.....	23.963	16.085	4.693	29	-1.987
Investment in property, plant and equipment.....	506	598	598	1.719	1.846
<b>Average number of full-time employees</b>					
	82	82	82	89	86
<b>Key ratios</b>					
Gross margin.....	33,8	35,0	31,6	32,2	33,5
Equity ratio.....	31,8	30,5	19,3	44,3	50,9
Return on equity.....	12,4	55,1	-42,9	-7,7	-25,8

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

*Gross margin:*

$$\frac{\text{Gross profit} \times 100}{\text{Net revenue}}$$

*Equity ratio:*

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

*Return on equity:*

$$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$$

## 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**

- *d line has in 2022 consolidated the business further and continuing growing sales while keeping the cost base low. The profit in 2022 was DKK 2,9 million.*
- *Sales is continuing the work with increasing Pipeline in order to secure future sales.*
- *As with previous years, d line has invested heavily in product development. In 2022 focus has primarily been on managing and developing current collections*

### **Profit/loss for the year compared to the expected development**

*In 2022, d line generated a profit DKK 3,8 million before tax (2021: profit of DKK 8,1 million). The free cash flow from operating activities was DKK -2,1 million compared to DKK 3,5 million the year before.*

*The main factors are as follows:*

- *Growth in sales.*
- *d line has been through the second year of a turnaround and adjusting the cost base and thereby lowering the break-even point. d line has;*
  - o *In 2022 reduced the number of collections with increased focus on hero collections as a result.*
  - o *The above means more quality and focus will go into servicing the positive and growing markets and distributors.*
  - o *Intensified CRM & pipeline*
  - o *Intensified the work of a more accurate and sellable stock*
  - o *Worked intensively with sustainability and the re-handle concept.*

*Equity amounts to DKK 22,1 million on December 31st 2022 compared to DKK 21,2 million on December 31st 2021.*

*Given the marked situation with high inflation and increased costs, the result of 2022 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 2022. 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*

## MANAGEMENT COMMENTARY

### **Environmental situation (continued)**

*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**

*As mentioned d line adapted a new structure and reduced the cost base. In 2023 further growth is expected.*

*The year has started with lower sales than expected due to the marked situation at the end of 2022. All efforts are to continue to meet budgets and control the cost base. We see a very solid project pipeline and some projects already starting to materialize.*

## MANAGEMENT COMMENTARY

## Treasury shares

	<b>2022</b>	<b>2021</b>
	DKK '000	DKK '000
The amount of own shares comprise of:		
Shares, 100 of 1.000 DKK.....	100.000	100.000
	<b>100.000</b>	<b>100.000</b>
Own shares in % of share capital:		
d line.....	1,0	1,0
	<b>1,0</b>	<b>1,0</b>

## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	Group		Parent Company	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
<b>NET REVENUE</b> .....		<b>89.651</b>	<b>88.415</b>	<b>63.024</b>	<b>58.537</b>
Cost of sales.....		-44.618	-46.084	-37.141	-33.593
Other external expenses.....		-14.747	-11.399	-8.370	-8.644
<b>GROSS PROFIT/LOSS</b> .....		<b>30.286</b>	<b>30.932</b>	<b>17.513</b>	<b>16.300</b>
Staff costs.....	1	-21.544	-19.858	-12.112	-10.507
Depreciation, amortisation and impairment.....		-4.135	-3.645	-3.038	-3.503
<b>OPERATING PROFIT</b> .....		<b>4.607</b>	<b>7.429</b>	<b>2.363</b>	<b>2.290</b>
Income from investments in subsidiaries and associates.....	2	572	1.096	1.823	4.417
Other financial income.....	3	370	647	734	1.843
Other financial expenses.....		-1.740	-1.098	-1.739	-1.403
<b>PROFIT BEFORE TAX</b> .....		<b>3.809</b>	<b>8.074</b>	<b>3.181</b>	<b>7.147</b>
Tax on profit/loss for the year.....	4	-940	1.515	-312	1.515
<b>PROFIT FOR THE YEAR</b> .....	5	<b>2.869</b>	<b>9.589</b>	<b>2.869</b>	<b>8.662</b>

## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	Group		Parent Company	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Development projects completed..		6.581	5.626	6.547	5.626
Intangible fixed assets acquired....		2.564	37	2.547	37
Goodwill.....		14.616	17.131	12.697	14.348
<b>Intangible assets.....</b>	<b>6</b>	<b>23.761</b>	<b>22.794</b>	<b>21.791</b>	<b>20.011</b>
Land and buildings.....		1.448	1.460	160	172
Other plants, machinery, tools and equipment.....		1.507	1.610	989	1.064
Leasehold improvements.....		100	6	100	6
<b>Property, plant and equipment...</b>	<b>7</b>	<b>3.055</b>	<b>3.076</b>	<b>1.249</b>	<b>1.242</b>
Equity investments in group enterprises.....		0	0	9.162	9.782
Equity investments in associated enterprises.....		1.266	721	1.266	721
Other securities and equity investments.....		5.858	5.927	0	0
Rent deposit and other receivables.....		585	361	585	361
<b>Financial non-current assets.....</b>	<b>8</b>	<b>7.709</b>	<b>7.009</b>	<b>11.013</b>	<b>10.864</b>
<b>NON-CURRENT ASSETS.....</b>		<b>34.525</b>	<b>32.879</b>	<b>34.053</b>	<b>32.117</b>
Raw materials and consumables... Finished goods and goods for resale.....		10.184	8.741	8.182	7.567
<b>Inventories.....</b>		<b>21.227</b>	<b>22.055</b>	<b>19.225</b>	<b>19.539</b>
Trade receivables.....		10.935	10.317	4.459	4.491
Receivables from group enterprises.....		0	0	10.045	7.225
Deferred tax assets.....	9	5.369	5.355	5.369	5.355
Other receivables.....		2.635	286	2.362	489
Prepayments and accrued income..		501	489	501	0
<b>Receivables.....</b>		<b>19.440</b>	<b>16.447</b>	<b>22.736</b>	<b>17.560</b>
<b>Cash and cash equivalents.....</b>		<b>1.230</b>	<b>1.208</b>	<b>334</b>	<b>114</b>
<b>CURRENT ASSETS.....</b>		<b>41.897</b>	<b>39.710</b>	<b>42.295</b>	<b>37.213</b>
<b>ASSETS.....</b>		<b>76.422</b>	<b>72.589</b>	<b>76.348</b>	<b>69.330</b>

## BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	Group		Parent Company	
		2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Share capital.....	10	10.000	10.000	10.000	10.000
Reserve for development costs.....		0	4.388	0	4.388
Retained profit.....		14.288	7.726	14.288	6.799
<b>EQUITY.....</b>		<b>24.288</b>	<b>22.114</b>	<b>24.288</b>	<b>21.187</b>
Bank loan.....		3.316	4.158	3.316	4.158
Payables to shareholder an management.....		4.510	2.550	4.510	2.550
Other liabilities.....		4.140	8.124	4.123	8.107
<b>Non-current liabilities.....</b>	11	<b>11.966</b>	<b>14.832</b>	<b>11.949</b>	<b>14.815</b>
Bank debt.....		22.003	16.085	22.003	16.085
Trade payables.....		7.772	10.939	6.121	6.850
Payables to group enterprises.....		0	0	4.844	2.000
Corporation tax.....		604	0	0	0
Other liabilities.....		9.789	8.619	7.143	8.393
<b>Current liabilities.....</b>		<b>40.168</b>	<b>35.643</b>	<b>40.111</b>	<b>33.328</b>
<b>LIABILITIES.....</b>		<b>52.134</b>	<b>50.475</b>	<b>52.060</b>	<b>48.143</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>76.422</b>	<b>72.589</b>	<b>76.348</b>	<b>69.330</b>
Contingencies etc.	12				
Charges and securities	13				
Related parties	14				

## EQUITY

	Group				
	Share capital	Reserve for net revaluation according to equity va	Reserve for development costs	Retained profit	Total
Equity at 1 January 2022.....	10.000	0	4.388	7.726	22.114
Proposed profit allocation, see note 5....				7.257	7.257
<b>Other legal bindings</b>					
Capitalized development costs.....			-4.388		-4.388
Foreign exchange adjustments.....				-695	-695
<b>Equity at 31 December 2022.....</b>	<b>10.000</b>	<b>0</b>	<b>0</b>	<b>14.288</b>	<b>24.288</b>

	Parent Company				
	Share capital	Reserve for net revaluation according to equity va	Reserve for development costs	Retained profit	Total
Equity at 1 January 2022.....	10.000	0	4.388	6.799	21.187
Proposed profit allocation, jf. note 5.....				7.257	7.257
<b>Other legal bindings</b>					
Capitalized development costs.....			-4.388		-4.388
Foreign exchange adjustments.....				232	232
<b>Equity at 31 December 2022.....</b>	<b>10.000</b>	<b>0</b>	<b>0</b>	<b>14.288</b>	<b>24.288</b>



## CASH FLOW STATEMENT 1 JANUARY - 31 DECEMBER

	Group	
	2022 DKK '000	2021 DKK '000
Profit/loss for the year.....	2.869	9.589
Depreciation and amortisation, reversed.....	4.135	3.645
Profit/loss from associates.....	-572	3.321
Tax on profit/loss, reversed.....	940	-1.515
Corporation tax paid.....	-350	-326
Change in inventories.....	828	-3.583
Change in receivables (ex tax).....	-3.134	-1.281
Change in other provisions.....	0	-1.914
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility).....	-6.823	-4.427
<b>CASH FLOWS FROM OPERATING ACTIVITY.....</b>	<b>-2.107</b>	<b>3.509</b>
Purchase of intangible assets.....	-4.327	-2.026
Sale of intangible fixed assets.....	0	-1.720
Purchase of property, plant and equipment.....	-506	-896
Sale of property, plant and equipment.....	0	122
Other cash flows from investing activities.....	-916	-1.005
<b>CASH FLOWS FROM INVESTING ACTIVITY.....</b>	<b>-5.749</b>	<b>-5.525</b>
Changes in subordinated loan capital.....	1.960	0
Bank debt.....	22.003	16.085
<b>CASH FLOWS FROM FINANCING ACTIVITY.....</b>	<b>23.963</b>	<b>16.085</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS.....</b>	<b>16.107</b>	<b>14.069</b>
Cash and cash equivalents at 1. januar.....	-14.877	-12.861
<b>CASH AND CASH EQUIVALENTS AT 31. DECEMBER.....</b>	<b>1.230</b>	<b>1.208</b>
Cash and cash equivalents		
Short-term debt to banks.....	1.230	1.208
<b>CASH AND CASH EQUIVALENTS.....</b>	<b>1.230</b>	<b>1.208</b>

## NOTES

Note

	Group		Parent Company		
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000	
<b>Staff costs</b>					<b>1</b>
Average number of employees	82	82	14	14	
Wages and salaries.....	20.142	17.721	10.827	8.744	
Pensions.....	762	1.042	762	786	
Social security costs.....	116	105	116	105	
Other staff costs.....	524	990	407	872	
	<b>21.544</b>	<b>19.858</b>	<b>12.112</b>	<b>10.507</b>	
<b>Income from investments in subsidiaries and associates</b>					<b>2</b>
Income from investments in subsidiaries.....	0	0	1.251	4.248	
Result of equity investments in associat enterprises.....	572	1.096	572	169	
	<b>572</b>	<b>1.096</b>	<b>1.823</b>	<b>4.417</b>	
<b>Other financial income</b>					<b>3</b>
Group enterprises.....	0	244	358	244	
Other interest income.....	370	403	376	1.599	
	<b>370</b>	<b>647</b>	<b>734</b>	<b>1.843</b>	
<b>Tax on profit/loss for the year</b>					<b>4</b>
Calculated tax on taxable income of the year.....	628	0	0	0	
Adjustment of tax for previous years.....	326	-326	326	-326	
Adjustment of deferred tax.....	-14	-1.189	-14	-1.189	
	<b>940</b>	<b>-1.515</b>	<b>312</b>	<b>-1.515</b>	
<b>Proposed distribution of profit</b>					<b>5</b>
Allocation to reserve for net revaluation according to equity value.....	0	0	0	1.119	
Allocation to reserves for development cost.....	-4.388	875	-4.388	875	
Retained earnings.....	7.257	8.714	7.257	6.668	
	<b>2.869</b>	<b>9.589</b>	<b>2.869</b>	<b>8.662</b>	

## NOTES

Note

## Intangible assets

6

	<b>Group</b>		
	Development projects completed	Intangible fixed assets acquired	Goodwill
Cost at 1 January 2022.....	8.221	4.070	24.281
Additions.....	1.757	2.570	0
<b>Cost at 31 December 2022.....</b>	<b>9.978</b>	<b>6.640</b>	<b>24.281</b>
Amortisation at 1 January 2022.....	2.561	4.016	7.289
Amortisation for the year.....	836	60	2.376
<b>Amortisation at 31 December 2022.....</b>	<b>3.397</b>	<b>4.076</b>	<b>9.665</b>
<b>Carrying amount at 31 December 2022.....</b>	<b>6.581</b>	<b>2.564</b>	<b>14.616</b>

Development projects amount to T.DKK 6.581, at the end of the year there are no development projects in progress. Capitalised costs for development projects primarily consist of labour costs.

	<b>Parent Company</b>		
	Development projects completed	Intangible fixed assets acquired	Goodwill
Cost at 1 January 2022.....	8.187	4.053	21.638
Transfers to/from other items.....	1.757	2.570	0
<b>Cost at 31 December 2022.....</b>	<b>9.944</b>	<b>6.623</b>	<b>21.638</b>
Amortisation at 1 January 2022.....	2.561	4.016	7.290
Amortisation for the year.....	836	60	1.651
<b>Amortisation at 31 December 2022.....</b>	<b>3.397</b>	<b>4.076</b>	<b>8.941</b>
<b>Carrying amount at 31 December 2022.....</b>	<b>6.547</b>	<b>2.547</b>	<b>12.697</b>

Development projects amount to T.DKK 6.547, at the end of the year there are no development projects in progress. Capitalised costs for development projects primarily consist of labour costs.

## NOTES

## Property, plant and equipment

Note

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	<b>Group</b>		
	Land and buildings	Other plants, machinery, tools and equipment	Leasehold improvements
Cost at 1 January 2022.....	1.588	14.339	1.009
Additions.....	0	406	100
Disposals.....	0	-7	0
<b>Cost at 31 December 2022.....</b>	<b>1.588</b>	<b>14.738</b>	<b>1.109</b>
Depreciation and impairment losses at 1 January 2022.....	128	12.757	1.003
Depreciation for the year.....	12	474	6
<b>Depreciation and impairment losses at 31 December 2022.....</b>	<b>140</b>	<b>13.231</b>	<b>1.009</b>
<b>Carrying amount at 31 December 2022.....</b>	<b>1.448</b>	<b>1.507</b>	<b>100</b>
	<b>Parent Company</b>		
	Land and buildings	Other plants, machinery, tools and equipment	Leasehold improvements
Cost at 1 January 2022.....	300	13.821	1.009
Additions.....	0	406	100
Disposals.....	0	-7	0
<b>Cost at 31 December 2022.....</b>	<b>300</b>	<b>14.220</b>	<b>1.109</b>
Depreciation and impairment losses at 1 January 2022.....	128	12.757	1.003
Depreciation for the year.....	12	474	6
<b>Depreciation and impairment losses at 31 December 2022.....</b>	<b>140</b>	<b>13.231</b>	<b>1.009</b>
<b>Carrying amount at 31 December 2022.....</b>	<b>160</b>	<b>989</b>	<b>100</b>

## Financial non-current assets

8

	<b>Group</b>	
	Equity investments in group enterprises	Equity investments in associated enterprises
Cost at 1 January 2022.....	0	494
Disposals.....	0	0
<b>Cost at 31 December 2022.....</b>	<b>0</b>	<b>494</b>
Revaluation at 1 January 2022.....	0	227
Profit/loss for the year.....	0	545
<b>Revaluation at 31 December 2022.....</b>	<b>0</b>	<b>772</b>
<b>Carrying amount at 31 December 2022.....</b>	<b>0</b>	<b>1.266</b>

## NOTES

Note

## Fixed asset investments (continued)

8

	Group	
	Other securities	Rent deposit and other receivables
Cost at 1 January 2022.....	5.858	361
Additions.....	0	224
<b>Cost at 31 December 2022.....</b>	<b>5.858</b>	<b>585</b>
<b>Carrying amount at 31 December 2022.....</b>	<b>5.858</b>	<b>585</b>

	Parent Company		
	Equity investments in group enterprises	Equity investments in associated enterprises	Rent deposit and other receivables
Cost at 1 January 2022.....	10.063	494	361
Transferred.....	0	0	224
Disposals.....	-85	0	0
<b>Cost at 31 December 2022.....</b>	<b>9.978</b>	<b>494</b>	<b>585</b>
Revaluation at 1 January 2022.....	445	227	0
Exchange adjustment.....	-614	0	0
Dividend.....	-1.257	0	0
Profit/loss for the year.....	2.118	545	0
Reversed revaluation on disposal.....	-56	0	0
<b>Revaluation at 31 December 2022.....</b>	<b>636</b>	<b>772</b>	<b>0</b>
Impairment losses and amortisation of goodwill at 1 January 2022.....	726	0	0
Amortisation of goodwill.....	726	0	0
<b>Impairment losses and amortisation of goodwill at 31 December 2022.....</b>	<b>1.452</b>	<b>0</b>	<b>0</b>
<b>Carrying amount at 31 December 2022.....</b>	<b>9.162</b>	<b>1.266</b>	<b>585</b>

## Investments in subsidiaries (DKK '000)

Name and domicil	Equity	Profit/loss for the year	Ownership
d line production u.a.b., Lithuania.....	2.676	39	100 %
Eisenware Limited, United Kingdom.....	5.357	2.447	100 %
d line invest ApS, Denmark.....	-789	-421	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	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Deferred tax, beginning of year.....	5.355	4.166	5.355	4.166
Deferred tax of the year, income statement.....	14	1.189	14	1.189
<b>Provision for deferred tax 31 December 2022.....</b>	<b>5.369</b>	<b>5.355</b>	<b>5.369</b>	<b>5.355</b>

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.

	2022 DKK '000	2021 DKK '000
<b>Share capital</b>		
Allocation of share capital:		
Shares, 10.000 unit in the denomination of 1.000 DKK.....	10.000	10.000
	<b>10.000</b>	<b>10.000</b>

10

**Long-term liabilities**

11

	Group			
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Bank loan.....	3.316	0	0	4.158
Payables to shareholder and management...	4.510	0	0	2.550
Other liabilities.....	7.260	3.120	0	8.124
	<b>15.086</b>	<b>3.120</b>	<b>0</b>	<b>14.832</b>

	Parent Company			
	31/12 2022 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2021 total liabilities
Bank loan.....	3.316	0	0	4.158
Payables to shareholder and management...	4.510	0	0	2.550
Other liabilities.....	4.123	3.120	0	8.107
	<b>11.949</b>	<b>3.120</b>	<b>0</b>	<b>14.815</b>

## NOTES

	<b>Note</b>
<b>Contingencies etc.</b>	<b>12</b>

### Contingent liabilities

	Group		Parent Company	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
Liabilities under rental or lease agreements until maturity in total .	870	1.181	870	1.181
	<b>870</b>	<b>1.181</b>	<b>870</b>	<b>1.181</b>

<b>Charges and securities</b>	<b>13</b>
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Mortgage deeds registered to the mortgagor totalling T.DKK 18.000 providing security on simple claims, inventory, property, plant and equipment at a total carrying amount of.....	38.353	27.796
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<b>Related parties</b>	<b>14</b>
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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 2022 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 remaining amount is 1.919 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.

### 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.

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.*