D LINE A/S

Jyllingevej 59, kl., 2720 Vanløse
CVR-nr. 32 94 83 67

Annual Report 2024

1 January - 31 December

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 25 June 2025

Frederik Petersen

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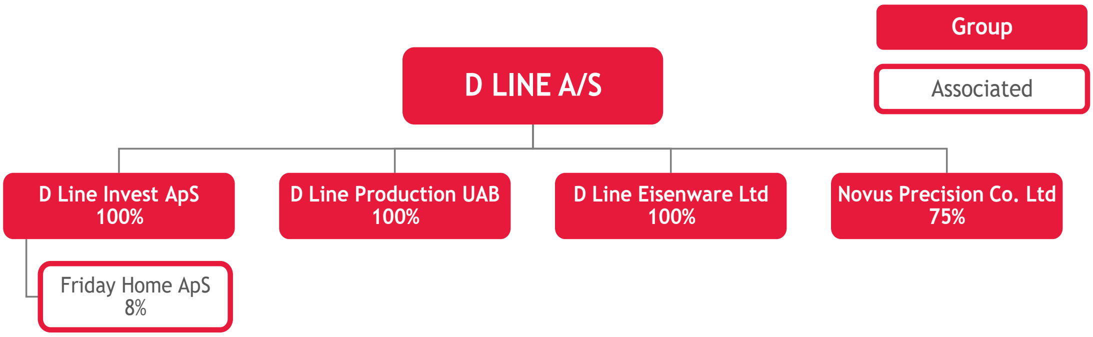
Company Details

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

Group Structure



Management's Statement

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of D LINE A/S for the financial year 1 January - 31 December 2024.

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

In our opinion the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of Group's and the Company's assets, liabilities and financial position at 31 December 2024 and of the results of Group's and the Company's operations and cash flows for the financial year 1 January - 31 December 2024.

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, 25 June 2025

Executive Board

Peter Bjertrup Jensen

Board of Directors

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

Independent Auditor's Report

To the Shareholders of D LINE A/S

Opinion

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of D LINE A/S for the financial year 1 January - 31 December 2024, 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 Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the assets, liabilities and financial position of the Group or the Company at 31 December 2024 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 2024 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements” 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.

Emphasis of matter

We draw attention to the note "Going concern assumptions" in the financial statements, which outlines the assumptions underlying management’s preparation of the financial statements on a going concern basis. Our conclusion is not modified in respect of this matter.

We also draw attention to the note "Information on significant uncertainties at recognition and measurement" in the financial statements, which describes the uncertainty related to the recognized deferred tax asset of DKK 7.5 million. Our conclusion is not modified in respect of this matter.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and the Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such Internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and the Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, 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 Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report

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 Parent Company Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements and the Parent Company Financial Statements.

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 Parent Company Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the 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 Parent Company Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the 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 Parent Company Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

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 Parent Company Financial Statements 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 Parent Company Financial Statements, 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 Parent Company Financial Statements 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 Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management Commentary.

Roskilde, 25 June 2025

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Ferass Hamade
State Authorised Public Accountant
MNE no. mne35441

Financial Highlights of the Group

	2024 DKK '000	2023 DKK '000	2022 DKK '000	2021 DKK '000	2020 DKK '000
Income statement					
Gross profit/loss	27.636	23.939	30.286	30.932	20.200
Operating profit/loss of main activities	-1.310	-2.571	4.607	7.429	-6.002
Financial income and expenses, net	-2.002	-1.888	-1.370	-451	-987
Profit/loss for the year	-5.468	-3.691	2.869	9.589	-6.979
Results for the year without minority interests	-5.259	-3.691	2.869	9.589	-6.979
Balance sheet					
Total assets	67.383	72.127	76.422	72.589	65.705
Equity	26.261	29.143	24.288	22.114	12.694
Equity ex minority interests	25.916	29.143	24.288	22.114	12.694
Cash flows					
Cash flows from operating activities	-1.496	5.442	-2.107	3.509	-1.314
Cash flows from investing activities	4.647	4.418	-5.749	-5.525	-2.119
Cash flows from financing activities	-2.842	-9.835	7.878	16.085	4.693
Investment in property, plant and equipment	-509	-670	-506	-598	-598
Average number of full-time employees	**74**	**77**	**82**	**82**	**82**
Key ratios					
Equity ratio	38,5	40,4	31,8	30,5	44,3
Return on equity	-19,7	-13,8	12,4	55,1	-42,9

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

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

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

Management Commentary

Principal activities

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

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

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

Unusual matters

D Line has recently strengthened its manufacturing capabilities through a significant strategic acquisition, increasing its stake in the Chinese production company, Novus Precision, by an additional 25%. This acquisition brings D Line's total ownership to 75%, granting it full control over the manufacturing operations at this facility. This move complements D Line's main manufacturing hub in Lithuania, significantly enhancing its production capacity and operational flexibility.

Advantages of Full Control Over Novus Precision:

1. Enhanced Production Capacity: With full control over the Novus Precision facility, D Line can now boost its production capabilities to meet growing demand, particularly in the Asia-Pacific region. This increased capacity allows for quicker turnaround times and greater volumes, ensuring D Line can efficiently manage large orders and scale operations as necessary.
2. Strategic Market Penetration: Owning a significant stake in a Chinese manufacturing plant positions D Line advantageously within one of the world's largest markets. This facilitates deeper market penetration in Asia and supports D Line's strategy to expand its global footprint. It allows the company to be more responsive to regional market trends and customer needs.
3. Cost Management: By having more substantial control over the manufacturing processes in China, D Line can better manage production costs. This is crucial in maintaining competitive pricing while ensuring high-quality production standards. Operational efficiencies can also be optimized by streamlining processes and integrating more effective cost-control measures across both locations.
4. Supply Chain Optimization: Full control over additional manufacturing facilities enhances D Line's ability to optimize its supply chain. This control helps in minimizing risks associated with supply chain disruptions, ensuring a steady and reliable supply of products to the market.
5. Quality Control and Innovation: With enhanced oversight, D Line can ensure that the quality of the products manufactured at the Novus Precision facility meets its high standards. This control extends to innovation, as D Line can now implement new production technologies and practices more swiftly, keeping it at the forefront of design and manufacturing excellence.

This strategic acquisition underscores D Line's commitment to strengthening its manufacturing capabilities and its dedication to innovation and quality, aligning with its long-term growth objectives and bolstering its position as a leader in the global market for architectural hardware and solutions.

Management Commentary

Recognition and measurement uncertainty

There have been uncertainties regarding the recognition or measurement of deferred tax assets. Reference is made to the note "Information on significant uncertainties in recognition and measurement" for further details.

Development in activities and financial and economic position

The financial performance for 2024 reflected the continued impact of a challenging global market environment, resulting in a reported deficit of DKK 5.6 million (PBT). Persistent inflation, high interest rates, and cautious consumer spending remained headwinds throughout the year, delaying key projects and exerting pressure on revenue generation across our markets.

Strategic Responses and Adjustments

IDespite these external challenges, we have made significant strides that position the company for long-term success. Key actions taken during 2024 include:

1. Strengthened Market Position: Focused efforts on sales execution and customer engagement enabled us to gain market share in our home markets ; Scandinavia and the United Kingdom. This is a critical milestone that underscores the strength of our value proposition and product portfolio.
2. Operational Efficiencies: The optimization of overhead costs initiated in 2023 delivered tangible results in 2024, improving our operational efficiency and ensuring resource alignment with high-priority initiatives.
3. Product Portfolio Focus: By prioritizing high-margin product categories, we successfully mitigated some of the margin pressure from weaker overall demand, supporting our efforts to improve profitability.
4. Industry-First Circular “Re-Handle” Concept: We increased our focus and implementation of our pioneering "Re-handle" refurbishment concept, a key element of our commitment to sustainability and circular practices. This innovative approach is gaining great traction, particularly in our home markets in the UK and Scandinavia, where customers are responding positively to the value and environmental benefits offered by refurbishing our products. The concept is proving to be a differentiator in the market, enhancing customer engagement and strengthening our competitive edge.

Positive Indicators and Market Share Gains

Although the financial outcome reflects the ongoing market difficulties, the underlying figures point to clear progress. Growth in market share across all strategic markets and the strong reception of our "Re-Handle" concept demonstrate that our strategic adjustments are gaining traction. These gains highlight our competitive positioning and strengthen our confidence in achieving sustained growth.

Acknowledgment of Stakeholders

We are deeply grateful for the trust and support of our shareholders, customers, and employees. Despite another year of financial difficulty, the positive underlying trends, including the strong market response to "Re-handle," and our strategic progress give us confidence in the road ahead. We remain resolute in our mission to deliver sustainable growth and enhanced profitability as we continue building a resilient, future-focused company.

Profit/loss for the year compared to the expected development

In 2024, d line generated a loss of DKK 5,5 million (2023: loss of DKK 3,7 million). The free cash flow from operating activities was DKK -1,5 million compared to DKK 5,4 million the year before.

Equity amounts to DKK 26,3 million on December 31st 2024 compared to DKK 29,1 million on December 31st 2023.

The result of 2024 is considered unsatisfactory.

Management Commentary

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.

Financial risk

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
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, DKK and USD. d line hedges its currency risk by using EUR received from customers to pay EUR vendors, DKK received to pay DKK vendors, and USD to pay USD vendors. We are primarily exposed to USD currency risk because our USD receivables are significantly lower than our USD payables to suppliers

Interest risk
The bank loans are floating-rate loans. 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. to reduce this risk d line is strengthening accounts receivable management by reviewing overdue accounts weekly with reminders sent promptly.

Supplier risk
Vendor payments are being reviewed weekly, with only urgent payments processed based on available cash flow. In 2025 d line started optimizing vendor payment terms by negotiating a minimum of 30 days.

Stock management.
To improve inventory management d line started optimizing daily stock levels using a tool that reviews consumption and demand to prevent overstocking.

Research and development activities

Sustainability Concept Development: Re-handle Initiative
D Line's Re-handle initiative is a cornerstone of our sustainability strategy, focusing on extending the lifecycle of our architectural hardware products. This program offers two distinct market approaches:

1. Repair and Refurbishment Service: Re-handle allows for the repairing and refurbishing of original D Line products, with an extended warranty of an additional 20 years. This service is offered at 60% below the price of new items, making it an economically and environmentally sustainable option for our customers.
2. Inclusion in New Build Projects: By specifying that new projects should include products capable of being re-handled, D Line effectively secures projects and increases conversion rates. This specification strategy is unique to D Line, as competitors do not offer a similar service, which significantly enhances our market competitiveness.

Economic and Environmental Impact:

- The Re-handle initiative has shown substantial economic benefits, with a significant pipeline of projects amounting to 877,000 euros and 48,000 euros already secured in 2025.
- The initiative not only contributes to environmental sustainability by reducing waste and promoting the reuse of materials but also supports D Line's financial sustainability through increased sales and customer loyalty.

Management Commentary

Research and development activities (continued)

Current Status and Future Plans:

- As of now, there are no additional product development hours planned for further developing the Re-handle service in the B2B segment. However, there is a strategic plan to expand this service to cover more customer segments, including B2C/retail.
- The Re-handle initiative reflects D Line's commitment to sustainability and innovation, aligning with our long-term growth strategy and enhancing our competitive edge in the global market.

Development Project: KH Dispenser Range Modernization

The KH Dispenser Range project represents D Line's innovative approach to modernizing and enhancing its line of wall-mounted sanitary ware, originally designed by Knud Holscher in the 1980s. This initiative focuses on rethinking and expanding the existing product line to align with current consumer needs and technological advancements.

Project Components:

1. Redevelopment of Existing Products: The project includes the redesign of various dispensers and waste bins — specifically, small to large waste bins, paper, tissue, and sanitary bag dispensers, along with manual and touchless soap dispensers.
2. Introduction of New Products: New developments such as the 'Madame waste bin' and a 'Bottle holder' are also part of this project, aiming to broaden the product range to cater to diverse market requirements.

Development Timeline and Status:

- The products are anticipated to complete development by Q2 of 2025.
- The final stages currently involve prototyping and design approvals, poised for a subsequent launch to all customer segments, including architects, specifiers, and wholesalers.

Expected Economic Impact:

- The dispenser category, which generated a turnover of 14.02 million DKK in 2024, is projected to grow by an additional 15% by the end of 2027 due to these strategic enhancements.

This redevelopment project is integral to D Line's commitment to innovation and sustainability in its product offerings, ensuring the company remains at the forefront of design excellence and market trends.

Future expectations

Outlook for 2025

Looking ahead, we anticipate that 2025 will mark a turning point, as the full impact of our strategic initiatives and an expected improvement in global economic conditions take effect. With a projected increase in turnover, we expect to return to a positive financial result in 2025. This outlook is underpinned by:

- Continued investment in our core markets and high-performing product groups.
- The expanded rollout of the "Re-Handle" concept to new markets, leveraging its early success.
- Enhanced sales efforts that build on the strong foundation established in 2024.
- Ongoing efficiency measures to maintain cost discipline.

Expected Results:

- 2025: DKK 2.3 million
- 2026: DKK 9.6 million
- 2027: DKK 14.4 million

Management Commentary

Future expectations (continued)
Commitment to Long-Term Growth
Our long-term growth strategy remains centered on doubling turnover by 2028. This plan includes expanding our market presence, innovating within our product categories, and leveraging digital tools to deepen customer relationships. Key to this vision is the continued evolution of our circular business model, with "Re-handle" serving as a cornerstone of our sustainability and growth strategy.

With the growth plans already being executed, we are poised to reach a turnover of 120 million DKK by 2028, coupled with a strengthened EBIT at 17.4%. This robust financial projection is founded on our strategic enhancements and operational optimizations that align with our overarching goal of sustainable growth and market leadership. This future financial strength reflects our confidence in the efficacy of our current strategies and our ability to adapt to changing market dynamics while maintaining our commitment to quality and innovation.

Income Statement 1 January - 31 December

	Note	Group 2024 DKK '000	Group 2023 DKK '000	Parent Company 2024 DKK '000	Parent Company 2023 DKK '000
Gross profit		**27.636**	**23.939**	**7.999**	**6.298**
Staff costs	1	-22.629	-21.548	-7.037	-6.411
Depreciation, amortisation and impairment		-4.863	-4.623	-3.896	-3.727
Other operating expenses		-1.290	0	0	0
Operating loss		**-1.146**	**-2.232**	**-2.934**	**-3.840**
Income from investments in subsidiaries and associates	2	0	-161	-1.664	481
Other financial income	3	146	698	223	1.015
Impairment of asset investments		-2.500	0	0	0
Other financial expenses	4	-2.148	-2.586	-1.848	-2.513
Loss before tax		**-5.648**	**-4.281**	**-6.223**	**-4.857**
Tax on profit/loss for the year	5	180	590	964	1.166
Loss for the year	6	**-5.468**	**-3.691**	**-5.259**	**-3.691**

Balance Sheet at 31 December

Assets

		Group		Parent Company	
	Note	2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000
Development projects completed		6.054	8.727	6.040	8.705
Intangible fixed assets acquired		2.505	2.770	2.448	2.739
Goodwill		10.432	12.240	9.368	11.047
Intangible assets	7	**18.991**	**23.737**	**17.856**	**22.491**
Land and buildings		136	1.436	136	148
Other plants, machinery, tools and equipment		854	1.236	427	724
Leasehold improvements		706	371	706	371
Property, plant and equipment	8	**1.696**	**3.043**	**1.269**	**1.243**
Equity investments in group enterprises		0	0	10.654	7.477
Equity investments in associated enterprises		0	1.013	0	1.013
Other securities and equity investments		3.358	5.858	0	0
Receivables from group enterprises		0	0	6.992	0
Rent deposits		218	218	218	218
Other receivables		1.519	0	1.519	0
Financial non-current assets	9	**5.095**	**7.089**	**19.383**	**8.708**
Non-current assets		**25.782**	**33.869**	**38.508**	**32.442**

Balance Sheet at 31 December

Assets (continued)

		Group		Parent Company	
	Note	2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000
Raw materials and consumables		11.788	12.093	6.398	6.401
Work in progress		3.372	3.409	0	0
Finished goods and goods for resale		4.272	3.532	4.041	4.040
Inventories		**19.432**	**19.034**	**10.439**	**10.441**
Trade receivables		9.477	7.586	6.028	4.387
Receivables from group enterprises		0	0	985	12.750
Receivables from associated enterprises		0	829	0	829
Deferred tax assets	10	7.499	6.535	7.499	6.535
Other receivables		223	2.533	68	1.519
Accruals and prepaid costs	11	3.406	486	3.234	418
Receivables		**20.605**	**17.969**	**17.814**	**26.438**
Cash and cash equivalents		**1.564**	**1.255**	**242**	**439**
Current assets		**41.601**	**38.258**	**28.495**	**37.318**
Assets		**67.383**	**72.127**	**67.003**	**69.760**

Balance Sheet at 31 December

Equity and liabilities

	Note	Group 2024 DKK '000	Group 2023 DKK '000	Parent Company 2024 DKK '000	Parent Company 2023 DKK '000
Share capital	12	19.277	18.510	19.277	18.510
Share premium account		983	0	983	0
Reserve for development costs		4.711	6.790	4.711	6.790
Retained profit		945	3.843	945	3.843
Minority shareholders		345	0	0	0
Equity		**26.261**	**29.143**	**25.916**	**29.143**
Provisions for equity investments in group enterprises		0	0	3.644	0
Provisions		**0**	**0**	**3.644**	**0**
Bank loan		1.632	2.474	1.632	2.474
Payables to shareholder and management		3.033	3.099	3.033	3.099
Other liabilities		637	1.649	637	1.649
Non-current liabilities	13	**5.302**	**7.222**	**5.302**	**7.222**
Bank debt		17.509	17.741	17.509	17.741
Prepayments from customers		811	104	297	0
Trade payables		8.385	7.503	3.920	2.830
Payables to group enterprises		0	0	4.656	4.523
Corporation tax		812	570	0	0
Other liabilities		8.303	9.844	5.759	8.301
Current liabilities		**35.820**	**35.762**	**32.141**	**33.395**
Liabilities		**41.122**	**42.984**	**37.443**	**40.617**
Equity and liabilities		**67.383**	**72.127**	**67.003**	**69.760**

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Equity

DKK '000	Share capital	Share premium account	Reserve for development costs	Retained profit	Minority shareholders	Total
	Group					
Equity at 1 January 2024	18.510	0	6.790	3.843	0	29.143
Proposed profit allocation, see note 6				-5.259	-209	-5.468
Transactions with owners						
Capital increase	767	983				1.750
Additions/disposals relating to equity by acquisitions					554	554
Other legal bindings						
Capitalized development costs			452	-452		0
Foreign exchange adjustments				282		282
Transfers						
Depreciations			-956	956		0
Allowed equalization			-2.161	2.161		0
Tax on changes in equity			**586**	**-586**		**0**
Equity at 31 December 2024	**19.277**	**983**	**4.711**	**945**	**345**	**26.261**

DKK '000	Share capital	Share premium account	Reserve for development costs	Retained profit	Total
	Parent Company				
Equity at 1 January 2024	18.510	0	6.790	3.843	29.143
Proposed profit allocation, jf. note 6				-5.259	-5.259
Transactions with owners					
Capital increase	767	983			1.750
Other legal bindings					
Capitalized development costs			452	-452	0
Foreign exchange adjustments				282	282
Transfers					
Depreciations			-956	956	0
Allowed equalization			-2.161	2.161	0
Tax on changes in equity			**586**	**-586**	**0**
Equity at 31 December 2024	**19.277**	**983**	**4.711**	**945**	**25.916**

Equity

The company has issued new shares during the financial year, with a nominal value of T.DKK 767.

Cash Flow Statement 1 January - 31 December

	Group	
	2024 DKK '000	2023 DKK '000
Profit/loss for the year	-5.468	-3.691
Depreciation and amortisation, reversed	5.269	4.623
Profit/loss from associates	0	161
Tax on profit/loss, reversed	784	576
Corporation tax paid	-1.506	-1.776
Change in inventories	-398	2.193
Change in receivables (ex tax)	-228	3.469
Change in current liabilities (ex bank, tax, instalments payable and overdraft facility)	51	-113
Cash flows from operating activity	**-1.496**	**5.442**
Purchase of intangible assets	-2.172	-3.913
Sale of intangible fixed assets	0	0
Purchase of property, plant and equipment	-509	-670
Sale of property, plant and equipment	1.290	0
Purchase of financial assets	0	-218
Sale of financial assets	0	585
Other cash flows from investing activities	6.038	8.634
Cash flows from investing activity	**4.647**	**4.418**
Changes in subordinated loan capital	-66	-1.411
Changes in recievables associated companies	829	-829
Changes in other long-term recievables	-1.519	0
Change in bank debt	-232	-4.262
Other cash flows from financing activities	-1.854	-3.333
Cash flows from financing activity	**-2.842**	**-9.835**
	309	**25**
Cash and cash equivalents at 1. januar	1.255	1.230
Cash and cash equivalents at 31 December31. december	**1.564**	**1.255**
Cash and cash equivalents at 31 December comprise:		
Cash and cash equivalents	1.564	1.255
Cash and cash equivalents	**1.564**	**1.255**

Notes

	Group		Parent Company	
	2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000

1 | Staff costs

Average number of full time employees	74	77	10	13
Wages and salaries	21.433	19.997	6.223	5.102
Pensions	854	828	688	669
Social security costs	324	336	108	253
Other staff costs	18	387	18	387
	22.629	**21.548**	**7.037**	**6.411**

Information on management remuneration has been omitted in accordance with the exception provision in the Danish Financial Statements Act, section 98 b, subsection 3, no. 2.

2 | Income from investments in subsidiaries and associates

Income from investments in subsidiaries	0	0	-1.664	642
Income from investments in associates	0	-161	0	-161
	0	**-161**	**-1.664**	**481**

3 | Other financial income

Group enterprises	0	0	0	332
Other interest income	146	698	223	683
	146	**698**	**223**	**1.015**

4 | Other financial expenses

Other interest expenses	2.148	2.586	1.848	2.513
	2.148	**2.586**	**1.848**	**2.513**

5 | Tax on profit/loss for the year

Calculated tax on taxable income of the year	784	576	0	0
Adjustment of deferred tax	-964	-1.166	-964	-1.166
	-180	**-590**	**-964**	**-1.166**

6 | Proposed distribution of profit

Retained earnings	-5.259	-3.691	-5.259	-3.691
Minority interests share of result	-209	0	0	0
	-5.468	**-3.691**	**-5.259**	**-3.691**

Notes

7 | Intangible assets

DKK '000	Group		
	Development projects completed	Intangible fixed assets acquired	Goodwill
Cost at 1 January 2024	13.182	7.356	24.281
Transfer	-3.071	1.300	0
Additions	452	200	664
Cost at 31 December 2024	**10.563**	**8.856**	**24.945**
Amortisation at 1 January 2024	4.448	4.585	12.041
Transfer	-910	796	0
Amortisation for the year	971	970	2.472
Amortisation at 31 December 2024	**4.509**	**6.351**	**14.513**
Carrying amount at 31 December 2024	**6.054**	**2.505**	**10.432**

Development projects amount to T.DKK 6.054 at the end of the year there are no development projects in progress. Capitalised costs for development projects primarily consist of labour costs.

DKK '000	Parent Company		
	Development projects completed	Intangible fixed assets acquired	Goodwill
Cost at 1 January 2024	13.141	7.319	21.638
Transfers to/from other items	-3.071	1.300	0
Additions	452	35	0
Cost at 31 December 2024	**10.522**	**8.654**	**21.638**
Amortisation at 1 January 2024	4.436	4.579	10.590
Transfer	-910	796	0
Amortisation for the year	956	831	1.680
Amortisation at 31 December 2024	**4.482**	**6.206**	**12.270**
Carrying amount at 31 December 2024	**6.040**	**2.448**	**9.368**

Development projects amount to T.DKK 6.040 at the end of the year there are no development projects in progress. Capitalised costs for development projects primarily consist of labour costs.

Notes

8 | Property, plant and equipment

DKK '000	Group		
	Land and buildings	Other plants, machinery, tools and equipment	Leasehold improvements
Cost at 1 January 2024	1.590	17.714	1.555
Additions	0	59	450
Disposals	-1.290	0	0
Cost at 31 December 2024	**300**	**17.773**	**2.005**
Depreciation and impairment losses at 1 January 2024	152	16.420	1.183
Depreciation for the year	12	499	116
Depreciation and impairment losses at 31 December 2024	**164**	**16.919**	**1.299**
Carrying amount at 31 December 2024	**136**	**854**	**706**

DKK '000	Parent Company		
	Land and buildings	Other plants, machinery, tools and equipment	Leasehold improvements
Cost at 1 January 2024	300	14.403	1.454
Additions	0	8	445
Cost at 31 December 2024	**300**	**14.411**	**1.899**
Depreciation and impairment losses at 1 January 2024	152	13.678	1.082
Depreciation for the year	12	306	111
Depreciation and impairment losses at 31 December 2024	**164**	**13.984**	**1.193**
Carrying amount at 31 December 2024	**136**	**427**	**706**

9 | Financial non-current assets

DKK '000	Group	
	Equity investments in associated enterprises	Other securities and equity investments
Cost at 1 January 2024	495	5.858
Transferred	-495	0
Disposals	0	0
Cost at 31 December 2024	**0**	**5.858**
Revaluation at 1 January 2024	519	0
Transferred	-519	0
Revaluation at 31 December 2024	**0**	**0**
Impairment losses for the year	0	2.500
Impairment losses and amortisation of goodwill at 31 December 2024	**0**	**2.500**
Carrying amount at 31 December 2024	**0**	**3.358**

Notes

9 | Fixed asset investments (continued)

DKK '000	Group: Rent deposits	Group: Other receivables
Cost at 1 January 2024	218	0
Additions	0	1.519
Cost at 31 December 2024	**218**	**1.519**
Carrying amount at 31 December 2024	**218**	**1.519**

DKK '000	Parent Company: Equity investments in group enterprises	Parent Company: Equity investments in associated enterprises	Parent Company: Receivables from group enterprises
Cost at 1 January 2024	9.978	495	0
Transferred	494	-495	0
Additions	1.250	0	6.992
Cost at 31 December 2024	**11.722**	**0**	**6.992**
Revaluation at 1 January 2024	-322	519	0
Exchange adjustment	282	0	0
Transferred	519	-519	0
Dividend	-1.349	0	0
Profit/loss for the year	-872	0	0
Revaluation at 31 December 2024	**-1.742**	**0**	**0**
Impairment losses and amortisation of goodwill at 1 January 2024	2.178	0	0
Negative balance, provisions	-3.644	0	
Amortisation of goodwill	792	0	0
Impairment losses and amortisation of goodwill at 31 December 2024	**-674**	**0**	**0**
Carrying amount at 31 December 2024	**10.654**	**0**	**6.992**

DKK '000	Parent Company: Rent deposits	Parent Company: Other receivables
Cost at 1 January 2024	218	0
Additions	0	1.519
Cost at 31 December 2024	**218**	**1.519**
Carrying amount at 31 December 2024	**218**	**1.519**

Goodwill
Shares in Novus Precision Co. Ltd were acquired during the year. The cost price of the share is T.DKK 1.250. Goodwill from the year's purchase amounts to T.DKK 664.

Notes

9 | Fixed asset investments (continued)

Investments in subsidiaries (DKK '000)

Name and domicil	Equity	Profit/loss for the year	Ownership
D Line Production UAB, Lithuania	3.236	282	100 %
D Line Eisenware Ltd, United Kingdom	5.312	1.986	100 %
D Line Invest ApS, Denmark	-3.644	-2.862	100 %
Novus Precision Co. Ltd, China	1.380	-626	75 %

10 | Deferred tax assets

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	
	2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000
Deferred tax assets, beginning of year	6.535	5.369	6.535	5.369
Deferred tax of the year, income statement	964	1.166	964	1.166
Deferred tax assets 31 December 2024	**7.499**	**6.535**	**7.499**	**6.535**

D Line has recognized a deferred tax asset of T.DKK 7.499 in the balance sheet as of 31. december 2024. The tax asset primarily relates to carried forward tax losses and temporary differences between accounting and tax values of assets and liabilities. The recognition of the tax asset is based on an assessment that D Line expect to generate sufficient taxable income in the future to utilize the carried forward losses and tax benefits. The assessment is based on business plans and budgets, including expected revenue and cost levels.The assessment of the recognition of the tax asset is subject to estimates and uncertainties. If actual future results differ significantly from the current assumptions, it may lead to a change in the recognition of the tax asset. D Line continuously monitors the underlying assumptions and will adjust the recognition of the tax asset if deemed necessary.

11 | Accruals and prepaid costs

Prepaid expenses include prepaid costs, primarily insurance and contributions, that relate to the following financial year.

12 | Share capital

	2024 DKK '000	2023 DKK '000
Allocation of Share capital:		
Shares, 18.510 unit in the denomination of 1.000 DKK	18.510	18.510
Shares, 767 unit in the denomination of 1.000 DKK	767	0
	19.277	**18.510**

Notes

13 | Long-term liabilities

DKK '000	Group 31/12 2024 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2023 total liabilities
Bank loan	1.632	0	0	2.474
Payables to shareholder and management	3.033	0	3.033	3.099
Other liabilities	2.162	1.525	0	4.786
	6.827	**1.525**	**3.033**	**10.359**

DKK '000	Parent Company 31/12 2024 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2023 total liabilities
Bank loan	1.632	0	0	2.474
Payables to shareholder and management	3.033	0	3.033	3.099
Other liabilities	2.162	1.525	0	4.786
	6.827	**1.525**	**3.033**	**10.359**

14 | Contingencies etc.

Contingent liabilities

	Group		Parent Company	
	2024 DKK '000	2023 DKK '000	2024 DKK '000	2023 DKK '000
Liabilities under rental or lease agreements until maturity in total	368	237	290	237
Between 1 and 5 years	337	89	291	89
	705	**326**	**581**	**326**
Rental commitments, the remaining non-cancellable period being:				
Within 1 year	447	447	447	447
Between 1 and 5 years	1.676	1.676	1.676	1.676
	2.123	**2.123**	**2.123**	**2.123**

Notes

15 | Charges and securities

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

	Group	Parent Company
	DKK '000	DKK '000
Land and buildings	136	136
Other plants, machinery, tools and equipment	854	427
Leasehold improvements	706	706
Inventories	19.432	10.439
Receivables (excl. tax)	11.430	19.900

16 | Related parties

The Company's related parties include D Line Production UAB, D Line Eisenware Ltd, D Line Invest ApS and Novus Precision Co. Ltd.

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.

17 | Going concern assumptions

The company's most recent financial year showed negative results; however, the company's core operating activities are generating positive cash flows in 2024 and 2023, and management expects that the conditions are in place for further growth potential, which will also strengthen profitability. Management has full confidence in their ability to execute their plans and budgets, thereby improving the company's financial position. The owners have also expressed their willingness to provide financial support to the Group if liquidity needs should arise, and have confirmed that their claims will be subordinated to those of other creditors. Based on this, the financial statements have been prepared under the going concern assumption.

18 | Information on significant uncertainties at recognition and measurement

Deffered tax
The company has recognized a deferred tax asset, primarily related to a tax loss carryforward. The management considers that all conditions for recognizing the tax asset have been met, as the company's budgets for the coming years show positive results. However, budgeting is subject to management judgment, and therefore there may be uncertainty associated with the measurement and recognition of the tax asset.

Management believes that the recognized amount appropriately reflects the value of the tax asset to the company.

Accounting Policies

The Annual Report of D LINE A/S for 2024 has been presented in accordance with the provisions of the Danish medium-size Financial Statements Act for enterprises in reporting class C .

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

Comparative figures
The comparative figures for the group are not comparable with the current year, due to the acquisition of shares in Novus Precision means that they are included in the consolidated figures for the 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 established enterprises within the Group are recognised in the Consolidated Financial statements from the date of takeover or establishment. Sold or wound-up enterprises are recognised in the Consolidated Income Statement up to the time of handover. Comparative figures are not adjusted for newly acquired, sold or wound-up enterprises.

The takeover date is the date on which the Group gains actual control over the acquired enterprise.

Acquired enterprises within the Group are recognised in the Consolidated Financial Statements according to the combination method, the combination being regarded as completed at the date of acquisition, and by using the carrying amounts of the assets and liabilities taken over.

Positive and negative differences between the acquisition value and the carrying amounts of taken over and identified assets and liabilities are recognised in equity upon acquisition. The difference from acquired entities is 664 DKK ('000).

Transaction costs, incurred in connection with acquisition of businesses, are recognised in the income statement in the year when costs are incurred.

Equity interests in subsidiaries are set off by the proportional share of the subsidiaries' fair value of net assets and liabilities at the date of takeover.

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.

Minority interests

The accounting items of the subsidiaries are recognised in full in the Consolidated Financial Statements. The minority interests' proportional share of the results and equity of the subsidiaries is stated as separate items in the allocation of profit/loss and equity, respectively.

Accounting Policies

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.

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

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

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

Other operating expenses
Other operating expenses include items of a secondary nature in relation to the Group’s and the Company’s activities. Losses from sale of intangible and tangible fixed assets are also included.

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.

Accounting Policies

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 10 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.

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

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

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

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

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

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

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

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

The combination method is applied when acquiring enterprises within the Group, where the combination is regarded as completed at the date of acquisition, and by using the carrying amounts of the assets and liabilities acquired.

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

Accounting Policies

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

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

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

Impairment of fixed assets

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

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

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

Inventories

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

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

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

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

Receivables

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

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

Accounting Policies

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

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

Accruals, assets

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

Tax payable and deferred tax

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

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

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

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

Liabilities

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

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

Cash Flow Statement

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

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

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

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

Accounting Policies

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.