

# Q2

January–June 2021  
**HALF-YEARLY REPORT**



## DETECTION TECHNOLOGY PLC HALF-YEARLY REPORT JANUARY-JUNE 2021

**Detection Technology Q2 2021: Return to growth, improved outlook****April-June 2021 highlights**

- Net sales increased by 11.5% to EUR 23.5 million (21.1)
- Net sales of Industrial Solutions Business Unit (IBU) decreased by -10.4% to EUR 3.1 million (3.4)
- Net sales of Medical Business Unit (MBU) increased by 37.4% to EUR 13.6 million (9.9)
- Net sales of Security Business Unit (SBU) decreased by -11.7% to EUR 6.9 million (7.8)
- Operating profit (EBIT) was EUR 3.0 million (2.6)
- Operating margin (EBIT-%) was 12.6% of net sales (12.3%)

**January-June 2021 highlights**

- Net sales increased by 2.0% to EUR 41.9 million (41.0)
- Net sales of IBU decreased by -2.0% to EUR 5.5 million (5.6)
- Net sales of MBU increased by 29.4% to EUR 23.6 million (18.3)
- Net sales of SBU decreased by -25.8% to EUR 12.7 million (17.1)
- Operating profit (EBIT) was EUR 4.3 million (3.8)
- Operating margin (EBIT-%) was 10.4% of net sales (9.2%)

(Figures in parentheses refer to the corresponding period of the previous year.)

**President and CEO, Hannu Martola:**

"Our growth was double-digit, thanks to excellent demand in medical computed tomography (CT) applications. Security market remained subdued, although our security sales started to grow at the end of Q2. Industrial demand experienced a normal fluctuation but overall market remained stable. It was gratifying to note the upward turn and that all of our businesses are now anticipating double-digit growth for H2.

MBU sales grew strongly, thanks to the same market drivers as in Q1. Investments in healthcare infrastructure, globally and in particular in China, as well as the demand in higher-end CT equipment, boosted our sales to grow strongly. The demand of our next-generation products remained at a good level and, for example, our X-Tile standard solution has sold well. The dental market is recovering and, in our view, commercial X-Panel deliveries will start later this year.

The demand for imaging solutions in the food and pharmaceutical industries remained stable, and the demand in other industrial segments is recovering. There were no significant changes in the industrial market at a general level during the review period. IBU sales continue to grow although year-on-year sales decreased due to a quarter-over-quarter fluctuation.

The security market is recovering slowly, and SBU sales decreased at the beginning of Q2, but took an upward turn at the end of the review period. We have received a good number of orders from our customers, in particular in security CT applications. During the review period, sales mainly focused on applications used by customs and, in our opinion, demand will also grow in aviation security check applications as the number of passengers return to the growth path in H2.

Our profitability improved from the beginning of the year, and our cash flow improved despite the fact that most sales were generated at the end of the review period. The expected increase in sales in H2 will support profitability going forward.

We have continued to develop our business in order to secure our competitiveness and future growth by expanding our product portfolio. Our Aurora product family expanded to cover basic X-ray imaging devices at the lower price range. Aurora XS, launched in May, is designed for line-scan applications used in train and underground stations, public buildings, sport arenas, hotels and other critical infrastructure. Aurora XS is unique in its class, because it enables dual energy imaging by using one detector. The innovation is based on a combination of algorithms, application-optimized ASIC and mechanics. Its simplified structure and imaging quality make Aurora XS competitive in this segment. We expect Aurora XS sales to start towards the end of the year.

Other significant events during the review period included the expansion of the TDI-based (Time Delay Integration) X-Scan T product family with new variants. The product family, designed for demanding industrial applications, now covers most system configurations and standard production line widths of the target segment. We have succeeded in offering a solution that promotes the efficiency of imaging systems, takes cost factors into account and underlines the increasingly important environmental aspects.

Our business outlook for the end of the year has improved, and we expect double-digit growth in all our business units in H2. Medical CT demand will strengthen and MBU sales are expected to grow even stronger in H2 than in H1. We anticipate double-digit growth in IBU sales in Q3 and H2. Demand in security applications has also taken a turn, and SBU sales turn for growth in Q3 and are expected to grow double-digit in H2.

Although demand has taken an upward turn and the management of the COVID pandemic has progressed, our business still faces uncertainties especially in security segment. Despite the fact that material shortages did not affect sales in Q2, risks related to the availability of special materials and electronic components have increased. Challenges in availability and longer delivery times may have an impact on our ability to meet the growing demand. We have taken measures to mitigate risks and we will keep our medium-term growth and profitability targets unchanged."

## Key figures

(EUR 1,000)	4-6/2021	4-6/2020	1-6/2021	1-6/2020	1-12/2020
Net sales	23,533	21,108	41,856	41,025	81,561
Change in net sales, %	11.5%	-23.2%	2.0%	-18.8%	-20.4%
Operating profit	2,954	2,589	4,336	3,770	8,714
Operating margin, %	12.6%	12.3%	10.4%	9.2%	10.7%
R&D costs	2,562	2,688	4,968	5,306	9,827
R&D costs, % of net sales	10.9%	12.7%	11.9%	12.9%	12.0%
Cash flow from operating activities	2,168	-1,218	3,875	2,169	7,522
Net interest-bearing debt at the end of the period	-22,869	-16,082	-22,869	-16,082	-19,364
Investments	223	314	653	1,009	3,081
Return on investment (ROI), %			14.5%	20.5%	13.6%
Gearing, %	-35.9%	-29.1%	-35.9%	-29.1%	-33.1%
Earnings per share, EUR	0.16	0.12	0.25	0.19	0.47
Number of shares at the end of the period*	14,375,430	14,375,430	14,375,430	14,375,430	14,375,430

(\*Number of shares has been 14,578,430 as of 1 July 2021.)

## Net sales

Detection Technology's Q2 net sales totaled EUR 23.5 million (21.1). The company's total net sales increased by 11.5% (-23.2%) year-on-year as the demand in medical computed tomography (CT) applications remained at a good level.

There were no significant changes in the industrial market in Q2. The demand for imaging solutions in the food and pharmaceutical industries remained stable, and the demand in other segments is recovering. The market is characterized by a fluctuation in demand, which caused the net sales of the Industrial Solutions Business Unit (IBU) to decrease by -10.4% being EUR 3.1 million (3.4). IBU generated a total of 13.1% (16.3%) of the company's net sales.

The net sales of the Medical Business Unit (MBU) increased by 37.4% to EUR 13.6 million (9.9). Investments in healthcare infrastructure continued globally and in particular in China. The demand focused mainly on the higher-end CT imaging solutions, and the increase in MBU sales was attributed to both existing and next-generation CT products, such as the X-Tile standard solution. The demand in the dental market has recovered, and the company expects X-Panel sales from the said segment in 2021. MBU generated a total of 57.6% (46.8%) of the company's net sales.

The ramifications of the COVID-19 pandemic, such as stagnation in international passenger transport, restrictions on mass gatherings and the slow progress of critical infrastructure and other projects continued to negatively affect the demand in security applications. As a result, the net sales of the Security Business Unit (SBU) decreased by -11.7%, totaling EUR 6.9 million (7.8). SBU's sales were mainly focused on the X-ray solutions used by customs. SBU generated a total of 29.2% (36.9%) of the company's net sales.

Asia-Pacific (APAC) was geographically the company's largest market with its 68.0% (69.8%) share in Q2. Europe, Middle East, Africa's (EMEA) share was 18.6% (20.1%) and Americas' 13.4% (10.1%). In Q2, Detection Technology's top five customers accounted for 55.5% (53.3%) of the company's total net sales.

The company's net sales for January-June 2021 increased by 2.0% to EUR 41.9 million (41.0). Net sales of MBU grew by 29.4%, and totaled EUR 23.6 million (18.3). Net sales of SBU decreased by -25.8% to EUR 12.7 million (17.1). Net sales of IBU decreased by -2.0% to EUR 5.5 million (5.6). MBU's share of total net sales was 56.4% (44.5%), SBU's 30.4% (41.8%) and IBU's 13.2% (13.7%).

In the first half of 2021, APAC's share of net sales was 71.7% (66.0%), EMEA's 18.2% (20.8%) and Americas' 10.2% (13.2%). The share of the five largest customers accounted for 53.9% (55.1%) of net sales in the review period.

#### NET SALES BY BUSINESS UNITS

(EUR 1,000)	4-6/2021	4-6/2020	Change, %	1-6/2021	1-6/2020	Change, %	1-12/2020
IBU	3,086	3,444	-10.4%	5,516	5,629	-2.0%	11,596
MBU	13,566	9,874	37.4%	23,627	18,253	29.4%	39,253
SBU	6,881	7,790	-11.7%	12,714	17,144	-25.8%	30,712
<b>TOTAL</b>	<b>23,533</b>	21,108	11.5%	<b>41,856</b>	41,025	2.0%	81,561

#### NET SALES BY GEOGRAPHY

(EUR 1,000)	4-6/2021	4-6/2020	Change, %	1-6/2021	1-6/2020	Change, %	1-12/2020
APAC	15,993	14,732	8.6%	30,001	27,066	10.8%	55,361
Americas	3,164	2,130	48.5%	4,252	5,421	-21.6%	8,063
EMEA	4,376	4,246	3.1%	7,603	8,538	-11.0%	18,137
<b>TOTAL</b>	<b>23,533</b>	21,108	11.5%	<b>41,856</b>	41,025	2.0%	81,561

#### Operating result and profitability

The company's operating profit (EBIT) in Q2 amounted to EUR 3.0 million (2.6), that is 12.6% (12.3%) of net sales. Thanks to the increasing production volumes, improved productivity and moderate fixed costs, profitability remained at a good level.

Q2 fixed costs were EUR 8.0 million (8.2), out of which personnel expenses totaled EUR 4.7 million (4.7), depreciation EUR 0.8 million (0.8) and other operating expenses EUR 2.5 million (2.7). Financial items amounted to EUR 0.1 million (0.3), and income taxes EUR 0.6 million (0.5).

The impact of tax reliefs attributed to the High and New Technology (HNTE) classification granted to the company's Chinese subsidiary on the Group's net result was approximately EUR 0.2 million (0.0) in Q2. The company no longer received government grants to employment contributions, which it received a total of about EUR 0.3 million due to the COVID-19 pandemic in the comparison period April-June 2020.

The Q2 result was EUR 2.3 million (1.8). Earnings per share were EUR 0.16 (0.12).

In the review period January-June 2021, EBIT was EUR 4.3 million (3.8), that is 10.4% (9.2%) of net sales.

In January-June 2021, fixed costs totaled EUR 15.5 (16.3) million, out of which personnel expenses totaled EUR 9.1 million (9.2), depreciation EUR 1.7 million (1.6) and other operating expenses EUR 4.7 million (5.5). Financial items totaled EUR -0.3 million (0.2), and income taxes were EUR 1.0 million (0.9).

In H1 2021, the impact of tax reliefs attributed to the HNTE classification on the Group's net result was approximately EUR 0.3 million (0.0). The company no longer received government grants to employment contributions, which it received a total of about EUR 0.5 million due to the COVID-19 pandemic in the comparison period January–June 2020.

The result for H1 2021 was EUR 3.6 million (2.7). Earnings per share were EUR 0.25 (0.19).

### Cash flow and financing

Cash flow from financing activities in Q2 was EUR -2.3 million (-4.0). Cash flow from financing activities in January–June 2021 was EUR -2.0 million (-5.3).

In Q2, the company received EUR 4.3 million (0) proceeds from subscriptions of stock option programme 2018A. A total of 203,000 shares were subscribed for EUR 21.21 per share. A dividend of EUR 4.0 million (5.5), resolved at the Annual General Meeting on 30 March 2021, were paid during the review period. In addition, repayments of short term loans amounted to EUR 2.3 million (-0.2).

Cash flow from operations in Q2 was EUR 2.2 million (-1.2). Cash flow from operations in January–June 2021 amounted to EUR 3.9 million (2.2).

At the end of the review period, the company's net interest-bearing debt totaled EUR -22.9 million (-16.1). Gearing was -35.9% (-29.1%).

Cash and cash equivalents amounted to EUR 26.4 million (21.9) at the end of the review period.

The company has secured its liquidity by agreeing with banks on lines of credit totaling EUR 16.2 million (15.5) at the closing price of the review period. At the end of the review period, the unused line of credit was EUR 12.5 million (9.8).

### Investments

Investments totaled EUR 0.2 million (0.3) in Q2. Investments were mainly made in production machines and measuring equipment. Investments in January–June 2021 amounted to EUR 0.7 million (1.0).

### Research and development

Q2 research and development (R&D) costs totaled EUR 2.6 million (2.7), which was 10.9% of net sales (12.7%). The company's R&D costs in the review period January–June 2021 amounted to EUR 5.0 million (5.3), which was 11.9% of net sales (12.9%). All R&D costs are recognized as expenses.

### Personnel

At the end of June 2021, Detection Technology employed 438 people (481). The change is attributed to the decrease in production personnel due to the product mix and improved productivity. Of the company's employees, 333 worked in China, 87 in Finland, 14 in France and 4 in the US. Q2 personnel expenses amounted to EUR 4.7 million (4.7). Personnel expenses in H1 totaled EUR 9.1 million (9.2).

## PERSONNEL BY GEOGRAPHY

	30.6.2021	30.6.2020	Change, %	31.12.2020
APAC	333	372	-10.5%	340
Americas	4	5	-20.0%	4
EMEA	101	104	-2.9%	100
<b>TOTAL</b>	<b>438</b>	<b>481</b>	<b>-8.9%</b>	<b>444</b>

## Strategy implementation

Detection Technology continued to develop its business to secure its competitiveness and future growth. The most important events in the review period culminated in the expansion of the company's product portfolio, the most important in terms of strategy being the launch of the Aurora XS solution for the security market.

Thanks to the launch of the Aurora XS, the company's Aurora product family now offers a solution for every product category in the target market, because the product family has now been extended to cover lower-cost basic security applications. The Aurora XS, launched in May, is designed for urban security line scanner applications used in train and underground stations, ports, public buildings, sport arenas, hotels and other critical infrastructure.

Detection Technology sees the Aurora XS as unique in its class because it is the first industrialized solution in the target segment that enables dual energy imaging using one detector. The solution is based on the innovative combination of algorithms, an application-optimized integrated circuit (ASIC), and mechanics. The simplified detector structure, imaging quality, and reliability make the Aurora XS a competitive solution in this price-driven segment. The company expects Aurora XS sales to start towards the end of the year.

During the review period, the company also strengthened its X-Scan T product family based on TDI (Time Delay Integration) technology with new variants. The product family, designed for demanding industrial applications such as the imaging needs of the fast-paced food industry, now covers most system configurations and standard production line widths of the target segment. The product family has received a warm welcome in the markets. The company's customers have thanked its system and cost-efficiency, durability and, consequently, more environmentally friendly imaging.

## Sustainability

In H1 2021, Detection Technology has continued its work to recognize the sustainability aspects that are essential for the company's business and business environment, to prepare sustainability themes and agenda, and to develop an operating model based on the framework of the Responsible Business Alliance (RBA). The most significant achievements in terms of sustainability in H1 2021 were the ISO 13485:2016 certification granted to the company's Wuxi site in April, and the Quality Management Excellence plaque granted by Lloyd's Register for 20 years of successful cooperation.

Detection Technology's corporate social responsibility complies with the certified ISO 9001:2015, ISO 14001:2015 and 13485:2016 -standards. The company acknowledges and complies with the Code of Conduct of the Responsible Business Alliance (RBA). The company's Code of Conduct consists of the company's quality, environmental, business ethics, labor, and occupational health and safety policies. The company is not aware of any infringement of the company's Code of Conduct in H1 2021.

The company has set metrics to measure continuous improvement in every area of its Code of Conduct, and it monitors development in quarterly reviews. Measures related to sustainability and the materialization of corporate social responsibility have been described in more detail in the company's annual review 2020. In addition, the company published its sustainability goals for 2021 in the annual review. Detection Technology's annual review and the Code of Conduct are available at the company's website.

### **Changes in the management group**

In April, the company appointed Arve Lukander (M.Sc. Tech., MBA, born in 1972) Vice President, Security Business Unit (SBU) and a member of the management group. He started working in his new position on 14 June 2021, and he is responsible for the overall development of business of the Security Business Unit. Member of the management group Kari Hyvärinen, who headed the SBU before, left the company on 11 April 2021.

### **Shares and shareholders**

Between 2 May 2021 and 9 June 2021, a total of 203,000 new shares in Detection Technology Plc have been subscribed for with the company's stock options 2018A1 and 2018A2. The entire subscription price of EUR 4,307,660.00 has been recorded into the invested non-restricted equity fund.

The shares subscribed for under the stock options were registered in the Trade Register on 30 June 2021, as of which date the new shares will establish shareholder rights. The shares have been traded on Nasdaq Helsinki Ltd's First North Growth Market Finland marketplace, as an additional lot to the company's old shares as of 1 July 2021. At the end of the review period on 30 June 2021, the total number of shares was 14,375,430. As of the registration of 203,000 new shares from the share subscription, the number of shares has increased to 14,578,430.

The share subscription period for stock options 2018A1 and 2018A2 started on 2 May 2021 and it will end on 31 May 2022. The terms and conditions of stock options 2018 are available on the company's website.

The average share price of Detection Technology was EUR 28.02 in Q2 and EUR 27.17 in January–June 2021. The highest share price for Q2 was EUR 32.00 and the lowest EUR 25.20. The highest price for H1 2021 was EUR 32.00 and the lowest EUR 23.00.

The closing price at the end of June was EUR 29.50, and the company had a market capitalization of approximately EUR 424 million. A total of 0.77 million shares, which is 5.3% of the total number of shares, were traded between 4 January and 30 June.

The number of shareholders at the end of the review period was 3,279. Approximately 61.2% of the shares were held by the ten largest shareholders. The nominee-registered foreign holding of shares in the company was 12.1% at the end of the review period.

The company has one share series, and all shares bear equal voting rights. The company's shares are listed on the Nasdaq First North Growth Market Finland marketplace under the ticker symbol DETEC.

## Risks and uncertainties

The most significant short-term risks and uncertainties of the company are the prolongation of the COVID-19 pandemic due to viral mutations, as well as the availability, coverage and efficiency of vaccinations, the development of the relationship between the US, China and India, the development of international security as well as the availability of special materials and electronic components. Other short-term risks are related to political and trade policy uncertainty, and operating in emerging markets.

Other risks are related to the changes in the competitive landscape, price competition, a significant share of net sales being generated by the five largest customers, APAC countries' large share of sales, product quality, the start-up of the production of new products, customer liquidity, exchange rate fluctuations, an overall cost development particularly in China, the permanence and competence of personnel, and organizational efficiency.

The company takes continuous measures to mitigate the aforementioned risks. Risks related to the company and its business operations are described in more detail in Detection Technology's financial statements for 2020.

## The impacts of the COVID-19 pandemic on business

Detection Technology reported the impacts of the COVID-19 pandemic on the company's business in its financial statements review 2020 and business review January–March 2021. No significant changes in the impacts of the pandemic on the company's business have taken place after the publication of the reviews.

Detection Technology estimates that the ramifications of COVID-19 decreased the company's total net sales by about one-fourth in both Q2 and H1 2021. Despite this reduction in net sales, the company's profit-making ability has remained at a good level thanks to improved productivity and moderate fixed costs. In 2021, the company no longer received government grants to employment contributions, of which it received due to the pandemic in the review period January–December 2020.

The company faced some challenges in the availability of special materials and electronic components in Q2, and risks related to availability have increased. The pandemic has not had direct impacts on the number of personnel.

According to Detection Technology's view, it is still too early to assess the long-term consequences of the COVID-19 pandemic. The company works continuously and relentlessly to mitigate the ramifications of the COVID-19 pandemic that may have adverse effects on business.

## Business outlook

Prior to the outbreak of the COVID-19 pandemic, industry experts estimated that the global market in medical X-ray imaging equipment would grow at an average rate of about 5% per annum, the security segment by 6% and the industrial sector by about 5%. In Detection Technology's view, the medical and industrial markets are growing in line with the estimates by the experts. The market disturbance caused by the pandemic in the security market is passing, and the segment will slowly head towards growth in H2 2021.

Detection Technology expects double-digit growth in its total net sales in Q3 and H2 2021. The company anticipates growing demand in medical CT applications, and MBU sales to grow double-digit in Q3 and stronger

in H2 than in H1. Double-digit growth is expected in IBU sales in Q3 and H2. SBU sales are estimated to turn for growth in Q3 and experience double-digit growth in H2, but there is some uncertainty in the demand.

Due to the pandemic, the global economy and the company's business have faced exceptional and temporary uncertainty, in particular in the security market. The predictability of the company's target markets is still lower than usual, and risks related to the availability of materials have increased.

Detection Technology aims to increase sales by at least 10% per annum and to achieve an operating margin at or above 15% in the medium term.

### **Business review January-September 2021**

Detection Technology will publish a business review January-September 2021 on 27 October 2021.

**UNAUDITED HALF-YEARLY REPORT 1.1.-30.6.2021****ACCOUNTING PRINCIPLES**

This unaudited half-yearly report for the period 1.1.-30.6.2021 has been prepared according to Finnish Accounting Standards (FAS).

**CONSOLIDATED INCOME STATEMENT (FAS)**

(EUR 1,000)	<b>4-6/2021</b>	4-6/2020	<b>1-6/2021</b>	1-6/2020	1-12/2020
<b>Net sales</b>	<b>23,533</b>	<b>21,108</b>	<b>41,856</b>	<b>41,025</b>	<b>81,561</b>
Other operating income	93	400	146	401	1,017
Materials and services	-12,679	-10,689	-22,165	-21,318	-42,606
Personnel expenses	-4,693	-4,728	-9,099	-9,190	-17,352
Depreciations	-796	-786	-1,681	-1,618	-3,254
Other operating expenses	-2,505	-2,716	-4,721	-5,529	-10,653
<b>Operating profit</b>	<b>2,954</b>	<b>2,589</b>	<b>4,336</b>	<b>3,770</b>	<b>8,714</b>
Financial income and expenses	-57	-334	263	-229	-628
<b>Profit before taxes</b>	<b>2,897</b>	<b>2,255</b>	<b>4,599</b>	<b>3,541</b>	<b>8,085</b>
Income taxes	-562	-488	-1,015	-861	-1,350
<b>Profit for the reporting period</b>	<b>2,335</b>	<b>1,766</b>	<b>3,584</b>	<b>2,680</b>	<b>6,735</b>

**CONSOLIDATED BALANCE SHEET (FAS)**

(EUR 1,000)	<b>30.6.2021</b>	30.6.2020	31.12.2020
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	3,552	4,071	4,136
Tangible assets	5,547	5,582	5,991
Investments	11	11	11
<b>TOTAL NON-CURRENT ASSETS</b>	<b>9,109</b>	<b>9,664</b>	<b>10,138</b>
<b>CURRENT ASSETS</b>			
Inventories	17,174	17,577	15,909
Other long-term receivables	432	215	391
Trade receivables	26,304	22,023	22,017
Other receivables	650	456	819
Accrued income	727	1,372	1,338
Cash and cash equivalents	26,377	21,916	25,187
<b>TOTAL CURRENT ASSETS</b>	<b>71,662</b>	<b>63,559</b>	<b>65,661</b>
<b>TOTAL ASSETS</b>	<b>80,772</b>	<b>73,223</b>	<b>75,799</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	80	80	80
Share premium account	5,130	5,130	5,130
Invested unrestricted equity fund	26,761	22,453	22,453
Retained earnings	28,182	24,857	24,062
Profit for the financial period	3,584	2,680	6,735
<b>TOTAL EQUITY</b>	<b>63,737</b>	<b>55,200</b>	<b>58,460</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Loans from financial institutions	3,508	5,834	5,823
Trade payables	8,795	7,752	7,386
Other liabilities	1,160	860	816
Accrued liabilities	3,571	3,578	3,314
Total	17,035	18,024	17,339
<b>TOTAL LIABILITIES</b>	<b>17,035</b>	<b>18,024</b>	<b>17,339</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>80,772</b>	<b>73,223</b>	<b>75,799</b>

**CONSOLIDATED CASH FLOW STATEMENT (FAS)**

(EUR 1,000)	4-6/2021	4-6/2020	1-6/2021	1-6/2020	1-12/2020
<b>Cash flow from operations</b>					
Operating profit	2,954	2,589	4,336	3,770	8,714
Depreciations	796	786	1,681	1,618	3,254
Other non-cash business activities	57	-493	-34	-450	-1,382
Change in working capital	-1,075	-2,921	-1,249	-736	-142
Financial income and expenses	-45	-224	-73	-172	-394
Income taxes paid	-518	-955	-786	-1,861	-2,528
<b>Cash flow from operations</b>	<b>2,168</b>	<b>-1,218</b>	<b>3,875</b>	<b>2,169</b>	<b>7,522</b>
<b>Cash flow from investments</b>					
Investments in intangible and tangible assets	-223	-314	-653	-1,009	-3,081
<b>Cash flow from investments</b>	<b>-223</b>	<b>-314</b>	<b>-653</b>	<b>-1,009</b>	<b>-3,081</b>
<b>Free cash flow</b>	<b>1,946</b>	<b>-1,532</b>	<b>3,222</b>	<b>1,160</b>	<b>4,441</b>
<b>Cash flow from financing</b>					
Change in current loans	-2,574	1,413	-2,315	207	196
Share issue	4,308	0	4,308	0	0
Dividend paid	-4,025	-5,463	-4,025	-5,463	-5,463
<b>Cash flow from financing</b>	<b>-2,291</b>	<b>-4,049</b>	<b>-2,032</b>	<b>-5,256</b>	<b>-5,266</b>
<b>Change in cash and cash equivalents</b>	<b>-346</b>	<b>-5,581</b>	<b>1,190</b>	<b>-4,096</b>	<b>-825</b>
Cash and cash equivalents at the beginning of the reporting period	26,722	27,497	25,187	26,012	26,012
Cash and cash equivalents at the end of the reporting period	26,377	21,916	26,377	21,916	25,187

## STATEMENT OF EQUITY CHANGES

(EUR 1,000)	Share capital	Share premium	Invested unrestricted equity fund	Retained earnings	Profit for the period	Total
<b>Equity 1.1.2021</b>	<b>80</b>	<b>5,130</b>	<b>22,453</b>	<b>30,797</b>	<b>0</b>	<b>58,460</b>
Share issue	0	0	4,308	0	0	4,308
Dividend paid	0	0	0	-4,025	0	-4,025
Translation differences	0	0	0	1,410	0	1,410
Profit for the period	0	0	0	0	3,584	3,584
<b>Equity 30.6.2021</b>	<b>80</b>	<b>5,130</b>	<b>26,761</b>	<b>28,182</b>	<b>3,584</b>	<b>63,737</b>
<b>Equity 1.1.2020</b>	<b>80</b>	<b>5,130</b>	<b>22,453</b>	<b>30,692</b>	<b>0</b>	<b>58,355</b>
Dividend paid	0	0	0	-5,463	0	-5,463
Translation differences	0	0	0	-372	0	-372
Profit for the period	0	0	0	0	2,680	2,680
<b>Equity 30.6.2020</b>	<b>80</b>	<b>5,130</b>	<b>22,453</b>	<b>24,857</b>	<b>2,680</b>	<b>55,200</b>
<b>Equity 1.1.2020</b>	<b>80</b>	<b>5,130</b>	<b>22,453</b>	<b>30,692</b>	<b>0</b>	<b>58,355</b>
Dividend paid	0	0	0	-5,463	0	-5,463
Translation differences	0	0	0	-1,167	0	-1,167
Profit for the period	0	0	0	0	6,735	6,735
<b>Equity 31.12.2020</b>	<b>80</b>	<b>5,130</b>	<b>22,453</b>	<b>24,062</b>	<b>6,735</b>	<b>58,460</b>

Espoo, Finland 2 August 2021

Board of Directors  
Detection Technology Plc

**CALCULATION OF KEY FINANCIAL RATIOS**

Change in net sales, % = (Net sales - previous financial year's net sales) / previous financial year's net sales x 100

Operating margin, % = Operating profit / net sales x 100

Net interest-bearing debt = Interest-bearing liabilities - cash and cash equivalents

Return on investment (ROI), % = (Net result + financial items + taxes (12 months)) / (equity + interest-bearing liabilities (average 12 months)) x 100

Gearing, % = (Interest-bearing liabilities - cash and cash equivalents) / equity x 100



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