



# Annual Report 2023



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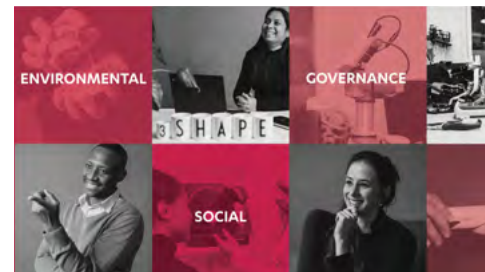
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# In Brief

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# 3Shape at a Glance

At 3Shape, we are a global innovator in digital dentistry, empowering dental professionals to provide superior dental care for every patient, every time. Our award-winning digital solutions advance and connect practices and labs. Founded in Denmark in 2000, we employ more than 2,200 dedicated professionals who serve customers in 100+ countries.



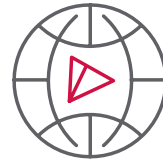
2,243  
3Shapers globally

We are 2,243 dedicated 3Shape colleagues.



53+  
nationalities

We are a diverse company with 53+ nationalities across our global offices.



100+  
countries

Our hardware, software and services are sold in more than 100 countries.



29  
locations

We have 3Shapers present in 29 countries across the globe, with headquarters in Copenhagen, Denmark.

# Letter From Our Chair & CEO

As developers of award-winning scanners and software solutions for dental practices and labs worldwide, our products make workflows quicker and easier for dental professionals, improving patient comfort and treatment outcomes. In 2023, over 36 million patients were scanned using 3Shape technology.

Despite the adoption of technologies among dentists, 70% have yet to take the next step into digital dentistry through an intraoral scanner, providing significant runway for growth in the market. With our strong brand and leading products, we look forward to continuing to drive digital dentistry by enabling superior dental care for every patient every time.

## A year of continued growth

In 2023, we achieved a revenue of 3,285 DKKm corresponding to an organic revenue growth of 8.2%. Headwinds from primary currencies yielded a reported revenue growth of 6.3%. EBITDA increased to 1,343 DKKm, representing an EBITDA margin of 40.9%.

Our flagship product, the TRIOS 5 Wireless intraoral scanner, remained a favorite among dental practitioners and we were honored to see it win several awards. This included Cellerant Consulting Group's "Best of Class Technology" and "Best of Class Hygiene" awards, the "Red Dot Design" award recognizing outstanding design, "Intraoral Scanner of the Year" by The Institute of Digital Dentistry and the 2023 Cuspide Award for "Best New Imaging Product," from Dr. Bicuspid dental media. 2023 also saw the launch of our F8 dual-model lab scanner, which won a 2023 Red Dot Award. This innovative product provides dental labs with unparalleled productivity via incredible

"As a med  
tech company,  
improving  
people's lives  
drives our  
decision-making."

Jakob Just-Bomholt  
Chief Executive Officer



**Jørgen Jensen**  
Chair of the Board



scan speeds and requires minimal hands-on technician interaction.

Furthermore, 3Shape Automate, our trendsetting and innovative AI-driven design service, reached over two million crown designs, signifying an exciting area for further development and growth.

**Innovating with passion**

Our customers are at the heart of our business, and we remain committed to working closely with them. More than 25% of our employees work in scanner and software development, evidence of our drive to create trendsetting products. Furthermore, in 2023, we were listed among Denmark’s top ten companies regarding filed patents, and we continue innovating wisely with a customer-centric mindset to create solutions dental professionals need.

**Building a better tomorrow through ESG initiatives**

As a med tech company, improving people’s lives drives our decision-making. We are dedicated to advancing our sustainability performance, and in 2023, we introduced new ESG initiatives. Integrating these into our business strategy stimulates innovation and promotes a positive company culture.

While 3Shape’s ESG journey is still maturing, we made solid progress in 2023 by conducting a

**“We have a strong brand, and our products are recognized as best in class.”**

double materiality assessment, adopting a data-driven ESG strategy, and setting explicit 2028 sustainability goals. We also established an ESG Council, recognizing that leadership representation across the organization is critical for ensuring ownership across the business.

**Our people, values, and culture**

Over the past ten years, 3Shape has grown from four hundred to more than 2,200 employees, representing 53 nationalities in 29 countries. Our people are driven by improving the lives of millions of patients worldwide, and 2023 saw the launch of refreshed company values that define how we work. At 3Shape, we innovate with passion, champion team spirit, have a play-to-win attitude, take ownership, and are always customer-centric.

**Dedicated to Ukraine**

3Shape continues to invest in our local Ukrainian operations, and we are lucky to be one of the few companies able to continue growing and investing in our team there despite the war. Since 2022, we have worked to support our colleagues, estab-

lishing legal, psychological, and financial relocation aid. 3Shape continues not to sell into Russia.

**Looking ahead**

Looking to 2024, we remain fully committed to innovation and growth. The adoption of digital technology within dentistry continues to increase and we expect to see continuing demand for our best-in-class products.

With that, we want to take this opportunity to acknowledge and thank 3Shape’s dedicated employees, partners, suppliers, and customers for their continuous support as we change dentistry together.

**Jørgen Jensen**  
Chair of the Board

**Jakob Just-Bomholt**  
Chief Executive Officer

# 2023 Performance Highlights

Over

36 mio

patients scanned using  
3Shape technology

Every

1.5 sec

a patient was scanned  
using a TRIOS.



Revenue

3,285 DKKm

Organic revenue growth

8.2%

Reported revenue growth

6.3%

EBITDA

1,343 DKKm

EBITDA margin

40.9%

EBIT

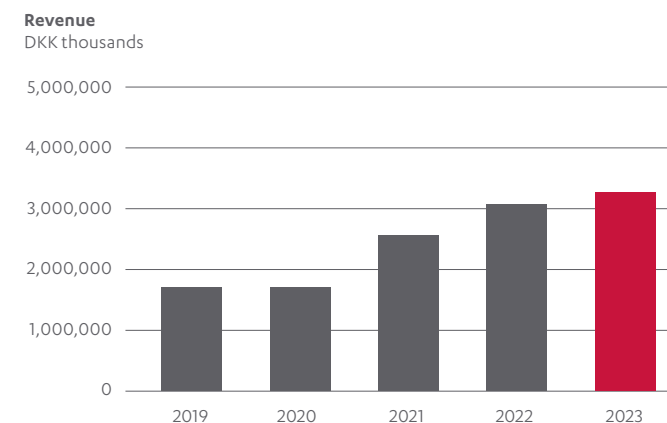
1,265 DKKm

EBIT margin

38.5%

# Financial Highlights for the Group

DKK thousands	2023	2022	2021	2020	2019
Revenue	3,284,652	3,090,099	2,585,966	1,719,118	1,714,871
Gross profit	2,290,897	2,206,466	1,918,761	1,177,293	1,171,423
EBITDA	1,342,910	1,195,160	928,687	310,226	163,024
Operating profit (EBIT)	1,265,176	1,108,457	889,274	262,736	139,947
Net financials	16,546	20,675	15,900	-22,785	5,624
Net profit for the year	996,409	875,979	705,387	194,869	114,203
Investments in property, plant and equipment	-35,171	-34,163	-15,871	-18,456	-70,495
Total assets	2,572,627	2,293,942	1,395,942	1,646,346	1,733,776
Equity	1,564,001	1,338,603	681,685	1,034,699	854,751
Cash flows from operating activities	988,901	825,774	629,660	385,049	226,222
Free cash flow	793,568	785,377	710,120	402,315	150,782
<i>Key figures</i>					
Net profit margin	38.5%	35.9%	34.4%	15.3%	8.2%
Gross margin	69.7%	71.4%	74.2%	68.5%	68.3%
EBITDA-margin	40.9%	38.7%	35.9%	18.0%	9.5%
Operating (EBIT)-margin	38.5%	35.9%	34.4%	15.3%	8.2%
Return on equity	68.7%	86.7%	82.2%	20.6%	14.4%
Average number of full-time employees	2,045	2,022	1,735	1,668	1,725



The financial ratios stated under "Key figures" have been calculated as follows:

- Profit margin:** Net profit as a percentage of revenue
- Gross margin:** Gross profit as a percentage of revenues
- EBITDA-margin:** EBITDA as a percentage of revenue
- Operating (EBIT)-margin:** Operating profit (EBIT) as a percentage of revenue
- Return on equity:** Net profit as a percentage of the average equity
- Free cash flow:** Cash flow from operating activities + cashflow from investing activities

Financial highlights from 2022 have been restated to reflect IFRS (refer to Accounting Policies). Financial highlights from 2019 to 2021 have not been restated and are prepared in accordance with Danish GAAP.



# 2023 Sustainability Highlights



## Establishment of sustainability strategy and 2028 goals

Based on the results of the Double Materiality Assessment, we updated our Sustainability Strategy and defined concrete sustainability goals for 2028. The new strategy strongly focuses on making a positive difference on the issues where 3Shape has the greatest impact and faces the most significant risks and opportunities.



## Establishment of ESG council to enhance responsible governance of sustainability

In August 2023, we commenced the ESG Council as a key part of 3Shape's ESG Governance Party, embedding responsibility for sustainability actions and progress across the organization. The ESG Council consists of leaders representing all major business areas. It allocates responsibility to drive and monitor progress on strategic sustainability goals as well as reporting in line with the EU CSRD. Our ESG Committee meanwhile is chaired by board member, Karsten Munk Knudsen.



## Continuing support for Ukraine

3Shape continues to invest heavily in our local Ukrainian operations, and we are lucky to be one of the few companies able to continue growing and investing in our team there despite the ongoing war. We continued to provide legal, psychological, and financial relocation aid. 2023 saw the conclusion of our second company-wide fundraiser for support relief. We raised money for the local Ukrainian NGO 'Hospitallers' – a volunteer paramedic organization dedicated to helping the wounded on the front lines. 3Shape continues not to sell into Russia.



## Completion of double-materiality assessment in line with EU CSRD requirements

In 2023, we completed our first formal ESG Double Materiality Assessment in line with EU's Corporate Sustainability Reporting Directive (CSRD) requirements to identify the issues most relevant to our business and stakeholders, and to determine the issues that should be prioritized in our response and reporting. Recognizing the importance of our stakeholders, the assessment was conducted on the basis of more than 200 interviews and survey responses from employees, business partners, investors, suppliers, and customers.



## Preparing for ESG reporting in line with EU CSRD requirements

To support the global ambition towards greater transparency around company sustainability information, we have dedicated our focus in 2023 to preparing for reporting according to EU CSRD. This year's sustainability statements represent a significant step towards reporting EU CSRD compliance.

3Shape supports the UN Sustainable Development Goals (SDGs), with a focus on Good Health and Well-being, Gender Equality, Innovation, and Climate Action



**3**  
Good Health and Wellbeing



**5**  
Gender Equality



**9**  
Industry, Innovation and Infrastructure



**13**  
Climate Action

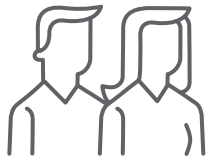
# Our Business

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# The History of 3Shape

2000 - 2015



**2000**

3Shape is born

In 1999, Danish university students Nikolaj Deichmann, a business major, and Tais Clausen, an engineer, met and having discussed Clausen's master thesis (3D imaging) decided to go in on a business idea together. The company opened under the name 3Shape. During the next five years, 3Shape would work almost exclusively with hearing aid companies. The company grew, enabling them to shift gears and focus on what would become their primary industry, dentistry.



**2005**

Release of the first dental lab software

In 2005, 3Shape introduced its first dental lab restorative design and CAM production software. During this period, 3Shape opened an office of developers in Kyiv, Ukraine, and a manufacturing site in Poland that quickly began producing one thousand scanners yearly.



**2011**

The first TRIOS intraoral scanner released

In 2011, the first version of the 3Shape TRIOS intraoral scanner was released. It was the first intraoral scanner in the market to enable powder-free intraoral scanning.



**2015**

TRIOS 3 released

3Shape's innovation and popularity continued to grow, highlighted by the release of the TRIOS 3 intraoral scanner in 2015. The radically different TRIOS 3 was faster and more ergonomic than any intraoral scanner.

# The History of 3Shape

2017 - 2023



**2017**

Never resting,  
always innovating

Two years later, 3Shape introduced TRIOS 3 Wireless –the world’s first wireless intraoral scanner. It was the world’s first and only wireless intraoral scanner - a distinction that would take other scanner makers four years to replicate.

**2020-21**

Leadership change and Unite

In 2020, Clausen and Deichmann stepped down from the company’s day-to-day management, although they remain owners and active members of the Board.

Jørgen Jensen was named Chair of the Board of Directors, and a new CEO, Jakob Just-Bomholt, was appointed.

In 2021, 3Shape launched 3Shape Unite which allowed professionals to scan their patients and then go to the platform and choose a treatment, partner, or lab to send their TRIOS scan.

**2022**

TRIOS 5 Wireless launched

At the end of 2022, 3Shape released its smallest and lightest scanner to date, TRIOS 5 Wireless. The new TRIOS includes more than fifty improvements in ease of use and design compared to previous models.

**2023**

The momentum continues

2023 was a year of continued momentum as the TRIOS 5 Wireless won a plethora of industry awards. Including: “Best New Imaging Product,” “High Technology Launch of the Year,” as well as the eleventh consecutive Cellerant award for best scanner, and a Red Dot design award. The Cellerant Board also presented TRIOS 5 with a special “Hygiene Award.”

The F8 dual model lab scanner was also awarded a Red Dot “Best of the Best” award, recognizing its fresh, open design.

# Our Products – It all starts with a scan!

Our TRIOS intraoral scanners are used to create digital impressions of a dental patient’s mouth. The scanner takes 2500 images per second and converts these into an extremely accurate 3D surface model of the teeth and gingiva’s geometry. Digital impressions are used for designing restorative and orthodontic treatments and evaluating a patient’s oral situation.

## TRIOS 3

Proven intraoral scanning technology for a smooth introduction to digital dentistry.



Available as Pod or MOVE +

## TRIOS 4

Advanced wireless intraoral scan technology expanded for even better treatment options.



Available as Pod or MOVE +

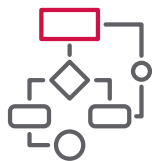
## TRIOS 5

The intraoral scanner designed for an effortless scanning experience, next-level ergonomics, and improved hygiene.



Available as Pod or MOVE +

3Shape Unite is an **open platform** that brings world-leading dental companies, solutions, and labs **together**.



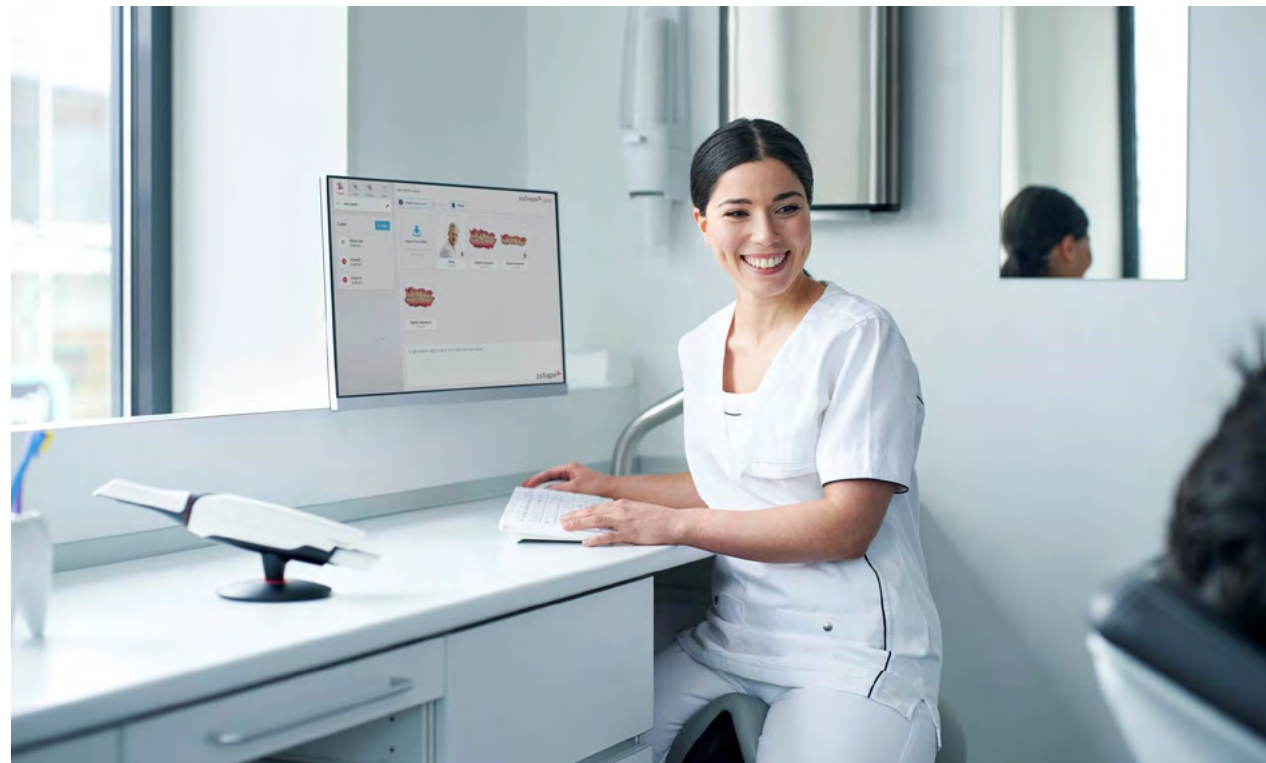
Workflows made easier than ever



**5,500+**  
Unite Store apps



World-leading dental companies and labs united!



3Shape dental lab solutions offer the opportunity to do more **digitally**.

## Software solutions

CAD design dental system



Lab management software (LMS)



## Lab scanners

F8



E-series

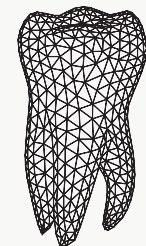


## Design Services

Design by dental professionals



Design powered by AI



# Introducing 3Shape Audio

Drawing upon more than two decades of industry experience in achieving optimal fit, 3Shape Audio is a pioneer and leader in designing and manufacturing custom hearing devices. 3Shape Audio develops end-to-end custom audio design and production management solutions in collaboration with manufacturers and hearing care professionals worldwide.

3Shape Audio's robust portfolio encompasses a range of 3D impression scanners and CAD/CAM software solutions designed specifically for the audio industry. Notably, the A-scanner series, known for its market-leading performance and design, is a cornerstone of 3Shape Audio's offerings. Complemented by advanced design software, automation and order management tools, the comprehensive suite oversees the entire production workflow, from the initial scan and design to the final printed product.

3Shape Audio continues to set new benchmarks, reshaping the landscape of custom audio solutions.





# A variety of audio solutions.

## CAD & Production Management Software



**3Shape Audio Designers**  
Quickly and easily produce high quality, custom designs ready for manufacture



**3Shape ShellManager**  
Tailored end-to-end **production management** software

## Design automation



**3Shape Advance**  
Enhance your production with AI-powered automation. Stay in full control as you scale. Shape outcomes with precision.

## 3D ear impression scanners



**3Shape A1**  
The affordable basic scanner



**3Shape A2**  
Perfect for moving from an analogue to a digital workflow



**3Shape A3**  
Achieve ultimate productivity with our most advanced scanner

## Services



**Audio Academy**  
Get started and realize the potential with training tailored to your needs



**Audio Customer Care**  
Your partner in achieving the perfect fit with support to match your needs

# Endless possibilities with a 3Shape solution.



## 3Shape Academy

Receiving a 3Shape solution is just the first step in advancing our customers' businesses. 3Shape Academy offers both our direct customers and our resellers various learning solutions.



Tailored learning and consultations



Self-study tools



Live or on-demand access to 3Shape experts



## 3Shape Customer Care

3Shape dental experts guide and support our customers every step of their way— ensuring they achieve their goals.



Point of contact are always 3Shape dental experts



3Shape Support in 9 languages



3Shape Support via phone, email or DM

# Our Markets

3Shape has a global market presence with commercial offices strategically positioned across the world. Our commitment to customer success is evident through our around-the-clock training and support services, ensuring customers can access assistance whenever needed.



3Shape serves customers in  
**100+** countries

# Business Model

3Shape is a leading innovator in dental care providing global solutions. Our portfolio features cutting-edge scanners, software, and accessories tailored for dental clinics and labs.

Our commitment to innovation empowers dental professionals with state-of-the-art tools, ensuring exceptional care through enhanced efficiency, accuracy, and patient satisfaction. We provide superior-quality dental products worldwide, reinforcing our commitment to accessibility, quality, and innovation.

Committed to serving end-users throughout their journey, we offer a comprehensive range of services, including market-leading service offerings and complementary accessories.

In our customer-centric approach, we handle service and after-sales activities directly, and in collaboration with our resellers, fostering relationships built on trust and reliability. This initiative reinforces our dedication to being a responsive and customer-focused partner in dental solutions.



# Our Value Chain



## Product development

Dedicated to advancing dental care, 3Shape is committed to delivering superior solutions for every patient, every time. Our portfolio of market-leading products ranges from cutting-edge scanners to comprehensive software and essential accessories tailored for dental clinics and labs. Our commitment to excellence drives us to develop in-house solutions that enhance efficiency, accuracy, and overall patient satisfaction.



## Sourcing and manufacturing

Operating at the forefront of the global dental market, 3Shape has a strong presence in key regions. We collaborate with technical suppliers to find the right components, and our manufacturing hub in Poland works to ensure we maintain a high quality of production. Through this setup, we can ensure we have efficient production processes and a stable supply chain that offers customers short lead times.



## Sales and marketing

At 3Shape, we have built a strong reseller network, and resellers are key partners for 3Shape, serving as integral contributors to lead generation and sales efforts. Their strategic involvement remains crucial in effectively bringing our cutting-edge solutions to global markets and industry segments. While direct sales activities are pursued in select markets, the collaborative efforts with our resellers are paramount to expanding our reach and ensuring widespread sales and distribution of 3Shape solutions.

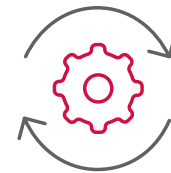


## Onboarding and after-sales

3Shape is dedicated to serving our end-users and resellers, throughout their journey, providing a comprehensive range of offerings across their lifetime. Central to this commitment is a market-leading service offering that ensures they receive unparalleled support and assistance at every stage. We remain dedicated to being a responsive and customer-focused partner.

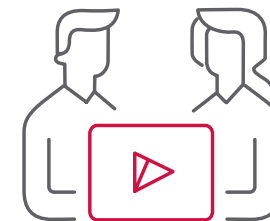


## Key business enablers



### Governance and processes

At 3Shape, our commitment to governance and processes drives an ambitious agenda. We embed integrity and accountability into all aspects of our business, upholding the highest ethical standards and ensuring transparency in decision-making. Our Code of Conduct provides an ethical and legal framework for all employees in 3Shape and serves as a guideline and point of reference for anyone faced with dilemmas, doubts, or concerns. Our ambition is to be at the forefront of ethical business conduct, with integrity as a non-negotiable priority. We embrace circularity to minimize waste and optimize resource use, contributing to a more sustainable future. Through these initiatives, 3Shape seeks to impact the world positively, aiming for business success while being a responsible corporate citizen.



### People and culture

At 3Shape, we are deeply committed to cultivating an unparalleled work environment for all 3Shapers around the globe. Fostering an inclusive work environment is integral to our values, recognizing the strength of diversity and providing a workplace where every individual is respected and empowered. **Our five values, Stay Customer-Centric, Innovate with Passion, Champion Team Spirit, Take Ownership and Play to Win, reflect how we work as individuals and as a company. They define our unique way of doing business.** By creating a supportive and empowering workplace, we not only enhance the professional growth of our team members but also collectively contribute to the success and innovation that define 3Shape globally.

# Our Strategy

## Purpose

Enable superior dental care.  
For every patient, every time.

## Ambition

Global market leadership  
within intraoral scanners.

Enable superior dental care through ongoing innovative investments in scanners, software, and services.

Connect dentistry through an open ecosystem that seamlessly enhances workflows in clinics and labs.

Provide exceptional customer support that stimulates high usage among engaged end-users.



# Financial Review

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# Financial Review

## Revenue

In 2023, we achieved a revenue of 3,285 DKKm, corresponding to an organic revenue growth of 8.2% in line with expectations. Headwinds from primary currencies yielded a reported revenue growth of 6.3%.

## Gross profit and margin

3Shape's gross profit was DKK 2,291 DKKm, up by 3.9% compared to last year (2022: 2,206 DKKm). The gross margin remained relatively flat at 69.7% compared to 71.4% last year.

## Research and development expenses

Total research and development costs incurred amounted to 390 DKKm of which 165 million DKKm was capitalized. The R&D spending was kept stable as a percentage of revenue (around 12%), and the spending was focused on strengthening the future product portfolio.

## Sales and distribution and administrative costs

Total reported sales and distribution costs were 480 DKKm or 15% as a percentage of revenue (2022: 448 DKKm and 14%). Total reported administrative costs were 304 DKKm or 9% as a percentage of revenue (2022: 297 DKKm and 10%).

## EBITDA

EBITDA increased to 1,343 DKKm (2022: 1,195 DKKm) representing an EBITDA margin of 40.9%, which is in line with expectations.

## Operating profit (EBIT)

Reported EBIT ended at 1,265 DKKm (2022: 1,108 DKKm), corresponding to a reported EBIT margin for 2023 of 38.5% (2022: 35.9%).

## Net financials

Net financial expenses amounted to 17 DKKm in 2023 (2022: 21 DKKm).

## Net profit for the year

Net profit for the year ended at 996 DKKm, up from 876 DKKm in 2022, mainly due to the higher operating profit.

## Total assets

3Shape's total assets amount to 2,573 DKKm (2022: 2,293 DKKm). The increase is mainly related to non-current assets and receivables.

## Equity

The equity increased in 2023 to 1,564 DKKm (2022: 1,339 DKKm). The increase was mainly related to retained earnings. In 2023 3Shape distributed

dividends of 751 DKKm. Furthermore, the group proposes dividends for 2023 of 753 DKKm.

## Events after the balance sheet date

No material events have occurred subsequent to 31 December 2023 that have not already been included in the annual report, and that would have a material effect on the assessment of the Group's financial position.

## Cash flow

### Operating activities

Cash flows from operating activities increased by 20% to 989 DKKm (2022: 826 DKKm) driven primarily by the stronger profit compared to 2022.

## Outlook

3Shape remains committed to continue its growth. The strategic initiatives undertaken lay the foundation for future growth, and the Group is well-positioned to navigate evolving market conditions. Strong growth is expected for the revenue in 2024 with EBIT margin broadly in line with 2023

## Parent Company

The Parent company's objective is as a holding company to hold shares, directly or indirectly. The

assessment of the performance within the Parents investments was satisfying and in accordance with expectations. The Parent's income statement for 2023 resulted in a gain of 996 DKKm, compared to a gain of 876 DKKm in 2022. The financial position as of 31 December 2023 showed an equity of 1,564 DKKm and total assets of 1,593 DKKm, compared to 1,339 DKKm in equity and 1,432 DKKm in total assets last year.

# Sustainability

27 Sustainability Report 2023



# Download our Sustainability Report 2023

This statement of corporate social responsibility in accordance with section 99A and section 99B of the Danish Financial Statements Act.

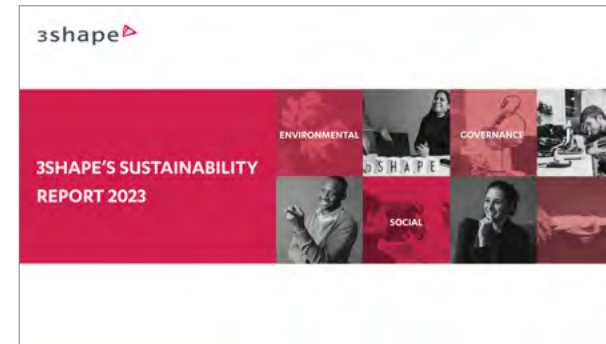
3Shape's sustainability responsibility is driven by the overall ambition to continuously work to create value through good relationships with stakeholders, and to provide a positive impact for our end users and the communities that we serve. That is, enabling preventive care and keeping people healthy by making dental treatments more precise and hygienic.

We prioritize sustainability, and it is expected that we will comply with applicable legislation and international guidelines at all times. Simultaneously with the annual report, 3Shape has published the annual Environmental Social Governance Report, which covers non-financial results related to environmental, social, and governance impacts. Sustainable development is an essential driving force in society.

3Shape is committed to supporting the UN Sustainable Development Goals (SDGs), with a focus on SDGs 3, 5, 9, and 13. These four SDGs

reflect the areas where we currently see the greatest potential to help create positive, enduring change by 1) deploying 3Shape's capabilities and expertise through innovation, 2) empowering 3Shape's people to give back to communities, and 3) managing 3Shape responsibly. As a fast-growing company with its own development and production, special attention is paid to our social and societal responsibilities in relation to employees and the imprint 3Shape makes on the climate and the environment.

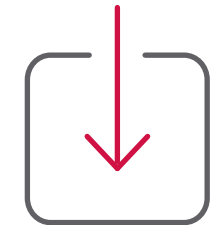
In addition, 3Shape emphasizes making a positive contribution to the general development of society in areas where we have the opportunity to exert influence, including in relation to respecting fundamental human rights, the fight against corruption, and the creation of an attractive and diversified workplace with fair and equal conditions and opportunities for all employees.



## 3Shape's 2023 Sustainability report

Access our annual Sustainability Report and read more about 3Shape's sustainability efforts.

Find out more  
and download here



### Our impact

<https://www.3shape.com/en/our-story/our-impact>

### ESG report 2023

<https://www.3shape.com/esg2023>

# Risk Management

29 Risk Management



# Risk Management

## Risk management process

At 3Shape, our risk management procedures play a pivotal role in safeguarding the company. We utilize internal assessments to focus on the structural and procedural integration of risks within the company. Consequently, we work to identify and manage risks systematically.

This approach allows 3Shape to swiftly adapt to changing circumstances, minimizing risks, and maximizing opportunities. Our commitment to risk management extends beyond mitigation. We see it as a beneficial strategic imperative that aligns our unwavering dedication to product quality and business ethics with the safety of our employees.

## Internal control system and review

At 3Shape, our internal control system centers on our ability to anticipate and adapt to the challenges 3Shape faces successfully. Our executive management team ensures our control system functions optimally and is committed to continuous monitoring. The team inspects the latest enterprise risk management plans every quarter and approves their mitigating activities. The Board of Directors reviews the framework twice yearly, overseeing the mitigation plan.

Subsequently, our management teams, across all departments and geographical locations, are responsible for developing risk profiles by providing insight into their corresponding risk areas. Upon identification, risks are measured with a two-factor matrix, which looks at the estimated impact of the risk and the likelihood of its occurrence. Consequently, strategic mitigation measures are implemented to guarantee information on risk management is effectively communicated within the company to relevant stakeholders.

## Dual fold approach: industry and company risks

Our risk assessment process considers industry peculiarities and risks tailored to 3Shape. Success in the dental and audio industry is traditionally contingent on innovation, mainly due to the rapid advancement of digitalization in dental practices.

Navigating in such a dynamic business context is further complicated by our global value chain as we are particularly exposed to macroeconomic events that might jeopardize production. If not adequately addressed and mitigated, geopolitical instability can threaten our operation continuity.

## Currency risks

Our sales of goods are invoiced in EUR, USD, and CNY. A significant proportion of our costs are incurred in currencies other than DKK and EUR, primarily in USD and PLN. As a result, we are exposed to currency risks. Currency risks are monitored on an ongoing basis.

## Financial risks

Our excess liquidity is placed in selected banks with high external credit ratings.



# Corporate Governance

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Data ethics policy in accordance with section 99D of the Danish Financial Statements ActA data ethics policy was developed and implemented to ensure responsible and sustainable data management. Please go to <https://www.3shape.com/en/data-ethics-policy> for further information.



# Corporate Governance

3Shape has a two-tier management structure consisting of the Board of Directors and the Senior Leadership Team (SLT). There is no overlap between members. The Board of Directors is accountable for the overall strategic management and organization of the Group's business and operations. On behalf of the shareholders, the Board of Directors oversees 3Shape's organization, day-to-day management, and results.

The Board of Directors sets guidelines on the day-to-day responsibilities and obligations of the SLT. The Board of Directors and the SLT further assess 3Shape's business processes, organization, strategy, risks, business objectives, and controls. A set of rules of procedure governs the work of 3Shape's Board of Directors. These rules are reviewed annually by the Board of Directors and updated as necessary.

The Board of Directors has seven members and has appointed a chairperson and two vice chairpersons. The Board of Directors represents broad international business experience and skills considered relevant to 3Shape. The Board of Directors evaluates its work annually and determines once a year the qualifications, experience, and skills needed for the Board of Directors to

perform its tasks best. All board members are up for election at each Annual General Meeting.

The Board of Directors meets seven times yearly and holds extraordinary meetings when required. The Board's annual wheel covers all essential business areas.

## Own shares

As of 31 December 2023 3Shape Holding A/S owned 22,487 shares which corresponds to 0.42% of the total shares. The board has decided that 3Shape Holding A/S can own 40,000 own shares.

## Board of Directors

- Jørgen Falkebo Jensen (Chairman)
- Tais Clausen (Vice Chairman)
- Nikolaj Deichmann (Vice Chairman)
- Mads Munkholt Ditlevsen
- Heather Jordan Cartwright
- Scott Anderson
- Karsten Munk Knudsen



# Senior Leadership Team



**Jakob Just-Bomholt**  
Chief Executive Officer

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Born: 1974  
Gender: Male

Nationality: Danish  
Joined 3Shape in: 2020



**Kristian Krag Nielsen**  
Chief Financial Officer

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Born: 1980  
Gender: Male

Nationality: Danish  
Joined 3Shape in: 2020



**Niclas Blohm**  
Chief Technology Officer

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Born: 1973  
Gender: Male

Nationality: Swedish  
Joined 3Shape in: 2023



**Henriette Stakemann**  
Vice President Legal, IP &  
Sustainability / General Counsel

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Born: 1972  
Gender: Female

Nationality: Danish  
Joined 3Shape in: 2021



**Rune Fisker**  
Senior Vice President of  
Product Strategy

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Born: 1972  
Gender: Male

Nationality: Danish  
Joined 3Shape in: 2000



**Pernille Riis Johansen**  
Vice President and Head of  
People & Culture

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Born: 1972  
Gender: Female

Nationality: Danish  
Joined 3Shape in: 2021



# Gender Diversity

This section constitutes 3Shape’s statutory reporting on gender diversity, pursuant to Section 99b of the Danish Financial Statements Act. Further details on 3Shape’s work with Diversity, Equity and Inclusion can be found in the annual Sustainability Report 2023.

## Diversity, equity, and inclusion – our policy

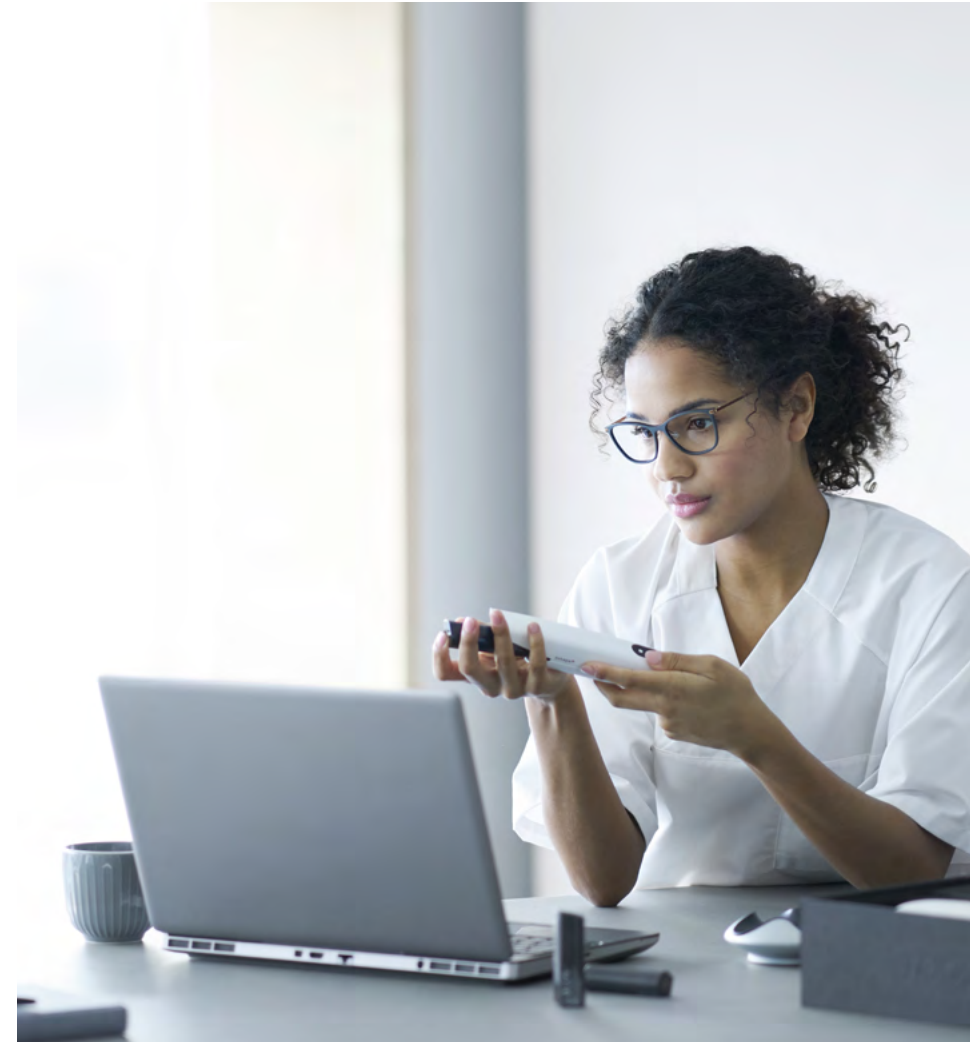
3Shape is committed to fostering a diverse, equitable, and inclusive workplace that enables everyone to thrive. We encourage and value diversity of thought –our differences enable us to challenge the status quo and create growth opportunities. 3Shape’s Diversity, Equity, and Inclusion (DE&I) Policy provides high-level guidance for how we approach DE&I at 3Shape. It outlines our targets and initiatives and is a guiding principle for our company culture and the Global Code of Conduct (CoC). The CoC and DE&I Policy are included in the company’s onboarding program, and accessible on 3Shape’s intranet.

Gender diversity remains a pivotal focus of 3Shape’s Diversity efforts. In 2021, we signed

Dansk Industri’s (DI) Diversity Pledge, pledging to achieve a minimum of 40% of the underrepresented gender per management level by 2030. In 2022, we made this goal more ambitious, setting an earlier target to reach 35% of the underrepresented gender per management level by 2025 and 40% by 2027. Progress on this goal is tracked bi-annually. In addition, we have set the goal to achieve a gender split in the Board of Directors of 33% of the underrepresented gender by 2025, and 40% by 2027.

## Gender diversity in management

In addition to measuring the gender distribution across Top, Director, Middle, and Lower management levels, we also disclose the gender distribu-



tion of ‘other managerial positions’ in our Danish entities as defined and required by Section 99b of the Danish Financial Statements Act.

The percentage of the underrepresented gender has declined from 25% to 18% at the top management level. This decline is due to top management reorganization in 2023. Despite this, we recognize the importance of equal gender distribution in upper management and continue to work towards achieving our 2025 and 2027 targets. In 2023, we aimed to include at least one member of the underrepresented gender in hiring processes for higher level positions including Directors and Top Management. In 2023 we also increased our focus on addressing biases towards the underrepresented gender in internal people reviews to ensure fair internal talent reviews.

**Gender distribution in the Board of Directors**

In 2023, one new member was appointed to the Board of Directors (BoD) of 3Shape Holding A/S. This member was male and his predecessor was a female, so the gender gap in the BoD increased in 2023. This results in a gender split of one woman and six men. The new member was chosen based on qualifications for the position. Hence, the targeted gender distribution for 3Shape was not achieved. In 2023, we aimed to include at least one member of the underrepresented gender in the recruitment process of the new Board member.

In 2023, 49% of 3Shape employees identified as male, 43% as female, and 8% chose not to disclose.

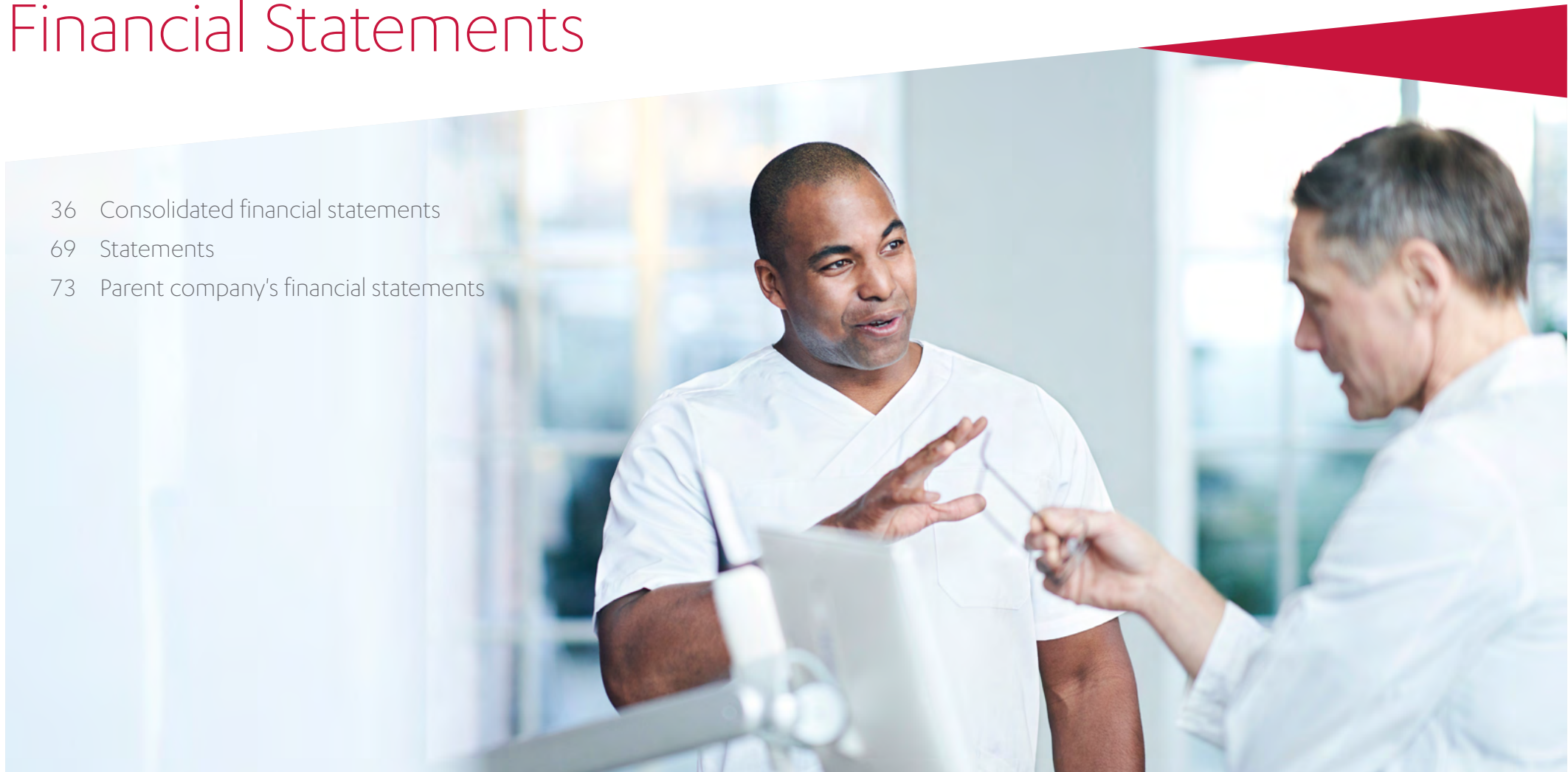
**Gender Representation - 3Shape Holding A/S\***

Metric	Unit	2023	2022	2021
<b>Board of Directors</b>				
Total number of board members	#	7	No data	No data
Gender representation	#(F   M)	1   6	No data	No data
Underrepresented gender in percent	%	14	25	14
Target figure in percent	% (2025)   % (2027)	33   40	33   40	NA
Year of fulfilment of target figure	Year	2025   2027	2025   2027	NA
<b>Top Management</b>				
Total number of members in top management	#	11	No data	No data
Gender representation	#(F   M)	2   9	No data	No data
Underrepresented gender in percent	%	18	25	25
Target figure in percent	% (2025)   % (2027)	35   40	35   40	NA
Year of fulfilment of target figure	Year	2025   2027	2025   2027	NA
<b>Directors</b>				
Total number of members in top management	#	57	No data	No data
Gender representation	#(F   M)	18   39	No data	No data
Underrepresented gender in percent	%	32	25	28
Target figure in percent	% (2025)   % (2027)	35   40	35   40	NA
Year of fulfilment of target figure	Year	2025   2027	2025   2027	NA
<b>Middle management</b>				
Total number of members in top management	#	136	No data	No data
Gender representation	#(F   M)	50   86	No data	No data
Underrepresented gender in percent	%	37	35	32
Target figure in percent	% (2025)   % (2027)	35   40	35   40	NA
Year of fulfilment of target figure	Year	2025   2027	2025   2027	NA
<b>Lower management</b>				
Total number of employees in lower management	#	116	No data	No data
Gender representation	#(F   M)	53   63	No data	No data
Underrepresented gender in percent	%	46	50	49
Target figure in percent	% (2025)   % (2027)	35   40	35   40	NA
Year of fulfilment of target figure	Year	2025   2027	2025   2027	NA

\* Excluding 3Shape Design Services

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Financial Statements

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# Consolidated Income statement

DKK thousands	Note	2023	2022
Revenue	4	3,284,652	3,090,099
Production costs	5.6	-993,755	-883,633
<b>Gross profit</b>		<b>2,290,897</b>	<b>2,206,466</b>
Sales & distribution costs	5.6	-479,684	-447,624
Research & development costs	5.6	-242,516	-353,313
Administrative costs	5.6	-303,521	-297,072
<b>Operating profit (EBIT)</b>		<b>1,265,176</b>	<b>1,108,457</b>
Financial income	7	27,684	36,182
Financial expenses	7	-11,138	-15,507
<b>Net profit before tax</b>		<b>1,281,722</b>	<b>1,129,132</b>
Tax	8	-285,313	-253,153
<b>Net profit for the year</b>		<b>996,409</b>	<b>875,979</b>

# Consolidated Comprehensive income

DKK thousands	Note	2023	2022
<b>Profit for the year</b>		<b>996,409</b>	<b>875,979</b>
<b>Other comprehensive income</b>			
<i>Items that will be reclassified subsequently to the income statement:</i>			
Exchange rate adjustments of foreign operations		15,983	-5,959
<b>Other comprehensive income, net of tax</b>		<b>15,983</b>	<b>-5,959</b>
<b>Total comprehensive income</b>		<b>1,012,392</b>	<b>870,020</b>

# Consolidated Balance sheet

DKK thousands	Note	As at 31 December 2023	As at 31 December 2022	As at 1 January 2022
<b>Assets</b>				
Intangible assets	9	250,771	92,415	95,042
Property, plant and equipment	10	257,934	273,731	276,965
Financial assets	11	16,166	15,181	15,856
Deferred tax assets	8	38,603	44,867	34,685
<b>Total non-current assets</b>		<b>563,474</b>	<b>426,194</b>	<b>422,548</b>
Raw materials and consumables	13	320,795	297,761	200,804
Work in progress	13	63,265	47,950	36,415
Finished goods and goods for resale	13	45,469	48,646	49,028
<b>Inventories</b>		<b>429,529</b>	<b>394,357</b>	<b>286,247</b>
Trade receivables	14	547,144	398,472	316,683
Tax receivable	8	-	-	35,130
Other receivables		46,444	37,029	38,411
Prepayments		21,957	24,943	21,347
<b>Receivables</b>		<b>615,545</b>	<b>460,444</b>	<b>411,571</b>
Cash and cash equivalents		964,079	1,012,947	492,494
<b>Total current assets</b>		<b>2,009,153</b>	<b>1,867,748</b>	<b>1,190,312</b>
<b>Total assets</b>		<b>2,572,627</b>	<b>2,293,942</b>	<b>1,612,860</b>

DKK thousands	Note	As at 31 December 2023	As at 31 December 2022	As at 1 January 2022
<b>Equity and liabilities</b>				
Share capital	15	538	538	534
Share premium		90,652	88,795	18,201
Treasury shares	15	-80,675	-27,700	-3,344
Retained earnings		789,997	529,498	402,451
Exchange rate adjustments		10,024	-5,959	-
Proposed dividend		753,465	753,431	268,587
<b>Total equity</b>		<b>1,564,001</b>	<b>1,338,603</b>	<b>686,429</b>
Deferred tax liabilities	8	52,364	8,962	6,289
Other payables		-	58	145
Leasing liabilities	10	160,628	170,844	183,222
Deferred revenue	4	34,037	44,121	54,888
<b>Total non-current liabilities</b>		<b>247,029</b>	<b>223,985</b>	<b>244,544</b>
Deferred revenue	4	424,021	373,502	335,366
Leasing liabilities	10	37,663	38,402	33,871
Trade payables		219,792	192,171	223,933
Tax payable	8	6,726	65,101	13,002
Other payables	12	73,395	62,178	75,715
<b>Total current liabilities</b>		<b>761,597</b>	<b>731,354</b>	<b>681,887</b>
<b>Total liabilities</b>		<b>1,008,626</b>	<b>955,339</b>	<b>926,431</b>
<b>Total equity and liabilities</b>		<b>2,572,627</b>	<b>2,293,942</b>	<b>1,612,860</b>

# Consolidated statement of changes in equity

DKK thousands	Share capital	Share premium	Reserve for treasury shares	Retained earnings	Exchange rate adjustments	Proposed dividend	Total equity
<b>Equity at 1 January 2023</b>	<b>538</b>	<b>88,795</b>	<b>-27,700</b>	<b>529,498</b>	<b>-5,959</b>	<b>753,431</b>	<b>1,338,603</b>
Net profit				996,409			996,409
Other comprehensive income for the year					15,983		15,983
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>996,409</b>	<b>15,983</b>	<b>-</b>	<b>1,012,392</b>
<i>Transactions with owners in their capacity as owners:</i>							
Capital increase	0	1,857					1,857
Share-based payment				14,764			14,764
Acquisition of treasury shares			-52,975				-52,975
Distributed dividends						-750,640	-750,640
Dividends, treasury shares				2,791		-2,791	-
Proposed dividends	-	-	-	-753,465	-	753,465	-
<b>Total transactions with owners</b>	<b>-</b>	<b>1,857</b>	<b>-52,975</b>	<b>-735,910</b>	<b>-</b>	<b>34</b>	<b>-786,994</b>
<b>Equity at 31 December 2023</b>	<b>538</b>	<b>90,652</b>	<b>-80,675</b>	<b>789,997</b>	<b>10,024</b>	<b>753,465</b>	<b>1,564,001</b>
<b>Equity at 1 January 2022</b>	<b>534</b>	<b>18,201</b>	<b>-3,344</b>	<b>402,451</b>	<b>0<sup>1</sup></b>	<b>268,587</b>	<b>686,429</b>
Net profit				875,979			875,979
Other comprehensive income for the year					-5,959		-5,959
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>875,979</b>	<b>-5,959</b>	<b>-</b>	<b>870,020</b>
<i>Transactions with owners in their capacity as owners:</i>							
Capital increase	4	70,594					70,598
Share-based payment				4,499			4,499
Acquisition of treasury shares			-24,356				-24,356
Distributed dividends						-268,587	-268,587
Proposed dividends	-	-	-	-753,431	-	753,431	-
<b>Total transactions with owners</b>	<b>4</b>	<b>70,594</b>	<b>-24,356</b>	<b>-748,932</b>	<b>-</b>	<b>484,844</b>	<b>-217,846</b>
<b>Equity at 31 December 2022</b>	<b>538</b>	<b>88,795</b>	<b>-27,700</b>	<b>529,498</b>	<b>-5,959</b>	<b>753,431</b>	<b>1,338,603</b>

<sup>1</sup> Refer to note 28 for first time implementation exemption.

# Consolidated Cash flow statement

DKK thousands	Note	2023	2022
Net profit for the year		996,409	875,979
Adjustments of non-cash operating items	22	378,918	333,358
Cash flows from operating activities before changes in working capital		1,375,327	1,209,337
Changes in working capital	16	-92,404	-210,130
Income taxes paid		-294,022	-173,434
<b>Cash flows from operating activities</b>		<b>988,901</b>	<b>825,774</b>
Additions of intangible assets	9	-169,723	-11,947
Acquisition of property, plant and equipment other than right of use assets	10	-35,170	-34,163
Proceeds from disposals of property, plant and equipment		10,546	5,038
Acquisition of financial assets		-2,047	-1,036
Proceeds from disposals of financial assets		1,062	1,711
<b>Cash flows from investing activities</b>		<b>-195,332</b>	<b>-40,397</b>
Capital increase		1,857	70,598
Repayment of lease liabilities (principal portion)	10	-38,029	-42,579
Purchase/sale of treasury shares		-52,975	-24,356
Dividends paid to company's shareholders		-750,640	-268,587
<b>Cash flow from financing activities</b>		<b>-839,787</b>	<b>-264,924</b>
<b>Net increase in cash and cash equivalents</b>		<b>-46,218</b>	<b>520,453</b>
Cash and cash equivalents, beginning of year		1,012,947	492,494
Effects of exchange rate changes on cash and cash equivalents		-2,650	0
<b>Cash and cash equivalents, year end</b>		<b>964,079</b>	<b>1,012,947</b>



# Notes to consolidated financial statements

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6	Depreciation, amortisation and impairment losses	46	20	Financing activities	62
7	Financial income and expenses	46	21	Financing liabilities	62
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9	Intangible assets	50	23	Contingent liabilities and commitments	62
10	Property, plant and equipment	53	24	Related parties	63
11	Financial assets	56	25	Share-based payment	64
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13	Inventories	57	27	Events occurring after the balance sheet date	65
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# Notes

## 1 Accounting policies

### Basis of preparation

The 2023 consolidated financial statement and separate parent financial statements of 3Shape Holding A/S have been prepared in accordance with IFRS accounting standards as adopted by the European Union and additional requirements of the Danish Financial Statements Act Large C.

This section sets out the basis of preparation, which relates to the financial statements as a whole. Where an accounting policy is specific to one note, the policy is described in the note to which it relates. Similarly, critical sources of estimation uncertainty and judgements are described in the notes to which they relate.

These financial statements for the year ended 31 December 2023 are the first the Group have prepared in accordance with IFRS as adopted by the EU and additional Danish disclosure requirements for financial statements prepared by large reporting class C enterprises. Information on how the Group have adopted IFRS and the effect that the transition has had on the Group are disclosed in note 28.

The Board of Directors and the Executive Board have discussed and approved the annual report for 3Shape Holding A/S on 6 March 2024. The annual report will be presented to the shareholders of 3Shape Holding A/S for adoption at the annual general meeting on 9 April 2024.

### Development projects

Development costs incurred during financial year 2023, pertaining to development of new products where the development costs meet the criteria for recognition in the balance sheet, are capitalized within intangible assets. During 2023, 3Shape established clear governance for our development pipeline, including a development stage gate model governing and documenting capitalization criteria and ready-to-use assessment including timing of initiation of amortization. Prior to financial year 2023, development costs did not meet the criteria for recognition in the balance sheet and were expensed as research & development costs. For further information, refer to accounting policy note 9.

### Consolidated financial statements

The consolidated financial statements comprise the Parent Company 3Shape Holding A/S and subsidiaries controlled by 3Shape Holding A/S. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The consolidated financial statements are prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions are eliminated. The subsidiaries' financial statement items are included 100% in the consolidated financial statements.

### Business combinations

Newly acquired entities are recognized in the consolidated financial statements from the acquisition date. Entities sold or otherwise disposed of are recognized in the consolidated financial statements up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities.

### Acquisition date

The acquisition method is applied to acquisitions of new businesses over which the Group obtains control. The acquired businesses' identified assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognized if they are separable or arise from a contractual right. Deferred tax on revaluations is recognized.

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognized as goodwill in intangible assets.

The acquisition consideration for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the purchase consideration is contingent on future events or compliance with agreed terms, such part of the purchase consideration is recognized at fair value at the acquisition date. Subsequent adjustments of contingent purchase considerations are recognized in the income statement.

Any adjustments in the provisional values, including goodwill, are adjusted retrospectively, until 12 months after the acquisition date, and comparative figures are restated.

### Materiality in financial reporting

Our focus is to present information that is considered of material importance for our stakeholders in a simple and structured way. Disclosures that IFRS requires are included in the annual report, unless the information is considered of immaterial importance to the users of the annual report.

# Notes

## 1 Accounting policies - continued

### Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

### Foreign currency translation

The Group has significant activities in Danish Kroner (DKK). Therefore, the functional currency of 3Shape Holding A/S and the presentation currency of the 3Shape Group is determined to be DKK. The financial statements are presented in DKK thousand if not stated otherwise.

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognized in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognized in the latest financial statements is recognized in the income statement as financial income or financial expenses.

Foreign exchange adjustments of balances with foreign subsidiaries that are considered part of the total net investment in the subsidiary are recognized directly in the exchange rate reserve under equity. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments hedging net investments in foreign subsidiaries are recognized directly in the exchange rate reserve under equity.

On translation of foreign subsidiaries, monetary items are recognized at the exchange rates at the balance sheet date. Non-monetary items are recognized at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

### Cash flow statement

Cash flows from operating activities are presented using the indirect method and are made up as the profit of the year, adjusted for non-cash operating items, changes in working capital and paid income taxes.

## 2 Key accounting estimates and judgements

As part of the preparation of the financial statements, Management makes several judgements, accounting estimates and assumptions about the carrying amount of assets and liabilities that cannot be directly derived from other sources.

The judgements, estimates and assumptions made are based on historical experience and other relevant factors that are considered by Management in the circumstances, but which are inherently subject to uncertainty and volatility.

The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur for which reason the actual results may differ from the estimates and judgements made.

Estimates and the underlying assumptions are reassessed on a regular basis. Any changes in the accounting estimates are recognized in the accounting period in which the change was made as well as in future accounting periods if the change effects the subsequent accounting periods.

Management considers the following accounting estimates and judgements to be significant in the preparation of the financial statements.

Note	Key accounting estimates and judgements	Nature of accounting impact
Note 4 Revenue	Judgements are applied when determining the performance obligations	Judgement
Note 10 Right of use assets	Estimates applied in determining the lease terms and the incremental borrowing rate.	Estimate
Note 9 Development projects	Judgements are applied when assessing capitalization criteria.	Judgement
Note 13 Goodwill	Estimates are used in calculations of the recoverable value of goodwill.	Estimate

# Notes

## 3 Implementation of new and revised standards and interpretations

The IASB has issued a number of new standards and amendments not yet in effect or adopted by the European Union and therefore not relevant for the preparation of the 2023 consolidated financial statements. 3Shape Holding A/S expects to implement these standards when they take effect.

None of the new standards issued are currently expected to have any significant impact on the Group's financial statements when implemented.

## 4 Revenue

### Revenue

3Shape operates in three geographical regions: Europe, North America and Rest of World.

The revenue by geographical area can be reconciled directly to the P&L.

### Revenue by geographical area

DKK thousands	2023	2022
Europe	1,319,387	1,187,277
North America	1,029,036	1,037,954
Rest of world	936,229	864,868
<b>Total revenue</b>	<b>3,284,652</b>	<b>3,090,099</b>

North America includes Revenue in USA of DKK .t. 872.458 (2022: DKK.t. 894.688)

### Contract liabilities

DKK thousands	31 December 2023	31 December 2022	1 January 2022
Customer prepayments	4,105	766	7,326
Deferred revenue from subscription sales	450,254	412,706	372,460
Volume discounts	28,947	31,989	67,846
Warranty revenue	3,699	4,147	10,462
<b>Total</b>	<b>487,005</b>	<b>449,608</b>	<b>458,094</b>

## 4 Revenues - continued

Contract liabilities are expected to mature within:

DKK thousands	31 December 2023	31 December 2022	1 January 2022
0-1 years	452,968	404,662	397,789
2-5 years	33,990	44,901	60,146
> 5 years	47	45	159
<b>31 december</b>	<b>487,005</b>	<b>449,608</b>	<b>458,094</b>

### Significant changes in the contract liabilities balances during the year

DKK thousands	2023	2022
Opening balances at 1 January	449,608	458,094
Foreign currency translation adjustments	-1,163	-
Revenue recognized from prior year balance	-403,669	-397,789
Advances received during the year	442,229	389,303
<b>Total</b>	<b>487,005</b>	<b>449,608</b>

Payment terms vary significantly across territories.

### § Accounting policies

Revenue comprises sale of scanners, software licenses and after-sales services. The following is a description of the principal activities from which the Group generates its revenue.

- Revenue from the sale and delivery of scanners to customers is recognized at a point in time. The performance obligation is fulfilled when the Group has transferred control of products sold to the buyer and it is probable that the Group will collect the consideration to which it is entitled for transferring the products. Control of the products is transferred at a point in time, typically on delivery. Revenue is measured based on the fair value of the consideration receivable after deducting sales tax and discounts relating directly to sales and as specified in a contract with a customer. Each contract is divided into separate performance obligations whether this means unbundling contracts or combining contracts.

# Notes

## 4 Revenues - continued

### Accounting policies - continued

- Revenue from software licenses is considered a right to use and is a performance obligation satisfied at a point in time.
- Revenue from after-sales services are recognized over the time of the service contract period.

The Group pays various discounts, rebates and sales incentives to customers including trade discounts and volume rebates. Discounts, rebates, and sales incentives to customers are deducted from revenue and are measured using the expected value method. The Group has generally concluded that it is the principal in its revenue arrangements.

The Group offers its customers the opportunity to trade up their older scanners for a credit towards the purchase of a newer generation scanner. Such trade-up transactions are based on the circumstances at the time of the trade-up, based on the then trade-up value of the scanner and are generally not based on any pre-existing rights granted by the Group. Accordingly, such trade-ups are not considered separate performance obligations in the arrangement for a scanner sale.

Depending on scanner generation, traded-up scanners can be refurbished and resold. The Group accounts for the fair value of the traded-up scanner in the total consideration in the arrangement by including the net realizable value of the trade-up scanner less normal profit margin. The value of the traded-up scanner is determined as the amount, after refurbishment costs are added, that will allow for a normal profit margin on the sale of the refurbished scanner to be generated. When there is no market for the traded-up scanners, no value is assigned. The assigned value of the traded-up scanners is reported as part of inventory until resold or otherwise disposed.

### Material accounting estimates and judgements

The sale of scanners including scanner software, which is directly attributable to the scanners, and updates for this software, are considered a single performance obligation because the software is considered integral part of the scanner. Revenue from software licenses sold, which is not directly attributable to the scanners, are considered a single performance obligation. After-sales services, such as post-contract customer support including technical support, software updates and product warranty, are considered a single performance obligation.

## 5 Staff costs and incentive plans

DKK thousands	2023	2022
Wages and salaries	774,458	725,874
Pensions	20,871	14,860
Other social security costs	48,844	46,169
Other staff costs	15,856	22,979
Share-based payment	14,764	4,499
<b>Total staff costs</b>	<b>874,794</b>	<b>814,381</b>
<b>Staff costs presented as follows in the income statement</b>		
Production costs	81,798	74,181
Sales & distribution costs	326,852	305,229
Research and development costs	179,440	294,332
Administrative costs	129,461	140,639
<b>Total staff expenses</b>	<b>717,549</b>	<b>814,381</b>
<b>Staff costs presented as follows in the balance sheet</b>		
Staff costs capitalized as intangible assets	157,244	-
<b>Total staff costs</b>	<b>874,794</b>	<b>814,381</b>
Average number of full-time employees	2,045	2,022

DKK thousands	Short-term employee benefits	Share-based payment benefits	Total
<b>2023</b>			
Board of Directors and Executive management <sup>1</sup>	15,025	7,612	22,637
Senior leadership team <sup>2</sup>	28,885	7,823	36,708
<b>2022</b>			
Board of Directors and Executive management <sup>1</sup>	12,614	4,440	17,054
Senior leadership team <sup>2</sup>	28,118	4,440	32,558

<sup>1</sup> In accordance with Danish Financial Statements Act §98b section 3 remuneration to the company's Management is presented together for the Executive Management and the Board of Directors.

<sup>2</sup> Senior leadership team is reported including Executive Management and Board of Directors. Executive Management and Board of Directors, together with other members of the Senior leadership team, is considered as key management personnel in 3Shape.

### Accounting policies

Staff costs comprise salaries and wages including the value of share-based incentive programmes and cash bonus arrangements as well as social security costs, pension contributions etc. related to the activities that contribute to 3Shape Holding A/S' production, sales & distribution, research and development and administration.

# Notes

## 6 Depreciation, amortisation and impairment losses

### Depreciation on tangible assets

DKK thousands	2023	2022
Fixtures and fittings, tools and equipment	15,054	17,924
Leasehold improvements	11,801	12,856
Right of use assets	40,363	41,349
<b>Total depreciation</b>	<b>67,217</b>	<b>72,129</b>

### Amortisation on intangible assets

Software	3,844	2,884
Patents	4,813	11,690
Development projects	1,860	-
<b>Total amortisation</b>	<b>10,517</b>	<b>14,574</b>

### Depreciation and amortisation presented as follows in the income statement:

Production costs	17,459	20,545
Sales & distribution costs	21,940	19,343
Research and development costs	3,872	2,071
Administrative costs	34,463	44,744
<b>Total depreciation and amortisation</b>	<b>77,734</b>	<b>86,703</b>

### Accounting policies

Please refer to notes 9 & 10.

## 7 Financial income and expenses

DKK thousands	2023	2022
Interest income	19,106	2,859
Other financial income	778	522
Foreign exchange gains	7,800	32,801
<b>Total financial income</b>	<b>27,684</b>	<b>36,182</b>
Interest expenses	254	1,843
Interest, leasing	10,575	12,618
Other financial expenses	310	1,046
<b>Total financial expenses</b>	<b>11,138</b>	<b>15,507</b>
<b>Total financial income and expenses</b>	<b>16,546</b>	<b>20,675</b>

### Accounting policies

Financial income and expenses comprise interest income and expenses, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

# Notes

## 8 Income taxes and deferred tax

DKK thousands	2023	2022
<b>Tax for the year</b>		
Tax on profit for the year	285,313	253,153
<b>Total tax for the year</b>	<b>285,313</b>	<b>253,153</b>
<b>Tax on profit for the year is calculated as follows</b>		
Current tax	233,913	259,757
Deferred tax	49,667	-7,509
Tax adjustment relating to previous years	1,733	905
<b>Total tax on profit for the year</b>	<b>285,313</b>	<b>253,153</b>
<b>Tax rate</b>		
<b>Tax rate specifies as follows</b>		
<b>Profit for the year before tax</b>	<b>1,281,722</b>	<b>1,129,132</b>
Tax at a rate of 22%	281,979	248,409
Tax-based value of non-deductible expenses	4,343	59
Tax-based value of non-taxable income	-2,539	6,355
Tax-based value of extra tax-deductions	-1,777	-6,166
Difference in overseas tax rates	1,574	3,591
Adjustments for current tax of prior periods	1,733	905
<b>Total tax for the year</b>	<b>285,313</b>	<b>253,153</b>
Effective tax rate	22%	22%

DKK thousands	Assets		Liabilities	
	2023	2022	2023	2022
<b>Deferred tax</b>				
Intangible assets	646	7,881	57,520	12,210
Tangible assets	-2,509	6,357	-4,251	391
Receivables	2,400	3,881	-245	-5,614
Inventory	32,850	22,078	-	1,036
Liabilities	5,216	4,670	-660	911
Tax loss carry forwards	-	-	-	28
<b>Total</b>	<b>38,603</b>	<b>44,867</b>	<b>52,364</b>	<b>8,962</b>
<b>DKK thousands</b>			<b>2023</b>	<b>2022</b>
<b>Net changes in deferred tax</b>				
Opening deferred tax, net			35,905	28,396
Deferred tax adjustment for the year			-49,667	7,509
<b>Closing deferred tax, net</b>			<b>-13,762</b>	<b>35,905</b>

# Notes

## 8 Income taxes and deferred tax - continued

The deferred tax assets and liabilities recognized are allocated to the following items:

### Deferred tax allocation 2023

DKK thousands	Intangible assets	Property, plant and equipment	Receivables	Inventory	Liabilities	Tax loss	Total
Deferred tax at 1 January 2023	-4,329	5,966	9,495	21,042	3,759	-28	35,905
Recognized in net profit	-52,545	-4,224	-6,850	11,808	2,117	28	-49,667
<b>Deferred tax at 31 December 2023</b>	<b>-56,874</b>	<b>1,742</b>	<b>2,645</b>	<b>32,850</b>	<b>5,876</b>	<b>-</b>	<b>-13,762</b>

### Deferred tax allocation 2022

DKK thousands	Intangible assets	Property, plant and equipment	Receivables	Inventory	Liabilities	Tax loss	Total
Deferred tax at 1 January 2022	-3,666	4,128	6,615	17,877	3,470	-28	28,396
Recognized in net profit	-663	1,837	2,880	3,165	289	-	7,509
<b>Deferred tax at 31 December 2022</b>	<b>-4,329</b>	<b>5,965</b>	<b>9,495</b>	<b>21,042</b>	<b>3,759</b>	<b>-28</b>	<b>35,905</b>



# Notes

## 8 Income taxes and deferred tax - continued

### Accounting policies

Tax for the year comprises current income tax and changes in deferred tax for the year, including adjustments to previous year. The tax for the year is recognized in the income statement unless the tax relates directly to items included in other comprehensive income or equity.

Current income tax receivable and payable are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax payable and receivable are recognized in the balance sheet at the estimated tax charge regarding the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities at the reporting date. However, deferred tax is not recognized on temporary differences relating to goodwill, which is not deductible for tax purposes and on other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either net profit for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the taxation rules and rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Deferred tax assets are recognized at the value at which they are expected to be utilized, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities. The deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax is calculated on share-based payments to the extent that the individual scheme is deductible for the group.

Deferred tax is calculated as the difference between the value of the share-based payment at the time of allocation and the fair value, whichever is higher. Deferred tax assets from share-based payment schemes are recognized proportionately over the vesting period. The tax asset is recognized in the income statement at a value corresponding to the tax deduction for the scheme-related costs recognized in the income statement. Any additional values are recognized directly in equity.

Deferred tax is adjusted for elimination of unrealised intercompany gains and losses.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. This judgement is made annually and based on budgets and business plan for the coming 3 years unless a longer period in certain situations is warranted.

# Notes

## 9 Intangible assets

2023

DKK thousands	Software	Patents	Goodwill	Development projects	Development projects and other assets in progress	Total intangible assets
<b>Acquisition</b>						
1 January 2023	35,587	63,828	70,843	-	-	170,258
Exchange rate adjustment	-89	54	-	-	-	-35
Additions	552	4,217	-	7,440	157,514	169,723
Transferred	715	-715	-	-	-	-
Disposals	-101	-13,969	-	-	-	-14,070
<b>31 December 2023</b>	<b>36,663</b>	<b>53,414</b>	<b>70,843</b>	<b>7,440</b>	<b>157,514</b>	<b>325,875</b>
<b>Amortisation and impairment losses</b>						
1 January 2023	23,001	37,544	17,298	-	-	77,843
Exchange rate adjustment	-33	48	-	-	-	15
Amortisation	3,844	4,813	-	1,860	-	10,517
Transferred	641	-641	-	-	-	-
Disposals	-	-13,270	-	-	-	-13,270
<b>31 December 2023</b>	<b>27,453</b>	<b>28,493</b>	<b>17,298</b>	<b>1,860</b>	<b>-</b>	<b>75,104</b>
<b>Carrying amount at:</b>						
<b>31 December 2023</b>	<b>9,210</b>	<b>24,921</b>	<b>53,545</b>	<b>5,580</b>	<b>157,514</b>	<b>250,771</b>

Refer to note 6 for allocation of amortisation and impairment to production costs, sales & distribution costs, research and development costs and administrative costs.

The Group's research and development costs totalled DKKm 390 in 2023, of which DKKm 165 have been capitalized.

# Notes

## 9 Intangible assets - continued

2022

DKK thousands	Software	Patents	Goodwill	Development projects	Development projects and other assets in progress	Total intangible assets
<b>Acquisition</b>						
1 January 2022	28,375	57,583	70,843	-	1,510	158,311
Additions	5,702	6,245	-	-	-	11,947
Transferred	1,510	-	-	-	-1,510	-
Disposals	-	-	-	-	-	-
<b>31 December 2022</b>	<b>35,587</b>	<b>63,828</b>	<b>70,843</b>	<b>-</b>	<b>-</b>	<b>170,258</b>
<b>Amortisation and impairment losses</b>						
1 January 2022	20,117	25,854	17,298	-	-	63,269
Amortisation	2,884	11,690	-	-	-	14,574
Transferred	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>31 December 2022</b>	<b>23,001</b>	<b>37,544</b>	<b>17,298</b>	<b>-</b>	<b>-</b>	<b>77,843</b>
<b>Carrying amount at:</b>						
<b>31 December 2022</b>	<b>12,586</b>	<b>26,284</b>	<b>53,545</b>	<b>-</b>	<b>-</b>	<b>92,415</b>
<b>31 December 2021</b>	<b>8,258</b>	<b>31,729</b>	<b>53,545</b>	<b>-</b>	<b>1,510</b>	<b>95,042</b>

Refer to note 6 for allocation of amortisation and impairment to production costs, sales & distribution costs, research and development costs and administrative costs.

# Notes

## 9 Intangible assets - continued

### Accounting policies

#### Goodwill

On initial recognition, goodwill is measured in the balance sheet at cost being the difference between the fair value of acquisition price in a business combination and the fair value of the acquired assets and liabilities. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortized. When recognising goodwill, it is allocated to the cash-generating unit to which it relates. The determination of cash-generating units complies with the managerial structure and the Group's internal financial control and reporting.

#### Impairment of goodwill

Goodwill is tested for impairment at least once a year and when circumstances indicate that the carrying amount may be impaired. The test is performed at the lowest CGU level possible. Goodwill is written down if the carrying amount exceeds the recoverable amount, which is the higher of the fair value of the asset less expected disposal costs and value in use. The recoverable amount is determined as the present value of the expected future net cash flows from the cash-generating unit to which goodwill is allocated.

Impairment losses of goodwill is recognized in the income statement.

#### Development projects

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Group intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred. Cost comprises salaries and other external expenses, which are attributable to the Group's development activities. Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses. On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 3 years and cannot exceed 5 years.

#### Impairment of development projects

Development projects in progress, either acquired or internally generated, are tested for impairment on an annual basis. For completed development projects, it is continuously assessed whether there is any indication of impairment. If the management

finds that there is an indication of impairment, an impairment test is carried out, comparing the estimated future net cash flows with the carrying amount of the asset. Impairment losses of development projects is recognized in the income statement.

#### Software

Software includes acquired intangible rights. Software acquired separately or developed for internal use is measured at the lower cost, less any accumulated amortisation and impairment losses and the recoverable amount. Costs related to development of software are calculated as external costs, amortisation and depreciation directly attributable to the development of the software.

Amortisation is recognized on a straight-line basis over their estimated useful lives for software which is considered to be 3-5 years.

The estimated useful life and amortisation method is reviewed at the end of each reporting period.

#### Patents and licenses

Patents and licenses are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining term of the patent, and licenses are amortised over the term of the license, however not exceeding 10 years.

### Accounting estimates and judgements

Goodwill is not subject to amortisation but is tested annually for impairment. Assessing expected future cash flows and setting discount rates involves a level of estimation based on approach based on approved forecasts and market data. Estimates are applied when estimating the value of goodwill.

#### Goodwill impairment

The carrying amount of Goodwill at DKK.t. 53.545 (2022: DKK.t. 53.545) stems from the business combinations of Design Services and SC Investment in prior years.

#### Impairment testing and accounting judgements and estimates

For the purpose of the impairment test, 3Shape Group is considered the Group's only cash generating unit ("CGU"). Impairment test was performed as of December 31, 2023 by comparing the carrying amount and the recoverable amount of the CGU. The recoverable amount is based on the "value in use" as the present value of the future cash flows expected to be derived from the

# Notes

## 9 Intangible assets - continued

### Accounting estimates and judgements - continued

CGU. The carrying amount of the CGU was determined to be lower than its recoverable amount and the Group has therefore no impairment loss to be recognized.

#### Key assumptions used in value in use calculations and sensitivity to changes in assumptions.

The calculation of value in use is most sensitive to the following assumptions:

- EBITDA: Overall, revenue growth similar to previous years is expected in the forecast period. For EBITDA, the corresponding increase is expected to be equal to growth in revenue.
- Discount rate (WACC): Discount rate (WACC) Discount rates represents the current market assessment of the risks taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC takes into consideration both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is derived from borrowings on terms similar to the Groups credit assessment. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows. The expected future cash flow has been discounted using a WACC of 11%.
- Inflation: Applied in the budget period 2024-2029 is on average 2.4%.
- Growth rate estimates: Average growth rate of 2% expected in the terminal period

The period applied prior to the terminal period is 6 years and consist of a one-year budget period followed by a five-year normalization period and a terminal period. The expected future cash flows covering the period from 2024-2029 have been derived from the Group's business plan. These cash flows relate to the CGU in its condition when preparing the financial statements and exclude the estimated cash flow that might arise from restructuring plans or other structural changes. The assumptions used in this process represent management's best estimate for the period under consideration and no reasonable changes in assumptions would lead to impairment..

## 10 Property, plant and equipment

2023	Fixtures and fittings, tools and equipment	Leasehold improvements	Tangible assets under construction	Right-of-use assets	Total
<b>DKK thousands</b>					
<b>Cost</b>					
1 January 2023	96,144	65,261	3,355	249,518	414,278
Exchange rate adjustment	1,574	178	226	-	1,978
Additions	26,841	10	8,320	50,912	86,083
Transferred	3,488	-	-3,488	-	-
Disposals	-17,757	-38	-2,463	-35,833	-56,091
<b>31 December 2023</b>	<b>110,290</b>	<b>65,411</b>	<b>5,950</b>	<b>264,597</b>	<b>446,248</b>
<b>Depreciation and impairment</b>					
1 January 2023	55,897	43,301	-	41,349	140,547
Exchange rate adjustment	864	-190	-	-	674
Depreciation charge	15,054	11,801	-	40,363	67,217
Disposals	-7,036	-18	-	-13,071	-20,125
<b>31 December 2023</b>	<b>64,779</b>	<b>54,894</b>	<b>-</b>	<b>68,641</b>	<b>188,314</b>
<b>Carrying amount at:</b>					
<b>31 December 2023</b>	<b>45,511</b>	<b>10,517</b>	<b>5,950</b>	<b>195,956</b>	<b>257,934</b>

Refer to note 6 for allocation of amortisation and impairment to production costs, sales & distribution costs, research and development costs and administrative costs.

Disposals of fixtures and fittings, tools and equipment relate in most cases to changes in classification of scanners to inventory.

# Notes

## 10 Property, plant and equipment - continued

2022	Fixtures and fittings, tools and equipment	Leasehold improvements	Tangible assets under construction	Right-of-use assets	Total
<b>DKK thousands</b>					
<b>Cost</b>					
1 January 2022	76,324	58,917	394	237,139	372,774
Additions	24,858	6,344	2,961	34,732	68,895
Transferred	-	-	-	-	-5,038
Disposals	-5,038	-	-	-	-5,038
<b>31 December 2022</b>	<b>96,144</b>	<b>65,261</b>	<b>3,355</b>	<b>249,518</b>	<b>414,278</b>
<b>Depreciation and impairment</b>					
1 January 2022	43,011	30,445	-	22,353	95,809
Depreciation charge	17,924	12,856	-	41,349	72,129
Transferred	-	-	-	-	-
Disposals	-5,038	-	-	-	-5,038
<b>31 December 2022</b>	<b>55,897</b>	<b>43,301</b>	<b>-</b>	<b>41,349</b>	<b>140,547</b>
<b>Carrying amount at:</b>					
31 December 2022	40,247	21,960	3,355	208,169	273,731
1 January 2022	33,313	28,472	394	214,786	276,965

Refer to note 6 for allocation of amortisation and impairment to production costs, sales & distribution costs, research and development costs and administrative costs.

### Accounting policies

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Costs comprise the acquisition price and any costs directly attributable to the acquisition until the date when the asset is ready for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, wages and salaries as well as borrowing costs relating to specific and general borrowing directly attributable to the construction of the individual asset.

Individual components of property, plant and equipment that have different useful lives are accounted for as separate items, which are depreciated separately. Depreciation is provided on a straight-line basis over the expected useful lives of the assets, which are as follows:

Leasehold improvements	5 years (or shorter if agreement is shorter)
Fixtures and fittings, tools and equipment	3-5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognized. In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognized prospectively as a change in accounting estimates.

Depreciation is recognized in the income statement as production costs, sales & distribution costs, research & development costs and administrative expenses, respectively. Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognized in the income statement as other operating income or other operating expenses, respectively.

### Right-of-use assets

Whether a contract contains a lease is assessed at contract inception. For identified leases, a right-of-use asset and corresponding lease liability is recognized on the lease commencement date.

The Group has lease contracts for office, production sites, warehouses and vehicles. Leases of office and vehicles generally have lease terms between 1 and 7 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

# Notes

## 10 Property, plant and equipment - continued

### § Accounting policies - continued

Upon initial recognition, the right-of-use asset is measured at cost corresponding to the lease liability recognized, adjusted for any lease prepayments or directly related costs, including restoration costs. The lease liability is measured at the present value of lease payments of the leasing period discounted using the interest rate implicit in the lease contract.

At subsequent measurement, the right-of-use asset is measured at costs less accumulated depreciation and impairment losses and adjusted for any remeasurements of the lease liability.

Depreciation is carried out following the straight-line method over the lease term or the useful life of the right-of-use asset, whichever is shortest. The lease liability is measured at amortised cost using the effective interest method and adjusted for any remeasurements or modifications made to the contract.

Right-of-use assets and lease liabilities are not recognized for low value lease assets or leases with a lease term of 12 months or less. These are recognized as an expense on a straight-line basis over the term of the lease. Any service elements separable from the lease contract are also accounted for following the same principle.

The lease liability will be remeasured when changes occur due to modifications to the contract (extension, termination etc.) or indexation.

### ! Material accounting judgements and estimates

The lessee's incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Management based its estimate of incremental borrowing rate on borrowing offers received from third parties.

### Recognition of right-of-use-assets in the balance sheet

DKK thousands	31. december 2023	31. december 2022	1. januar 2022
<b>Right-of-use-assets</b>			
Land and buildings	187,433	208,169	214,786
Vehicle fleet	8,523	-	-
<b>Total right-of-use-assets</b>	<b>195,956</b>	<b>208,169</b>	<b>214,786</b>
<b>Lease liabilities</b>			
Current	37,662	38,402	33,871
Non-current	160,628	170,844	183,222
<b>Total lease liabilities</b>	<b>198,290</b>	<b>209,246</b>	<b>217,093</b>

### Contractual maturity of lease liabilities

DKK thousands	31. december 2023	31. december 2022	1. januar 2022
0-1 years	49,787	51,346	47,234
1-5 years	162,488	157,095	147,032
> 5 years	35,150	54,962	83,350
<b>Total undiscounted lease liabilities at 31 December</b>	<b>247,425</b>	<b>263,403</b>	<b>277,616</b>

All lease payments are fixed.

# Notes

## 10 Property, plant and equipment - continued

### Movement of lease liabilities

DKK thousands	2023	2022
Leasing liabilities 1 January	209,246	217,093
Additions during the year	45,286	34,732
Disposals during the year	-18,214	-
Payments	-38,029	-42,579
<b>Leasing liabilities 31 December</b>	<b>198,290</b>	<b>209,246</b>

The income statement and cash flow impact of leases recognized for the year are specified below:

DKK thousands	2023	2022
<b>Depreciation charge, right-of-use assets</b>		
Land and buildings	38,010	41,349
Vehicle fleet	2,353	-
<b>Total depreciation charge, right-of-use assets</b>	<b>40,363</b>	<b>41,349</b>
<b>Income statement</b>		
Interest expenses on lease liabilities	10,575	12,618
Expenses relating to short-term leases	3,879	28
Expenses relating to leases of low-value assets	722	577
<b>Cash flow</b>		
Total cash outflow for leases	53,205	55,802

## 11 Financial assets

DKK thousands	Deposits
1 January 2023	15,181
Additions	2,047
Disposals	-1,062
<b>31 December 2023</b>	<b>16,166</b>
1 January 2022	15,856
Additions	1,036
Disposals	-1,711
<b>31 December 2022</b>	<b>15,181</b>

### Accounting policies

Financial assets comprises deposits paid by the Group and are measured at amortised cost.

## 12 Other payables

DKK thousands	31 December 2023	31 December 2022	1 January 2022
VAT	-	71	-2,645
Other salary payables	73,395	62,107	71,719
Other liabilities for authorities	-	-	6,641
Long term liabilities	-	58	145
<b>Total</b>	<b>73,395</b>	<b>62,236</b>	<b>75,860</b>



# Notes

## 13 Inventories

DKK thousands	31 December 2023	31 December 2022	1 January 2022
<b>Inventory</b>			
Raw materials and consumables	366,020	368,482	275,971
Work in progress	73,231	52,203	49,103
Finished goods and goods for resale	72,166	69,367	77,725
Write-downs at year-end	-81,888	-95,695	-116,552
<b>Total inventories</b>	<b>429,530</b>	<b>394,357</b>	<b>286,247</b>

DKK thousands	2023	2022
<b>Movements in inventory writedowns</b>		
Writedowns at 1 January	-95,695	-116,877
Foreign exchange adjustments	-5,590	-
Writedowns during the year	-36,352	-33,213
Utilisation of writedowns	34,990	16,471
Reversal of writedowns	20,759	37,924
<b>Writedowns at 31 December</b>	<b>-81,888</b>	<b>-95,695</b>

During 2023, DKK.t. 19,397 (2022: DKK.t. 21,182) was recognized as an expense for inventories carried at net realizable value. This is recognized in production costs.

## § Accounting policies

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries as well as indirect production overheads. Production overheads comprise costs of material and labour as well as maintenance of and depreciation on production machinery, buildings and equipment as well as costs relating to plant administration and management.

The net realisable value of inventories is determined as the selling price less costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

# Notes

## 14 Trade receivables

### Ageing of trade receivables

DKK thousands	31 December 2023		
	Gross	Loss allowance	Carrying amount
Trade receivables, not overdue	400,530	-	400,530
Trade receivables, 0-90 days overdue	117,565	-	117,565
Trade receivables, 91-180 days overdue	24,515	-4,222	20,293
Trade receivables, 181-270 days overdue	8,019	-2,735	5,284
Trade receivables, 271-360 days overdue	6,694	-3,222	3,472
Trade receivables, more than 360 days overdue	6,909	-6,909	-
<b>Total trade receivables</b>	<b>564,232</b>	<b>-17,088</b>	<b>547,144</b>

DKK thousands	31 December 2022		
	Gross	Loss allowance	Carrying amount
Trade receivables, not overdue	293,152	-	293,152
Trade receivables, 0-90 days overdue	92,154	-	92,154
Trade receivables, 91-180 days overdue	18,772	-9,579	9,193
Trade receivables, 181-270 days overdue	4,945	-2,349	2,596
Trade receivables, 271-360 days overdue	3,720	-2,343	1,376
Trade receivables, more than 360 days overdue	5,716	-5,716	-
<b>Total trade receivables</b>	<b>418,459</b>	<b>-19,987</b>	<b>398,472</b>

DKK thousands	1 January 2022		
	Gross	Loss allowance	Carrying amount
Trade receivables, not overdue	214,987	-	214,987
Trade receivables, 0-90 days overdue	81,141	-	81,141
Trade receivables, 91-180 days overdue	17,410	-3,906	13,504
Trade receivables, 181-270 days overdue	5,322	-1,098	4,223
Trade receivables, 271-360 days overdue	3,556	-728	2,828
Trade receivables, more than 360 days overdue	11,619	-11,619	-
<b>Total trade receivables</b>	<b>334,034</b>	<b>-17,351</b>	<b>316,683</b>

The carrying amount of the trade receivables is assumed to approximate the fair value.

### Allowance for expected credit losses

DKK thousands	2023	2022
Loss allowance at 1 January	-19,987	-17,351
Foreign exchange adjustments	13	-80
Provision for expected credit losses	-14,304	-14,319
Reversal of expected credit losses (unused)	9,081	6,064
Realised write-offs	8,108	5,699
Loss allowance at 31 December	-17,088	-19,987

### Accounting policies

Trade receivables include receivables from sales and are measured at amortised cost less allowance for life-time expected credit losses.

The Group applies the simplified approach to measuring expected credit losses under IFRS 9, which uses a lifetime expected loss allowance for all trade receivables and contract assets. The allowance for expected credit losses for trade receivables is based on historical credit loss experience.

The cost of allowances for expected credit losses and write-offs for trade receivables are recognized in the income statement under Production Cost.

Payment terms vary significantly across territories.

# Notes

## 15 Share capital and treasury shares

### Share capital

The share capital comprises 181,890 class A shares of DKK 0.1 each, 4,673,769 class B shares of DKK 0.1 each and 526,235 class C shares of DKK 0.1 each. Each A, B and C share of DKK 0.1 per share carries 1 vote.

Number of shares	Class A shares		Class B shares		Class C shares		Number of shares	
	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance 1 January	181,890	534,427	4,673,683	-	526,079	-	5,381,652	534,427
Stocksplit 1:10	-	4,834,566	-	-	-	-	-	4,834,566
Transferred	-	-5,199,762	-	4,673,683	-	526,079	-	-
Capital increase, private placement	-	12,659	86	-	156	-	242	12,659
<b>Closing balance 31 December</b>	<b>181,890</b>	<b>181,890</b>	<b>4,673,769</b>	<b>4,673,683</b>	<b>526,235</b>	<b>526,079</b>	<b>5,381,894</b>	<b>5,381,652</b>

Treasury shares	Class A shares		Class B shares		Class C shares		Nominal value (DKKt)		In % of share capital	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Opening balance 1 January	11,302	616	45	-	135	-	27,700	3,344	0.21%	0.12%
Stocksplit 1:10	-	6,831	-	-	-	-	-	-	0.00%	0.14%
Aquisition/disposal of treasury shares	12,937	4,053	31	45	244	135	52,975	24,356	0.25%	0.08%
Disposals, share options	-2,207	-198	-	-	-	-	-	-	-0.04%	0.00%
<b>Treasury shares 31 December</b>	<b>22,032</b>	<b>11,302</b>	<b>76</b>	<b>45</b>	<b>379</b>	<b>135</b>	<b>80,675</b>	<b>27,700</b>	<b>0.42%</b>	<b>0.33%</b>

The board has decided that the Group can hold 40,000 treasury shares.

### Foreign exchange adjustment reserve

DKK thousands	2023	2022
Opening balance 1 January	-5,959	-
Foreign exchange adjustment of foreign operations	15,983	-5,959
<b>Translation reserve 31 December</b>	<b>10,024</b>	<b>-5,959</b>

# Notes

## 15 Share capital and treasury shares - continued

### Accounting policies

#### Exchange rate adjustment reserve

Exchange rate adjustment reserve comprises foreign exchange differences arising from the translation of financial statements of foreign entities with a functional currency other than DKK as well as from the translation of non-current balances which are considered part of the investment in foreign entities. On full realisation of a foreign entity where control is lost the accumulated foreign exchange adjustments are transferred to the income statement in the same line item as the gain or loss.

#### Treasury shares

The cost of acquisition and proceeds from sale of treasury shares are recognized in reserve for treasury shares. Dividends received in relation to treasury shares are recognized in retained earnings.

#### Dividend

Dividend is recognized in the financial statements when it is adopted at the Annual General Meeting and the Company thereby having incurred a liability.

## 16 Changes in working capital

DKK thousands	2023	2022
Changes in inventories	-35,172	-108,110
Changes in receivables	-155,101	-84,003
Changes in trade payables	27,621	-31,762
Changes in deferred revenue	40,434	27,369
Changes in other payables	11,159	-13,624
Exchange rate effect in working capital	20,524	-
Other changes in working capital	-1,869	-
<b>Total</b>	<b>-92,404</b>	<b>-210,130</b>

## 17 Financial risk management

### Policy for management of capital

The Group's capital management is assessed and adjusted in close cooperation with its owners. It is the view that the Group's capital structure and financial gearing at all time shall reflect the Group's activities and risk profile providing opportunities for investment based on Group strategy.

### Policy for management of financial risks

The group's risk management is predominantly controlled by a central finance department (group finance) under policies approved by the Board of Directors. Group finance identifies and evaluates financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

### Management has assessed the following key financial risks:

#### Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. For the Group, market risk comprises foreign currency risk and interest rate risk.

#### Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates to exposure on revenue and expenses denominated in foreign currency. The global presence with manufacturing and representation offices in several countries as well as a direct sales channel in select countries creates currency exposure for the Group. The principal exchange rate effect arises from transaction flows when purchasing and/or production is carried out in one currency and sales occur in another one.

A major part of the business flows is denominated in EUR and USD. DKK and EUR are closely correlated as DKK is pegged to EUR. Consequently, the risk on EUR is considered limited. Other business flows are primarily denominated in USD, CNY and PLN. The Group's overall currency exposure is managed centrally. This is carried out by exchanging sufficient cash into the required currency using spot exchange once the requirement is known. Cash more than working capital needs is held in EUR or DKK.

The Group does not perform any hedging activities, and at present 3Shape does not have plans to engage in hedging of foreign currency risks. Engaging in hedging activities requires approval from the Board of Directors.

#### Sensitivity analysis

The following table shows the impact on the group's net profit in the event of a 10% fluctuation in the main currencies relative to the recognized financial instruments. The fluctuation of 10% constitutes the management's assessment of a realistic exchange rate development within the main currencies. The financial instruments comprised by the sensitivity analysis include trade receivables, cash, payables, trade payables and intercompany balances. The sensitivity analysis does not take into consideration any translation effect from functional currency to presentation currency.

# Notes

## 17 Financial risk management - continued

DKK thousands	Decrease of 10% in USD		Decrease of 10% in PLN	
	2023	2022	2023	2022
Income statement	-73,836	-77,180	50,969	30,743
	<b>-73,836</b>	<b>-77,180</b>	<b>50,969</b>	<b>30,743</b>

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from money market deposits held by the Group. These are short-term and not material amounts. As the Group is generating positive cash flows, exposure to interest rate risk is considered minimal.

The Group regularly monitors its interest rate risk and considers it to be insignificant, therefore an interest rate sensitivity analysis is not deemed necessary.

### Credit risk

#### Credit risk exposure to financial counterparties

Credit risk arises from the possibility that transactional counterparties may default on their obligations, causing financial losses for the Group. To manage credit risk regarding financial counterparties, the Group only enters into money market investments with counterparties possessing a satisfactory long-term credit rating. A credit scoring of A or higher is a requirement, with exceptions being made in local markets where banks with such ratings may not be present.

#### Credit risk exposure to non-financial counterparties

Credit risk exposures to non-financial counterparties is the risk that a counterparty will not meet its obligations, leading to a financial loss. The Group is exposed to credit risk primarily related to its trade and other receivables.

The Group assesses default and partly write off outstanding amounts when the trade receivables are due more than 90 days and fully when above 360 days or when there is a court order of bankruptcy from the counterparty. Since many years, 3Shape has not realized significant losses on receivables.

### Liquidity Risk

Liquidity risk results from the Group's potential inability or difficulty in meeting the contractual obligations associated with its financial liabilities due to insufficient liquidity.

As of December 31, the Group's cash and cash equivalents amounted to DKK 964 million (2022: DKK 1,013 million), which is deemed sufficient to meet the current obligations and future obligations in line with the Group's expectations and strategy.

## 18 Net interest-bearing debt

The net interest-bearing debt is as set out in the table below.

DKK thousands	31 December 2023	31 December 2022	1 January 2022
Lease liabilities	198,290	209,246	217,093
<b>Gross interest-bearing debt</b>	<b>198,290</b>	<b>209,246</b>	<b>217,093</b>
Cash and cash equivalent	964,079	1,012,947	492,494
<b>Gross interest-bearing receivables</b>	<b>964,079</b>	<b>1,012,947</b>	<b>492,494</b>
<b>Net-interest bearing debt</b>	<b>-765,789</b>	<b>-803,701</b>	<b>-275,401</b>

### § Accounting policies

On initial recognition, interest-bearing debt and borrowings are measured at fair value less transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are measured at amortised cost.

## 19 Financial assets and liabilities by category

DKK thousands	31 December 2023	31 December 2022	1 January 2022
<b>Financial assets measured at amortised cost</b>			
Trade receivables	547,144	398,472	316,683
Other receivables	46,444	37,029	38,411
Prepayments	21,957	24,943	21,347
<b>Financial assets measured at amortised cost</b>	<b>615,545</b>	<b>460,444</b>	<b>376,441</b>
<b>Financial liabilities measured at amortised cost</b>			
Lease liabilities	198,290	209,246	217,093
Trade payables	219,792	192,171	223,933
Other liabilities	73,395	62,236	75,860
<b>Financial liabilities measured at amortised cost</b>	<b>491,477</b>	<b>463,653</b>	<b>516,886</b>

As carried amounts measured in the balance sheet all are adjusted according to the official year end exchange rate, the carried amounts are assessed as representable for fair value.

# Notes

## 20 Financing activities

DKK thousands	Beginning of the year	Cash flow	Non-cash change	
			Other*	End of year
<b>Financing activities 2023</b>				
Lease liabilities	209,246	-38,029	27,072	198,290
<b>Total liabilities from financing activities</b>	<b>209,246</b>	<b>-38,029</b>	<b>27,072</b>	<b>198,290</b>
<b>Financing activities 2022</b>				
Lease liabilities	217,093	-42,579	34,732	209,246
<b>Total liabilities from financing activities</b>	<b>217,093</b>	<b>-42,579</b>	<b>34,732</b>	<b>209,246</b>

\* Other includes additions and remeasurement of financial liabilities

## 21 Financing liabilities

The table breaks down the Groups financial liabilities into relevant maturity groupings based on contractual maturities.

DKK thousands	Carrying amount	Total cash flow including interest	Maturity		
			0-1 year	1-5 years	> 5 years
<b>Financing liabilities - maturity 2023</b>					
Trade payables	219,792	219,792	219,792	-	-
Other payables	73,395	73,395	73,395	-	-
<b>Total</b>	<b>293,187</b>	<b>293,187</b>	<b>293,187</b>	<b>-</b>	<b>-</b>
<b>Financing liabilities - maturity 2022</b>					
Trade payables	192,171	192,171	192,171	-	-
Other payables	62,236	62,236	62,178	58	-
<b>Total</b>	<b>254,407</b>	<b>254,407</b>	<b>254,349</b>	<b>58</b>	<b>-</b>

## 22 Adjustments of non-cash operating items

DKK thousands	2023	2022
Income taxes in the income statement	285,313	253,153
Amortisation on intangible assets	10,517	14,574
Depreciation on tangible assets	67,217	72,129
Loss from disposal of assets	8,907	-
Unrealised foreign exchange gains/losses	-7,800	-32,801
Share-based payment	14,764	4,499
Other adjustments	-	21,804
<b>Total</b>	<b>378,918</b>	<b>333,358</b>

## 23 Contingent liabilities and commitments

### Contingent liabilities

The Group had the following contingent liabilities as of 31 December 2023.

In 2019, Densys Ltd filed a lawsuit in the District Court of the Western District of Texas against companies in the 3Shape group regarding alleged patent infringements. The case concerns only the US market, and 3Shape disputes the allegations made. The case was in trial in 2023, the ruling is pending.

3Shape is still of the opinion that the above-mentioned case will not have a significant effect on the Group's future development and financial position.

### Commitments

DKK thousands	2023	2022
<b>Guarantee commitments</b>		
Bank guarantee	350	350
<b>Total guarantee commitments</b>	<b>350</b>	<b>350</b>
<b>Operating commitments</b>		
Purchase contracts for raw materials	69,744	256,019
<b>Total operating commitments</b>	<b>69,744</b>	<b>256,019</b>

# Notes

## 24 Related parties

3Shape Holding A/S' related parties comprise the following:

The following shareholders are listed in the company's owner's register as owning a minimum of 5% of the votes or a minimum of 5% of the share capital:

Shareholder	Registered office
- Clausen Engineering ApS	Copenhagen
- Deichmann Media ApS	Copenhagen
- EQT IX JAWS BIDCO S.À R.L	Luxembourg

### Other Related parties

Other Related parties with significant influence comprise the Board of Directors and Executive Board and their related parties. There were no other parties identified.

There has been related party transactions considering normal remuneration of the Board of Directors and Executive Board which are disclosed as part of note 9. During 2023, 3Shape Holding A/S divested 3Shape Medical A/S to related parties and divestment proceeds were DKK.t. 12,225

Companies in the Group	Country	Ownership	
		2022	2023
3Shape A/S	Denmark	100%	100%
3Shape Trios A/S	Denmark	100%	100%
3Shape Medical A/S	Denmark	100%	0%
3Shape (Shanghai) Co., Ltd.	China	100%	100%
3Shape Co., Ltd (UK)	UK	100%	100%
3Shape A/S Medical Equipment Manufacture Shangai Limited	China	100%	100%
3Shape Australia Pty Ltd	Australia	100%	100%
3Shape do Brasil Soluções Tecnológicas para Saúde Ltda.	Brazil	100%	100%
3Shape France SAS	France	100%	100%
3Shape Germany GmbH	Germany	100%	100%
3Shape Inc.	USA	100%	100%
3Shape Italy SRL	Italy	100%	100%
3Shape Japan GK	Japan	100%	100%
3Shape Korea Limited	South Korea	100%	100%
3Shape Manufacturing US, LLC	USA	100%	100%
3Shape Poland sp. z o.o.	Poland	100%	100%
3Shape S.A.S.	Colombia	100%	100%
3Shape Trios S.L.	Spain	100%	100%
3Shape Ukraine Ltd.	Ukraine	100%	100%
3Shape LLC Skopje (Macedonia)	Northern Macedonia	100%	100%
3Shape Design Services, LLC	USA	100%	100%
3Shape Design Services Costa Rica, S.R.L.	Costa Rica	100%	100%
Shenzhen FullContour Design Co. Ltd	China	100%	100%
SC Investment Company, LLC	USA	100%	100%

# Notes

## 25 Share-based payment

DKK thousands	2023	2022
<b>Share-based payment expensed in the income statement</b>		
Short- and long term share-based incentive programs to employees	7,152	59
Long-term share-based incentive programme (Executive Management)	7,612	4,440
<b>Share-based payment expensed in the income statement</b>	<b>14,764</b>	<b>4,499</b>

### Short- and long term share-based incentive programs to employee

In appreciation of the efforts of employees during recent years, as of 28 October 2022 and 31 March 2023, 3Shape offered selected specialist employees restricted stock units. A restricted stock unit gives the holder the right to receive two 3Shape Holding A/S A shares free of charge in October 2029 and April 2030, subject to continued employment. The cost of the programme is DKK 2.882 thousands and is amortised over the vesting period. Additionally as of 1 August 2023, 3Shape offered employees in 3Shape A/S and 3Shape Trios A/S an employees share program to purchase shares at a discounted value. The cost of the programme is DKK 6.756 thousands.

### Long-term share-based incentive programme

#### Executive Management

On 8 June 2022, the Board of Directors approved a warrant program of 5,300 A shares for the Executive Management. The cost of the programme is amortised over the vesting period of 2022-2025. The total costs is DKK 20,3 million.

All restricted stock units and shares allocated to employees and Management are settled by shares at the time of vesting. Valuation is based on Black-Scholes option pricing model. The Black-Scholes option pricing model takes into account the exercise price, the term of the warrant, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the warrant, and the correlations and volatilities of a peer group of companies.

	Restricted stock units to employees		Shares for Management Board		Total	
	2023	2022	2023	2022	2023	2022
<b>Outstanding share options</b>						
Outstanding at the beginning of the year	396	-	5,300	-	5,696	-
Allocated in the year	2,241	396	-	5,300	2,241	5,696
Exercised during the year	-2,173	-	-	-	-2,173	-
<b>Outstanding at end of the year</b>	<b>464</b>	<b>396</b>	<b>5,300</b>	<b>5,300</b>	<b>5,764</b>	<b>5,696</b>

DKK thousands	Restricted stock units to employees		Shares for Management Board	
	2023	2022	2023	2022
<b>General terms and conditions</b>				
Number of shares awarded in the year	68	396	-	5,300
Value per share at launch (DKK)	6,211	6,211	-	3,830
Total market value at year-end	422	2,460	-	20,297
Vesting period	2023 to 2030		2022 to 2029	
<b>Amortisation period</b>	<b>3 years</b>	<b>3 years</b>		<b>3 years</b>

### § Accounting policies

The fair value of 3Shape's share-based payment is expensed on an accrual basis. Fair value of equity-based schemes at the time of allocation is calculated according to recognized valuation models or methods. This value is expensed over the service period for each of the respective schemes and is taken to equity. On recognition of the fair value during the service period, account is taken of the number of employees who are expected to obtain a final right to the scheme, including the conditions to which the allocation is subject. This estimate is reassessed at the end of each reporting period so that only the number of rights expected to be vested are recognized. Adjustments relating to previous periods are recognized in the period in which the adjustment is made. The fair value per unit does not change.



# Notes

## 26 Remuneration of the auditor elected by the general meeting

DKK thousands	2023	2022
Fee for statutory audit	2,066	1,991
Tax consultancy	761	236
Other assurance engagements	26	-
Non-audit services	642	794
<b>Total</b>	<b>3,495</b>	<b>3,021</b>

## 27 Events occurring after the balance sheet date

No events has occurred after the balance sheet date that will have a material impact on the Group's financial position.

## 28 First-time adoption of IFRS

The Group has prepared financial statements that comply with IFRS applicable as at December 31, 2023, together with the comparative period data for the year ended December 31, 2022, as described in the summary of significant accounting policies.

In preparing the financial statements the Group's opening statement of financial position was prepared as of January 01, 2022, the Group's date of adoption of IFRS.

This note explains the principal adjustments made by the Group in restating its financial statements prepared in accordance with the Danish Financial Statements Act ("DK GAAP") including the statement of financial position as at January 01, 2022 and the financial statements as of, and for, the year ended December 31, 2022.

### Exemptions applied

IFRS 1 allows first time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Group has applied the following exemptions.

### IFRS 3 - Business combinations

The Group has decided not to restate the accounting for business combination completed before the date of transition to IFRS.

### IFRS 15 - Revenue recognition

The Group has decided not to restate contracts with customers that were completed before 1 January 2022.

Completed contracts are defined as contracts where the Group has transferred all the goods and services identified meaning:

- (a) service-type warranties that are still unconsumed by the customers
- (b) subscriptions and the like are not considered completed yet although the invoice payments were made already.

### IFRS 16 - Leasing

The Group has decided not to apply the full retrospective approach when adopting IFRS 16 and instead decided to recognize the right-of-use assets at an amount equal to the lease liability.

### Cumulative currency translation differences

Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 January 2022.

### Changes in accounting policies from DK GAAP to IFRS

In connection with the preparation of the financial statements, the following reclassification and adjustments to the income statement and the balance sheet were performed.

# Notes

## 28 First-time adoption of IFRS - continued

### IAS 36 - Valuation of goodwill:

Under local GAAP, goodwill is amortised over the useful life (determined by management to be 10 years) on a straight line basis. Under IFRS, goodwill is not amortised, but tested for impairment at least once a year to assess if events or changes in circumstances indicate that the carrying value may be impaired. No impairment was identified at the date of transition.

Amortisation in 2022 of DKK 6.498k, has been reversed.

### IFRS 16 - Leasing

Under local GAAP, a lease is classified as a finance lease or an operating lease, where operating lease payments are recognized as an operating expense in the income statement on a straight line basis over the lease term.

Under IFRS, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The lessee recognises a lease liability to make lease payments and a right-of-use asset, which is depreciated over a straight line basis over the lease term, representing the right to use the underlying asset.

### Cash flow statement

The transition from the Danish Financial Statements Act to IFRS has had an impact on the statement of cash flows. Cash flows arising from operating lease payments are classified as operating activities under local GAAP. Under IFRS, cash flows arising from payments of principal portion of lease liabilities are classified as financing activities.

## Group reconciliation of total comprehensive income for the year ended 31 December 2022

	Local GAAP	Effect of transition to IFRS	IFRS
Revenue	3,083,782	6,317	3,090,099
Production costs	-879,846	-3,787	-883,633
<b>Gross profit</b>	<b>2,203,936</b>	<b>2,530</b>	<b>2,206,466</b>
Sales & distribution costs	-447,624	-	-447,624
Research & development costs	-353,313	-	-353,313
Administrative costs	-312,919	15,847	-297,072
<b>Operating profit (EBIT)</b>	<b>1,090,080</b>	<b>18,377</b>	<b>1,108,457</b>
Financial income	49,361	-	49,361
Financial expenses	-16,068	-12,618	-28,686
<b>Net profit before tax</b>	<b>1,123,373</b>	<b>5,759</b>	<b>1,129,132</b>
Tax	-250,896	-2,257	-253,153
<b>Net profit for the year</b>	<b>872,477</b>	<b>3,502</b>	<b>875,979</b>

# Notes

## 28 First-time adoption of IFRS - continued

### Group reconciliation of the balance sheet as of 31 December 2022

	Local GAAP	Effect of transition to IFRS	IFRS
<b>Assets</b>			
Intangible assets	82,447	9,968	92,415
Property, plant and equipment	65,562	208,169	273,731
Financial assets	15,181	-	15,181
Deferred tax assets	48,462	-3,595	44,867
<b>Total non-current assets</b>	<b>211,652</b>	<b>214,542</b>	<b>426,194</b>
Raw materials and consumables	297,761	-	297,761
Work in progress	47,950	-	47,950
Finished goods and goods for resale	48,646	-	48,646
<b>Inventories</b>	<b>394,357</b>	<b>-</b>	<b>394,357</b>
Trade receivables	398,472	-	398,472
Tax receivables	-	-	-
Other receivables	37,029	-	37,029
Prepayments	24,943	-	24,943
<b>Receivables</b>	<b>460,444</b>	<b>-</b>	<b>460,444</b>
Cash and cash equivalents	1,012,947	-	1,012,947
<b>Total current assets</b>	<b>1,867,748</b>	<b>-</b>	<b>1,867,748</b>
<b>Total assets</b>	<b>2,079,400</b>	<b>214,542</b>	<b>2,293,942</b>

	Local GAAP	Effect of transition to IFRS	IFRS
<b>Equity and liabilities</b>			
Share capital	538	-	538
Share premium	88,795	-	88,795
Treasury shares	-27,700	-	-27,700
Exchange rate adjustments	-5,959	-	-5,959
Retained earnings	516,753	12,745	529,498
Proposed dividend	753,431	-	753,431
<b>Total equity</b>	<b>1,325,858</b>	<b>12,745</b>	<b>1,338,603</b>
Deferred tax liabilities	8,962	-	8,962
Other payables	58	-	58
Provisions	5,800	-5,800	0
Leasing liabilities	-	170,844	170,844
Deferred revenue	44,121	-	44,121
<b>Total non-current liabilities</b>	<b>58,941</b>	<b>165,044</b>	<b>223,985</b>
Provisions	5,800	-5,800	0
Deferred revenue	369,351	4,151	373,502
Leasing liabilities	-	38,402	38,402
Trade payables	192,171	-	192,171
Tax payables	65,101	-	65,101
Other payables	62,178	-	62,178
<b>Total current liabilities</b>	<b>694,601</b>	<b>36,753</b>	<b>731,354</b>
<b>Total liabilities</b>	<b>753,542</b>	<b>201,797</b>	<b>955,338</b>
<b>Total equity and liabilities</b>	<b>2,079,400</b>	<b>214,542</b>	<b>2,293,942</b>

# Notes

## 28 First-time adoption of IFRS - continued

### Group reconciliation of the balance sheet as of 1 January 2022

	Local GAAP	Effect of transition to IFRS	IFRS
<b>Assets</b>			
Intangible assets	91,572	3,470	95,042
Property, plant and equipment	62,179	214,786	276,965
Financial assets	15,856	-	15,856
Deferred tax assets	36,023	-1,338	34,685
<b>Total non-current assets</b>	<b>205,630</b>	<b>216,918</b>	<b>422,548</b>
Raw materials and consumables	200,804	-	200,804
Work in progress	36,415	-	36,415
Finished goods and goods for resale	49,028	-	49,028
<b>Inventories</b>	<b>286,247</b>	<b>-</b>	<b>286,247</b>
Trade receivables	316,683	-	316,683
Tax receivables	35,130	-	35,130
Other receivables	38,411	-	38,411
Prepayments	21,347	-	21,347
<b>Receivables</b>	<b>411,571</b>	<b>-</b>	<b>411,571</b>
Cash and cash equivalents	492,494	-	492,494
<b>Total current assets</b>	<b>1,190,312</b>	<b>-</b>	<b>1,190,312</b>
<b>Total assets</b>	<b>1,395,942</b>	<b>216,918</b>	<b>1,612,860</b>

	Local GAAP	Effect of transition to IFRS	IFRS
<b>Equity and liabilities</b>			
Share capital	534	-	534
Share premium	18,201	-	18,201
Treasury shares	-3,344	-	-3,344
Net revaluation reserve according to the equity method	-	-	-
Retained earnings	397,707	4,744	402,451
Proposed dividend	268,587	-	268,587
<b>Total equity</b>	<b>681,685</b>	<b>4,744</b>	<b>686,429</b>
Deferred tax liabilities	6,289	-	6,289
Other payables	145	-	145
Provisions	7,877	-7,877	0
Leasing liabilities	-	183,222	183,222
Deferred revenue	54,888	-	54,888
<b>Total non-current liabilities</b>	<b>69,199</b>	<b>175,345</b>	<b>244,544</b>
Provisions	7,510	-7,510	-
Deferred revenue	324,898	10,468	335,366
Leasing liabilities	-	33,871	33,871
Trade payables	223,933	-	223,933
Tax payables	13,002	-	13,002
Other payables	75,715	-	75,715
<b>Total current liabilities</b>	<b>645,058</b>	<b>36,829</b>	<b>681,887</b>
<b>Total liabilities</b>	<b>714,257</b>	<b>212,174</b>	<b>926,431</b>
<b>Total equity and liabilities</b>	<b>1,395,942</b>	<b>216,918</b>	<b>1,612,860</b>

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# Managements statement

The Board of Directors and the Executive Management have today considered and approved the Annual Report of 3Shape Holding A/S for the financial year that ended 31 December 2023.

The consolidated financial statement and parent financial statement have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and disclosure requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the financial position of the Group at 31. december 2023 and of the results of their operations and consolidated cash flows for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters, the results for the year and the Group's and the Parent Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, March 6, 2024

## **Executive Management**

Jakob Just-Bomholt (CEO)

## **Board of Directors**

Jørgen Falkebo Jensen (Chairman)

Karsten Munk Knudsen

Heather Jordan Cartwright

Tais Clausen (Vice chairman)

Scott Anderson

Nikolaj Deichmann (Vice chairman)

Mads Munkholt Ditlevsen

# Independent auditor's report

## To the shareholders of 3Shape Holding A/S

### Opinion

We have audited the consolidated financial statements and the parent company financial statements of 3Shape Holding A/S for the financial year 1 January – 31 December 2023, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of 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 financial position of the Group and the Parent Company at 31 December 2023 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on our procedures, we conclude that the Management's review is in accordance with the 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 the Management's review.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation

of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the 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 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 the financial statements.

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

- Identify and assess the risks of material misstatement of the 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 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 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 financial statements, including the note disclosures, and whether the financial statements 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.

Copenhagen, March 6, 2024

**EY Godkendt Revisionspartnerselskab**  
CVR-nr. 30 70 02 28

Torben Bender	Morten Weinreich Larsen
State Authorised Public Accountant	State Authorised Public Accountant
mne21332	mne42791



## Financial Statements

# Parent company's financial statements

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## Parent company's income statement

DKK thousands	Note	2023	2022
Administrative costs	2	-1,315	-975
<b>Operating profit</b>		<b>-1,315</b>	<b>-975</b>
Shares of profit/loss in subsidiaries	3	992,554	873,473
Financial income	4	23,141	5,451
Financial expenses	4	-17,006	-1,229
<b>Net profit before tax</b>		<b>997,374</b>	<b>876,720</b>
Tax	5	-965	-741
<b>Net profit for the year</b>	6	<b>996,409</b>	<b>875,979</b>

## Parent company's comprehensive income

DKK thousands	Note	2023	2022
<b>Profit for the year</b>		<b>996,409</b>	<b>875,979</b>
<b>Other comprehensive income</b>			
<i>Items that will be reclassified subsequently to the income statement:</i>			
Exchange rate adjustments of investments in subsidiaries		15,983	-5,959
<b>Other comprehensive income, net of tax</b>		<b>15,983</b>	<b>-5,959</b>
<b>Total comprehensive income</b>		<b>1,012,392</b>	<b>870,020</b>

# Parent company's balance sheet

DKK thousands	Note	As at 31 December 2023	As at 31 December 2022	As at 1 January 2022
<b>Assets</b>				
Equity investments in subsidiaries	3	1,358,159	1,206,845	569,832
<b>Financial assets</b>		<b>1,358,159</b>	<b>1,206,845</b>	<b>569,832</b>
<b>Total non-current assets</b>		<b>1,358,159</b>	<b>1,206,845</b>	<b>569,832</b>
Receivables from affiliated companies		32,379	52,667	46,496
Tax receivables		-	-	33,541
<b>Receivables</b>		<b>32,379</b>	<b>52,667</b>	<b>80,037</b>
Cash		202,537	172,868	58,463
<b>Total current assets</b>		<b>234,916</b>	<b>225,535</b>	<b>138,500</b>
<b>Total assets</b>		<b>1,593,075</b>	<b>1,432,380</b>	<b>708,332</b>

DKK thousands	Note	As at 31 December 2023	As at 31 December 2022	As at 1 January 2022
<b>Equity and liabilities</b>				
Share capital		538	538	534
Premium on issue of shares		90,652	88,795	18,201
Treasury shares		-80,675	-27,700	-3,344
Net revaluation reserve according to the equity method		654,102	205,974	178,961
Retained earnings		145,919	317,565	223,490
Proposed dividend		753,465	753,431	268,587
<b>Total equity</b>		<b>1,564,001</b>	<b>1,338,603</b>	<b>686,429</b>
Trade payables		277	468	2,690
Tax payables		10,128	59,237	-
Owings to affiliated companies		18,670	34,072	19,213
<b>Total current liabilities</b>		<b>29,074</b>	<b>93,777</b>	<b>21,903</b>
<b>Total liabilities</b>		<b>29,074</b>	<b>93,777</b>	<b>21,903</b>
<b>Total equity and liabilities</b>		<b>1,593,075</b>	<b>1,432,380</b>	<b>708,332</b>

Please refer to statement of changes in equity and note 8 in the consolidated financial statements for details on the average number of shares, treasury shares and total number of shares in 3Shape Holding A/S.

# Parent company's statement of changes in equity

DKK thousands	Share capital	Share premium	Reserve for treasury shares	Net revaluation reserve according to the equity method	Retained earnings	Proposed dividend	Total equity
<b>Equity at 1 January 2023</b>	<b>538</b>	<b>88,795</b>	<b>-27,700</b>	<b>205,974</b>	<b>317,565</b>	<b>753,431</b>	<b>1,338,603</b>
Net profit		-		986,644	-743,700	753,465	996,409
Other comprehensive income for the year				15,983			15,983
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,002,627</b>	<b>-743,700</b>	<b>753,465</b>	<b>1,012,392</b>
<i>Transactions with owners in their capacity as owners:</i>							
Capital increase		1,857					1,857
Share-based payment					14,764		14,764
Acquisition of treasury shares			-52,975				-52,975
Expected dividends from subsidiaries				-550,000	550,000		-
Distributed dividends						-750,640	-750,640
Dividends, treasury shares					2,791	-2,791	-
<b>Total transactions with owners</b>	<b>-</b>	<b>1,857</b>	<b>-52,975</b>	<b>-550,000</b>	<b>567,555</b>	<b>-753,431</b>	<b>-786,994</b>
<b>Equity at 31 December 2023</b>	<b>538</b>	<b>90,652</b>	<b>-80,675</b>	<b>658,601</b>	<b>141,420</b>	<b>753,465</b>	<b>1,564,001</b>
<b>Equity at 1 January 2022</b>	<b>534</b>	<b>18,201</b>	<b>-3,344</b>	<b>178,961</b>	<b>223,490</b>	<b>268,587</b>	<b>686,429</b>
Net profit				873,473	-750,925	753,431	875,979
Other comprehensive income for the year				-5,959			-5,959
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>867,514</b>	<b>-750,925</b>	<b>753,431</b>	<b>870,020</b>
<i>Transactions with owners in their capacity as owners:</i>							
Capital increase	4	70,594					70,598
Share-based payment				4,499			4,499
Acquisition of treasury shares			-24,356				-24,356
Expected dividends from subsidiaries				-845,000	845,000		-
Distributed dividends						-268,587	-268,587
<b>Total transactions with owners</b>	<b>4</b>	<b>70,594</b>	<b>-24,356</b>	<b>-840,501</b>	<b>845,000</b>	<b>-268,587</b>	<b>-217,846</b>
<b>Equity at 31 December 2022</b>	<b>538</b>	<b>88,795</b>	<b>-27,700</b>	<b>205,974</b>	<b>317,565</b>	<b>753,431</b>	<b>1,338,603</b>

Expected dividends from subsidiaries have been approved before the general meeting of 3Shape Holding A/S and therefore, in accordance with the rules of the Danish Financial Statements Act for the principle of simultaneity, transferred from the net revaluation reserve using the equity method to retained earnings.

# Parent company's cash flow statement

DKK thousands	Note	2023	2022
Net profit for the year		996,409	875,979
Adjustments of non-cash operating items	8	-991,592	-872,732
Cash generated from operations before changes in working capital		4,817	3,247
Changes in working capital	9	-44,415	99,244
Income taxes paid		-965	-741
Cash generated from operations		-40,562	101,750
<b>Cash flows from operating activities</b>		<b>-40,562</b>	<b>101,750</b>
Divestment of subsidiaries		12,225	-
<b>Cash flows from investing activities</b>		<b>12,225</b>	<b>-</b>
Capital increase		1,857	70,598
Purchase/sale of treasury shares		-38,211	-24,356
Dividends received from subsidiaries		845,000	235,000
Dividends paid to company's shareholders		-750,640	-268,587
<b>Cash flow from financing activities</b>		<b>58,006</b>	<b>12,655</b>
<b>Net increase in cash and cash equivalents</b>		<b>29,669</b>	<b>114,405</b>
Cash and cash equivalents, beginning of year		172,868	58,463
<b>Cash and cash equivalents, year end</b>		<b>202,537</b>	<b>172,868</b>

The cash flow statement cannot be directly derived from the balance sheet and income statement.

# Notes

## 1 Accounting policies

The financial statements of the parent company have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

The accounting policies applied by the Parent Company are the same as the ones applied to the 3Shape Group.

See the notes to the consolidated financial statements.

### Equity investments in subsidiaries in the parent company financial statements

Equity investments in subsidiaries are measured according to the equity method in the parent company financial statements. The Parent Company has chosen to consider the equity method as a measurement method.

On initial recognition, equity investments in subsidiaries and associates are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding the consolidated financial statements above.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies in the consolidated financial statements. Negative goodwill is recognized in the income statement.

Dividend received is deducted from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

### Net revaluation reserve according to the equity method

Net revaluation of equity investments in subsidiaries and associates is recognized at cost in the net revaluation reserve according to the equity method. The reserve can be eliminated in case of losses, realisation of equity investments or changes in accounting estimates. The reserve cannot be recognized at a negative amount.

Expected dividends from subsidiaries have been approved before the general meeting of 3Shape Holding A/S and therefore, in accordance with the rules of the Danish Financial Statements Act for the principle of simultaneity, transferred from the net revaluation reserve using the equity method to retained earnings. Negative value adjustments of divested subsidiaries are not reversed in the net revaluation reserve according to the equity method..

## 2 Administrative costs

For information regarding remuneration to the Board of Directors and Executive Management, please refer to note 5 to the consolidated financial statements.

## 3 Equity investments in subsidiaries

DKK thousands	2023	2022
<b>Cost</b>		
1 January	155,871	155,871
Disposals	-125,000	-
<b>31 December</b>	<b>30,871</b>	<b>155,871</b>
<b>Value adjustments</b>		
1 January	1,050,974	413,961
Foreign exchange rate adjustment	15,983	-5,959
Distributed dividends	-845,000	-235,000
Profit/loss for the year	986,644	873,473
Adjustment on equity	-	4,499
Value adjustment on disposals	118,687	
<b>Value adjustments at 31 December</b>	<b>1,327,288</b>	<b>1,050,974</b>
<b>Carrying amount at 31 December</b>	<b>1,358,159</b>	<b>1,206,845</b>

Group companies are specified in note 24 in the consolidated financial statements. Carrying amount of equity investments in subsidiaries as of 1 January 2022 was DKK.t. 569,832.

# Notes

## 4 Financial income and expenses

DKK thousands	2023	2022
Interest income	6,644	1,510
Foreign exchange gains	15,731	3,377
Other financial income	766	564
<b>Financial income</b>	<b>23,141</b>	<b>5,451</b>
Interest expenses	-	-512
Foreign exchange losses	-16,822	-
Other financial expenses	-184	-717
<b>Financial expenses</b>	<b>-17,006</b>	<b>-1,229</b>
<b>Total financial income and expenses</b>	<b>6,135</b>	<b>4,222</b>

## 5 Tax

DKK thousands	2023	2022
Corporate tax	965	741
<b>Total</b>	<b>965</b>	<b>741</b>

## 6 Distribution of net profit

DKK thousands	2023	2022
<b>Proposed distribution of net profit</b>		
Proposed dividend	753,465	753,431
Reserve for net revaluation according to equity method	986,644	873,473
Transferred to retained earnings	-743,700	-750,925
<b>Total</b>	<b>996,409</b>	<b>875,979</b>

## 7 Contractual obligations and contingencies, etc.

The Parent Company is jointly taxed with the Danish subsidiaries. As administration company, the Parent Company has unlimited joint and several liability, together with the subsidiaries, for payment of Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation group. Any subsequent corrections of income subject to joint taxation and withholding taxes, etc., may entail that the entities' liability will increase. The Group as a whole is not liable to any third parties.

## 8 Adjustments of non-cash operating items

DKK thousands	2023	2022
Income taxes in the income statement	965	741
Unrealised foreign exchange gains/losses	-176	-
Shares of profit/loss in subsidiaries	-992,554	-873,473
Other adjustments	173	-
<b>Total</b>	<b>-991,592</b>	<b>-872,732</b>

## 9 Changes in working capital

DKK thousands	2023	2022
Changes in receivables	20,288	27,370
Changes in trade payables	-191	-2,222
Changes in other payables	-64,512	74,096
<b>Total</b>	<b>-44,415</b>	<b>99,244</b>

# Notes

## 10 First-time adoption of IFRS

The company has prepared financial statements that comply with IFRS applicable as at December 31, 2023, together with the comparative period data for the year ended December 31, 2022, as described in the summary of significant accounting policies.

In preparing the financial statements the Company's opening statement of financial position was prepared as at January 01, 2022, the Company's date of adoption of IFRS.

This note explains the principal adjustments made by the Company in restating its DK GAAP financial statements, including the statement of financial position as at January 01, 2022 and the financial statements as of, and for, the year ended December 31, 2022.

For notes and more details please refer to Note 25 of the consolidated financial statements.

### Exemptions applied

IFRS 1 allows first time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Company has applied the following exemptions.

### Cumulative currency translation differences

Cumulative currency translation differences for all foreign operations are deemed to be zero as at 1 January 2022.

### Changes in accounting policies from local GAAP to IFRS

In connection with the preparation of the financial statements, the following reclassification and adjustments to the profit and loss statement and the balance sheet were performed.

### Cash flow statement

The transition from the Danish Financial Statements Act to IFRS has not had a material impact on the statement of cash flows.

## Reconciliation of total comprehensive income for the year ended 31 December 2022

	Local GAAP	Effect of transition to IFRS	IFRS
Administrative costs	-975	-	-975
<b>Operating profit</b>			
Shares of profit/loss in subsidiaries	869,971	3,502	873,473
Financial income	5,451	-	5,451
Financial expenses	-1,229	-	-1,229
<b>Net profit before tax</b>	<b>873,218</b>	<b>3,502</b>	<b>876,720</b>
Tax	-741	-	-741
<b>Net profit for the year</b>	<b>872,477</b>	<b>3,502</b>	<b>875,979</b>



# Notes

## 10 First-time adoption of IFRS - continued

### Reconciliation of the balance sheet as of 31 December 2022

	Local GAAP	Effect of transition to IFRS	IFRS
<b>Assets</b>			
Equity investments in subsidiaries	1,194,100	12,745	1,206,845
<b>Financial assets</b>	<b>1,194,100</b>	<b>12,745</b>	<b>1,206,845</b>
<b>Total non-current assets</b>			
<b>Total non-current assets</b>	<b>1,194,100</b>	<b>12,745</b>	<b>1,206,845</b>
Receivables from affiliated companies	52,667	-	52,667
<b>Receivables</b>			
Cash	172,868	-	172,868
<b>Total current assets</b>	<b>225,535</b>	<b>-</b>	<b>225,535</b>
<b>Total assets</b>	<b>1,419,635</b>	<b>12,745</b>	<b>1,432,380</b>

	Local GAAP	Effect of transition to IFRS	IFRS
<b>Equity and liabilities</b>			
Share capital	538	-	538
Premium on issue of shares	88,795	-	88,795
Treasury shares	-27,700	-	-27,700
Net revaluation reserve according to the equity method	193,229	12,745	205,974
Retained earnings	317,565	-	317,565
Proposed dividend	753,431	-	753,431
<b>Total equity</b>	<b>1,325,858</b>	<b>12,745</b>	<b>1,338,603</b>
Trade payables	468	-	468
Tax payables	59,237	-	59,237
Owings to affiliated companies	34,072	-	34,072
<b>Total current liabilities</b>	<b>93,777</b>	<b>-</b>	<b>93,777</b>
<b>Total liabilities</b>	<b>93,777</b>	<b>-</b>	<b>93,777</b>
<b>Total equity and liabilities</b>	<b>1,419,635</b>	<b>12,745</b>	<b>1,432,380</b>

# Notes

## 10 First-time adoption of IFRS - continued

### Reconciliation of the balance sheet as of 1 January 2022

	Local GAAP	Effect of transition to IFRS	IFRS
<b>Assets</b>			
Equity investments in subsidiaries	565,088	4,744	569,832
<b>Financial assets</b>			
<b>Total non-current assets</b>	<b>565,088</b>	<b>4,744</b>	<b>569,832</b>
Receivables from affiliated companies	46,496	-	46,496
Corporation tax receivable	33,541	-	33,541
<b>Receivables</b>	<b>80,037</b>	<b>-</b>	<b>80,037</b>
Cash	58,463	-	58,463
<b>Total current assets</b>	<b>138,500</b>	<b>-</b>	<b>138,500</b>
<b>Total assets</b>	<b>703,588</b>	<b>4,744</b>	<b>708,332</b>

	Local GAAP	Effect of transition to IFRS	IFRS
<b>Equity and liabilities</b>			
Share capital	534	-	534
Premium on issue of shares	18,201	-	18,201
Treasury shares	-3,344	-	-3,344
Net revaluation reserve according to the equity method	174,217	4,744	178,961
Retained earnings	223,490	-	223,490
Proposed dividend	268,587	-	268,587
<b>Total equity</b>	<b>681,685</b>	<b>4,744</b>	<b>686,429</b>
Trade payables	2,690	-	2,690
Owings to affiliated companies	19,213	-	19,213
<b>Total current liabilities</b>	<b>21,903</b>	<b>-</b>	<b>21,903</b>
<b>Total liabilities</b>	<b>21,903</b>	<b>-</b>	<b>21,903</b>
<b>Total equity and liabilities</b>	<b>703,588</b>	<b>4,744</b>	<b>708,332</b>

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