Phase One Group ApS

Roskildevej 39, Frederiksberg

CVR no. 40 15 25 39

Annual report 2020

Approved at the Company's annual general meeting on 29 June 2021

Chair of the meeting:

....
Sebastian Aarosin

Building a better working world

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Phase One Group ApS for the financial year 1 January - 31 December 2020.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2020 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2020.

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

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

Copenhagen, 29 June 2021
Executive Board:

Kasper Damgaard Boel
Rousøe
Director

Board of Directors:

Jacob Fonnesbech Aqraou Chair	Christian Bamberger Bro Vice Chairman	Mark Thomas Carges Member

Asbjørn Mosgaard
Hyldgaard
Member

Independent auditor's report

To the shareholders of Phase One Group ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Phase One Group ApS for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent Company financial statements" (herinafter 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 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 the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

Independent auditor's report

- 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.

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 form of 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 the work we have performed, 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.

Copenhagen, 29 June 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen State Authorised Public Accountant mne33717	Simon Blendstrup State Authorised Public Accountant mne44060

Management's review

Company details

Name	Phase One Group ApS
Address, Postal code, City	Roskildevej 39, Frederiksberg
CVR no.	40 15 25 39
Established	1 January 2019
Financial year	1 January - 31 December
Board of Directors	Jacob Fonnesbech Aqraou, Chair Christian Bamberger Bro, Vice Chairman Mark Thomas Carges, Member Asbjørn Mosgaard Hyldgaard, Member
Executive Board	Kasper Damgaard Boel Rousøe, Director
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Financial highlights for the Group

DKK'000	2020	2019
Key figures		
Revenue	512,876	260,568
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	96,857	-8,869
Operating profit/loss	-62,057	-91,635
Net financials	-39,120	-14,814
Profit/loss for the year	**-81,164**	**-96,070**
Total assets	1,555,979	1,695,052
Equity	**655,960**	**744,310**
Cash flows from operating activities	54,177	3,010
Amount relating to investments in property, plant and equipment	-9,440	-7,705
Total cash flows	**-10,461**	**28,879**
Financial ratios		
Operating margin	-12.1%	-35.2%
Equity ratio	42.2%	43.9%
Return on equity	-11.6%	-12.9%
Average number of employees	**322**	**323**

For terms and definitions, please see the accounting policies.

Financial highlights for 2019 only comprises the period from 12 July to 31 December 2019, as the Group was established in 2019.

Management's review

Business review

The Group's business is to develop, market and sell high quality software and digital imaging camera solutions. Our main customers are:

I. The World's professional photographers, serious private photo enthusiasts and production studios. This segment comprise both customers buying our full camera systems and customers looking for our highly appraised image workflow software, Capture One Pro.

II. Industrial imaging end users and integrators within Aerial mapping/documentation, inspection, surveillance, homeland security and cultural heritage applications. All our customers are characterized by their need for world class image quality and a highly efficient workflow.

It is our goal to be the world-wide market leader within all our target customer groups and applications. In this way, we can ensure satisfactory earnings and at the same time we can attract and retain the best product developers and sales & marketing experts within digital imaging.

Financial review

Group:

The year 2020 overall shows satisfactory results considering that the economic environment in the Groups markets has been negatively impacted by the COVID-19 pandemic.

As per January 1st 2020 the software and hardware businesses ware split into separate legal entities Capture One A/S and Phase One A/S respectively. Significant efforts and funds have been spent on completing the separation and setting up independent operations preparing the group for further growth.
The Group's revenue amounted to DKK 513 million in 2020. Phase One Group's loss after tax amounted to DKK 81 million in 2020.
EBITDA for 2020 was DKK 96.9 mio. corresponding to 18.9% of revenue.

The Group employed an average of 322 employees in 2020.

The Group's balance sheet total amounted to DKK 1,556 million, of which current assets constitute 13 %.

Equity in Phase One Group amounted to DKK 656 million at 31 December 2020.

Parent:

The year 2020 shows a loss after tax of DKK 81 million. Management finds the result for 2020 satisfactory considering the effects of the COVID-19 pandemic.

The result of the parent company is affected by the same events as impacted group numbers.
No facts or events occurred in the parent company during the financial year which are not reflected in the management report for the Group.

Knowledge resources

It is essential for the future growth of the Group to attract and retain highly skilled and qualified professionals, including employees with expertise in development and sales & marketing of digital camera systems, lenses, workflow software, etc.

In order to ensure a high and competitive product quality, the Group uses modern production and quality control processes. This requires a high competence level, and considerable resources are invested in development and optimization of the Group's products and in maintaining the skills of the Group's employees.

Management's review

Material Risks:

In 2020, the Covid-19 pandemic has put additional pressure on the physical and mental well-being of our employees caused by health risks and lockdowns. Phase One Group has put great focus on protecting our employees during this time by prescribing guidelines and providing protective equipment. This has, among other things, ensured the health of employees during the pandemic.

Financial risks and use of financial instruments

Due to the Group's activities in the USA and Asia, the profit and equity as well as cash flows are influenced by the USD and JPY exchange rate development. The Group's policy is to primarily offset the currency risk by matching purchases and sales in USD and JPY i.e. natural hedging. Secondarily, Phase One partly hedges the excess exchange rate risk by means of forward exchange contracts.

In addition to the before mentioned currencies, the Group has considerable activities denominated in Euro and Israeli Shekel. Hedging is not made in respect of these currencies as it is not considered optimal from a risk and cost point-of-view.

Research and development activities

In 2020 the Group has brought a range of new offerings to market, as well as new initiatives to improve our market reach.

Capture One launched a major update of its award-winning RAW image editing software, Capture One 21. Capture One supports more than 600 cameras and has contracts with Leica, Fujifilm and Phase One for supporting their full range of cameras.
Capture One has a growing and passionate base of followers among enthusiasts and professional photographers. Capture One 21 helps photographers optimize their workflow, the quality of their work and achieve their creative vision.
Capture One R&D is primarily performed out of Capture One's headquarters in Denmark. In addition, a dedicated engineering site was established in Athens, Greece during 2020.

Phase One's Geospatial business continued to develop its highly durable and high resolution iXM e.g aerial camera systems. A new iXM camera, iXM-RS 280 F was launched to the market in 2020 adding a higher resolution option to the top end of the iXM product portfolio. Phase One continues to invest and grow the Geospatial business segment and has also spent development efforts on new aerial systems that are in the product roadmap for 2021.

For the Digitization business, Phase One Group launched in 2020 a new and improved 80mm lens for the XF camera system 80mm LS mkII. Phase One Group continues to offer the widest range of professional lenses on the market for the medium format shooters.
Phase One R&D is performed in Phase One's headquarters in Copenhagen, Denmark and from the Phase One subsidiary in Israel.

Statutory CSR report

Phase One Group is a knowledge intensive group and its staff is considered the most important resource and an important part of the Group's corporate social responsibility. Phase One Group wants to be an attractive place to work which can attract and maintain qualified and dedicated employees. The risks associated with not being able to do that are ultimately worsening financial performance through lower productivity, delayed introduction of products to the market and lower sales performance.
The group is carrying out regular measurements of employee satisfaction and historically these show employee satisfaction above the industry benchmark.

The Group perceives human rights as closely linked to employee rights in the Group's enterprises and at the Group's suppliers. The risks associated with human rights are e.g. child labor and denial of labor rights, however the Group continues to specify the expectations to our global organization and to suppliers in our Code of Conduct. All new employees and new suppliers have been made acquaint with the Code of Conduct in 2020. Consequently, the Group adopted a Code of Conduct for Employee Rights by end of 2015. Among other things, the Code of Conduct includes elimination of discrimination with respect to employment based on age, gender, religion or race. The Group has not measured the effect of the implementation of said Code of Conduct.

Management's review

The Group does not carry out production activities which has a significant impact on the environment and climate. Therefore, the Group has not prepared a global environmental and a climate policy.
The group is operating an environmental management system in compliance with ISO 14001 : 2015 for it's manufacturing site in Saku, Japan.

Anti-corruption

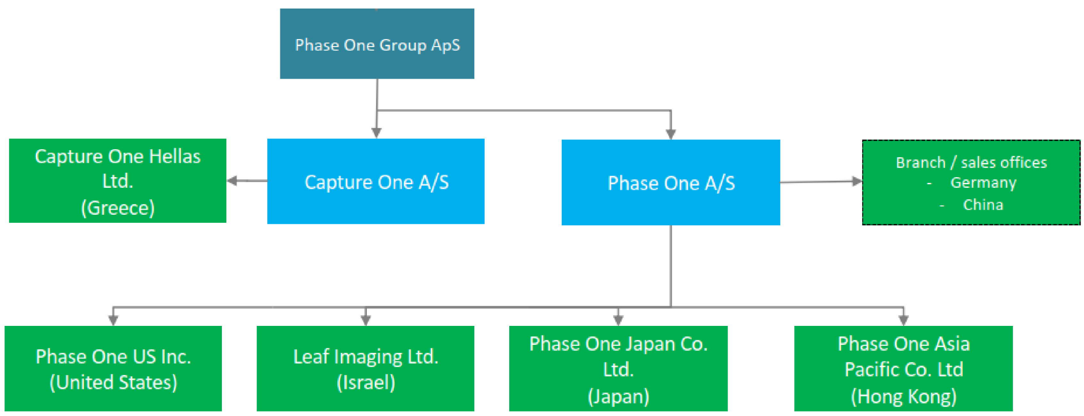
The Group policy related to anti-corruption, secures that we act according to high ethical standard forbid the participation in any kind of bribery. The policy was adopted in the last part of 2015 and implemented in the early part of 2016.
Risks of anti corruption behaviour have been identified mainly in the supply chain and among own employees. It is the Group's policy that all new employees are introduced to and trained in the corporate anti-corruption policy. Management are not aware of any violation of the policy.

Account of the gender composition of Management

Phase One Group believes that diversity among its employees, including gender balance, contributes positively to the work environment and strengthens the Group's performance and competitiveness.

As per 31 December 2020 the Board of Directors consisted of four men and no women. In the financial year, new 1 member of the Board of Directors was elected, however despite efforts to ensure a more equal gender distribution, a male candidate was elected due to his specific competencies, making him the best suited for the position. Phase One Group targets to elect at least one board member from the underrepresented gender to the Board of Directors within 2024.
Other management positions in the Group i.e. middle managers and team managers currently count 8 women in management roles. For hiring to management and (all other positions in the Group), the Group targets to have representatives of both genders among the top 3 candidates.

Group relations:



Phase One Group ApS is indirectly owned by the private equity fund Axcel with an approximately 57% share; ATP with an approximately 21% share; and members of the Board of Directors and leading employees etc. via the holding companies AX V Phase One Holding I ApS and AX V Phase One Holding II ApS an approximately 22% share.

Phase One Group ApS's equity consist of one class of shares and the loan capital consists of bank debt provided by Nordea Danmark, an affiliated branch of Nordea Bank Abp, Finland, and Pension Danmark.

The current capital structure is deemed appropriate in relation to the need for financial flexibility in Phase One Group ApS and its subsidiaries.

Being owned by the Dansh private equity firm Axcel, the Company is subject to the guidelines of the Active Owners Denmark (www.aktiveejere.dk) for responsible ownership and corporate governance. Phase One Group ApS intends to comply with all relevant guidelines, except that the company based on its size, has not established an audit committee. These tasks are handled by the Board and chairmanship.

Management's review

Statutory report on corporate governance:

The organization of the Management is, among other things, based on the Danish Companies Act, the Danish Financial Statements Act and the company's article of association. The Company has based its corporate governance efforts on a two-tier system where the Board of Directors and the Executive Management have two distinct roles. The Executive Management undertakes the operational management of the Company, whereas the Board of Directors determines the overall company strategy and acts as a sounding board to the Executive Management of the Company. In addition, the Management is continuously monitoring the financial development as well as developments in the field of corporate governance to ensure that the Company – internally as well as externally – is managed in a way that is in accordance with applicable laws, in order to protect these interests of all stakeholders. Risk management is considered an essential and natural part of the realization of the Company's objectives and strategy. The daily activities, the implementation of the established strategy and the continuous use of business opportunities involve inherent risks, and the Company's handling of these risks is therefore seen as a natural and integrated part of the daily work and a way to ensure stable and reliable growth.
The Board of Directors is appointed by Axcel. The Board og Directors consists of four members. Board meetings are held a minimum of six times a year. Additionally, the Chairman Committee meets with Executive Management on an ongoing basis.

Other board positions of the members of the Board of Directors are:

Name	Jacob Fonnesbech Aqraou (appointed in Sep-19)	Christian Bamberger Bro (appointed in May-19)	Mark Carges (appointed in Apr-20)	Asbjørn Hyldgaard (appointed in May-19)
Position	Professional investor	Partner - Axcel Management A/S	Advisor, Ocado Technology and Senior Advisor, Generation Investment Management	Partner - Axcel Management A/S
Chairman of the Board of Directors in:	Phase One Group ApS and related Group companies Loopia Group AB and related Group companies Boats Group, LLC CHRONEXT AG DenmarkBridge	-	-	-
Vice Chairman of the Board of Directors in:	TeamViewer Germany GmbH	Phase One Group ApS and related Group companies Loopia Group AB and related Group companies AddPro AB and related Group companies SuperOffice AS and related Group	-	Gubi Group ApS and related Group companies
Board Member in:	Telenor Group Wallapop S.L.	Steelseries Group ApS and related Group companies Axcel Management Holding ApS	Phase One Group ApS and related Group companies Steelseries Group ApS and related Group companies Splunk Inc. Veeva Systems Inc. Magnet Systems Inc.	Phase One Group ApS and related Group companies European Sperm Bank ApS and related Group companies Currentum Group AB and related Group companies

Management's review

Events after the balance sheet date

No major events have occurred after 31 Dec 2020 which affect the consolidated financial statements and parent company financial statements for 2020.

Reference is made to note 2 for more details.

Outlook

The demand for the best in class imaging workflow software and commercial drones/robotics are expected to drive the revenue growth going forward. The combination of presence on markets which are growing at double digit growth rates and having top of the line Software and Hardware solutions underpins the positive outlook that is reflected in our expectations for the future.

Capture One will continue its high growth in 2021, based on new products, new distribution systems and new OEM partnerships.

Phase One has significant growth opportunities primarily in the Geospatial market segments as the current product range is superior to that of its competitors in terms of ROI. In addition, a range of new solutions will be launched in 2021, including a new PAS 880 system and drone payload offerings. Each of the solutions will be tailored to specific customer segments e.g. aerial inspection or surveillance.

Phase One Group will continue to invest in the further development and knowledge of the Group's products, targeted distribution systems as well as potential new strategic partnerships.

Based on these considerations the group expects revenue growth in 2021 and a corresponding increase in profitability.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

		Group		Parent company	
Note	DKK'000	2020	2019	2020	2019
3	**Revenue**	512,876	260,568	0	0
	Cost of sales	-150,096	-83,764	0	0
4	Other operating income	0	0	1,580	0
	Other external expenses	-109,121	-102,380	-4,023	-30,645
	Gross profit	253,659	74,424	-2,443	-30,645
5	Staff costs	-156,802	-83,293	-2,600	-408
6	Amortisation/depreciation of intangible assets and property, plant and equipment	-158,914	-82,766	0	0
	Profit/loss before net financials	-62,057	-91,635	-5,043	-31,053
	Income from investments in group enterprises	0	0	-56,726	-57,320
7	Financial income	13,293	6,592	0	0
8	Financial expenses	-52,413	-21,406	-27,395	-9,875
	Profit/loss before tax	-101,177	-106,449	-89,164	-98,248
9	Tax for the year	20,013	10,379	8,000	2,178
	Profit/loss for the year	-81,164	-96,070	-81,164	-96,070

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	DKK'000	2020	2019	2020	2019
	ASSETS				
	Fixed assets				
10	**Intangible assets**				
	Completed development projects	22,395	40,311	0	0
	Customer relationship	60,480	64,960	0	0
	Brand	215,100	231,033	0	0
	Acquired patents and licences	9,681	10,415	0	0
	Technology	505,896	569,299	0	0
	Acquired patents	11,570	0	0	0
	Goodwill	474,650	473,480	0	0
	Development projects in progress and prepayments for intangible assets	46,069	29,775	0	0
		1,345,841	1,419,273	0	0
11	**Property, plant and equipment**				
	Fixtures and fittings, other plant and equipment	7,415	12,125	0	0
	Leasehold improvements	3,401	1,152	0	0
		10,816	13,277	0	0
12	**Investments**				
	Investments in group enterprises	0	0	1,199,495	2,460,979
		0	0	1,199,495	2,460,979
	Total fixed assets	1,356,657	1,432,550	1,199,495	2,460,979
	to be carried forward	1,356,657	1,432,550	1,199,495	2,460,979

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet (continued)

		Group		Parent company	
Note	DKK'000	2020	2019	2020	2019
	brought forward	1,356,657	1,432,550	1,199,495	2,460,979
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	40,128	38,049	0	0
	Work in progress	7,289	10,239	0	0
	Finished goods and goods for resale	54,912	71,898	0	0
		102,329	120,186	0	0
	Receivables				
	Trade receivables	64,566	79,873	0	1
	Receivables from group enterprises	0	0	24,918	161
13,16	Deferred tax assets	422	1,288	10,178	2,178
	Corporation tax receivable	4,138	4,047	0	0
	Other receivables	8,193	17,878	272	1,215
14	Prepayments	1,256	10,351	0	0
		78,575	113,437	35,368	3,555
	Cash	18,418	28,879	0	0
	Total non-fixed assets	199,322	262,502	35,368	3,555
	TOTAL ASSETS	1,555,979	1,695,052	1,234,863	2,464,534

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2020	Group 2019	Parent company 2020	Parent company 2019
	EQUITY AND LIABILITIES				
	Equity				
15	Share capital	61	61	61	61
	Reserve for exchange rate gains / loss	-7,186	0	0	0
	Retained earnings	663,085	744,249	655,899	744,249
	Total equity	655,960	744,310	655,960	744,310
	Provisions				
16	Deferred tax	156,327	198,277	0	0
18	Other provisions	7,449	8,159	0	0
	Total provisions	163,776	206,436	0	0
	Liabilities other than provisions				
17	**Non-current liabilities other than provisions**				
	Bank debt	535,573	438,756	535,573	438,756
	Lease liabilities	1,300	954	0	0
	Other payables	12,779	4,292	218	0
		549,652	444,002	535,791	438,756
	Current liabilities other than provisions				
17	Short-term part of long-term liabilities other than provisions	38,190	27,716	36,474	25,200
	Bank debt	51,191	163,141	91	2,712
	Trade payables	24,511	54,397	941	0
	Payables to group enterprises	0	0	0	1,250,000
	Corporation tax payable	13,677	5,912	0	0
	Other payables	44,756	41,517	5,606	3,556
19	Deferred income	14,266	7,621	0	0
		186,591	300,304	43,112	1,281,468
		736,243	744,306	578,903	1,720,224
	TOTAL EQUITY AND LIABILITIES	1,555,979	1,695,052	1,234,863	2,464,534

1 Accounting policies
2 Events after the balance sheet date
20 Contractual obligations and contingencies, etc.
21 Collateral
22 Related parties
23 Fee to the auditors appointed by the Company in general meeting
24 Appropriation of profit/loss

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Group Share capital	 Reserve for exchange rate gains / loss	 Retained earnings	 Total
	Equity at 1 January 2020	61	0	744,249	744,310
	Transfer through appropriation of loss	0	0	-81,164	-81,164
	Forreign exchange adjustments	0	-7,186	0	-7,186
	Equity at 31 December 2020	61	-7,186	663,085	655,960

Note	DKK'000	Parent company Share capital	 Retained earnings	 Total
	Equity at 1 January 2020	61	744,249	744,310
24	Transfer, see "Appropriation of profit/loss"	0	-81,164	-81,164
	Forreign exchange adjustments	0	-7,186	-7,186
	Equity at 31 December 2020	61	655,899	655,960

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	Group 2020	Group 2019
	Profit/loss for the year	-81,164	-96,070
25	Adjustments	149,720	87,455
	Cash generated from operations (operating activities)	68,556	-8,615
26	Changes in working capital	24,164	30,406
	Cash generated from operations (operating activities)	92,720	21,791
	Interest received, etc.	812	6,592
	Interest paid, etc.	-29,733	-21,406
	Income taxes paid	-9,622	-3,967
	Cash flows from operating activities	54,177	3,010
	Additions of intangible assets	-50,193	-20,683
	Additions of property, plant and equipment	-9,440	-7,705
27	Acquisition of companies and activities	0	-1,088,407
	Cash flows to investing activities	-59,633	-1,116,795
	Proceeds of long-term liabilities	0	455,215
	Changes in lease liabilities	-346	0
	Cash payments concerning formation of enterprise	0	50
	Group contribution	0	687,399
	Net change in bank debt	-4,659	0
	Cash flows from financing activities	-5,005	1,142,664
	Net cash flow	-10,461	28,879
	Cash and cash equivalents at 1 January	28,879	0
	Cash and cash equivalents at 31 December	18,418	28,879

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Phase One Group ApS for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

Effective from the financial year 2020, the Company has implemented amending act no. 1716 of 27 December 2018 to the Danish Financial Statements Act. The implementation of the amending act has not affected the Company's accounting policies on recognition and measurement of assets and liabilities but has solely entailed a requirement for further disclosures. The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Preparation of consolidated financial statements

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, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

External business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the date when the group actually obtains control of the acquiree.

The acquisition method is applied to the acquisition of new entities of which the group obtains control. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

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 recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the consolidated financial statements are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The consideration paid 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 consideration is contingent on future events or compliance with agreed terms, such part of the consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of contingent considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Where, at the date of acquisition, the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration is associated with uncertainty, initial recognition will take place on the basis of provisional amounts. If it turns out subsequently that the identification or measurement of the consideration transferred, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Hereafter, any adjustments are recognised as misstatements.

Gains or losses from disposal of subsidiaries which result in loss of control are calculated as the difference between, on the one hand, the fair value of the selling price less selling expenses and, on the other hand, the carrying amount of net assets.

Foreign currency translation

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

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Foreign group entities

On recognition of foreign subsidiaries which are integral entities, monetary items are translated at closing rates. Non monetary items are translated at the exchange rate 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. However, items derived from non monetary items are translated at historical exchange rates for the non monetary item.

The exchange rate difference resulting from the conversion of the equity at the beginning of the financial year into the exchange rate on the balance sheet date and from the conversion of the profit and loss at the average exchange rate at the exchange rate on the balance sheet date shall be recognised directly on the equity.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

Royalty income is recognised over the term of the agreement in accordance with the contents of the agreement.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Revenue from contract with customers comes mainly from providing perpetual software licenses and subscription.

Revenue is recognised when the transfer of control of the license to the customer. Control of the asset refers to the ability to direct the use of, and obtain substantially all the benefits from the software licenses.

Perpetual licenses
A perpetual license provides the customer with a right to use the license for an unlimited period. Control of the license is deemed to pass to the customer when the software is delivered to the customer.
The performance obligation identified when providing the customer with a perpetual license, is the right to use the software, and there are no subsequent technical requirements for additional enhancements or updates to the software in order to facilitate use by the customer after delivery. For perpetual licenses, the performance obligation is satisfied at the point in time, when both parties have signed a binding contract/sales order is confirmed and the software is delivered to the customer. Therefore revenue of perpetual licenses is recognized on a point-in-time basis.

Subscription
Subscriptions provides customers with access to Capture One's latest software updates, and Capture One maintains the responsibility for providing software enhancements during the contract period. The performance obligation for a subscription is satisfied over time, as the customer continually receives and consumes the benefits of the subscription during the contract period.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognized in revenue.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including management fee.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Profit/loss from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

The proportionate share of the individual subsidiaries' profit/loss after tax after full elimination of internal gains/losses are recognised in the parent company's income statement.

The item includes dividend received from subsidiaries.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

On initial recognition, intangible assets are measured at cost.

Goodwill is amortised over its estimated useful life determined on the basis of Management's experience of the specific business areas. Goodwill is amortised on a straight-line basis over an amortisation period of 20 years. The amortization period is fixed on the basis of the expected repayment horizon, longest for strategically acquired enterprises with strong market positions and long-term earnings profiles.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other intangible assets comprising intangible assets acquired in connection with a business combination are measured at cost less accumulated amortisation and impairment. Other intangible assets are amortised over the estimated useful lives, which usually are:

-Brand names are amortised over 10-15 years.

-Developed technology are amortised over 8-10 years.

-The amortisation period for customer relationship is dependent on the individual customer relationship. Customer relationships are amortised over 15 years.

-Patents and licences are measured at cost less accumulated amortisation and impairment. Patents are amortised over the remaining term of the patent, and licenses are amortised over the term of license, however not exceeding 10 years.

Other intangible assets are recognised in connection with a strategically acquired enterprise with a strong market position and a long term earnings profile. The estimated useful lives of the acquired intangible assets are assessed to exceed 5 years.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities areidentifiable and where the Company 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.

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 2 years.

The basis of amortisation is based on the residual value of the asset at the end of its useful life and is reduced by impairment losses, if any. The amortisation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further amortisation charges are recognised.

In case of changes in the depreciation period or the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

Gains and losses on the sale of intagible assets are recognised in the income statement under "Other operating income" or "Other operating expenses", respectively. Gains and losses are calculated as the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Investments in subsidiaries

Equity investments in subsidiaries and associates are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost. Transaction costs are recognised in the income statement at the date of acquisition.

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 for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced 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.

Gains or losses on disposal of subsidiaries and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal including non-amortised goodwill and anticipated costs of disposal. Gains or losses are recognised in the income statement as financial income or financial expenses.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Inventories

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. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

The cost of raw materials and consumables comprises the cost of acquisition plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct labour and indirect production overheads.

Indirect production overheads include the indirect cost of material and labour as well as maintenance and depreciation of production machinery, buildings and equipment and expenses relating to plant administration and management. Borrowing costs are not recognised in the sales price.

Goods for resale are measured at cost, which comprises the cost of acquisition plus delivery costs as well as other expenses directly attributable to the acquisition.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Equity

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Provisions for warranty commitments are measured at net realisable value and recognised based on past experience. Liabilities that are expected to be settled after one year after the balance sheet date are discounted at average bond yields.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss 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 tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Segment information

For segment information, reference is made to note 3 for more details.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit (EBIT) x 100}}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

2 **Events after the balance sheet date**

No events have occurred which affect the consolidated financial statements and parent company financial statements for 2020.

3 **Segment information**

The Company has not disclosed the breakdown of revenue by geographical and business segments, see section 96(1) of the Danish Financial Statements Act. The market for medium format camera solutions consists of very few competitors. On this basis, specific segment information is not disclosed as this could have a negative impact on the Company's competitive position.

4 **Other operating income**

Other operating income includes management fee invoiced from Phase One Group ApS to Capture One A/S and Phase One A/S.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

		Group		Parent company	
	DKK'000	2020	2019	2020	2019
5	**Staff costs**				
	Wages/salaries	173,578	85,980	2,596	407
	Pensions	955	424	0	0
	Other social security costs	3,332	2,335	4	1
	Other staff costs	14,977	8,606	0	0
	Staff costs capitalized in development projects during the year	-36,040	-14,052	0	0
		156,802	83,293	2,600	408
	Average number of full-time employees	322	323	1	1

Total remuneration to group Management : DKK 8,608 thousand (2019: DKK 3,536 thousand).

Parent company

Total remuneration to Management : DKK 2,147 thousand.

		Group		Parent company	
	DKK'000	2020	2019	2020	2019
6	**Amortisation/depreciation of intangible assets and property, plant and equipment**				
	Amortisation of intangible assets	153,880	80,608	0	0
	Depreciation of property, plant and equipment	5,034	2,158	0	0
		158,914	82,766	0	0
7	**Financial income**				
	Exchange gain	12,481	6,354	0	0
	Other financial income	812	238	0	0
		13,293	6,592	0	0
8	**Financial expenses**				
	Exchange losses	22,680	5,830	0	0
	Other financial expenses	29,733	15,576	27,395	9,875
		52,413	21,406	27,395	9,875

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	Group 2020	Group 2019	Parent company 2020	Parent company 2019
9 Tax for the year				
Estimated tax charge for the year	15,671	7,032	0	0
Deferred tax adjustments in the year	-35,684	-17,411	-8,000	-2,178
	-20,013	-10,379	-8,000	-2,178

10 Intangible assets

DKK'000	Group: Completed development projects	Customer relationship	Brand	Acquired patents and licences	Technology	Acquired patents	Goodwill	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2020	65,908	67,200	239,000	11,378	601,000	0	485,621	29,775	1,499,882
Forreign exchange adjustments	-1,635	0	0	0	0	0	0	0	-1,635
Additions	0	0	0	723	0	9,865	26,791	39,605	76,984
Transferred	23,311	0	0	0	0	6,255	0	-23,311	6,255
Cost at 31 December 2020	87,584	67,200	239,000	12,101	601,000	16,120	512,412	46,069	1,581,486
Impairment losses and amortisation at 1 January 2020	25,597	2,240	7,967	963	31,701	0	12,141	0	80,609
Foreign exchange adjustments	1,156	0	0	0	0	0	0	0	1,156
Amortisation for the year	38,436	4,480	15,933	1,457	63,403	4,550	25,621	0	153,880
Impairment losses and amortisation at 31 December 2020	65,189	6,720	23,900	2,420	95,104	4,550	37,762	0	235,645
Carrying amount at 31 December 2020	22,395	60,480	215,100	9,681	505,896	11,570	474,650	46,069	1,345,841
Amortised over	2 years	15 years	15 years	5-10 years	8-10 years	3 years	20 years		

Note 21 provides more details on security for loans, etc. as regards intangible assets.

Completed development projects

Completed development projects include development of software and new products. Management has not identified any evidence of impairment relative to the carrying amount of the completed development projects.

Development projects in progress

Development projects in progress include development and test of new software and products. The relating expenses primarily consist of internal expenses in the form of payroll costs and production overheads, which are recorded through the Company's internal project module.

The development projects are expected to be complete during 2021 and 2022 after which marketing and selling efforts will be made.

Management has not identified any evidence of impairment relative to the carrying amount of development projects in progress.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

11 Property, plant and equipment

	Group		
DKK'000	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2020	13,863	1,572	15,435
Additions	5,966	3,474	9,440
Disposals	-1,927	0	-1,927
Transferred	-6,255	0	-6,255
Cost at 31 December 2020	11,647	5,046	16,693
Impairment losses and depreciation at 1 January 2020	1,738	420	2,158
Depreciation	3,809	1,225	5,034
Reversal of accumulated depreciation and impairment of assets disposed	-1,315	0	-1,315
Impairment losses and depreciation at 31 December 2020	4,232	1,645	5,877
Carrying amount at 31 December 2020	7,415	3,401	10,816
Property, plant and equipment include finance leases with a carrying amount totalling	1,964	0	1,964
Depreciated over	3 years	3 years	

Note 21 provides more details on security for loans, etc. as regards property, plant and equipment.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

12 Investments

DKK'000	Parent company Investments in group enterprises
Cost at 1 January 2020	2,515,248
Additions	160,429
Disposals	-1,250,000
Cost at 31 December 2020	1,425,677
Value adjustments at 1 January 2020	-54,269
Foreign exchange adjustments	-7,186
Dividend received	-108,000
Profit/loss for the year	-56,727
Value adjustments at 31 December 2020	-226,182
Carrying amount at 31 December 2020	1,199,495

Parent company

Name	Domicile	Interest
Subsidiaries		
Capture One A/S	Denmark	100.00%
Phase One A/S	Denmark	100.00%
Leaf Imaging Ltd.	Israel	100.00%
Phase One Japan Co. Ltd.	Japan	100.00%
Phase One Asia Pacific Co. Ltd.	Hong Kong	100.00%
Phase One United States Inc.	USA	100.00%
Capture One Hellas Ltd.	Greece	100.00%

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

13 Deferred tax assets

The Group has recognized an asset amounting to DKK 422 Thousand. The tax asset consists of non-utilised tax deductions in the form of timing differences. Based on the budget for 2021, Management considers it likely that there will be future taxable income against which non-utilised tax losses and deductions can be offset.

Deferred tax asset for parent company are expected to be utilized within the Danish joint taxation.

14 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years, including rent and insurance policies.

15 Share capital

The parent's share capital has remained DKK 61 thousand in the past year.

	Group		Parent company	
DKK'000	2020	2019	2020	2019
16 Deferred tax				
Deferred tax at 1 January	196,989	0	-2,178	0
Additions through corporate acquisition	0	213,200	0	0
Adjustment for the year	-35,684	-17,411	-8,000	-2,178
Deferred tax adjustment, prior year	0	1,200	0	0
Other deferred tax	-5,400	0	0	0
Deferred tax at 31 December	155,905	196,989	-10,178	-2,178
Analysis of the deferred tax				
Deferred tax assets	-422	-1,288	-10,178	-2,178
Deferred tax liabililties	156,327	198,277	0	0
	155,905	196,989	-10,178	-2,178

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

17 Non-current liabilities other than provisions

	Group			
DKK'000	Total debt at 31/12 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Bank debt	572,047	36,474	535,573	0
Lease liabilities	2,034	734	1,300	0
Other payables	13,761	982	12,779	0
	587,842	38,190	549,652	0

	Parent company			
DKK'000	Total debt at 31/12 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Bank debt	572,047	36,474	535,573	0
Other payables	218	0	218	0
	572,265	36,474	535,791	0

18 Other provisions

Other provisions comprise anticipated expenses relating to warranty commitments. Other provisions are expected to mature within five years.

19 Deferred income

Deferred income, DKK 14,266 thousand (2019: DKK 7,621 thousand), consists of payments received from customers for software which will be recognised in the subsequent financial year.

20 Contractual obligations and contingencies, etc.

Other contingent liabilities

Group

The subsidiary, Leaf Imaging Ltd. is part of an ongoing transfer pricing audit in Israel, for the income years 2015 - 2018, where the income year 2014 has expired. There has not been reached a conclusion on this transfer pricing audit with the authorities in Israel.

Management is of the preception that the company has complied with the transfer pricing rules, and therefore does not expect financial impact on the financial statements for 2020.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

20 Contractual obligations and contingencies, etc. (continued)

Other financial obligations

Other rent and lease liabilities:

	Group		Parent company	
DKK'000	2020	2019	2020	2019
Rent and lease liabilities	8,000	13,271	0	0

Group

Rent and lease liabilities include rent liabilities with a remaining contract period between 7 months and 5 years.

Parent company

The Company is jointly taxed with its parent, AX V Phase One Holding III ApS, which acts as management company, and other Danish group entities. The Company is jointly and severally with other jointly taxed group enitities liable for payment of income taxes and withholding taxes.

21 Collateral

Group

As security for the group's debt to the rental creditors, the group has provided a guarantee in the bank amounting to DKK 1,977 thousand.

Parent company

The Company has provided guarantee for debt to banks for Phase One A/S and Capture One A/S of DKK 623,238 thousand in total. As security for the debt to banks, the Company has provided security of the shares in Phase One Group ApS, and assignment of receivables from group enterprises.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

22 Related parties

Phase One Group ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
AX V Phase One Holding I ApS	Copenhagen	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
AX V Phase One Holding III ApS	Copenhagen	The consolidated financial statement can be retrieved by contacting the Company.

Related party transactions

DKK'000	2020	2019
Parent Company		
Management fee	1,580	421
Receivables from group enterprises	24,918	161
Payables to group enterprises	0	1,250,000

Information on the remuneration to management

Information on the remuneration to Management appears from note 5, "Staff costs".

Information about security for loans relating to group entities

Information about security for loans relating to group entities appears from 21, "Collateral".

	Group		Parent company	
DKK'000	2020	2019	2020	2019
23 Fee to the auditors appointed by the Company in general meeting				
Statutory audit	1,161	697	30	30
Assurance engagements	300	112	300	0
Tax assistance	469	40	10	10
Other assistance	585	203	553	10
	2,515	1,052	893	50

	Parent company	
DKK'000	2020	2019
24 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	-81,164	-96,070
	-81,164	-96,070

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

	DKK'000	Group 2020	Group 2019
25	**Adjustments**		
	Amortisation/depreciation and impairment losses	158,914	82,767
	Provisions	-710	253
	Financial income	-13,293	-6,592
	Financial expenses	52,413	21,406
	Tax for the year	-20,013	-10,379
	Other non-cash items	-27,591	0
		149,720	87,455
26	**Changes in working capital**		
	Change in inventories	17,857	6,329
	Change in receivables	33,996	-9,316
	Change in trade and other payables	-27,689	33,393
		24,164	30,406
27	**Acquisition of enterprises and activities**		
	Intangible assets	0	993,578
	Property, plant and equipment	0	7,730
	Inventories	0	126,515
	Receivables	0	98,786
	Cash	0	21,599
	Bank debt	0	-179,644
	Provisions	0	-7,906
	Deferred tax	0	-213,200
	Trade payables	0	-37,214
	Other payables	0	-35,979
		0	774,265
	Goodwill	0	485,621
	Cost of acquisition	0	1,259,886
	Cash	0	-21,599
	Vendor note	0	-149,880
	Cost of acquisition paid in cash	0	1,088,407

PENNEO

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Asbjørn Mosgaard Hyldgaard
Board of Directors
On behalf of: Phase One Group ApS
Serial number: PID:9208-2002-2-717553254214
IP: 2.108.xxx.xxx
2021-06-29 19:46:24Z
NEM ID

Sebastian Aarosin
Chairman
On behalf of: Phase One Group ApS
Serial number: PID:9208-2002-2-852419932631
IP: 212.112.xxx.xxx
2021-06-29 19:53:22Z
NEM ID

Christian Bamberger Bro
Board of Directors
On behalf of: Phase One Group ApS
Serial number: PID:9208-2002-2-534024407204
IP: 93.163.xxx.xxx
2021-06-29 20:01:04Z
NEM ID

Kasper Damgaard Boel Rousøe
Executive Board
On behalf of: Phase One Group ApS
Serial number: PID:9208-2002-2-970419628085
IP: 128.77.xxx.xxx
2021-06-29 20:03:33Z
NEM ID

Jacob Fonnesbech Aqraou
Board of Directors
On behalf of: Phase One Group ApS
Serial number: PID:9208-2002-2-814345106312
IP: 85.217.xxx.xxx
2021-06-29 20:31:42Z
NEM ID

Jan C Olsen
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:28761615
IP: 145.62.xxx.xxx
2021-06-30 11:54:26Z
NEM ID

Simon Blendstrup
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:17954776
IP: 145.62.xxx.xxx
2021-06-30 12:36:19Z
NEM ID