

Phase One Group ApS

Roskildevej 39, Frederiksberg

CVR no. 40 15 25 39

Annual report 2019

(As of the establishment of the Company 1 January - 31 December 2019)

Approved at the Company's annual general meeting on 28 August 2020

Chairman:

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**Building a better
working world**

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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 as of the establishment of the Company 1 January - 31 December 2019.

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 2019 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year as of the establishment of the Company 1 January - 31 December 2019.

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, 28 August 2020
Executive Board:

Martin Høy
Director

Board of Directors:

Jacob Fonnesbech Aqraou
Chairman


Jacob Fonnesbech Aqraou

Asbjørn Mosgaard
Hyldgaard

Christian Bamberger Bro

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 as of the establishment of the Company 1 January - 31 December 2019, 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 2019, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year as of the establishment of the company 1 January - 31 December 2019 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" (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' 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, 28 August 2020
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen
State Authorised Public Accountant
mne33717

Nicklas Rasmussen
State Authorised Public Accountant
mne43474

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 2019
Board of Directors	Jacob Fonnesbech Aqraou, Chairman Mark Thomas Carges Asbjørn Mosgaard Hyldgaard Christian Bamberger Bro
Executive Board	Martin Høy, 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	2019
Key figures	
Revenue	260,568
Operating profit/loss	-91,635
Net financials	-14,814
Profit/loss for the year	-96,070
Total assets	1,695,052
Equity	744,310
Cash flows from operating activities	3,010
Investment in property, plant and equipment	-7,705
Total cash flows	28,879
Financial ratios	
Operating margin	-35.2%
Equity ratio	43.9%
Return on equity	-12.9%
Average number of employees	323

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations. For terms and definitions, please see the accounting policies.

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

Management's review

Business review

The Group's business concept 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 characterised 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

The year 2019 overall shows satisfactory results considering 2019 has been an acquisition- and transition year where the operations of Capture One A/S was acquired by Phase One Group ApS mid year. Significant efforts and funds have been spent on the transaction and the following structuring of the company to fit the requirements of the new owners and prepare the group for further growth. The Group's revenue amounted to DKK 261 million in 2019. Phase One Group's loss after tax amounted to DKK 96 million in 2019.

The Group employed an average of 323 employees in 2019.

The Group's balance sheet total amounted to DKK 1,695 million, of which current assets constitute 15 %

Equity in Phase One Group amounted to DKK 744 million at 31 December 2019.

Phase One Group was acquired during 2019, with closing on 12 July 2019. Had the group been acquired at 1 January 2019, the Groups revenue would have amounted to DKK 536 million in 2019, and the loss after tax would have amounted to DKK 108 million. Reference is made to note 25 for more details.

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.

Special risks

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.

Management's review

Research and development activities

For the Software division, Phase One Group has in 2019 launched yet a major update (Capture One 20) of the award winning Capture One RAW processing workflow software. Capture One supports more than 500 top cameras and has a strong and growing base of followers among high end photographers. Phase One Group is the only camera manufacturer to offer a first class application software, which helps the top photographers optimise their creativity, workflow and quality of work. Our Software business has continued to grow significantly in 2019 which was further aided by the partnership with Fujifilm entered into in 2018 which allows the Fujifilm users to gain access to both a free and paid Brand version of the Capture One solution. The brand solution offers tailored applications for users such as popular film styles when editing camera files.

For the Imaging Solutions business a range of new offerings has been brought to market, as well as new initiatives to improve our market reach.

The Industrial (INDU) business of Phase One Group continued to develop its highly durable and high resolution IX aerial camera systems with new and improved workflow software solutions as well as advanced data storage. On top more integrated Phase One Aerial (PAS) solutions offering resolution up to 280 MP has been added to facilitate a more productive and accurate workflow for our customers. Phase One continues to invest and grow this business segment including a new distribution system. INDU is becoming an increasingly important part of the company's total sales.

For the Specialty Photography (SP) business, Phase One Group launched in 2019 the long awaited revolutionary XT camera system optimized for the most demanding landscape photographers. This camera system has affected revenue positively in 2019. In addition, the world leading studio photography camera system the XF got a large software and workflow upgrade during 2019. Phase One Group continues to offer the widest range of professional lenses on the market for the medium-format shooters.

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. In 2019, the Work Environment Committee held several meetings evaluating and optimizing the work environment. The Work Environment Committee is carrying out periodical measurements of employee satisfaction and historically these show a high degree of satisfaction in line with the Group's goal. Next survey is scheduled to be carried out during 2020.

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 fx. 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 2019. 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.

The Group does not carry out production activities which has a significant impact on the environment and climate. Therefore, the Group has not prepared an environmental and a climate policy.

Other leadership posts comprise the Executive Board, middle managers and team managers. The policy of the Group for women in other leadership roles is to have the best qualified candidates and at the same time enhance the qualifications of talented female leaders. The Group targets that at least one male and one female candidate are among the top-three candidates for other leadership roles, however, statistics on the result of this target are not available. At present, the number of female leaders is equal to that of last year, ie.. one female leader was part of Management.

Management's review

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 supplier chain and in order to prevent such behaviour in both the supply chain and among own employees, all new employees in 2019 have been 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 2019 the Board of Directors consisted of four men and no women. In the financial year, new members of the Board of Directors were elected, however despite efforts to ensure a more equal gender distribution, male candidates were elected due to their specific competencies, making them the best suited for the positions. Phase One Group targets to elect at least one of the underrepresented gender to the Board of Directors within 2024.

Events after the balance sheet date

The Covid-19 pandemic has to some extent had a negative impact on the financial performance of the Group, however in no way threatening to the existence of the Group. None the less, Management has taken preemptive steps to strengthen the financial resources in preparation of a potential financial crisis in the aftermath of the pandemic and as such Management believes that the Group is well prepared for a possible down-turn in the global economy.

No other events have occurred which affect the consolidated financial statements and parent company financial statements for 2019.

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.

The Software division will continue its high growth in 2020, based on new products, new distribution systems and new OEM partnerships.

The Imaging Solutions division has significant growth opportunities in primarily the Industrial 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 2020, including a new software suite. 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.

**Consolidated financial statements and parent company financial statements for the period
1 January - 31 December 2019**

Income statement

Note	DKK'000	Group		Parent company	
		2019	2019	2019	2019
3	Revenue	260,568		0	
	Cost of sales	-83,764		0	
	Other external expenses	-88,327		-30,645	
	Gross profit	88,477		-30,645	
4	Staff costs	-97,345		-408	
5	Amortisation/depreciation of intangible assets and property, plant and equipment	-82,767		0	
	Profit/loss before net financials	-91,635		-31,053	
	Income from investments in group enterprises	0		-57,320	
6	Financial income	6,592		0	
7	Financial expenses	-21,406		-9,875	
	Profit/loss before tax	-106,449		-98,248	
8	Tax for the year	10,379		2,178	
	Profit/loss for the year	-96,070		-96,070	

**Consolidated financial statements and parent company financial statements for the period
1 January - 31 December 2019**

Balance sheet

Note	DKK'000	Group	Parent company	
		2019	2019	
ASSETS				
Fixed assets				
9	Intangible assets			
	Completed development projects	40,311	0	
	Customer relationship	64,960	0	
	Brand	231,033	0	
	Acquired patents and licences	10,415	0	
	Technology	569,299	0	
	Goodwill	473,480	0	
	Development projects in progress and prepayments for intangible assets	29,775	0	
		<u>1,419,273</u>	<u>0</u>	
10	Property, plant and equipment			
	Fixtures and fittings, other plant and equipment	12,125	0	
	Leasehold improvements	1,152	0	
		<u>13,277</u>	<u>0</u>	
11	Investments			
	Investments in group enterprises	0	2,460,979	
		<u>0</u>	<u>2,460,979</u>	
	Total fixed assets	<u>1,432,550</u>	<u>2,460,979</u>	
Non-fixed assets				
Inventories				
	Raw materials and consumables	38,049	0	
	Work in progress	10,239	0	
	Finished goods and goods for resale	71,898	0	
		<u>120,186</u>	<u>0</u>	
Receivables				
	Trade receivables	79,873	1	
	Receivables from group enterprises	0	161	
12,15	Deferred tax assets	1,288	2,178	
	Corporation tax receivable	4,047	0	
	Other receivables	17,878	1,215	
13	Prepayments	10,351	0	
		<u>113,437</u>	<u>3,555</u>	
Cash				
		28,879	0	
	Total non-fixed assets	<u>262,502</u>	<u>3,555</u>	
	TOTAL ASSETS	<u>1,695,052</u>	<u>2,464,534</u>	

**Consolidated financial statements and parent company financial statements for the period
1 January - 31 December 2019**

Balance sheet

Note	DKK'000			
		Group 2019	Parent company 2019	
EQUITY AND LIABILITIES				
Equity				
14	Share capital	61	61	
	Retained earnings	744,249	744,249	
	Total equity	744,310	744,310	
Provisions				
15	Deferred tax	198,277	0	
17	Other provisions	8,159	0	
	Total provisions	206,436	0	
Liabilities other than provisions				
16	Non-current liabilities other than provisions			
	Bank debt	438,756	438,756	
	Lease liabilities	954	0	
	Other credit institutions	4,292	0	
		444,002	438,756	
Current liabilities other than provisions				
16	Short-term part of long-term liabilities other than provisions	27,716	25,200	
	Bank debt	163,141	2,712	
	Trade payables	54,397	0	
	Payables to group enterprises	0	1,250,000	
	Corporation tax payable	5,912	0	
	Other payables	49,138	3,556	
		300,304	1,281,468	
	Total liabilities other than provisions	744,306	1,720,224	
	TOTAL EQUITY AND LIABILITIES	1,695,052	2,464,534	

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

**Consolidated financial statements and parent company financial statements for the period
1 January - 31 December 2019**

Statement of changes in equity

Note	DKK'000	Group		
		Share capital	Retained earnings	Total
	Cash payments concerning formation of enterprise	50	0	50
	Capital increase	11	149,869	149,880
	Transfer through appropriation of loss	0	-96,070	-96,070
	Adjustment of investments through foreign exchange adjustments	0	3,051	3,051
	Contribution from group	0	687,399	687,399
	Equity at 31 December 2019	61	744,249	744,310

Note	DKK'000	Parent company		
		Share capital	Retained earnings	Total
	Cash payments concerning formation of enterprise	50	0	50
	Capital increase	11	149,869	149,880
22	Transfer, see "Appropriation of profit/loss"	0	-96,070	-96,070
	Adjustment of investments through foreign exchange adjustments	0	3,051	3,051
	Contribution from group	0	687,399	687,399
	Equity at 31 December 2019	61	744,249	744,310

**Consolidated financial statements and parent company financial statements for the period
1 January - 31 December 2019**

Cash flow statement

Note	DKK'000	Group	2019
	Profit/loss for the year		-96,070
23	Adjustments		87,455
	Cash generated from operations (operating activities)		-8,615
24	Changes in working capital		30,406
	Cash generated from operations (operating activities)		21,791
	Interest received, etc.		6,592
	Interest paid, etc.		-21,406
	Income taxes paid		-3,967
	Cash flows from operating activities		3,010
	Additions of intangible assets		-20,683
	Additions of property, plant and equipment		-7,705
25	Acquisition of companies and activities		-1,088,407
	Cash flows to investing activities		-1,116,795
	Proceeds of long-term liabilities		455,215
	Cash payments concerning formation of enterprise		50
	Group contribution		687,399
	Cash flows from financing activities		1,142,664
	Net cash flow		28,879
	Cash and cash equivalents at 1 January		0
	Cash and cash equivalents at 31 December		28,879

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December 2019

Notes to the financial statements

1 Accounting policies

The annual report of Phase One Group ApS for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

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 for the period 1 January - 31 December 2019**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 for the period 1 January - 31 December 2019

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.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are included in "Other receivables" and "Other payables", respectively.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on a current basis.

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.

Licence and royalty income is recognised over the term of the agreement in accordance with the contents of the agreement.

Revenue from time limited software licences is accrued and recognised on a straight line basis over the term of the licence according to the terms of the licence agreement.

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 recognised in revenue.

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 for the period 1 January - 31 December 2019**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 for the period 1 January - 31 December 2019

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:

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

-Developed technology are usually amortised over 8-10 years.

Brand names are usually 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 are identifiable 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 intangible 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 for the period 1 January - 31 December 2019

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 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 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.

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 for the period 1 January - 31 December 2019

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.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December 2019**Notes to the financial statements****1 Accounting policies (continued)****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.

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 for the period 1 January - 31 December 2019**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.

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 for the period 1 January - 31 December 2019**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	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

2 Events after the balance sheet date

The Covid-19 pandemic has to some extent had a negative impact on the financial performance of the Group, however in no way threatening to the existence of the Group. The management believes that the Group is well prepared for a possible down-turn in the global economy.

No other events have occurred which affect the consolidated financial statements and parent company financial statements for 2019.

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.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December 2019

Notes to the financial statements

	Group		Parent company	
	2019	2019	2019	2019
DKK'000				
4 Staff costs				
Wages/salaries	85,980		407	
Pensions	424		0	
Other social security costs	2,335		1	
Other staff costs	8,606		0	
	97,345		408	
Average number of full-time employees	323		1	
Total remuneration to group Management : DKK 3,536 thousand.				
5 Amortisation/depreciation of intangible assets and property, plant and equipment				
Amortisation of intangible assets	80,609		0	
Depreciation of property, plant and equipment	2,158		0	
	82,767		0	
6 Financial income				
Exchange gain	6,354		0	
Other financial income	238		0	
	6,592		0	
7 Financial expenses				
Exchange losses	5,830		0	
Other financial expenses	15,576		9,875	
	21,406		9,875	
8 Tax for the year				
Estimated tax charge for the year	7,032		0	
Deferred tax	-17,411		-2,178	
	-10,379		-2,178	

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December 2019

Notes to the financial statements

9 Intangible assets

DKK'000	Group							Development projects in progress and prepayments for intangible assets	Total		
	Completed development projects	Customer relationship	Brand	Acquired patents and licences		Technology	Goodwill				
				Technology	Goodwill						
Cost at 1 January 2019	0	0	0	0	0	0	0	0	0		
Additions through corporate acquisitions	64,890	67,200	239,000	8,847	601,000	485,621	12,641	1,479,199			
Additions	1,018	0	0	2,531	0	0	0	17,134	20,683		
Cost at 31 December 2019	65,908	67,200	239,000	11,378	601,000	485,621	29,775	1,499,882			
Impairment losses and amortisation at 1 January 2019	0	0	0	0	0	0	0	0	0		
Amortisation for the year	25,597	2,240	7,967	963	31,701	12,141	0	0	80,609		
Impairment losses and amortisation at 31 December 2019	25,597	2,240	7,967	963	31,701	12,141	0	0	80,609		
Carrying amount at 31 December 2019	40,311	64,960	231,033	10,415	569,299	473,480	29,775	1,419,273			
Amortised over	2 years	15 years	15 years	5-10 years	8-10 years	20 years					

Note 19 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 2020 and 2021 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 for the period 1 January - 31 December 2019

Notes to the financial statements

10 Property, plant and equipment

DKK'000	Group		
	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2019	0	0	0
Additions on corporate acquisition	6,810	920	7,730
Additions	7,053	652	7,705
Cost at 31 December 2019	13,863	1,572	15,435
Depreciation	1,738	420	2,158
Impairment losses and depreciation at 31 December 2019	1,738	420	2,158
Carrying amount at 31 December 2019	12,125	1,152	13,277
Property, plant and equipment include finance leases with a carrying amount totalling	2,164	0	2,164
Depreciated over	3 years	3 years	

Note 19 provides more details on security for loans, etc. as regards property, plant and equipment.

11 Investments

DKK'000	Parent company
	Investments in group enterprises
Cost at 1 January 2019	0
Additions	2,515,248
Cost at 31 December 2019	2,515,248
Foreign exchange adjustments	3,051
Profit/loss for the year	-57,320
Value adjustments at 31 December 2019	-54,269
Carrying amount at 31 December 2019	2,460,979

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%
Phase One Imaging Holding Ltd.	UK	100.00%

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December 2019

Notes to the financial statements

12 Deferred tax assets

The Group has recognised an asset amounting to DKK 1,288 Thousand. The tax asset consists of non-utilised tax deductions in the form of timing differences. Based on the budget for 2020, Management considers it likely that there will be future taxable income against which non-utilised tax losses and deductions can be offset.

13 Prepayments

Group

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

14 Share capital

Changes in the share capital in the past year:

DKK'000	2019
Establishment	50
Capital increase	11
	<hr/>
	61
	<hr/>

DKK'000	Group	Parent company
	2019	2019

15 Deferred tax

Additions through corporate acquisition	213,200	0
Adjustment for the year	-17,411	-2,178
Deferred tax adjustment, prior year	1,200	0
Deferred tax at 31 December	196,989	-2,178

Deferred tax relates to:

Intangible assets	203,135	0
Tax loss	0	-2,178
Other taxable temporary differences	-6,146	0
	<hr/>	<hr/>
	196,989	-2,178
	<hr/>	<hr/>

Analysis of the deferred tax

Deferred tax assets	-1,288	-2,178
Deferred tax liabilities	198,277	0
	<hr/>	<hr/>
	196,989	-2,178
	<hr/>	<hr/>

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December 2019

Notes to the financial statements

16 Non-current liabilities other than provisions

Group				
DKK'000	Total debt at 31/12 2019	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Bank debt	463,956	25,200	438,756	276,973
Lease liabilities	2,302	1,348	954	0
Other credit institutions	5,460	1,168	4,292	0
	471,718	27,716	444,002	276,973

Parent company				
DKK'000	Total debt at 31/12 2019	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Bank debt	463,956	25,200	438,756	276,973
	463,956	25,200	438,756	276,973

17 Other provisions

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

18 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

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

Group

Rent and lease liabilities include rent liabilities with a remaining contract period between 8 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 entities liable for payment of income taxes and withholding taxes.

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December 2019

Notes to the financial statements

19 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 AX V Phase One Holding I ApS and Capture One A/S of DKK 624,385 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.

20 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	2019
Parent Company	
Management fee	421
Receivables from group enterprises	161
Payables to group enterprises	1,250,000

Information on the remuneration to management

Information on the remuneration to Management appears from note 4, "Staff costs".

Information about security for loans relating to group entities

Information about security for loans relating to group entities appears from 19, "Collateral".

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December 2019

Notes to the financial statements

DKK'000	Group	Parent company
	2019	2019
21 Fee to the auditors appointed by the Company in general meeting		
Statutory audit	697	30
Assurance engagements	112	0
Tax assistance	40	10
Other assistance	203	10
	1,052	50
DKK'000	Parent company	
		2019
22 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	-96,070	
	-96,070	
DKK'000	Group	
		2019
23 Adjustments		
Amortisation/depreciation and impairment losses	82,767	
Provisions	253	
Financial income	-6,592	
Financial expenses	21,406	
Tax for the year	-10,379	
	87,455	
24 Changes in working capital		
Change in inventories	6,329	
Change in receivables	-9,316	
Change in trade and other payables	33,393	
	30,406	

Consolidated financial statements and parent company financial statements for the period 1 January - 31 December 2019

Notes to the financial statements

	Group
DKK'000	2019
25 Acquisition of enterprises and activities	
Intangible assets	993,578
Property, plant and equipment	7,730
Inventories	126,515
Receivables	98,786
Cash	21,599
Bank debt	-179,644
Provisions	-7,906
Deferred tax	-213,200
Trade payables	-37,214
Other payables	-35,979
	<hr/>
Goodwill	774,265
	<hr/>
Cost of acquisition	485,621
Cash	1,259,886
Vendor note	-21,599
	<hr/>
Cost of acquisition paid in cash	-149,880
	<hr/>
	1,088,407
	<hr/>

Phase One Group was acquired during 2019, with closing on 12 July 2019. Had the group been acquired at 1 January 2019, the consolidated income statement would have shown the following amounts:

	Group
DKK'000	2019
Revenue	535,637
Cost of sales	-176,872
Other external expenses	-130,267
	<hr/>
Gross profit	228,498
Staff costs	-187,288
Amortisation/depreciation of intangible assets and property, plant and equipment	-131,984
	<hr/>
Profit/loss before net financials	-90,774
Financial income	13,266
Financial expenses	-37,162
	<hr/>
Profit/loss before tax	-114,670
Tax for the year	7,103
	<hr/>
Profit/loss for the year	-107,567
	<hr/>

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

Martin Høy

Direktion

On behalf of: Phase One Group ApS

Serial number: PID:9208-2002-2-619655004662

IP: 83.91.xxx.xxx

2020-08-28 15:00:37Z

NEM ID 

Jacob Fonnesbech Aqraou

Bestyrelse

On behalf of: Phase One Group ApS

Serial number: PID:9208-2002-2-814345106312

IP: 147.78.xxx.xxx

2020-08-28 15:23:27Z

NEM ID 

Christian Bamberger Bro

Bestyrelse

On behalf of: Phase One Group ApS

Serial number: PID:9208-2002-2-534024407204

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2020-08-30 15:31:14Z

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Asbjørn Mosgaard Hyldgaard

Bestyrelse

On behalf of: Phase One Group ApS

Serial number: PID:9208-2002-2-717553254214

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2020-08-30 16:19:06Z

NEM ID 

Nicklas Rasmussen

Statsautoriseret revisor

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:56769284

IP: 109.198.xxx.xxx

2020-08-30 17:34:06Z

NEM ID 

Jan C Olsen

Statsautoriseret revisor

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: CVR:30700228-RID:28761615

IP: 145.62.xxx.xxx

2020-08-31 10:51:22Z

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Thomas Korfix Gjøl-Trønning

Dirigent

On behalf of: Phase One Group ApS

Serial number: PID:9208-2002-2-665924913292

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