Phase One Group ApS

Roskildevej 39, 2000 Frederiksberg

CVR no. 40 15 25 39

Annual report 2022

Approved at the Company's annual general meeting on 25 May 2023

Chair of the meeting:

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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 2022.

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 2022 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 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 25 May 2023
Executive Board:

Allan Sylvest Aasberg
Director

Board of Directors:

Jacob Fonnesbech Aqraou
Chairman

Christian Bamberger Bro
Vice Chairman

Lars Cordt
Member

Mark Carges
Member

Independent auditor's report

To the shareholder 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 2022, 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 2022, 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 2022 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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, 25 May 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Peter Andersen
State Authorised Public Accountant
mne34313

Jacob Thøgersen
State Authorised Public Accountant
mne49102

Management's review

Company details

Name	Phase One Group ApS
Address, Postal code, City	Roskildevej 39, 2000 Frederiksberg
CVR no.	40 15 25 39
Established	1 January 2019
Registered office	2000 Frederiksberg
Financial year	1 January - 31 December
Board of Directors	Jacob Fonnesbech Aqraou, Chairman Christian Bamberger Bro, Vice Chairman Lars Cordt, Member Mark Carges, Member
Executive Board	Allan Sylvest Aasberg, 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	2022	2021	2020	2019
Key figures				
Revenue	579,779	570,865	520,647	260,568
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	127,145	141,708	96,857	-8,869
Operating profit/loss	-40,662	-24,282	-62,057	-91,635
Net financials	-38,591	-24,675	-39,120	-14,814
Profit/loss for the year	**-67,820**	**-51,872**	**-81,164**	**-96,070**
Total assets	1,357,038	1,461,318	1,555,979	1,695,052
Investments in property, plant and equipment	-8,059	-5,519	-9,440	-7,705
Equity	**532,386**	**601,683**	**655,960**	**744,310**
Cash flows from operating activities	61,846	97,448	54,177	3,010
Total cash flows	**-14,103**	**11,528**	**-10,461**	**28,879**
Financial ratios				
Operating margin	-7.0%	-4.3%	-11.9%	-35.2 %
Equity ratio	39.2%	41.2%	42.2%	43.9%
Return on equity	-12.0%	-8.2%	-11.6%	-12.9%
Average number of full-time employees	**340**	**311**	**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 core business is to develop, market and sell high quality digital imaging camera and software solutions. Our main customers are:

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

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

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

Financial review

Group:

The year 2022 showed an increase in revenue of 2% compared to an expected increase in revenue of minimum 10%. The lower than expected increase was primarily caused by significant and unexpected market volatility and negative effects from supply chain disruptions. The 2022 result is considered satisfactory under the circumstances.

The Group's revenue amounted to DKK 580 million in 2022 and profit after tax amounted to DKK -68 million in 2022.

EBITDA for 2022 was DKK 127 million corresponding to 22% of revenue.

The Group employed an average of 340 employees in 2022.

The Group's balance sheet total amounted to DKK 1,357 million, of which current assets constitute 17 %.

Equity in the Group amounted to DKK 532 million at 31 December 2022.

Parent:

The year 2022 shows profit after tax of DKK -68 million.

Management finds the result for 2022 satisfactory.

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, software solutions, lenses, workflow, artificial intelligence etc.

In order to ensure a high and competitive product quality, the Group uses modern production & quality control processes and an agile development methodology. 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. Throughout the year several highly qualified and talented employees joined the company which has strengthened the knowledge and competence base.

Management's review

Risk management

At Phase One Group, we view risk management as an integrated part of managing the Group. We strive to make sure that we do business in a balanced way, assessing and managing both financial and non-financial risks to protect our employees, assets and reputation. At least once a year, the Board of Directors reviews the risk exposure associated with the Group's activities, including the risk mitigating actions. Policies are adopted for areas of risk, and developments are monitored to ensure that identified risks are mitigated and accounted for, including strategic, operational and financial risks.

Financial risks and use of financial instruments

Due to the Group's global activities, the profit and equity as well as cash flows are especially influenced in 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, we partly hedge 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. No hedging is done in respect of these currencies, as it is not considered optimal from a risk and cost point of view.

Research and development activities

Capture One launched a major update of its RAW image editing software, Capture One Pro 23. In addition, the company launched its real-time collaboration platform, Capture One Live, along with a version of Capture One Pro compatible with iPad. Capture One supports more than 550 cameras and has contracts with Leica, Fujifilm and Phase One for supporting their full range of cameras. Capture One R&D is primarily performed out of the Company's headquarter in Denmark. Additionally, the Company has a development site in Athens.

Phase One continued it's focus on driving innovation in the Geospatial industry by applying its expertise in digital imaging technology and application software to solve longstanding industry pain points.

Phase One's Geospatial business expanded it's unique camera portfolio by introducing the iXM-GS120, and thereby pioneering the use of cameras with global shutter image sensors dedicated for geospatial applications including mobile mapping as well as aerial imaging.

On the inspection side of the business, most development effort was focused on making the P3 Payload robust and adding key features. The product-market fit is very strong and the P3 Payload is considered the premium, high-end solution for asset inspection.

Looking to the space business, Phase One was pleased to announce it's first camera in space which is currently capturing images. Ongoing development of the iXM-SP150 will result in a launch of this commercial, off-the-shelf space camera in Q2 of 2023.

Phase One continued to invest into its IX Suite software for higher productivity and flexibility and the software SDK partnerships was also expanded significantly.

Looking forward, the patent pending Fusion Shutter™ technology, expected to be launched late in 2023, will combine the global shutter technology with Phase One's existing, industry leading mechanical shutter technology to overcome limitations and open new applications for aerial imaging. Development is ongoing for this solution.

Heritage continued to grow mainly through the matured unique Multi-Spectral Imaging solutions. Also Phase One's ultra-high resolution medium format camera systems remain unique within the professional and high-end photo enthusiast photographic market. Activities in Bespoke Photography in 2022 have been mostly focused on lens integration projects and firmware feature updates for the IQ4 digital back family.

Management's review

Statutory CSR report

Through the Group's main activity to develop, market and sell high quality digital imaging cameras and Photography software solutions for professionals, the Group has identified employee engagement, and responsible governance as the areas with greatest possible impact on society. The Board of Directors guides and governs the overall strategy for the Group's corporate sustainability and has general oversight of the Group's work with ESG (Environmental, Social, and Governance) topics. The Executive Management is responsible for ensuring the ESG strategy is implemented.

In 2021, the Board of Directors approved an ESG strategy, which included an ESG materiality assessment. Also, the Company has joined the UN Global Compact. In 2022 we defined KPI´s regarding human rights, labour, environment and anti-corruption. We also established the calculation regarding the GHG.

The Group is knowledge intensive, and its staff is considered the most important resource and an important part of the Group's corporate social responsibility. The 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 2022 the Group carried out regular measurements of employee satisfaction and these show employee satisfaction above the industry benchmark. The Group will continue to carry out measurements of the working environment and employee satisfaction to ensure the employees' well-being.

Human rights

The Group supports the protection of fundamental human rights in all aspects of the operations and seeks to promote respect for these principles by others where it has an influence, particularly suppliers, and all other entities and individuals with whom it has a business relationship. The risks associated with human rights are i.e. child labor and denial of labor rights, however, the Group continues to specify the expectations to its global organization and to suppliers in our Code of Conduct in 2023. All new employees and new suppliers have been made acquaint with the Code of Conduct in 2022. 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.

Environment

The Group does not carry out production activities which have a significant impact on the environment and climate. Based on a risk assessment, the Group has not prepared a global environmental and climate policy.

The group is operating an environmental management system in compliance with ISO 14001: 2015 for its manufacturing site in Saku, Japan.

Anti corruption

The Group's 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 behavior 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. All new employees were introduced and trained in the corporate anti-corruption policy in 2022. Management is not aware of any violation of the policy in 2022.

The Group will continue to introduce new employees to the corporate anti-corruption policy.

Management's review

Account of the gender composition of Management

The 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 2022, the Board of Directors consisted of four men and no women. No changes were made to the Board of Directors in the current financial year. The Group targets to elect at least one board member from the underrepresented gender to the Board of Directors no later than 2025.

Phase One Group Aps has less than 50 employees.

Data ethics

Regularly fully confidential staff engagement surveys are conducted using an external third-party software. The Group uses these data to improve the working environment whether physical or emotional as well as prioritize our efforts in health and safety measures.

Group relations

Phase One A/S Group 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. with an approximately 22% share via the holding companies AX V Phase One Holding I ApS and AX V Phase One Holding II ApS.

Phase One Group ApS' equity consist of one class of shares.

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 Danish private equity firm Axcel, the Group is subject to the guidelines of the Active Owners Denmark (www.aktiveejere.dk) for responsible ownership and corporate governance. The Group 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.

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 Group 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 Group, 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 Group - 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 Group'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 Group'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 of 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.

Management's review

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)	Lars Cordt (appointed in Nov-21)
Position	Professional investor	Partner - Axcel Management A/S	Advisor, Ocado Technology and Senior Advisor, Generation Investment Management	Partner - Axcel Management A/S
Recommended by	Axcel	Axcel	Axcel	Axcel
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 DenmarkBridge	-	-	-
Vice Chairman of the Board of Directors in:	-	Phase One Group ApS and related Group companies Loopia Aktiebolag and related Group companies SuperOffice Group AS and related Group companies BullWall Group ApS and related Group companies emagine Holding ApS and related Group companies AX VI itm8 Holding ApS and related Group companies	-	AX V Nissens ApS and related Group companies DANX Group ApS and related Group companies Carousel Logistics Holdings Limited NTI Group ApS and related Group companies
Board Member in:	Wallapop S.L.	Axcel Management Holding ApS NTI Group ApS and related Group companies	Phase One Group ApS and related Group companies Splunk Inc. Veeva Systems Inc. Magnet Systems Inc. Meals on Wheels Inc.	Phase One Group ApS and related Group companies Gubi Group ApS and related Group companies Mountain Top Group ApS and related Group companies Axcel Management Holding ApS

Management's review

Events after the balance sheet date

In January it was decided to close down Phase Ones operations in Israel as of June 30th, 2023 to consolidate production in Japan.

No further events which could have a significant impact on the consolidated financial statements and parent company financial statements have occurred subsequently to December 31, 2022.

Outlook

The demand for imaging technology is 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 hardware and software solutions underpins the positive outlook that is reflected in our expectations for the future.

The Group 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, the PAS systems and P3 payload launched in late 2021 are expected to be key growth drivers.

The 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 approximately 15% revenue growth in 2023 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	2022	2021	2022	2021
3	**Revenue**	579,779	570,865	0	0
	Cost of sales	-145,985	-153,429	0	0
5	Other operating income	0	0	2,718	1,950
4	Other external expenses	-110,746	-106,506	-1,586	-881
	Gross profit	323,048	310,930	1,132	1,069
6	Staff costs	-195,903	-169,222	-2,512	-2,817
7	Amortisation/depreciation of intangible assets and property, plant and equipment	-167,807	-165,990	0	0
	Profit/loss before net financials	-40,662	-24,282	-1,380	-1,748
	Income from investments in group enterprises	0	0	-45,460	-26,382
8	Financial income	505	7,719	663	0
	Financial expenses	-39,096	-32,394	-26,343	-25,781
	Profit/loss before tax	-79,253	-48,957	-72,520	-53,911
9	Tax for the year	11,433	-2,915	4,700	2,039
	Profit/loss for the year	-67,820	-51,872	-67,820	-51,872

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

Balance sheet

		Group		Parent company	
Note	DKK'000	2022	2021	2022	2021
	ASSETS				
	Fixed assets				
10	**Intangible assets**				
	Completed development projects	31,237	17,182	0	0
	Customer relationship	51,520	56,000	0	0
	Brand	183,233	199,167	0	0
	Acquired patents and licences	6,713	13,587	0	0
	Technology	379,091	442,494	0	0
	Goodwill	423,410	449,031	0	0
	Development projects in progress and prepayments for intangible assets	44,152	53,410	0	0
		1,119,356	1,230,871	0	0
11	**Property, plant and equipment**				
	Fixtures and fittings, other plant and equipment	9,696	8,206	0	0
	Leasehold improvements	2,245	2,342	0	0
		11,941	10,548	0	0
12	**Investments**				
	Investments in group enterprises	0	0	1,003,423	1,110,708
	Deposits, investments	143	0	0	0
		143	0	1,003,423	1,110,708
	Total fixed assets	1,131,440	1,241,419	1,003,423	1,110,708
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	74,198	54,035	0	0
	Work in progress	2,290	7,883	0	0
	Finished goods and goods for resale	53,791	40,417	0	0
		130,279	102,335	0	0
	Receivables				
	Trade receivables	56,980	75,291	0	0
	Receivables from group enterprises	170	0	23,243	27,539
14	Deferred tax assets	1,888	1,865	9,124	4,424
	Corporation tax receivable	2,172	0	0	7,793
	Other receivables	10,062	8,581	0	0
13	Prepayments	8,204	1,881	0	0
		79,476	87,618	32,367	39,756
	Cash	15,843	29,946	1,033	21
	Total non-fixed assets	225,598	219,899	33,400	39,777
	TOTAL ASSETS	1,357,038	1,461,318	1,036,823	1,150,485

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

Balance sheet

Note	DKK'000	Group 2022	Group 2021	Parent company 2022	Parent company 2021
	EQUITY AND LIABILITIES				
	Equity				
	Share capital	61	61	61	61
	Hedging reserve	-793	-2,261	0	0
	Reserve for exchange rate gains / loss	-10,111	-7,166	-10,111	-7,166
	Retained earnings	543,229	611,049	542,436	608,788
	Total equity	532,386	601,683	532,386	601,683
	Provisions				
14	Deferred tax	134,883	155,791	0	0
16	Other provisions	6,464	8,464	0	0
	Total provisions	141,347	164,255	0	0
	Liabilities other than provisions				
15	**Non-current liabilities other than provisions**				
	Bank debt	453,840	495,316	453,840	495,316
	Lease liabilities	0	546	0	0
	Other payables	12,346	13,375	253	218
		466,186	509,237	454,093	495,534
	Current liabilities other than provisions				
15	Short-term part of long-term liabilities other than provisions	46,128	44,456	44,211	43,105
	Bank debt	76,290	51,100	0	0
	Trade payables	22,853	23,390	0	0
	Corporation tax payable	3,511	4,327	0	0
	Other payables	36,302	38,641	6,133	10,163
18	Deferred income	32,035	24,229	0	0
		217,119	186,143	50,344	53,268
	Total liabilities other than provisions	683,305	695,380	504,437	548,802
	TOTAL EQUITY AND LIABILITIES	1,357,038	1,461,318	1,036,823	1,150,485

1 Accounting policies
2 Events after the balance sheet date
19 Contractual obligations and contingencies, etc.
20 Collateral
21 Related parties
22 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	Hedging reserve	Reserve for exchange rate gains / loss	Retained earnings	Total
	Equity at 1 January 2022	61	-2,261	-7,166	611,049	601,683
	Transfer through appropriation of loss	0	0	0	-67,820	-67,820
	Forreign exchange adjustments	0	0	-2,945	0	-2,945
	Other value adjustments of equity	0	1,887	0	0	1,887
	Tax on items recognised directly in equity	0	-419	0	0	-419
	Equity at 31 December 2022	61	-793	-10,111	543,229	532,386

Note	DKK'000	Parent company			
		Share capital	Reserve for exchange rate gains / loss	Retained earnings	Total
	Equity at 1 January 2022	61	-7,166	608,788	601,683
22	Transfer, see "Appropriation of profit/loss"	0	0	-67,820	-67,820
	Forreign exchange adjustments	0	-2,945	0	-2,945
	Other value adjustments of equity	0	0	1,468	1,468
	Equity at 31 December 2022	61	-10,111	542,436	532,386

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

Cash flow statement

Note	DKK'000	Group 2022	Group 2021
	Profit/loss for the year	-67,820	-51,872
23	Adjustments	194,316	192,440
	Cash generated from operations (operating activities)	126,496	140,568
24	Changes in working capital	-13,572	-8,339
	Cash generated from operations (operating activities)	112,924	132,229
	Exchange gains, etc	505	7,719
	Interest paid, etc.	-39,096	-32,394
	Income taxes paid	-12,487	-10,106
	Cash flows from operating activities	61,846	97,448
	Additions of intangible assets	-49,903	-45,975
	Additions of property, plant and equipment	-8,059	-5,027
	Cash flows to investing activities	-57,962	-51,002
	Changes in lease liabilities	0	-1,201
	Net change in bank debt	-17,987	-33,717
	Cash flows from financing activities	-17,987	-34,918
	Net cash flow	-14,103	11,528
	Cash and cash equivalents at 1 January	29,946	18,418
25	**Cash and cash equivalents at 31 December**	15,843	29,946

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 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

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.

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.

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

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

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

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 presented as separate items in the balance sheet.

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

Notes to the financial statements

1 Accounting policies (continued)

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement on an ongoing 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® 2020.

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

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.

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

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	1,5-2 years
Customer relationship	15 years
Brand	15 years
Acquired patents and licences	3-10 years
Technology	8-10 years
Goodwill	20 years
Fixtures and fittings, other plant and equipment	3 years
Leasehold improvements	3 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

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

Profit/loss from investments in subsidiaries

The income statement includes the proportional share of the underlying companies' profit or loss after elimination of internal profit/loss and after tax. In subsidiaries, the full elimination of internal profit and loss is carried out without regard to ownership shares., only proportional elimination of profit and loss is carried out, taking into account ownership shares.

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.

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.

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

Notes to the financial statements

1 Accounting policies (continued)

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 and other intangible assets comprising intangible assets acquired in connection with a business combination are measured at cost less accumulated amortisation and impairment. The amortization period for goodwill is fixed on the basis of the expected repayment horizon, longest for strategically acquired enterprises with strong market positions and long-term earnings profiles. Other intangible assets are amortised over the estimated useful lives.

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 basis of amortisation is based on the expected useful life and is reduced by impairment losses, if any. The amortisation period is determined at the time of acquisition and are reassessed every year.

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

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.

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

Notes to the financial statements

1 **Accounting policies (continued)**

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.

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 and 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).

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

Notes to the financial statements

1 **Accounting policies (continued)**

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.

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

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

Receivables are measured at amortised cost.

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.

Cash

Cash comprises cash balances.

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

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.

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Hedging reserve

The hedging reserve comprises the cumulative net change in the fair value of hedging transactions that qualify for recognition as a cash flow hedge and where the hedged transaction has not yet been realised. The reserve is dissolved when the hedged transaction is realised, if the hedged cash flows are no longer expected to be realised or if the hedging relationship is no longer effective. The reserve does not represent a limitation under company law and may therefore be negative.

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.

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

Notes to the financial statements

1 **Accounting policies (continued)**

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.

Liabilities

The Company has chosen IAS 39 as interpretation for 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.

Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

If a reliable fair value cannot be stated according to the above levels, the asset or liability is measured at cost.

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

Notes to the financial statements

1 Accounting policies (continued)

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

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

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	$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$

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

Notes to the financial statements

2 Events after the balance sheet date

In January it was decided to close down Phase Ones operations in Israel as of June 30th, 2023. No further events which could have a significant impact on the consolidated financial statements and parent company financial statements have occurred subsequently to December 31, 2022.

	Group		Parent company	
DKK'000	2022	2021	2022	2021
3 Segment information				
Breakdown of revenue by geographical segment:				
Americas	314,511	198,378	0	0
Europe	173,324	246,549	0	0
Other	91,944	125,938	0	0
	579,779	570,865	0	0

The Company has not disclosed the breakdown of revenue by 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.

	Group	
DKK'000	2022	2021
4 Fee to the auditors appointed in general meeting		
Total fees to EY	1,887	1,990
Statutory audit	1,096	1,082
Tax assistance	533	642
Other assistance	258	266
	1,887	1,990

Audit fees are not disclosed for parent company with reference to section 96(3) of the Danish Financial Statements Act, as audit fees are disclosed for the group as such in the consolidated financial statements for Phase One Group.

5 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	2022	2021	2022	2021
6	**Staff costs**				
	Wages/salaries	215,773	190,348	2,409	2,815
	Pensions	1,198	0	0	0
	Other social security costs	1,691	1,592	2	2
	Other staff costs	14,546	13,324	101	0
	Staff costs capitalized in development projects during the year	-37,305	-36,042	0	0
		195,903	169,222	2,512	2,817
	Average number of full-time employees	340	311	1	1

Remuneration to members of Management:

Executive Board	1,811	0	1,811	0
Board of Directors	600	0	600	0
	2,411	0	2,411	0

By reference to section 98b(3)(ii) of the Danish Financial Statements Act, remuneration to Management for both group and parent is disclosed as one for 2021, amounting to DKK 2,458 thousand.

		Group		Parent company	
	DKK'000	2022	2021	2022	2021
7	**Amortisation/depreciation of intangible assets and property, plant and equipment**				
	Amortisation of intangible assets	161,418	151,446	0	0
	Depreciation of property, plant and equipment	6,389	14,544	0	0
		167,807	165,990	0	0
8	**Financial income**				
	Interest receivable, participating interests	0	0	663	0
	Other financial income	505	7,719	0	0
		505	7,719	663	0
9	**Tax for the year**				
	Estimated tax charge for the year	9,917	11,675	0	-7,793
	Deferred tax adjustments in the year	-21,350	-1,979	-4,700	5,754
	Tax adjustments, prior years	0	-6,781	0	0
		-11,433	2,915	-4,700	-2,039

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

Notes to the financial statements

10 Intangible assets

	Group							
DKK'000	Completed development projects	Customer relationship	Brand	Acquired patents and licences	Technology	Goodwill	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2022	106,774	67,200	239,000	27,050	601,000	512,412	53,410	1,606,846
Additions	0	0	0	970	0	0	48,933	49,903
Disposals	-38,135	0	0	-9,535	0	0	0	-47,670
Transferred	58,191	0	0	0	0	0	-58,191	0
Cost at 31 December 2022	126,830	67,200	239,000	18,485	601,000	512,412	44,152	1,609,079
Impairment losses and amortisation at 1 January 2022	89,592	11,200	39,833	13,463	158,506	63,381	0	375,975
Amortisation for the year	44,136	4,480	15,934	7,844	63,403	25,621	0	161,418
Reversal of accumulated amortisation and impairment of assets disposed	-38,135	0	0	-9,535	0	0	0	-47,670
Impairment losses and amortisation at 31 December 2022	95,593	15,680	55,767	11,772	221,909	89,002	0	489,723
Carrying amount at 31 December 2022	31,237	51,520	183,233	6,713	379,091	423,410	44,152	1,119,356
Amortised over	2 years	15 years	15 years	3-10 years	8-10 years	20 years		

Completed development projects

In 2022, the Group finalized the new iXM-GS120, a camera with global shutter image sensors dedicated for geospatial applications including mobile mappings as well as aerial imaging and a new update to its photography software, CaptureOne Pro. Additionally, the Company released a version of its software which is compatible with iPad aswell as its collaboration tool, Capture One Live.

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

Development projects in progress

In 2022, the Group announced it's first camera in space which is currently capturing images. Ongoing development of our iXM-SP150 will result in a launch of this commercial, off-the-shelf space camera inQ2 of 2023.

Looking forward, the patent pending Fusion Shutter™ technology, expected to be launched late in 2023, will combine the global shutter technology with Phase One's existing, industry leading mechanical shutter technology to overcome limitations and open new applications for aerial imaging.

Heritage continued to grow mainly through the matured unique Multi-Spectral Imaging solutions. Also Phase One's ultra-high resolution medium format camera systems remain unique within the professional and high-end photo enthusiast photographic market. Activities in Bespoke Photography in 2022 have been mostly focused on lens integration projects and firmware feature updates for the IQ4 digital back family.

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

The development projects are expected to be complete during 2023 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 2022	14,998	5,538	20,536
Additions	6,528	1,531	8,059
Disposals	-15,426	0	-15,426
Cost at 31 December 2022	6,100	7,069	13,169
Impairment losses and depreciation at 1 January 2022	6,792	3,196	9,988
Depreciation	4,761	1,628	6,389
Reversal of accumulated depreciation and impairment of assets disposed	-15,149	0	-15,149
Impairment losses and depreciation at 31 December 2022	-3,596	4,824	1,228
Carrying amount at 31 December 2022	9,696	2,245	11,941
Depreciated over	3 years	3 years	

12 Investments

	Parent company
DKK'000	Investments in group enterprises
Cost at 1 January 2022	1,425,677
Cost at 31 December 2022	1,425,677
Value adjustments at 1 January 2022	-314,969
Foreign exchange adjustments	-2,945
Dividend received	-60,364
Profit/loss for the year	16,557
Changes in equity	1,484
Value adjustments for the year	-62,017
Value adjustments at 31 December 2022	-422,254
Carrying amount at 31 December 2022	1,003,423

Parent company

Name	Domicile	Interest
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 Prepayments

Group

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

	Group		Parent company	
DKK'000	2022	2021	2022	2021
14 Deferred tax				
Deferred tax at 1 January	153,926	155,905	-4,424	-10,178
Adjustment for the year	-20,931	-1,979	-4,700	5,754
Deferred tax at 31 December	132,995	153,926	-9,124	-4,424
Analysis of the deferred tax				
Deferred tax assets	-1,888	-1,865	-9,124	-4,424
Deferred tax liabililties	134,883	155,791	0	0
	132,995	153,926	-9,124	-4,424

Deferred tax assets is taxable losses witch will be utilised based on budgets for the coming years.

15 Non-current liabilities other than provisions

	Group			
DKK'000	Total debt at 31/12 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Bank debt	498,051	44,211	453,840	0
Lease liabilities	474	474	0	0
Other payables	13,789	1,443	12,346	11,179
	512,314	46,128	466,186	11,179

Other payables is primarily related to holiday liability.

	Parent company			
DKK'000	Total debt at 31/12 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Bank debt	498,051	44,211	453,840	0
Other payables	253	0	253	253
	498,304	44,211	454,093	253

Other payables is related to holiday liability.

16 Other provisions

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

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Notes to the financial statements

17 Derivative financial instruments

Group

Fair values

The fair value of the below financial instruments deviates from the value recognised in the Group's balance sheet at 31 December 2022.

Fair value disclosures

The Group has the following assets and liabilities measured at fair value:

DKK'000	Currency hedging
Group	
Fair value at year end	-1,026
Unrealised fair value adjustments for the year, recognised in hedging reserve	1,887
Fair value level	2

18 Deferred income

Deferred income, DKK 32,035 thousand (2021: DKK 24,229 thousand), consists of payments received from customers for software which will be recognised in the subsequent financial year.

19 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 2017 and 2018, where the income year 2014-16 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 2022.

Other financial obligations

Other rent and lease liabilities:

	Group		Parent company	
DKK'000	2022	2021	2022	2021
Rent and lease liabilities	17,028	21,150	0	0

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.

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20 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 1,575 thousand.

Parent company

The Company has provided guarantee for debt to banks for Phase One A/S and Capture One A/S of DKK 118,375 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.

21 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	Roskildevej 39, 2000 Frederiksberg, Denmark

Related party transactions

DKK'000	2022	2021
Parent Company		
Management fee	2,718	1,950
Received dividend	60,364	60,000

Information about related parties transactions in regards to receivables and payables to group enterprises see balance sheet.

Information about related parties transactions in regards to interest from group enterprises see note 8.

Information on the remuneration to management

Information on the remuneration to Management appears from note 6, "Staff costs".

Information about security for loans relating to group entities

Information about security for loans relating to group entities appears from 20, "Collateral".

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Notes to the financial statements

DKK'000	Parent company 2022	Parent company 2021
22 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Retained earnings/accumulated loss	-67,820	-51,872
	-67,820	-51,872

DKK'000	Group 2022	Group 2021
23 Adjustments		
Amortisation/depreciation and impairment losses	167,807	165,989
Provisions	-2,000	1,015
Financial income	-505	-7,719
Financial expenses	39,096	32,394
Tax for the year	-11,433	2,915
Other non-cash items	1,351	-2,154
	194,316	192,440
24 Changes in working capital		
Change in inventories	-27,667	-6
Change in receivables	18,000	-11,738
Change in trade and other payables	-3,905	3,405
	-13,572	-8,339
25 Cash and cash equivalents at year-end		
Cash according to the balance sheet	15,843	29,946
	15,843	29,946