AX V Phase One Holding III ApS

Roskildevej 39, 2000 Frederiksberg

CVR no. 40 15 26 60

Annual report 2021

Approved at the Company's annual general meeting on 29 June 2022

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 AX V Phase One Holding III ApS for the financial year 1 January - 31 December 2021.

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 2021 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 2021.

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

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

Copenhagen, 29 June 2022
Executive Board:

Jesper Frydensberg
Rasmussen

Board of Directors:

Christian Bamberger Bro Chair	Peter Nyegaard Member	Lars Cordt Member

Independent auditor's report

To the shareholders of AX V Phase One Holding III ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of AX V Phase One Holding III ApS for the financial year 1 January - 31 December 2021, 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 2021, 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 2021 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, 29 June 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen
State Authorised Public Accountant
mne33717

Peter Andersen
State Authorised Public Accountant
mne34313

Management's review

Company details

Name	AX V Phase One Holding III ApS
Address, Postal code, City	Roskildevej 39, 2000 Frederiksberg
CVR no.	40 15 26 60
Established	1 January 2019
Financial year	1 January - 31 December
Board of Directors	Christian Bamberger Bro, Chair Peter Nyegaard, Member Lars Cordt, Member
Executive Board	Jesper Frydensberg Rasmussen
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	2021	2020	2019*
Key figures			
Revenue	570,865	520,647	260,568
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	141,484	96,906	-9,021
Operating profit/loss	-24,505	-62,007	-91,787
Net financials	-24,843	-39,639	-17,861
Profit/loss for the year	**-52,225**	**-81,486**	**-98,566**
Total assets	1,461,358	1,556,960	1,699,299
Equity	**601,965**	**655,742**	**533,415**
Cash flows from operating activities	96,508	54,556	3,196
Amount relating to investments in property, plant and equipment	-5,027	-9,440	0
Total cash flows	**11,438**	**-14,578**	**33,126**
Financial ratios			
Operating margin	-4.3%	-11.9%	-35.2%
Equity ratio	32.5%	32.7%	22.3%
Return on equity	-8.4%	-13.9%	-20.7%
Average number of full-time employees	**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 on 12 July 2019.

Management's review

Business review

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

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

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

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

Financial review

Group:

The year 2021 overall shows satisfactory results.

The Group's revenue amounted to DKK 571 million in 2021. The loss after tax amounted to DKK 52 million in 2021.

EBITDA for 2021 was DKK 142 million corresponding to 25 % of revenue.

The Group employed an average of 311 employees in 2021.

The Group's balance sheet total amounted to DKK 1,460 million, of which current assets constitute 15 %

Equity in the Group amounted to DKK 602 million at 31 December 2021.

Parent:

The year 2021 shows a loss after tax of DKK 41 million. Management finds the result for 2021 satisfactory. The company owns 79 % of AX V Phase One Holding II ApS.

No facts or events occurred in the parent company during the financial year which are not reflected in the management report for the Group.

Knowledge resources

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

In order to ensure a high and competitive product quality, the Group uses modern production and quality control processes. This requires a high competence level, and considerable resources are invested in development and optimization of the Group's products and in maintaining the skills of the Group's employees. Throughout the year several highly qualified and talented employees joined the company which has strengthened the knowledge and competence base.

In 2021 a minor part of the Groups production was moved to subcontractors reducing the number of total employees.

Risk management

At the Group, we view risk management as an integrated part of managing the Company. 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.

Management's review

Financial risks and use of financial instruments

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

In 2021 the Group has brought a range of new offerings to market, as well as new initiatives to improve our market reach.

Capture One launched a major update of its award-winning RAW image editing software, Capture One 22. Capture One supports more than 600 cameras and has contracts with Leica, Fujifilm and Phase One for supporting their full range of cameras. Capture One 22 has a growing and passionate base of followers among enthusiasts and professional photographers. Capture One 22 helps photographers optimize their workflow, the quality of their work and achieve their creative vision. Capture One R&D is primarily performed out of the Company's headquarters in Denmark. Additionally, the Company has a development site in Athens, Greece which increased its number of employees significantly throughout 2021.

Phase One's Geospatial business witnessed continued strong performance in its aerial camera business as well as several significant milestones in the transition to the solution space. The launch of the PAS 880, a large area mapping and oblique solution, was an important milestone marking the largest and most sophisticated system in the Geospatial portfolio which was followed by good sales in Q4. The P3 payload, a UAV solution consisting of an iXM 100 with a fully integrated gimbal for aerial inspection, was launched at the end of Q3 and was well received, opening a new niche market for high-end infrastructure inspection. Investments in R&D will be focused on the solution space, especially software, and the implementation of the new cutting-edge global shutter technology introduced by Phase One in January 2022 which will enable unique new opportunities.

Digitization increased its investments within Cultural Heritage & Scientific Imaging, optimizing solutions and expanding the capabilities of its unique Multi-Spectral Imaging solutions. Phase One's ultra-high resolution medium format camera systems remain unique within the professional photographic market, continuing to expand and grow with evolving technology and market demands.

Statutory CSR report

Through the Group's main activity to develop, market and sell high quality software and digital imaging camera solutions, 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.

The Group is a 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.

The Group is carrying out regular measurements of employee satisfaction and historically 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.

Management's review

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. All new employees and new suppliers have been made acquaint with the Code of Conduct in 2021. 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. Management is not aware of any violation of the policy.

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

Covid-19

In 2021 as well as 2020, the Covid 19 pandemic has put additional pressure on the physical and mental well being of our employees caused by health risks and lockdowns. The Group has put great focus on protecting our employees during this time by prescribing guidelines and providing protective equipment. This has, among other things, ensured the health of employees during the pandemic.

Account of the gender composition of Management, cf. §99b

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 2021, the Board of Directors consisted of four men and no women. In the financial year, one new member of the Board of Directors was elected, however, despite efforts to ensure a more equal gender distribution, a male candidate was elected due to his specific competencies, making him the best suited for the position. The Group targets to elect at least one board member from the underrepresented gender to the Board of Directors no later than 2025.

As of 31 December 2021, the Senior Leadership Team of the Group consisted of 11 men and 1 woman in Phase One and 4 men and 3 women in Capture One.

Other management positions in the Group i.e. middle managers and team managers currently count 7 women in Phase One and 9 women in Capture One. For hiring to management and (all other positions in the Group), the Group targets to have representatives of both genders among the top 3 candidates.

Data ethics

The Group does not have a policy for data ethics, as data treatment and data analysis are not an integrated part of the Group's business strategy or main business activities.

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.

Management's review

Events after the balance sheet date

No events which could have a significant impact on the consolidated financial statements and parent company financial statements have occurred subsequently to December 31, 2021.

Outlook

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

Capture One will continue its high growth in 2022, based on new products, new distribution systems and new OEM partnerships.

Phase One has significant growth opportunities primarily in the Geospatial market segments as the current product range is superior to that of its competitors in terms of ROI. In addition, the newly launched PAS systems and P3 payload 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.

Covid-19 is not expected to have a significant impact on the Group, however, commodity prices are associated with uncertainty.

Based on these considerations, the group expects minimum 10% revenue growth in 2022 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	2021	2020	2021	2020
2	**Revenue**	570,865	520,647	0	0
	Cost of sales	-153,429	-157,867	0	0
	Other external expenses	-105,583	-109,072	-220	-10
	Gross profit	311,853	253,708	-220	-10
3	Staff costs	-170,369	-156,802	0	0
4	Amortisation/depreciation of intangible assets and property, plant and equipment	-165,989	-158,913	0	0
	Profit/loss before net financials	-24,505	-62,007	-220	-10
	Income from investments in group enterprises	0	0	-40,980	-61,338
5	Financial income	7,719	13,293	0	0
6	Financial expenses	-32,562	-52,932	-168	-519
	Profit/loss before tax	-49,348	-101,646	-41,368	-61,867
7	Tax for the year	-2,877	20,160	38	127
	Profit/loss for the year	-52,225	-81,486	-41,330	-61,740
	Specification of the Group's results of operations:				
	Shareholders in AX V Phase One Holding III ApS	-41,330	-61,740		
	Non-controlling interests	-10,895	-19,746		
		-52,225	-81,486		

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

Balance sheet

Note	DKK'000	Group 2021	Group 2020	Parent company 2021	Parent company 2020
	ASSETS				
	Fixed assets				
8	**Intangible assets**				
	Completed development projects	17,182	22,395	0	0
	Customer relationship	56,000	60,480	0	0
	Brand	199,167	215,100	0	0
	Acquired patents and licenses	13,587	21,251	0	0
	Technology	442,494	505,896	0	0
	Goodwill	449,031	474,650	0	0
	Development projects in progress and prepayments for intangible assets	53,410	46,069	0	0
		1,230,871	1,345,841	0	0
9	**Property, plant and equipment**				
	Fixtures and fittings, other plant and equipment	8,206	7,415	0	0
	Leasehold improvements	2,342	3,401	0	0
		10,548	10,816	0	0
10	**Investments**				
	Investments in group enterprises	0	0	475,304	508,737
		0	0	475,304	508,737
	Total fixed assets	1,241,419	1,356,657	475,304	508,737
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	54,035	40,128	0	0
	Work in progress	7,883	7,289	0	0
	Finished goods and goods for resale	40,417	54,912	0	0
		102,335	102,329	0	0
	Receivables				
	Trade receivables	75,291	64,566	0	0
13	Deferred tax assets	1,865	1,273	715	811
	Corporation tax receivable	0	4,138	134	0
	Other receivables	8,581	8,193	0	0
11	Prepayments	1,881	1,256	0	0
		87,618	79,426	849	811
	Cash	29,986	18,548	6	23
	Total non-fixed assets	219,939	200,303	855	834
	TOTAL ASSETS	1,461,358	1,556,960	476,159	509,571

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

Balance sheet

		Group		Parent company	
Note	DKK'000	2021	2020	2021	2020
	EQUITY AND LIABILITIES				
	Equity				
12	Share capital	662	649	662	649
	Hedging reserve	-1,756	0	0	0
	Reserve for exchange rate gains / loss	-5,554	-5,574	0	0
	Retained earnings	482,267	513,477	474,957	507,903
	Shareholders in AX V Phase One Holding III ApS' share of equity	475,619	508,552	475,619	508,552
	Non-controlling interests	126,346	147,190	0	0
	Total equity	601,965	655,742	475,619	508,552
	Provisions				
13	Deferred tax	155,036	156,327	0	0
15	Other provisions	8,464	7,449	0	0
	Total provisions	163,500	163,776	0	0
	Liabilities other than provisions				
14	**Non-current liabilities other than provisions**				
	Bank debt	495,316	535,573	0	0
	Lease liabilities	546	1,300	0	0
	Other payables	13,375	12,779	0	0
		509,237	549,652	0	0
	Current liabilities other than provisions				
14	Short-term part of long-term liabilities other than provisions	44,456	38,190	0	0
	Bank debt	51,100	51,191	0	0
	Trade payables	23,388	24,510	0	0
	Corporation tax payable	4,194	13,677	0	0
	Payables to shareholders and management	420	900	420	900
	Other payables	38,869	45,056	120	119
17	Deferred income	24,229	14,266	0	0
		186,656	187,790	540	1,019
	Total liabilities other than provisions	695,893	737,442	540	1,019
	TOTAL EQUITY AND LIABILITIES	1,461,358	1,556,960	476,159	509,571

1 Accounting policies
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 1 January - 31 December

Statement of changes in equity

		Group						
Note	DKK'000	Share capital	Hedging reserve	Reserve for exchange rate gains / loss	Retained earnings	Total	Non-controlling interests	Total equity
	Equity at 1 January 2020	501	0	0	378,366	378,867	154,548	533,415
	Capital increase	148	0	0	196,851	196,999	0	196,999
	Transfer through appropriation of loss	0	0	0	-61,740	-61,740	-19,746	-81,486
	Adjustment of investments through forreign exchange adjustments	0	0	-5,574	0	-5,574	-1,612	-7,186
	Purchase and sale of Non-controlling interests	0	0	0	0	0	14,000	14,000
	Equity at 1 January 2021	649	0	-5,574	513,477	508,552	147,190	655,742
	Capital increase	13	0	0	12,887	12,900	0	12,900
	Transfer through appropriation of loss	0	0	0	-41,330	-41,330	-10,895	-52,225
	Adjustment of investments through forreign exchange adjustments	0	0	20	0	20	0	20
	Purchase and sale of Non-controlling interests	0	0	0	-2,603	-2,603	-9,447	-12,050
	Adjustment of hedging instruments at fair value	0	-2,255	0	0	-2,255	-644	-2,899
	Tax on items recognised directly in equity	0	499	0	-164	335	142	477
	Equity at 31 December 2021	662	-1,756	-5,554	482,267	475,619	126,346	601,965

		Parent company		
Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2020	501	378,366	378,867
	Capital increase	148	196,851	196,999
22	Transfer, see "Appropriation of profit/loss"	0	-61,740	-61,740
	Adjustment of investments through forreign exchange adjustments	0	-5,574	-5,574
	Equity at 1 January 2021	649	507,903	508,552
	Capital increase	13	12,887	12,900
22	Transfer, see "Appropriation of profit/loss"	0	-41,330	-41,330
	Adjustment of investments through forreign exchange adjustments	0	-1,900	-1,900
	Purchase and sale of Non-controlling interests	0	-2,603	-2,603
	Equity at 31 December 2021	662	474,957	475,619

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

Cash flow statement

Note	DKK'000	Group 2021	Group 2020
	Profit/loss for the year	-52,225	-81,486
23	Adjustments	192,440	149,995
	Cash generated from operations (operating activities)	140,215	68,509
24	Changes in working capital	-8,339	25,064
	Cash generated from operations (operating activities)	131,876	93,573
	Interest received, etc.	7,719	812
	Interest paid, etc.	-32,981	-30,207
	Income taxes paid	-10,106	-9,622
	Cash flows from operating activities	96,508	54,556
	Additions of intangible assets	-45,975	-50,193
	Additions of property, plant and equipment	-5,027	-9,440
	Cash flows to investing activities	-51,002	-59,633
	Changes in lease liabilities	-1,201	-346
	Repayments, debt to credit institutions	0	-215,495
	Purchase and sale of Non-controlling interests	-12,050	14,000
	Net change in bank debt	-33,717	-4,659
	Cash capital increase	12,900	196,999
	Cash flows from financing activities	-34,068	-9,501
	Net cash flow	11,438	-14,578
	Cash and cash equivalents at 1 January	18,548	33,126
	Cash and cash equivalents at 31 December	29,986	18,548

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

Notes to the financial statements

1 Accounting policies

The annual report of AX V Phase One Holding III ApS for 2020 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.

There have been made a reclassification between revenue and direct costs in 2020. This have not affected result after tax, equity or balance sheet.

Omission of a cash flow statement

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

Reporting currency

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

Consolidated financial statements

Control

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

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

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

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

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

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

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

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

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

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

Notes to the financial statements

1 **Accounting policies (continued)**

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest.

Goodwill relating to the non-controlling interests' share of the acquiree is recognised.

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.

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

Notes to the financial statements

1 **Accounting policies (continued)**

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.

Income statement

Revenue

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

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

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.

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

Notes to the financial statements

1 Accounting policies (continued)

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 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.

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 licenses	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

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.

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

Notes to the financial statements

1 Accounting policies (continued)

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 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.

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

Notes to the financial statements

1 **Accounting policies (continued)**

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.

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 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.

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

Notes to the financial statements

1 Accounting policies (continued)

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.

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 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

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.

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

Notes to the financial statements

1 Accounting policies (continued)

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.

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).

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	$\frac{\text{Equity excl. non-controlling interests, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax ex. non-controlling interests x 100}}{\text{Average equity excl. non-controlling interests}}$

	Group		Parent company	
DKK'000	**2021**	**2020**	**2021**	**2020**
2 Segment information				
Breakdown of revenue by geographical segment:				
Americas	198,378	187,731	0	0
Europe	246,549	214,591	0	0
Other	125,938	118,325	0	0
	570,865	520,647	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.

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

Notes to the financial statements

	Group		Parent company	
DKK'000	2021	2020	2021	2020
3 **Staff costs and incentive programmes**				
Wages/salaries	191,495	173,578	0	0
Pensions	0	955	0	0
Other social security costs	1,592	3,332	0	0
Other staff costs	13,324	14,977	0	0
Staff costs transferred to non-current assets	-36,042	-36,040	0	0
	170,369	156,802	0	0
Average number of full-time employees	311	322	0	0

Group

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to the group and parent Management is not disclosed.

Incentive programmes

In July 2019, an incentive scheme was established comprising both the Board of Directors, the Executive Management and other executives and the incentive scheme is made to motivate and retain the participants.

The incentive scheme allow participants to subscribe for a number of warrants, each entitling the holder to buy 1 share of a nominal value of DKK 0.01 in the Company at a price agreed in advance plus an annual hurdle rate of 8%. The warrants subscribed for are allotted on a continuous basis from one year after the date of investment. 25% of the warrants are allotted after one year, while the remaining 75% are allotted on a monthly basis over the following three years conditional to the warrant holder still being employed by the Company.

As of 31st December 2021, participants in the incentive scheme have subscribed for 13,537,250 warrants in total corresponding to 8.1% of the outstanding share capital on a fully-diluted basis, and 5,956,934 warrants have vested.

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

Notes to the financial statements

		Group		Parent company	
	DKK'000	2021	2020	2021	2020
4	**Amortisation/depreciation of intangible assets and property, plant and equipment**				
	Amortisation of intangible assets	160,312	153,879	0	0
	Depreciation of property, plant and equipment	5,677	5,034	0	0
		165,989	158,913	0	0
5	**Financial income**				
	Exchange gain	5,772	12,481	0	0
	Other financial income	1,947	812	0	0
		7,719	13,293	0	0
6	**Financial expenses**				
	Exchange losses	731	22,680	0	0
	Other financial expenses	31,831	30,252	168	519
		32,562	52,932	168	519
7	**Tax for the year**				
	Estimated tax charge for the year	11,541	15,671	-134	0
	Deferred tax adjustments in the year	-1,883	-35,831	96	-127
	Tax adjustments, prior years	-6,781	0	0	0
		2,877	-20,160	-38	-127

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

Notes to the financial statements

8 Intangible assets

	Group							
DKK'000	Completed development projects	Customer relationship	Brand	Acquired patents and licenses	Technology	Goodwill	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2021	87,584	67,200	239,000	28,221	601,000	512,412	46,069	1,581,486
Additions	0	0	0	352	0	0	45,131	45,483
Disposals	-18,600	0	0	-1,523	0	0	0	-20,123
Transferred	37,790	0	0	0	0	0	-37,790	0
Cost at 31 December 2021	106,774	67,200	239,000	27,050	601,000	512,412	53,410	1,606,846
Impairment losses and amortisation at 1 January 2021	65,189	6,720	23,900	6,970	95,104	37,762	0	235,645
Amortisation for the year	43,003	4,480	15,933	7,875	63,402	25,619	0	160,312
Reversal of accumulated amortisation and impairment of assets disposed	-18,600	0	0	-1,382	0	0	0	-19,982
Impairment losses and amortisation at 31 December 2021	89,592	11,200	39,833	13,463	158,506	63,381	0	375,975
Carrying amount at 31 December 2021	17,182	56,000	199,167	13,587	442,494	449,031	53,410	1,230,871
Amortised over	2 years	15 years	15 years	5-10 years	8-10 years	20 years		

Completed development projects

In 2021 the Group finalised the development of the new PAS 880, a large area mapping and oblique solution and the P3 payload, a UAV solution for aerial inspection. Ongoing development activities is focused on the solution space and on a new cutting-edge shutter technology in the Geospatial business. In the Digitization business the ongoing development is focused on optimizing and expanding the capabilities of the Group’s Multi-Spectral Imaging solutions as well as optimizing and expanding solutions to meet evolving technology and market demands.

The Group finalised the development of the new update to its photography software, Capture One 22. Ongoing development activities are focused on optimizing Capture One 22 as well as developing the Company’s next large update to its photography software. Additionally, the Company focuses on developing a version of its software that is compatible with iPad.Within the Company’s development of collaborative tools, activities are focused on developing the collaboration platform, 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

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 2022 and 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

9 Property, plant and equipment

	Group		
DKK'000	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2021	11,647	5,046	16,693
Additions	5,027	492	5,519
Disposals	-1,676	0	-1,676
Cost at 31 December 2021	14,998	5,538	20,536
Impairment losses and depreciation at 1 January 2021	4,232	1,645	5,877
Depreciation	4,126	1,551	5,677
Reversal of accumulated depreciation and impairment of assets disposed	-1,566	0	-1,566
Impairment losses and depreciation at 31 December 2021	6,792	3,196	9,988
Carrying amount at 31 December 2021	8,206	2,342	10,548
Depreciated over	3 years	3 years	

10 Investments

	Parent company
DKK'000	Investments in group enterprises
Cost at 1 January 2021	649,408
Additions	19,250
Disposals	-7,200
Cost at 31 December 2021	661,458
Value adjustments at 1 January 2021	-140,671
Foreign exchange adjustments	-1,900
Profit/loss for the year	-40,980
Changes in equity	-2,603
Value adjustments at 31 December 2021	-186,154
Carrying amount at 31 December 2021	475,304

Parent company

Name	Domicile	Interest
Subsidiaries		
AX V Phase One Holding II ApS	Denmark	79.00%
AX V Phase One Holding I ApS	Denmark	79.00%
Phase One Group ApS	Denmark	79.00%
Capture One A/S	Denmark	79.00%
Phase One A/S	Denmark	79.00%
Leaf Imaging Ltd.	Israel	79.00%
Phase One United States Inc.	USA	79.00%
Phase One Japan Co. Ltd.	Japan	79.00%
Phase One Asia Pacific Co. Ltd.	Hong Kong	79.00%
Phase One Imaging Holding Ltd.	UK	79.00%
Capture One Hellas Ltd.	Greece	79.00%

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

Notes to the financial statements

11 Prepayments

Group

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

12 Share capital

Analysis of changes in the share capital over the past 3 years:

DKK'000	2021	2020	2019
Opening balance	649	501	0
Capital increase	13	148	451
	662	649	451

	Group		Parent company	
DKK'000	2021	2020	2021	2020
13 Deferred tax				
Deferred tax at 1 January	155,054	196,285	-811	-684
Adjustment for the year	-1,883	-35,831	96	-127
Other deferred tax	0	-5,400	0	0
Deferred tax at 31 December	153,171	155,054	-715	-811
Analysis of the deferred tax				
Deferred tax assets	-1,865	-1,273	-715	-811
Deferred tax liabililties	155,036	156,327	0	0
	153,171	155,054	-715	-811

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

14 Non-current liabilities other than provisions

	Group			
DKK'000	Total debt at 31/12 2021	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Bank debt	538,421	43,105	495,316	0
Lease liabilities	833	287	546	0
Other payables	14,439	1,064	13,375	0
	553,693	44,456	509,237	0

Other payables is primarily related to holiday liability.

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

Notes to the financial statements

15 Other provisions

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

16 Derivative financial instruments and disclosure of fair values

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 2021.

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	2,899
Changes recognised in the hedging reserve	2,899
Fair value level	1

17 Deferred income

Deferred income, DKK 24,229 thousand (2020: DKK 14,266 thousand), consists of payments received from customers for software which will be recognised in the subsequent financial year.

18 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 2016 - 2018, where the income year 2014 and 2015 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 2021.

Other financial obligations

Other rent and lease liabilities:

	Group		Parent company	
DKK'000	2021	2020	2021	2020
Rent and lease liabilities	21,150	8,000	0	0

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

Notes to the financial statements

18 Contractual obligations and contingencies, etc. (continued)

Group

Rent and lease liabilities include rent liabilities with a remaining contract period between 6 months and 5 years.

Parent company

As management company, the Company is jointly taxed with other Danish group entities. The Company is jointly and severally with other jointly taxed group entities for payment of income taxes and withholding taxes in the group of jointly taxed entities.

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 2,160 thousand.

Parent company

The parent Company has not provided any security or other collateral in assets at 31 December 2021.

20 Related parties

Group

AX V Phase One Holding III ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Axcel V K/S	Copenhagen	Participating interest

Information on the remuneration to management

Information on the remuneration to Management appears from note 3, "Staff costs".

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

Notes to the financial statements

		Group	
	DKK'000	2021	2020
21	**Fee to the auditors appointed by the Company in general meeting**		
	Total fees to EY	2,152	2,728
	Statutory audit	1,145	1,221
	Assurance engagements	0	300
	Tax assistance	684	469
	Other assistance	323	738
		2,152	2,728

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.

		Parent company	
	DKK'000	2021	2020
22	**Appropriation of profit/loss**		
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-41,330	-61,740
		-41,330	-61,740

		Group	
	DKK'000	2021	2020
23	**Adjustments**		
	Amortisation/depreciation and impairment losses	165,989	158,914
	Provisions	1,015	-710
	Financial income	-7,719	-13,293
	Financial expenses	32,394	52,933
	Tax for the year	2,915	-20,160
	Other non-cash items	-2,154	-27,689
		192,440	149,995
24	**Changes in working capital**		
	Change in inventories	-6	17,857
	Change in receivables	-11,738	33,996
	Change in trade and other payables	3,405	-26,789
		-8,339	25,064

Allan Sylvest Aasberg
Chairman
På vegne af: selskabet
Serienummer: PID:9208-2002-2-398605590860
IP: 152.115.xxx.xxx
2022-06-29 10:55:37 UTC
NEM ID

Jesper Frydensberg Rasmussen
Executive Board
På vegne af: selskabet
Serienummer: 49ef169c-c9bf-47ef-b3d8-561ee3205b5c
IP: 194.182.xxx.xxx
2022-06-29 11:27:19 UTC
MitID

Lars Cordt
Board of Directors
På vegne af: selskabet
Serienummer: PID:9208-2002-2-184567700061
IP: 194.182.xxx.xxx
2022-06-29 12:57:11 UTC
NEM ID

Christian Bamberger Bro
Board of Directors, Chair
På vegne af: selskabet
Serienummer: PID:9208-2002-2-534024407204
IP: 93.163.xxx.xxx
2022-06-30 06:55:25 UTC
NEM ID

Peter Nyegaard
Board of Directors
På vegne af: selskabet
Serienummer: PID:9208-2002-2-187262509757
IP: 176.23.xxx.xxx
2022-06-30 07:30:26 UTC
NEM ID

Peter Andersen
State Authorised Public Accountant
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Serienummer: PID:9208-2002-2-104482734957
IP: 165.225.xxx.xxx
2022-06-30 07:45:34 UTC
NEM ID

Jan C Olsen
State Authorised Public Accountant
På vegne af: EY Godkendt Revisionspartnerselskab
Serienummer: CVR:30700228-RID:28761615
IP: 145.62.xxx.xxx
2022-06-30 08:20:14 UTC
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