AX V Phase One Holding III ApS

Roskildevej 39, 2000 Frederiksberg

CVR no. 40 15 26 60

Annual report 2023

Approved at the Company's annual general meeting on 24 May 2024

Chair of the meeting:

....
Allan Sylvest Aasberg

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Consolidated financial statements and parent company financial statements 1 January - 31 December	11
Income statement	11
Balance sheet	12
Statement of changes in equity	14
Cash flow statement	15
Notes to the financial statements	16

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 2023.

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 2023 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 2023.

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, 24 May 2024
Executive Board:

Jesper Frydensberg
Rasmussen

Board of Directors:

Christian Bamberger Bro Chairman	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 2023, 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 2023, 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 2023 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, 24 May 2024
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	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, Chairman 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	2023	2022	2021	2020	2019
Key figures					
Revenue	629,888	579,779	570,865	520,647	260,568
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	156,428	126,715	141,485	96,906	-9,021
Operating profit/loss	-9,909	-41,092	-24,505	-62,007	-91,787
Net financials	-60,464	-38,601	-24,843	-39,639	-17,861
Profit/loss for the year	-69,110	-68,176	-52,225	-81,486	-98,566
Total assets	1,274,069	1,356,910	1,461,358	1,556,960	1,699,299
Investments in property, plant and equipment	-9,257	-8,059	-5,027	-9,440	-7,705
Equity	454,906	531,812	601,965	655,742	533,415
Cash flows from operating activites	107,060	59,387	96,508	54,556	3,196
Total cash flows	2,168	-39,291	11,438	-14,578	33,126
Financial ratios					
Operating margin	-1.4%	-7.1%	-4.3%	-11.9 %	-35.2 %
Equity ratio	28.2%	31.0%	32.5%	32.7%	22.3%
Return on equity	-14.0%	-12.0%	-8.4%	-13.9%	-20.7%
Average number of full-time employees	322	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 on 12 July 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 canensure satisfactory earnings and at the same time attract and retain the best product developers andsales & marketing experts within digital imaging.

Financial review

Group:

The year 2023 showed an increase in revenue of 9% compared to an expected increase in revenue of 15%. The lower than expected revenue was mainly due to lower sales growth in Caputure One as a result of an accelerated shift towards subscriptions. The 2023 result is considered satisfactory under the circumstances.

The Group's revenue amounted to DKK 630 million in 2023 and profit after tax amounted to negative DKK 69 million in 2023. Profitability decreased from negative DKK 68 million to negative DKK 69 million which was significantly below expectations and was driven by higher financial expenses following increased interest on our bank debt.

EBITDA for 2023 was DKK 156 million corresponding to 25% of revenue.

The Group employed an average of 322 employees in 2023.

The Group's balance sheet total amounted to DKK 1,274 million, of which current assets constitute 19%.

Equity in the Group amounted to DKK 455 million at 31 December 2023.

In January it was decided to close down operations in Israel to consolidate production in Japan. The close down were completed by end of August.

Parent:

The year 2023 shows profit after tax of negative DKK 55 million.

Management finds the result for 2023 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 the 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 several updates to its RAW image editing software, Capture One Pro. In addition, the Company launched Capture One mobile for iPhone as well as an All in One bundle enabling users to buy the Company’s entire product suite. Capture One supports more than 600 cameras and has contracts with Leica, Fujifilm and Phase One for supporting their full range of cameras.

Phase One continued the focus to position itself at the forefront of innovation by providing cutting edge, imaging solutions for the geospatial and heritage market.

Phase One’s aerial systems portfolio was bolstered by the development of a new wide field imaging system boasting the largest coverage on the market. Multiple systems were delivered to our development partner who has been highly productive with them and fulfilling the requirements of the US governments NAIP project. This project culminated in the market launch of the PAS Pana, expected to have a further financial impact in 2024.

Looking into the unmanned portfolio, Phase One was pleased to announce a revolutionary new mapping and surveying payload for drones, the P5, which will be launched in Q2 2024. The P5 is the world’s first survey grade payload capable of achieving sub cm absolute accuracy for fixed wing UAVs. This project leveraged our global shutter sensor while developing an entirely new body, both lower in weight and smaller in size, which will form the basis for our next generation camera platform.

Phase One continued to increase its push into space with the launch of the iXM SP150, the first commercial, off the shelf array camera dedicated for space. This technology provides several benefits over traditional approaches that are used for earth observation and is ideal for the rapidly growing field of space domain awareness.

Phase One also continued to invest into our IX Suite software to drive a more complete and simpler workflow that provides productivity benefits for our customers.

Looking forward, Phase Ones components portfolio is undergoing a significant revamping which will result in a smaller, lighter and more dedicated camera portfolio along with a new array of specialized lenses. Development is ongoing and will continue over the coming years.

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.

Management's review

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 2023 the Group continued to carry 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 e.g. 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.

Among other things, the Code of Conduct includes elimination of discrimination with respect to employment based on age, gender, religion and race. The Group has not measured the effect of the implementation of said Code of Conduct in 2023.

In 2023 the Group has conducted onsite visits to some of its major Vendors including factory visits. The Group has also started compliance training for its employees. The Group plans to continue this work in 2024.

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.

In 2023 it was agreed that the energy supply to the Saku manufacturing site will be green. It is expected to be 100% implemented in 2024.

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 2023. Management is not aware of any violation of the policy in 2023.

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

Management's review

Report on the gender composition of Management

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

Overview

	2023
Supreme governing body	
Total number of members	3
Underrepresented gender in %	0
Target figure in %	33
Year in which the target figure is expected to be met	2025
Other levels of management	
Total number of members	1

Supreme governing body

As per 31 December 2023, the Board of Directors consisted of three men and no women. No changes were made to the Board of Directors in the current financial year. The Company targets to elect at least one board member from the underrepresented gender to the Board of Directors no later than 2025.

In 2023, no actions were performed to achieve the target figure for the percentage of the underrepresented gender in the Board of Directors as no new board members were elected during the financial year.

Other levels of management

AX V Phase One Holding III ApS has less than 50 employees.

The other levels of management consist of 1 man (100%) and 0 female (0%).

The other levels of management includes a Director, who refers directly to the board.

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.

Events after the balance sheet date

In January 2024, Capture One completed a restructuring resulting in redundancies reducing the expected cost base for 2024.

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, 2023.

Outlook

The demand for commercial drones/robotics 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 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 12 16% revenue growth in 2024 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	2023	2022	2023	2022
3	Revenue	629,888	579,779	0	0
	Cost of sales	-143,084	-145,985	0	0
5	Other operating income	1,001	0	0	0
4	Other external expenses	-136,470	-111,176	-92	-173
	Gross profit	351,335	322,618	-92	-173
6	Staff costs	-194,907	-195,903	0	0
7	Amortisation/depreciation of intangible assets and property, plant and equipment	-165,337	-167,807	0	0
	Profit/loss before net financials	-8,909	-41,092	-92	-173
	Income from investments in group enterprises	0	0	-54,455	-53,745
	Financial income	3,888	505	10	0
	Financial expenses	-64,352	-39,106	0	-10
	Profit/loss before tax	-69,373	-79,693	-54,537	-53,928
8	Tax for the year	263	11,517	-98	40
	Profit/loss for the year	-69,110	-68,176	-54,635	-53,888
	Specification of the Group's results of operations:				
	Shareholders in AX V Phase One Holding III ApS	-54,635	-53,888		
	Non-controlling interests	-14,475	-14,288		
		-69,110	-68,176		

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

Balance sheet

Note	DKK'000	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	ASSETS				
	Fixed assets				
10	Intangible assets				
	Completed development projects	37,723	31,237	0	0
	Customer relationship	47,040	51,520	0	0
	Brand	167,300	183,233	0	0
	Acquired patents and licenses	4,006	6,713	0	0
	Technology	315,689	379,091	0	0
	Goodwill	398,015	423,410	0	0
	Development projects in progress and prepayments for intangible assets	44,334	44,152	0	0
		1,014,107	1,119,356	0	0
11	Property, plant and equipment				
	Fixtures and fittings, other plant and equipment	12,592	9,850	0	0
	Leasehold improvements	1,500	2,091	0	0
		14,092	11,941	0	0
12	Investments				
	Investments in group enterprises	0	0	361,030	420,391
	Deposits, investments	143	143	0	0
		143	143	361,030	420,391
	Total fixed assets	1,028,342	1,131,440	361,030	420,391
	Non-fixed assets				
	Inventories				
	Raw materials and consumables	61,535	74,198	0	0
	Work in progress	905	2,290	0	0
	Finished goods and goods for resale	57,036	53,791	0	0
		119,476	130,279	0	0
	Receivables				
	Trade receivables	89,513	56,980	0	0
15	Deferred tax assets	1,941	1,888	237	755
	Corporation tax receivable	2,062	2,172	514	40
	Other receivables	11,748	10,062	0	0
13	Prepayments	5,786	8,204	0	0
		111,050	79,306	751	795
	Cash	15,201	15,885	339	10
	Total non-fixed assets	245,727	225,470	1,090	805
	TOTAL ASSETS	1,274,069	1,356,910	362,120	421,196

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

Balance sheet

		Group		Parent company	
Note	DKK'000	2023	2022	2023	2022
	EQUITY AND LIABILITIES				
	Equity				
14	Share capital	662	662	662	662
	Translation reserve	-14,038	-8,499	0	0
	Hedging reserve	0	-288	0	0
	Retained earnings	372,313	428,189	358,275	419,402
	Shareholders in AX V Phase One Holding III ApS' share of equity	358,937	420,064	358,937	420,064
	Non-controlling interests	95,969	111,748	0	0
	Total equity	454,906	531,812	358,937	420,064
	Provisions				
15	Deferred tax	122,248	134,044	0	0
17	Other provisions	9,714	6,464	0	0
	Total provisions	131,962	140,508	0	0
	Liabilities other than provisions				
16	Non-current liabilities other than provisions				
	Bank debt	410,154	453,840	0	0
	Other payables	10,556	12,346	0	0
		420,710	466,186	0	0
	Current liabilities other than provisions				
16	Short-term part of long-term liabilities other than provisions	48,747	46,128	0	0
	Bank debt	73,438	76,290	0	0
	Trade payables	37,971	22,854	0	0
	Payables to group enterprises	0	0	2,095	46
	Corporation tax payable	5,012	3,511	0	0
	Payables to shareholders and management	1,000	1,000	1,000	1,000
	Other payables	45,482	36,586	88	86
19	Deferred income	54,841	32,035	0	0
		266,491	218,404	3,183	1,132
	Total liabilities other than provisions	687,201	684,590	3,183	1,132
	TOTAL EQUITY AND LIABILITIES	1,274,069	1,356,910	362,120	421,196

1 Accounting policies
2 Events after the balance sheet date
9 Appropriation of profit/loss
20 Contractual obligations and contingencies, etc.
21 Security and collateral
22 Related parties

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

Statement of changes in equity

		Group						
Note	DKK'000	Share capital	Translation reserve	Hedging reserve	Retained earnings	Total	Non-controlling interests	Total equity
	Equity at 1 January 2023	662	-8,499	-288	428,189	420,064	111,748	531,812
	Transfer through appropriation of loss	0	0	0	-54,635	-54,635	-14,475	-69,110
	Equity transfers to reserves	0	0	-345	345	0	0	0
	Adjustment of investments through forreign exchange adjustments	0	-5,539	0	0	-5,539	-1,472	-7,011
	Purchase and sale of Non-controlling interests	0	0	0	-1,586	-1,586	0	-1,586
	Adjustment of hedging instruments at fair value	0	0	811	0	811	215	1,026
	Tax on items recognised directly in equity	0	0	-178	0	-178	-47	-225
	Equity at 31 December 2023	662	-14,038	0	372,313	358,937	95,969	454,906

		Parent company		
Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2023	662	419,402	420,064
9	Transfer, see "Appropriation of profit/loss"	0	-54,635	-54,635
	Adjustment of investments through forreign exchange adjustments	0	-4,906	-4,906
	Purchase and sale of Non-controlling interests	0	-1,586	-1,586
	Equity at 31 December 2023	662	358,275	358,937

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

Cash flow statement

Note	DKK'000	Group 2023	Group 2022
	Profit/loss for the year	-69,110	-68,176
23	Adjustments	224,820	191,833
	Cash generated from operations (operating activities)	155,710	123,657
24	Changes in working capital	22,709	-12,897
	Cash generated from operations (operating activities)	178,419	110,760
	Interest received, etc.	3,888	505
	Interest paid, etc.	-64,352	-39,106
	Income taxes paid	-10,895	-12,772
	Cash flows from operating activities	107,060	59,387
	Additions of intangible assets	-52,982	-49,903
	Additions of property, plant and equipment	-9,257	-8,059
	Disposals of property, plant and equipment	0	277
	Purchase of financial assets	0	-143
	Cash flows to investing activities	-62,239	-57,828
	Changes in lease liabilities	215	-72
	Repayments, long-term liabilities	-41,282	-40,278
	Purchase and sale of Non-controlling interests	-1,586	-500
	Cash flows from financing activities	-42,653	-40,850
	Net cash flow	2,168	-39,291
	Cash and cash equivalents at 1 January	-60,405	-21,114
25	Cash and cash equivalents at 31 December	-58,237	-60,405

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 2023 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 group entities controlled by the Parent Company.

Control means a parent company’s power to direct a group entity’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 group entities' 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 group entities are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities 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.

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.

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

Notes to the financial statements

1 Accounting policies (continued)

External business combinations

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

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

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

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

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

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

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

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

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

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

Foreign currency translation

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

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

Notes to the financial statements

1 Accounting policies (continued)

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

Foreign group entities

On recognition of foreign subsidiaries which are integral entities, monetary items are translated at closing rates. Non monetary items are translated at the exchange rate at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date. However, items derived from non monetary items are translated at historical exchange rates for the non monetary item.

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

Derivative financial instruments

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

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

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

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.

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 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.

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

Notes to the financial statements

1 Accounting policies (continued)

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 group entities

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

The proportionate share of the individual group entities' 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 group entities.

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.

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

Notes to the financial statements

1 Accounting policies (continued)

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.

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 group entities

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 group entities measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

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

Notes to the financial statements

1 Accounting policies (continued)

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

Impairment of fixed assets

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

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

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

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.

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

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

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

Cash

Cash comprises cash balances.

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 group entities 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 group entities 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".

Share based payment

Share based payment programs is disclosed in statement of changes in equity. Granted warrants are classified as equity settled instruments, and are not recognised in the financial statements.

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

Notes to the financial statements

1 Accounting policies (continued)

Provisions

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

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

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

Income taxes

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

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

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

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.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in 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)

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.

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 net financials +/- Other operating income and other operating expenses
Operating margin	$\frac{\text{Operating profit/loss (EBIT) x 100}}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity excl. non-controlling interests, year-end x 100}}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax excl. non-controlling interests x 100}}{\text{Average equity excl. non-controlling interests}}$

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

Notes to the financial statements

2 Events after the balance sheet date

No events have occurred which affect the consolidated financial statements and parent company financial statements for 2023.

	Group		Parent company	
DKK'000	2023	2022	2023	2022
3 Segment information				
Breakdown of revenue by geographical segment:				
Americas	309,918	223,544	0	0
Europe	178,500	234,090	0	0
Other	141,470	122,145	0	0
	629,888	579,779	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	2023	2022
4 Fee to the auditors appointed in general meeting		
Total fees to EY	1,742	2,060
Statutory audit	1,078	1,174
Assurance engagements	15	0
Tax assistance	403	575
Other assistance	246	311
	1,742	2,060

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 grants from a fund.

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

Notes to the financial statements

		Group		Parent company	
	DKK'000	2023	2022	2023	2022
6	Staff costs and incentive programmes				
	Wages/salaries	217,482	215,773	0	0
	Pensions	150	1,198	0	0
	Other social security costs	398	1,691	0	0
	Other staff costs	11,046	14,546	0	0
	Staff costs transferred to non-current assets	-34,169	-37,305	0	0
		194,907	195,903	0	0
	Average number of full-time employees	322	340	0	0

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 2023, participants in the incentive scheme have subscribed for 13,065,955 warrants in total corresponding to 7.8% of the outstanding share capital on a fully-diluted basis, and 10,082,363 warrants have vested.

Parent company

The parent Company has no employees.

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

Notes to the financial statements

		Group		Parent company	
	DKK'000	2023	2022	2023	2022
7	Amortisation/depreciation of intangible assets and property, plant and equipment				
	Amortisation of intangible assets	158,231	156,259	0	0
	Depreciation of property, plant and equipment	7,106	11,548	0	0
		165,337	167,807	0	0
8	Tax for the year				
	Estimated tax charge for the year	16,158	9,917	0	0
	Deferred tax adjustments in the year	-16,458	-21,446	-18	-40
	Tax adjustments, prior years	37	12	116	0
		-263	-11,517	98	-40

		Parent company	
	DKK'000	2023	2022
9	Appropriation of profit/loss		
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-54,635	-53,888
		-54,635	-53,888

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 licenses	Technology	Goodwill	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2023	126,830	67,200	239,000	18,485	601,000	512,412	44,152	1,609,079
Additions	0	0	0	920	0	0	52,062	52,982
Transferred	51,880	0	0	0	0	0	-51,880	0
Cost at 31 December 2023	178,710	67,200	239,000	19,405	601,000	512,412	44,334	1,662,061
Impairment losses and amortisation at 1 January 2023	95,593	15,680	55,767	11,772	221,909	89,002	0	489,723
Amortisation for the year	45,394	4,480	15,933	3,627	63,402	25,395	0	158,231
Impairment losses and amortisation at 31 December 2023	140,987	20,160	71,700	15,399	285,311	114,397	0	647,954
Carrying amount at 31 December 2023	37,723	47,040	167,300	4,006	315,689	398,015	44,334	1,014,107
Amortised over	2 years	15 years	15 years	5-10 years	8-10 years	20 years		

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

Notes to the financial statements

10 Intangible assets (continued)

Completed development projects

In 2023, the Group finalized its PAS Pana system for wide field aerial imaging as well as the iXM SP150 camera, the first commercial, off the shelf array camera dedicated for use in space. Further the Group launched several updates to its RAW image editing software, Capture One Pro and Capture One mobile for iPhone as well as an All-in-One bundle enabling users to buy the Company's entire product suite.

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

Development projects in progress

In 2023, the Group has worked on the development of the P5, a revolutionary new mapping and surveying payload for drones. The P5 is the world's first survey grade payload capable of achieving sub cm absolute accuracy for fixed wing UAV's. The Group has also worked on its component's portfolio focusing on a smaller, lighter, and more dedicated camera portfolio along with a new array of specialized lenses. The Group has further worked on development and test of new software.

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

11 Property, plant and equipment

	Group		
DKK'000	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2023	28,646	11,384	40,030
Additions	8,597	660	9,257
Disposals	-226	0	-226
Cost at 31 December 2023	37,017	12,044	49,061
Impairment losses and depreciation at 1 January 2023	18,796	9,293	28,089
Depreciation	5,855	1,251	7,106
Reversal of accumulated depreciation and impairment of assets disposed	-226	0	-226
Impairment losses and depreciation at 31 December 2023	24,425	10,544	34,969
Carrying amount at 31 December 2023	12,592	1,500	14,092
Property, plant and equipment include finance leases with a carrying amount totalling	917	0	917
Depreciated over	3 years	3 years	

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

Notes to the financial statements

12 Investments

DKK'000	Parent company Investments in group enterprises
Cost at 1 January 2023	660,958
Cost at 31 December 2023	660,958
Value adjustments at 1 January 2023	-240,567
Profit/loss for the year	-54,455
Changes in equity	-4,906
Value adjustments at 31 December 2023	-299,928
Carrying amount at 31 December 2023	361,030

Parent company

Name	Domicile	Interest
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%
Phase One IL 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%

13 Prepayments

Group

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

14 Share capital

Analysis of changes in the share capital over the past 5 years:

DKK'000	2023	2022	2021	2020	2019
Opening balance	662	662	649	501	0
Capital increase	0	0	13	148	451
	662	662	662	649	451

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

Notes to the financial statements

	Group		Parent company	
DKK'000	2023	2022	2023	2022
15 Deferred tax				
Deferred tax at 1 January	132,156	153,171	-755	-715
Adjustment for the year	-16,458	-21,015	-18	-40
Transferred to receivables	4,609	0	536	0
Deferred tax at 31 December	120,307	132,156	-237	-755
Analysis of the deferred tax				
Deferred tax assets	-1,941	-1,888	-237	-755
Deferred tax liabililties	122,248	134,044	0	0
	120,307	132,156	-237	-755

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

16 Non-current liabilities other than provisions

	Group			
DKK'000	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Bank debt	456,575	46,421	410,154	0
Lease liabilities	689	689	0	0
Other payables	12,194	1,638	10,556	10,556
	469,458	48,748	420,710	10,556

Other payables is primarily related to holiday liability.

17 Other provisions

Other provisions comprise anticipated expenses relating to warranty commitments. Other provisions are expected to mature within one year with DKK 8,279 thousand and the reamining amount within one to five years.

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

Notes to the financial statements

18 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 2023.

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	-3,040
Unrealised fair value adjustments for the year, recognised in the income statement	-3,040
Unrealised fair value adjustments for the year, recognised in hedging reserve	1,026
Fair value level	2

19 Deferred income

Deferred income, DKK 54,841 thousand (2022: DKK 32,035 thousand), consists of payments received from customers for software which will be recognised in the subsequent financial year.

20 Contractual obligations and contingencies, etc.

Other contingent liabilities

Group

The subsidiary, Phase One IL Ltd. is part of an ongoing transfer pricing audit in Israel, for the income year 2018, where the income years 2014-2017 has expired. No conclusion has been reached on this transfer pricing audit with the authorities in Israel.

Management is of the perception that the Company has complied with the transfer pricing rules, and therefore does not expect financial impact on the financial statements for 2023.

Other financial obligations

Other rent and lease liabilities:

	Group		Parent company	
DKK'000	2023	2022	2023	2022
Rent and lease liabilities	10,883	17,028	0	0

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.

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

Notes to the financial statements

21 Security and 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 parent Company has not provided any security or other collateral in assets at 31 December 2023.

22 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

Related party transactions

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

Information on the remuneration to management

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

	DKK'000	Group 2023	Group 2022
23	Adjustments		
	Amortisation/depreciation and impairment losses	165,337	167,807
	Provisions	3,250	-2,000
	Financial income	-3,888	-505
	Financial expenses	64,352	39,106
	Tax for the year	-263	-11,517
	Other non-cash items	-3,968	-1,058
		224,820	191,833
24	Changes in working capital		
	Change in inventories	10,803	-27,944
	Change in receivables	-31,801	10,507
	Change in trade and other payables	43,707	4,540
		22,709	-12,897
25	Cash and cash equivalents at year-end		
	Cash according to the balance sheet	15,201	15,885
	Short-term debt to banks	-73,438	-76,290
		-58,237	-60,405