

# Phase One A/S

Roskildevej 39, 2000 Frederiksberg

CVR no. 40 98 66 42

## Annual report 2022

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

Chair of the meeting:



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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Phase One A/S for the financial year 1 January - 31 December 2022.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2022 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2022.

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


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

Copenhagen, 25 May 2023  
Executive Board:



Henrik Ole Håkonsson

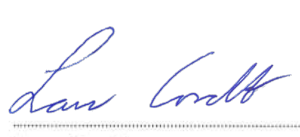
Board of Directors:



Jacob Fonnesbech Agraou  
Chairman



Christian Bamberger Bro



Lars Cordt



Mark Larges

## Independent auditor's report

To the shareholder of Phase One A/S

### Opinion

We have audited the consolidated financial statements and the parent company financial statements of Phase One A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2022, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent Company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

## Independent auditor's report

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

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

  
Peter Andersen  
State Authorised Public Accountant  
mne34313

  
Jacob Thøgersen  
State Authorised Public Accountant  
mne49102

## Management's review

### Company details

|                            |  |
|----------------------------|--|
| Name                       | Phase One A/S  |
| Address, Postal code, City | Roskildevej 39, 2000 Frederiksberg   |
| CVR no.                    | 40 98 66 42  |
| Established                | 3 December 2019  |
| Financial year             | 1 January - 31 December  |
| Board of Directors         | Jacob Fønnesbech Agraou, Chairman<br>Christian Bamberger Bro<br>Lars Cordt<br>Mark Carges                  |
| Executive Board            | Henrik Ole Håkonsson   |
| Auditors                   | EY Godkendt Revisionspartnerselskab<br>Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg,<br>Denmark |

## Management's review

### Financial highlights for the Group

| DKK'000   | 2022           | 2021          | 2020           |
|---|----------------|---------------|----------------|
| <b>Key figures</b>  |                |               |                |
| Revenue   | 382,300        | 387,574       | 356,914        |
| Earnings before interest, taxes, depreciation and amortisation (EBITDA) | 42,588         | 74,336        | 46,922         |
| Operating profit/loss   | -1,179         | 27,670        | -13,527        |
| Net financials  | -9,717         | 3,962         | -12,624        |
| <b>Profit/loss for the year</b>   | <b>-9,161</b>  | <b>20,982</b> | <b>-26,007</b> |
| <b>Total assets</b>   |                |               |                |
| Investments in property, plant and equipment                            | 331,829        | 340,848       | 348,070        |
| <b>Equity</b>   | <b>-6,963</b>  | <b>-5,613</b> | <b>-2,017</b>  |
| <b>Total cash flows</b>   |                |               |                |
| Cash flows from operating activities                                    | 36,010         | 61,873        | 50,586         |
| <b>Total cash flows</b>   | <b>-29,199</b> | <b>-471</b>   | <b>12,723</b>  |
| <b>Financial ratios</b>   |                |               |                |
| Operating margin  | -0.3%          | 7.1%          | -3.8%          |
| Equity ratio  | 48.5%          | 62.1%         | 67.0%          |
| Return on equity  | -4.9%          | 9.4%          | -22.3%         |
| <b>Average number of full-time employees</b>                            | <b>200</b>     | <b>189</b>    | <b>210</b>     |

For terms and definitions, please see the accounting policies.

Figures are presented for 2020-2022 only, as the group was first established in 2020.

## 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.

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

### Financial review

#### Group:

Group: The year 2022 showed a decrease in revenue of 1% compared to an expected increase in revenue of minimum 10%. The decrease was primarily caused by significant and unexpected market volatility and negative effects from supply chain disruptions. The 2022 result is considered satisfactory under the circumstances.

The Group's revenue amounted to DKK 382 million in 2022 and profit after tax amounted to DKK -9 million in 2022.

EBITDA for 2022 was DKK 43 million corresponding to 11% of revenue.

The Group employed an average of 200 employees in 2022.

The Group's balance sheet total amounted to DKK 332 million, of which current assets constitute 62%.

Equity in the Group amounted to DKK 161 million at 31 December 2022.

#### Parent:

The year 2022 shows profit after tax of DKK -9 million. Management finds the result for 2022 satisfactory.

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

#### Branch:

Phase One A/S includes a branch in Germany.

### 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, artificial intelligence 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.



## Management's review

### Risk management

At Phase One 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.

### 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. Secondly, 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 2022, the Group continued its focus on driving innovation in the Geospatial industry by applying our expertise in digital imaging technology and application software to solve longstanding industry pain points.

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

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

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

We continued to invest into our IX Suite software for higher productivity and flexibility. Our software SDK partnerships was also expanded significantly.

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

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

### Statutory CSR report

Through the Group's main activity to develop, market and sell high quality digital imaging camera and software 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. 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 2022 the Group carried out regular measurements of employee satisfaction and these show employee satisfaction above the industry benchmark. The Group will continue to carry out measurements of the working environment and employee satisfaction to ensure the employees' well-being.

### *Human rights*

The Group supports the protection of fundamental human rights in all aspects of the operations and seeks to promote respect for these principles by others where it has an influence, particularly suppliers, and all other entities and individuals with whom it has a business relationship. The risks associated with human rights are i.e. child labor and denial of labor rights, however, the Group continues to specify the expectations to its global organization and to suppliers in our Code of Conduct in 2023. All new employees and new suppliers have been made acquaint with the Code of Conduct in 2022. Consequently, the Group adopted a Code of Conduct for Employee Rights by end of 2015. Among other things, the Code of Conduct includes elimination of discrimination with respect to employment based on age, gender, religion or race. The Group has not measured the effect of the implementation of said Code of Conduct.

### *Environment*

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

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

### *Anti corruption*

The Group's policy related to anti-corruption secures that we act according to high ethical standard forbid the participation in any kind of bribery. The policy was adopted in the last part of 2015 and implemented in the early part of 2016.

Risks of anti-corruption behavior have been identified mainly in the supply chain and among own employees. It is the Group's policy that all new employees are introduced to and trained in the corporate anti-corruption policy. All new employees were introduced and trained in the corporate anti-corruption policy in 2022. Management is not aware of any violation of the policy in 2022.

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

### **Account of the gender composition of Management**

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

As per 31 December 2022, the Board of Directors consisted of four men and no women. No changes were made to the Board of Directors in the current financial year. The Group targets to elect at least one board member from the underrepresented gender to the Board of Directors no later than 2025.

As of 31 December 2022, the Senior Leadership Team of the Group consisted of 3 men and 0 woman.

Other management positions in the Group i.e. team managers currently count 37 men and 4 women. 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.

## Management's review

### 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.

### Group relations

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

Phase One A/S' equity consist of one class of shares.

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

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

### Statutory report on corporate governance

The organization of the Management is, among other things, based on the Danish Companies Act, the Danish Financial Statements Act and the company's article of association. The Company has based its corporate governance efforts on a two-tier system where the Board of Directors and the Executive Management have two distinct roles. The Executive Management undertakes the operational management of the Company, whereas the Board of Directors determines the overall company strategy and acts as a sounding board to the Executive Management of the Company. In addition, the Management is continuously monitoring the financial development as well as developments in the field of corporate governance to ensure that the Group - internally as well as externally - is managed in a way that is in accordance with applicable laws, in order to protect these interests of all stakeholders.

Risk management is considered an essential and natural part of the realization of the Group's objectives and strategy. The daily activities, the implementation of the established strategy and the continuous use of business opportunities involve inherent risks, and the Group's handling of these risks is therefore seen as a natural and integrated part of the daily work and a way to ensure stable and reliable growth.

The Board of Directors is appointed by Axcel. The Board of Directors consists of four members. Board meetings are held a minimum of six times a year. Additionally, the Chairman Committee meets with Executive Management on an ongoing basis.

## Management's review

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

|   |   |   |   |   |
|---|---|---|---|---|
| Name  | Jacob Fønnesbech Aqraou (appointed in Sep-19)   | Christian Bamberger Bro (appointed in May-19)   | Mark Carges (appointed in Apr-20)   | Lars Cordt (appointed in Nov-21)  |
| Position                                    | Professional investor   | Partner - Axcel Management A/S  | Advisor, Ocado Technology and Senior Advisor, Generation Investment Management  | Partner - Axcel Management A/S  |
| Recommended by                              | Axcel   | Axcel   | Axcel   | Axcel   |
| Chairman of the Board of Directors in:      | Phase One Group ApS and related Group companies<br><br>Loopia Group AB and related Group companies<br><br>Boats Group, LLC<br><br>DenmarkBridge | -   | -   | -   |
| Vice Chairman of the Board of Directors in: | -   | Phase One Group ApS and related Group companies<br><br>Loopia Aktieföretag and related Group companies<br><br>SuperOffice Group AS and related Group companies<br><br>BullWall Group ApS and related Group companies<br><br>emagine Holding ApS and related Group companies<br><br>AX VI itm8 Holding ApS and related Group companies | -   | AX V Nissens ApS and related Group companies<br><br>DANX Group ApS and related Group companies<br><br>Carousel Logistics Holdings Limited<br><br>NTI Group ApS and related Group companies      |
| Board Member in:                            | Wallapop S.L.   | Axcel Management Holding ApS<br><br>NTI Group ApS and related Group companies   | Phase One Group ApS and related Group companies<br><br>Splunk Inc.<br><br>Veeva Systems Inc.<br><br>Magnet Systems Inc.<br><br>Meals on Wheels Inc. | Phase One Group ApS and related Group companies<br><br>Gubi Group ApS and related Group companies<br><br>Mountain Top Group ApS and related Group companies<br><br>Axcel Management Holding ApS |

## Management's review

### Events after the balance sheet date

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

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

### Outlook

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

The Group has significant growth opportunities primarily in the Geospatial market segments as the current product range is superior to that of its competitors in terms of ROI. In addition, the PAS systems and P3 payload launched in late 2021 are expected to be key growth drivers.

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

Based on these considerations, the group expects approximately 15% revenue growth in 2023 and a corresponding increase in profitability.

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

### Income statement

| Note | DKK'000  | Group          |                | Parent company |               |
|------|--|----------------|----------------|----------------|---------------|
|      |  | 2022           | 2021           | 2022           | 2021          |
| 3    | Revenue  | 382,300        | 387,574        | 345,174        | 352,332       |
|      | Cost of sales  | -141,991       | -145,823       | -224,036       | -209,914      |
|      | Other operating income   | 67             | 0              | 67             | 0             |
| 4    | Other external expenses  | -71,240        | -60,778        | -49,386        | -52,018       |
|      | <b>Gross profit</b>  | <b>169,136</b> | <b>180,973</b> | <b>71,819</b>  | <b>90,400</b> |
| 5    | Staff costs  | -126,548       | -106,637       | -63,116        | -48,826       |
| 6    | Amortisation/depreciation of intangible assets and property, plant and equipment | -43,700        | -46,666        | -40,420        | -39,287       |
|      | <b>Profit/loss before net financials</b>   | <b>-1,112</b>  | <b>27,670</b>  | <b>-31,717</b> | <b>2,287</b>  |
|      | Income from investments in group enterprises                                     | 0              | 0              | 23,519         | 12,061        |
| 7    | Financial income   | 495            | 7,719          | 2,718          | 7,069         |
| 8    | Financial expenses   | -10,212        | -3,757         | -14,263        | -1,628        |
|      | <b>Profit/loss before tax</b>  | <b>-10,829</b> | <b>31,632</b>  | <b>-19,743</b> | <b>19,789</b> |
| 9    | Tax for the year   | 1,668          | -10,650        | 10,582         | 1,193         |
|      | <b>Profit/loss for the year</b>  | <b>-9,161</b>  | <b>20,982</b>  | <b>-9,161</b>  | <b>20,982</b> |

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

### Balance sheet

| Note | DKK'000  | Group          |                | Parent company |                |
|------|--|----------------|----------------|----------------|----------------|
|      |  | 2022           | 2021           | 2022           | 2021           |
|      | <b>ASSETS</b>  |                |                |                |                |
|      | <b>Fixed assets</b>  |                |                |                |                |
| 10   | <b>Intangible assets</b>   |                |                |                |                |
|      | Completed development projects   | 7,197          | 8,902          | 7,197          | 8,902          |
|      | Customer relationships   | 24,750         | 32,500         | 24,750         | 32,500         |
|      | Developed technology   | 4,191          | 13,391         | 4,191          | 13,391         |
|      | Acquired trademarks and trade names                                    | 51,693         | 59,360         | 51,693         | 59,360         |
|      | Acquired licences  | 74             | 1,757          | 74             | 1,136          |
|      | Development projects in progress and prepayments for intangible assets | 28,540         | 21,927         | 28,540         | 21,927         |
|      |  | <u>116,445</u> | <u>137,837</u> | <u>116,445</u> | <u>137,216</u> |
| 11   | <b>Property, plant and equipment</b>                                   |                |                |                |                |
|      | Fixtures and fittings, other plant and equipment                       | 8,847          | 6,921          | 4,720          | 2,582          |
|      | Leasehold improvements   | 573            | 176            | 573            | 176            |
|      |  | <u>9,420</u>   | <u>7,097</u>   | <u>5,293</u>   | <u>2,758</u>   |
| 12   | <b>Investments</b>   |                |                |                |                |
|      | Investments in group enterprises                                       | 0              | 0              | 88,998         | 68,037         |
|      | Receivables from group enterprises                                     | 0              | 0              | 49,010         | 35,906         |
|      |  | <u>0</u>       | <u>0</u>       | <u>138,008</u> | <u>103,943</u> |
|      | <b>Total fixed assets</b>  | <u>125,865</u> | <u>144,934</u> | <u>259,746</u> | <u>243,917</u> |
|      | <b>Non-fixed assets</b>  |                |                |                |                |
|      | <b>Inventories</b>   |                |                |                |                |
|      | Raw materials and consumables  | 74,198         | 54,035         | 9,140          | 17,595         |
|      | Work in progress   | 2,290          | 7,883          | 689            | 9,797          |
|      | Finished goods and goods for resale                                    | 53,791         | 40,417         | 20,646         | 8,489          |
|      |  | <u>130,279</u> | <u>102,335</u> | <u>30,475</u>  | <u>35,881</u>  |
|      | <b>Receivables</b>   |                |                |                |                |
|      | Trade receivables  | 49,296         | 67,415         | 30,563         | 32,730         |
|      | Receivables from group enterprises                                     | 25             | 0              | 24,420         | 53,423         |
|      | Corporation tax receivable   | 2,172          | 4,840          | 0              | 4,840          |
|      | Other receivables  | 9,020          | 7,379          | 4,211          | 1,574          |
| 13   | Prepayments  | 6,529          | 1,293          | 1,336          | 1,134          |
|      |  | <u>67,042</u>  | <u>80,927</u>  | <u>60,530</u>  | <u>93,701</u>  |
|      | <b>Cash</b>  | <u>8,643</u>   | <u>12,652</u>  | <u>2,647</u>   | <u>0</u>       |
|      | <b>Total non-fixed assets</b>  | <u>205,964</u> | <u>195,914</u> | <u>93,652</u>  | <u>129,582</u> |
|      | <b>TOTAL ASSETS</b>  | <u>331,829</u> | <u>340,848</u> | <u>353,398</u> | <u>373,499</u> |

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

### Balance sheet

| Note | DKK'000  | Group                         |                | Parent company |                |
|------|--|-------------------------------|----------------|----------------|----------------|
|      |  | 2022                          | 2021           | 2022           | 2021           |
|      |  | <b>EQUITY AND LIABILITIES</b> |                |                |                |
|      |  | <b>Equity</b>                 |                |                |                |
| 14   | Share capital  | 500                           | 500            | 500            | 500            |
|      | Net revaluation reserve according to the equity method         | 0                             | 0              | 78,543         | 57,582         |
|      | Reserve for development costs                                  | 0                             | 0              | 27,874         | 25,373         |
|      | Translation reserve  | -10,093                       | -7,166         | 0              | 0              |
|      | Hedging reserve  | -801                          | -2,261         | -801           | -2,261         |
|      | Retained earnings  | 121,426                       | 180,563        | 4,916          | 90,442         |
|      | Dividend proposed  | 50,000                        | 40,000         | 50,000         | 40,000         |
|      | <b>Total equity</b>  | <b>161,032</b>                | <b>211,636</b> | <b>161,032</b> | <b>211,636</b> |
|      | <b>Provisions</b>  |                               |                |                |                |
| 15   | Deferred tax   | 7,861                         | 18,729         | 16,430         | 26,925         |
|      | Other provisions   | 6,464                         | 8,464          | 6,464          | 8,464          |
| 17   | <b>Total provisions</b>  | <b>14,325</b>                 | <b>27,193</b>  | <b>22,894</b>  | <b>35,389</b>  |
|      | <b>Liabilities other than provisions</b>                       |                               |                |                |                |
| 16   | <b>Non-current liabilities other than provisions</b>           |                               |                |                |                |
|      | Lease liabilities  | 0                             | 546            | 0              | 364            |
|      | Other payables   | 3,665                         | 3,837          | 3,665          | 3,837          |
|      |  | <b>3,665</b>                  | <b>4,383</b>   | <b>3,665</b>   | <b>4,201</b>   |
|      | <b>Current liabilities other than provisions</b>               |                               |                |                |                |
| 16   | Short-term part of long-term liabilities other than provisions | 474                           | 287            | 442            | 287            |
|      | Bank debt  | 25,190                        | 0              | 25,190         | 5,208          |
|      | Trade payables   | 18,164                        | 16,242         | 6,932          | 13,598         |
|      | Payables to group enterprises                                  | 81,753                        | 52,715         | 123,087        | 91,664         |
|      | Corporation tax payable  | 3,150                         | 9,069          | 74             | 834            |
|      | Other payables   | 24,076                        | 19,323         | 10,082         | 10,682         |
|      |  | <b>152,807</b>                | <b>97,636</b>  | <b>165,807</b> | <b>122,273</b> |
|      | <b>Total liabilities other than provisions</b>                 | <b>156,472</b>                | <b>102,019</b> | <b>169,472</b> | <b>126,474</b> |
|      | <b>TOTAL EQUITY AND LIABILITIES</b>                            | <b>331,829</b>                | <b>340,848</b> | <b>353,398</b> | <b>373,499</b> |

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



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

### Statement of changes in equity

|      |  | Group         |                     |                 |                   |                   |                |
|------|--|---------------|---------------------|-----------------|-------------------|-------------------|----------------|
| Note | DKK'000  | Share capital | Translation reserve | Hedging reserve | Retained earnings | Dividend proposed | Total          |
|      | Equity at 1 January 2022                                       | 500           | -7,166              | -2,261          | 180,563           | 40,000            | 211,636        |
|      | Transfer through appropriation of loss                         | 0             | 0                   | 0               | -59,161           | 50,000            | -9,161         |
|      | Adjustment of investments through foreign exchange adjustments | 0             | -2,927              | 0               | 0                 | 0                 | -2,927         |
|      | Other value adjustments of equity                              | 0             | 0                   | 1,879           | 24                | 0                 | 1,903          |
|      | Tax on items recognised directly in equity                     | 0             | 0                   | -419            | 0                 | 0                 | -419           |
|      | Dividend distributed   | 0             | 0                   | 0               | 0                 | -40,000           | -40,000        |
|      | <b>Equity at 31 December 2022</b>                              | <b>500</b>    | <b>-10,093</b>      | <b>-801</b>     | <b>121,426</b>    | <b>50,000</b>     | <b>161,032</b> |

|      |  | Parent company |  |                               |                 |                   |                   |                |
|------|--|----------------|--|-------------------------------|-----------------|-------------------|-------------------|----------------|
| Note | DKK'000  | Share capital  | Net revaluation reserve according to the equity method | Reserve for development costs | Hedging reserve | Retained earnings | Dividend proposed | Total          |
|      | Equity at 1 January 2022                                       | 500            | 57,582   | 25,373                        | -2,261          | 90,442            | 40,000            | 211,636        |
| 22   | Transfer, see "Appropriation of profit/loss"                   | 0              | 23,519   | 2,501                         | 0               | -85,181           | 50,000            | -9,161         |
|      | Adjustment of investments through foreign exchange adjustments | 0              | -2,558   | 0                             | 0               | -369              | 0                 | -2,927         |
|      | Other value adjustments of equity                              | 0              | 0  | 0                             | 1,879           | 24                | 0                 | 1,903          |
|      | Tax on items recognised directly in equity                     | 0              | 0  | 0                             | -419            | 0                 | 0                 | -419           |
|      | Dividend distributed   | 0              | 0  | 0                             | 0               | 0                 | -40,000           | -40,000        |
|      | <b>Equity at 31 December 2022</b>                              | <b>500</b>     | <b>78,543</b>  | <b>27,874</b>                 | <b>-801</b>     | <b>4,916</b>      | <b>50,000</b>     | <b>161,032</b> |

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

### Cash flow statement

| Note | DKK'000   | Group          |                |
|------|---|----------------|----------------|
|      |   | 2022           | 2021           |
|      | Profit/loss for the year                              | -9,161         | 20,982         |
| 23   | Adjustments   | 51,749         | 55,418         |
|      | Cash generated from operations (operating activities) | 42,588         | 76,400         |
| 24   | Changes in working capital                            | 15,589         | -20,702        |
|      | Cash generated from operations (operating activities) | 58,177         | 55,698         |
|      | Interest received, etc.                               | 495            | 7,719          |
|      | Interest paid, etc.                                   | -10,212        | -3,757         |
|      | Income taxes paid                                     | -12,450        | 2,213          |
|      | <b>Cash flows from operating activities</b>           | <b>36,010</b>  | <b>61,873</b>  |
|      | Additions of intangible assets                        | -17,887        | -15,860        |
|      | Additions of property, plant and equipment            | -6,963         | -5,613         |
|      | <b>Cash flows to investing activities</b>             | <b>-24,850</b> | <b>-21,473</b> |
|      | Dividends paid  | -40,000        | -40,000        |
|      | Repayments, leases                                    | -359           | -871           |
|      | <b>Cash flows from financing activities</b>           | <b>-40,359</b> | <b>-40,871</b> |
|      | <b>Net cash flow</b>                                  | <b>-29,199</b> | <b>-471</b>    |
|      | Cash and cash equivalents at 1 January                | 12,652         | 13,123         |
| 25   | Cash and cash equivalents at 31 December              | -16,547        | 12,652         |

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

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Phase One A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Omission of a cash flow statement

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

#### Reporting currency

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

### Consolidated financial statements

#### *Control*

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

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

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

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

#### *Preparation of consolidated financial statements*

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

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. 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)

##### 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*

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

Foreign exchange adjustments of balances with separate foreign subsidiaries, which are considered part of the aggregate investment in the subsidiary, are taken directly to equity.

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.

##### Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Fair value adjustments of derivative financial instruments designated and qualifying as hedging of future assets or liabilities are recognised as separate items in the balance sheet and in the hedging reserve under equity. If the forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the forecast transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

##### Income statement

###### Revenue

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

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2020.

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.

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

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                   | 2 years  |
| Customer relationships                           | 12 years |
| Developed technology                             | 10 years |
| Acquired trademarks and trade names              | 15 years |
| Acquired licences                                | 3 years  |
| Fixtures and fittings, other plant and equipment | 3 years  |
| Leasehold improvements                           | 3 years  |

##### Profit/loss from investments in subsidiaries

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

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

##### Financial income and expenses

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

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Tax

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

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

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

##### Balance sheet

##### Intangible assets

On initial recognition, intangible assets are measured at cost.

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

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

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight line basis over the estimated useful life. The amortisation period is usually two years.

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.

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

##### Property, plant and equipment

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

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

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

#### Leases

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

#### Investments in subsidiaries

Equity investments in subsidiaries are measured according to the equity method. Equity investments in joint ventures are also measured according to the equity method in the consolidated financial statements.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

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.

#### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates 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.

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

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

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

#### Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables. Receivables are measured at amortised cost.

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

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

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

#### Prepayments

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

#### Cash

Cash comprises cash and cash equivalents.

#### 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.

##### *Reserve for development costs*

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



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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### *Translation reserve*

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

##### *Hedging reserve*

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

##### *Proposed dividends*

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

##### **Provisions**

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

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

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

##### **Income taxes**

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

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

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

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Liabilities

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

Other liabilities are measured at net realisable value.

##### Lease liabilities

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

##### 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).

##### 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.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

##### 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.

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial ratios

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

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

#### 2 Events after the balance sheet date

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

| DKK'000  | Group          |                | Parent company |                |
|--|----------------|----------------|----------------|----------------|
|  | 2022           | 2021           | 2022           | 2021           |
| <b>3 Segment information</b>                         |                |                |                |                |
| <b>Breakdown of revenue by geographical segment:</b> |                |                |                |                |
| Americas   | 152,904        | 139,236        | 119,162        | 128,541        |
| Europe   | 145,268        | 149,043        | 122,062        | 149,043        |
| Other  | 84,128         | 99,295         | 103,950        | 74,748         |
|  | <u>382,300</u> | <u>387,574</u> | <u>345,174</u> | <u>352,332</u> |

The Company has not disclosed the breakdown of revenue by business segment, see section 96(1) of the Danish Financial Statements Act. The market for medium format camera solutions consist 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.

| DKK'000   | Group        |       |
|---|--------------|-------|
|   | 2022         | 2021  |
| <b>4 Fee to the auditors appointed in general meeting</b> |              |       |
| Total fees to EY  | 1,484        | 1,613 |
| Statutory audit   | 785          |       |
| Tax assistance  | 492          |       |
| Other assistance  | 207          |       |
|   | <u>1,484</u> |       |

Audit fees are not disclosed for the parent company with reference to section 96(3) of the Danish Financial Statements Act, as audit fees are disclosed for the group.

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

### Notes to the financial statements

|   | Group          |                | Parent company |               |
|---|----------------|----------------|----------------|---------------|
|   | 2022           | 2021           | 2022           | 2021          |
| DKK'000                                       |                |                |                |               |
| <b>5 Staff costs</b>                          |                |                |                |               |
| Wages/salaries                                | 125,453        | 108,524        | 66,240         | 54,113        |
| Pensions                                      | 1,181          | 0              | 105            | 0             |
| Other social security costs                   | 1,443          | 1,356          | 151            | 129           |
| Other staff costs                             | 6,755          | 5,430          | 4,904          | 3,257         |
| Staff costs transferred to non-current assets | -8,284         | -8,673         | -8,284         | -8,673        |
|   | <u>126,548</u> | <u>106,637</u> | <u>63,116</u>  | <u>48,826</u> |
| Average number of full-time employees         | 200            | 189            | 65             | 65            |

#### Group

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

#### Parent company

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

|   | Group         |               | Parent company |               |
|---|---------------|---------------|----------------|---------------|
|   | 2022          | 2021          | 2022           | 2021          |
| DKK'000   |               |               |                |               |
| <b>6 Amortisation/depreciation of intangible assets and property, plant and equipment</b> |               |               |                |               |
| Amortisation of intangible assets   | 39,279        | 38,662        | 38,658         | 38,662        |
| Depreciation of property, plant and equipment   | 4,421         | 8,004         | 1,762          | 625           |
|   | <u>43,700</u> | <u>46,666</u> | <u>40,420</u>  | <u>39,287</u> |
| <b>7 Financial income</b>   |               |               |                |               |
| Interest receivable, group entities   | 0             | 0             | 2,687          | 2,154         |
| Other financial income  | 495           | 7,719         | 31             | 4,915         |
|   | <u>495</u>    | <u>7,719</u>  | <u>2,718</u>   | <u>7,069</u>  |
| <b>8 Financial expenses</b>   |               |               |                |               |
| Interest expenses, group entities   | 1,384         | 0             | 1,927          | 453           |
| Other financial expenses  | 8,828         | 3,757         | 12,336         | 1,175         |
|   | <u>10,212</u> | <u>3,757</u>  | <u>14,263</u>  | <u>1,628</u>  |
| <b>9 Tax for the year</b>   |               |               |                |               |
| Estimated tax charge for the year   | 9,619         | 12,412        | 332            | 1,838         |
| Deferred tax adjustments in the year  | -11,287       | -2,185        | -10,914        | 2,582         |
| Tax adjustments, prior years  | 0             | 423           | 0              | -5,613        |
|   | <u>-1,668</u> | <u>10,650</u> | <u>-10,582</u> | <u>-1,193</u> |

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

### Notes to the financial statements

#### 10 Intangible assets

| DKK'000  | Group                          |                        |                      |                                     |                   |  | Total   |
|--|--------------------------------|------------------------|----------------------|-------------------------------------|-------------------|--|---------|
|  | Completed development projects | Customer relationships | Developed technology | Acquired trademarks and trade names | Acquired licences | Development projects in progress and prepayments for intangible assets |         |
| Cost at 1 January 2022   | 94,289                         | 93,000                 | 92,000               | 115,000                             | 16,568            | 21,927   | 432,784 |
| Additions  | 0                              | 0                      | 0                    | 0                                   | 0                 | 17,887   | 17,887  |
| Disposals  | -11,955                        | 0                      | 0                    | 0                                   | -9,535            | 0  | -21,490 |
| Transferred  | 11,274                         | 0                      | 0                    | 0                                   | 0                 | -11,274  | 0       |
| Cost at 31 December 2022   | 93,608                         | 93,000                 | 92,000               | 115,000                             | 7,033             | 28,540   | 429,181 |
| Impairment losses and amortisation at 1 January 2022                   | 85,387                         | 60,500                 | 78,609               | 55,640                              | 14,811            | 0  | 294,947 |
| Amortisation for the year  | 12,979                         | 7,750                  | 9,200                | 7,667                               | 1,683             | 0  | 39,279  |
| Reversal of accumulated amortisation and impairment of assets disposed | -11,955                        | 0                      | 0                    | 0                                   | -9,535            | 0  | -21,490 |
| Impairment losses and amortisation at 31 December 2022                 | 86,411                         | 68,250                 | 87,809               | 63,307                              | 6,959             | 0  | 312,736 |
| Carrying amount at 31 December 2022                                    | 7,197                          | 24,750                 | 4,191                | 51,693                              | 74                | 28,540   | 116,445 |
| Amortised over   | 2 years                        | 12 years               | 10 years             | 15 years                            | 3 years           |  |         |

#### Completed development projects

In 2022, the Group finalized the new iXM-GS120, a camera with global shutter image sensors dedicated for geospatial applications including mobile mappings as well as aerial imaging.

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

#### Development projects in progress

In 2022, the Group announced its first camera in space which is currently capturing images. Ongoing development of our iXM-SP150 will result in a launch of this commercial, off-the-shelf space camera in Q2 of 2023.

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

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

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

#### 10 Intangible assets (continued)

| DKK'000  | Parent company                 |                        |                      |                                     |                   |  | Total   |
|--|--------------------------------|------------------------|----------------------|-------------------------------------|-------------------|--|---------|
|  | Completed development projects | Customer relationships | Developed technology | Acquired trademarks and trade names | Acquired licences | Development projects in progress and prepayments for intangible assets |         |
| Cost at 1 January 2022   | 82,334                         | 93,000                 | 92,000               | 115,000                             | 13,039            | 21,927   | 417,300 |
| Additions  | 0                              | 0                      | 0                    | 0                                   | 0                 | 17,887   | 17,887  |
| Disposals  | 0                              | 0                      | 0                    | 0                                   | -6,006            | 0  | -6,006  |
| Transferred  | 11,274                         | 0                      | 0                    | 0                                   | 0                 | -11,274  | 0       |
| Cost at 31 December 2022   | 93,608                         | 93,000                 | 92,000               | 115,000                             | 7,033             | 28,540   | 429,181 |
| Impairment losses and amortisation at 1 January 2022                   | 73,432                         | 60,500                 | 78,609               | 55,640                              | 11,903            | 0  | 280,084 |
| Amortisation for the year  | 12,979                         | 7,750                  | 9,200                | 7,667                               | 1,062             | 0  | 38,658  |
| Reversal of accumulated amortisation and impairment of assets disposed | 0                              | 0                      | 0                    | 0                                   | -6,006            | 0  | -6,006  |
| Impairment losses and amortisation at 31 December 2022                 | 86,411                         | 68,250                 | 87,809               | 63,307                              | 6,959             | 0  | 312,736 |
| Carrying amount at 31 December 2022                                    | 7,197                          | 24,750                 | 4,191                | 51,693                              | 74                | 28,540   | 116,445 |
| Amortised over   | 2 years                        | 12 years               | 10 years             | 15 years                            | 3 years           |  |         |

#### Completed development projects

In 2022, the Group finalized the new iXM-GS120, a camera with global shutter image sensors dedicated for geospatial applications including mobile mappings as well as aerial imaging.

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

#### Development projects in progress

In 2022, the Group announced its first camera in space which is currently capturing images. Ongoing development of our iXM-SP150 will result in a launch of this commercial, off-the-shelf space camera in Q2 of 2023.

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

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

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

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

### Notes to the financial statements

#### 11 Property, plant and equipment

|  | Group  |                        |         |
|--|--|------------------------|---------|
|  | Fixtures and fittings, other plant and equipment | Leasehold improvements | Total   |
| DKK'000  |  |                        |         |
| Cost at 1 January 2022   | 34,278   | 236                    | 34,514  |
| Additions  | 6,388  | 575                    | 6,963   |
| Disposals  | -14,670  | 0                      | -14,670 |
| Cost at 31 December 2022   | 25,996   | 811                    | 26,807  |
| Impairment losses and depreciation at 1 January 2022                   | 27,357   | 60                     | 27,417  |
| Depreciation   | 4,243  | 178                    | 4,421   |
| Reversal of accumulated depreciation and impairment of assets disposed | -14,451  | 0                      | -14,451 |
| Impairment losses and depreciation at 31 December 2022                 | 17,149   | 238                    | 17,387  |
| Carrying amount at 31 December 2022                                    | 8,847  | 573                    | 9,420   |

|  | Parent company                                   |                        |        |
|--|--|------------------------|--------|
|  | Fixtures and fittings, other plant and equipment | Leasehold improvements | Total  |
| DKK'000  |  |                        |        |
| Cost at 1 January 2022   | 8,680  | 236                    | 8,916  |
| Additions  | 3,722  | 575                    | 4,297  |
| Disposals  | -4,650   | 0                      | -4,650 |
| Cost at 31 December 2022   | 7,752  | 811                    | 8,563  |
| Impairment losses and depreciation at 1 January 2022                   | 6,098  | 60                     | 6,158  |
| Depreciation   | 1,584  | 178                    | 1,762  |
| Reversal of accumulated depreciation and impairment of assets disposed | -4,650   | 0                      | -4,650 |
| Impairment losses and depreciation at 31 December 2022                 | 3,032  | 238                    | 3,270  |
| Carrying amount at 31 December 2022                                    | 4,720  | 573                    | 5,293  |

## 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 | Receivables from group enterprises | Total   |
| Cost at 1 January 2022                             | 10,455                           | 35,134                             | 45,589  |
| Additions  | 0                                | 30,590                             | 30,590  |
| Disposals on demerger and sale of other enterprise | 0                                | -17,486                            | -17,486 |
| Cost at 31 December 2022                           | 10,455                           | 48,238                             | 58,693  |
| Value adjustments at 1 January 2022                | 57,582                           | 772                                | 58,354  |
| Foreign exchange adjustments                       | -2,557                           | 0                                  | -2,557  |
| Profit/loss for the year                           | 23,518                           | 0                                  | 23,518  |
| Value adjustments at 31 December 2022              | 78,543                           | 772                                | 79,315  |
| Carrying amount at 31 December 2022                | 88,998                           | 49,010                             | 138,008 |

#### Parent company

| Name                            | Domicile  | Interest |
|---------------------------------|-----------|----------|
| Phase One United States Inc.    | USA       | 100.00%  |
| Leaf Imaging Ltd.               | Israel    | 100.00%  |
| Phase One Japan Co. Ltd.        | Japan     | 100.00%  |
| Phase One Asia Pacific Co. Ltd. | Hong Kong | 100.00%  |

#### 13 Prepayments

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

| DKK'000   | Parent company |      |      |
|---|----------------|------|------|
|   | 2022           | 2021 |      |
| <b>14 Share capital</b>   |                |      |      |
| Analysis of the share capital:                                  |                |      |      |
| 500,000 shares of DKK 1.00 nominal value each                   | 500            | 500  |      |
|   | 500            | 500  |      |
| Analysis of changes in the share capital over the past 3 years: |                |      |      |
| DKK'000   | 2022           | 2021 | 2020 |
| Opening balance   | 500            | 500  | 400  |
| Capital increase  | 0              | 0    | 100  |
|   | 500            | 500  | 500  |



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

### Notes to the financial statements

|  | Group        |               | Parent company |               |
|--|--------------|---------------|----------------|---------------|
|  | 2022         | 2021          | 2022           | 2021          |
| DKK'000                                    |              |               |                |               |
| <b>15 Deferred tax</b>                     |              |               |                |               |
| Deferred tax at 1 January                  | 18,729       | 20,914        | 26,925         | 24,343        |
| Adjustment for the year                    | -11,287      | -2,185        | -10,914        | 2,582         |
| Tax on items recognised directly in equity | 419          | 0             | 419            | 0             |
| <b>Deferred tax at 31 December</b>         | <b>7,861</b> | <b>18,729</b> | <b>16,430</b>  | <b>26,925</b> |

### 16 Non-current liabilities other than provisions

|                   | Group                    |                      |                   |                                |
|-------------------|--------------------------|----------------------|-------------------|--------------------------------|
|                   | Total debt at 31/12 2022 | Repayment, next year | Long-term portion | Outstanding debt after 5 years |
| DKK'000           |                          |                      |                   |                                |
| Lease liabilities | 474                      | 474                  | 0                 | 0                              |
| Other payables    | 3,665                    | 0                    | 3,665             | 3,665                          |
|                   | <b>4,139</b>             | <b>474</b>           | <b>3,665</b>      | <b>3,665</b>                   |

Other payables is related to holiday liability.

|                   | Parent company           |                      |                   |                                |
|-------------------|--------------------------|----------------------|-------------------|--------------------------------|
|                   | Total debt at 31/12 2022 | Repayment, next year | Long-term portion | Outstanding debt after 5 years |
| DKK'000           |                          |                      |                   |                                |
| Lease liabilities | 442                      | 442                  | 0                 | 0                              |
| Other payables    | 3,665                    | 0                    | 3,665             | 3,665                          |
|                   | <b>4,107</b>             | <b>442</b>           | <b>3,665</b>      | <b>3,665</b>                   |

Other payables is related to holiday liability.

### 17 Provisions

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

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

### Notes to the financial statements

#### 18 Derivative financial instruments

##### Fair values

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

##### Fair value disclosures

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

| DKK'000   | Currency<br>hedging |
|---|---------------------|
| <b>Group</b>  |                     |
| Fair value at year end  | -1,026              |
| Unrealised fair value adjustments for the year, recognised in hedging reserve | 1,879               |
| Fair value level  | 2                   |
| <b>Parent Company</b>   |                     |
| Fair value at year end  | -1,026              |
| Unrealised fair value adjustments for the year, recognised in hedging reserve | 1,879               |
| Fair value level  | 2                   |

#### 19 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

##### Group

The subsidiary, Leaf Imaging Ltd. is part of an ongoing transfer pricing audit in Israel, for the income years 2017 and 2018, where the income year 2014-16 has expired. There has not been reached a conclusion on this transfer pricing audit with the authorities in Israel.

Management is of the preception that the company has complied with the transfer pricing rules, and therefore does not expect financial impact on the financial statements for 2022.

##### Other financial obligations

Other rent and lease liabilities:

| DKK'000                    | Group |       | Parent company |       |
|----------------------------|-------|-------|----------------|-------|
|                            | 2022  | 2021  | 2022           | 2021  |
| Rent and lease liabilities | 4,268 | 6,537 | 1,224          | 1,467 |

##### Parent company

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

The subsidiary, Leaf Imaging Ltd. is part of an ongoing transfer pricing audit in Israel, for the income years 2017 and 2018, where the income year 2014-16 has expired. There has not been reached a conclusion on this transfer pricing audit with the authorities in Israel.

Management is of the preception that the company has complied with the transfer pricing rules, and therefore does not expect financial impact on the financial statements for 2022.

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

### Notes to the financial statements

#### 20 Collateral

The Company and group have provided guarantee for debt to banks for Phase One Group ApS and Capture One A/S of TDKK 361.368.

#### 21 Related parties

Phase One A/S' related parties comprise the following:

##### Significant influence

| <u>Related party</u> | <u>Domicile</u> | <u>Basis for significant influence</u> |
|----------------------|-----------------|--|
| Phase One Group ApS  | Copenhagen      | Participating interest                 |

##### Information about consolidated financial statements

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

##### Related party transactions

| <u>DKK'000</u>                                | <u>2022</u> | <u>2021</u> |
|---|-------------|-------------|
| <b>Group</b>                                  |             |             |
| Administration expense from group enterprises | 12,339      | 11,250      |
| Administration income from group enterprises  | 600         | 2,400       |
| <b>Parent Company</b>                         |             |             |
| Sale of goods to group enterprises            | 107,526     | 111,307     |
| Purchase of goods from group enterprises      | 105,933     | 96,367      |
| Administration income from group enterprises  | 600         | 2,400       |
| Administration expense from group enterprises | 12,339      | 11,250      |

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

Information about related parties transactions in regards to interest to group enterprises see note 7 and 8.

##### Information about security for loans relating to group entities

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

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

### Notes to the financial statements

|           |  | Parent company |                |
|-----------|--|----------------|----------------|
| DKK'000   |  | 2022           | 2021           |
| <b>22</b> | <b>Appropriation of profit/loss</b>                    |                |                |
|           | Recommended appropriation of profit/loss               |                |                |
|           | Proposed dividend recognised under equity              | 50,000         | 40,000         |
|           | Net revaluation reserve according to the equity method | 23,519         | 12,060         |
|           | Other statutory reserves                               | 0              | 6,552          |
|           | Other reserves   | 2,501          | 0              |
|           | Retained earnings/accumulated loss                     | -85,181        | -37,630        |
|           |  | <u>-9,161</u>  | <u>20,982</u>  |
|           |  |                |                |
|           |  | Group          |                |
| DKK'000   |  | 2022           | 2021           |
| <b>23</b> | <b>Adjustments</b>                                     |                |                |
|           | Amortisation/depreciation and impairment losses        | 43,700         | 46,665         |
|           | Financial income                                       | -495           | -7,719         |
|           | Financial expenses                                     | 10,212         | 3,757          |
|           | Tax for the year                                       | -1,668         | 10,650         |
|           | Other adjustments                                      | 0              | 2,065          |
|           |  | <u>51,749</u>  | <u>55,418</u>  |
|           |  |                |                |
| <b>24</b> | <b>Changes in working capital</b>                      |                |                |
|           | Change in inventories                                  | -27,725        | -806           |
|           | Change in receivables                                  | 11,217         | -13,846        |
|           | Change in trade and other payables                     | 35,540         | -3,645         |
|           | Other changes in working capital                       | -3,443         | -2,405         |
|           |  | <u>15,589</u>  | <u>-20,702</u> |
|           |  |                |                |
| <b>25</b> | <b>Cash and cash equivalents at year-end</b>           |                |                |
|           | Cash according to the balance sheet                    | 8,643          | 12,652         |
|           | Short-term debt to banks                               | -25,190        | 0              |
|           |  | <u>-16,547</u> | <u>12,652</u>  |