Global Scanning Denmark A/S

Svanevang 2, 3450 Allerød

CVR nr. 12 75 92 82

Annual Report

for the year ended 31 December 2020

34nd financial year

Adopted at the Annual General Meeting of shareholders

on 1 July 2021

……………………………….

Chairman

Verifikat

Transaktion 09222115557449685347

Dokument

GSDK - AR - front page
Huvuddokument
1 sida
Startades 2021-07-02 13:55:45 CEST (+0200) av Ronja Fällström (RF)
Färdigställt 2021-07-02 17:26:25 CEST (+0200)

Initierare

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Signerande parter

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Namnet som returnerades från svenskt BankID var "LARS PETER FREDELL"
Signerade 2021-07-02 17:26:25 CEST (+0200)

Verifikat

Transaktion 09222115557449685347

på: https://scrive.com/verify

Contents

Company details

Main office

Global Scanning Denmark A/S
Svanevang 2
3450 Allerød

Phone +45 48 14 11 22
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Country of incorporation

Denmark

Board of Directors

Lars Peter Fredell (Chairman)
Peder Gustaf Magnus Broms
Graham James Ohn Tinn
Søren Thuun Jensen

Executive Board

Graham James Ohn Tinn (CEO)

Shareholders holding 5% or more of the share capital or the voting rights	Percentage
Global Scanning A/S, Denmark, reg. no. 34 61 31 41	100%

Parent

Global Scanning A/S, Allerød

Ultimative parent

Skandinaviska Kreditfonden AB, Sweden

Auditors

EY Godkendt Revisionspartnerselskab

Bankers

Nordea Bank Danmark A/S

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Global Scanning Denmark A/S for 2020.

The annual report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements in The Danish Financial Statements Act.

In our opinion the financial statements give a true and fair view of the Company's financial position at 31 December 2020 and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2020.

Further, in our opinion, the Management's Review includes a true and fair review of the development in the Company's operations and financial conditions, of the results for the year and of the financial position of the Company, as well as a description of the material risks and uncertainties facing the Company.

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

Allerød, 1 July 2021

Executive board:

....

Graham James Ohn Tinn

CEO

Board of Directors:

....	....	....	....
Lars Peter Fredell (Chairman)	Peder Gustaf Magnus Broms	Graham James Ohn Tinn	Søren Thuun Jensen

Verifikat

Transaktion 09222115557449685975

Dokument

GSDK - AR - page 4
Huvuddokument
1 sida
Startades 2021-07-02 14:03:13 CEST (+0200) av Ronja Fällström (RF)
Färdigställt 2021-07-02 17:32:08 CEST (+0200)

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Signerade 2021-07-02 14:20:54 CEST (+0200)

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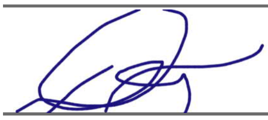

Namnet som returnerades från svenskt BankID var "LARS PETER FREDELL"
Signerade 2021-07-02 17:32:08 CEST (+0200)

Independent auditor's report

To the shareholders of Global Scanning Denmark A/S

Opinion

We have audited the financial statements of Global Scanning Denmark A/S for the financial year 1 January – 31 December 2020, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow and notes, including accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2020 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2020 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 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 misstatements of the Management's review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of 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 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 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 high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 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 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 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.

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.

Copenhagen, 1 July 2021
EY
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Mogens Andreasen
State Authorised Public Accountant
mne28603

Financial highlights

In USD thousands, except ratios, USD rate and number of employees.

Key figures	**2020**	**2019**	**2018**	**2017**	**2016**
Profit & Loss					
Revenue	10.010	13.970	14.588	17.618	20.456
Operating result	4.915	(8.317)	(4.520)	(1.005)	(2.568)
Net financials	(1.364)	(884)	(810)	(1.847)	(876)
Net result for the year	4.376	(9.762)	(4.166)	(2.153)	(2.711)
Cash Flows					
Cash flows from operating activities	9.711	(12.248)	(2.157)	3.009	1.163
Cash flow to net investments	(985)	7.155	(3.552)	(2.611)	(4.648)
Hereoff investments in tangible assets	(44)	(127)	(60)	(343)	(317)
Net cash flow for the year	32	(58)	(431)	3.390	(1.092)
Cash at year-end	129	97	155	586	(2.804)
Balance sheet					
Equity	(6.692)	(11.068)	(1.306)	2.859	13
Total assets	8.323	14.853	17.559	17.154	20.004
Exchange rate per balance sheet date DKK/USD	6,06	6,65	6,52	6,21	7,05
Average number of employees	30	35	41	42	79

Key figures and ratio explanations and definitions:

The financial highlights and ratios are defined and calculated in accordance with the online guidance from the Danish Finance Society regarding the calculation of financial highlights and ratios: "Recommendations & Financial Ratios".

Comparatives for 2016 - 2017 are not restated following the implementation of IFRS 9 and 15 and comparatives for 2016 - 2018 are not restated following the implementation of IFRS 16.

Management´s Review

Overview

The Company develops, manufactures and markets large-format scanning solutions (2D) for the computer-aided design (CAD), geographic information systems (GIS), reprographic products, copy services and document archiving segments under the brand name of Contex. The scanners digitally capture documents, drawings and other 2D input in order to view, edit, archive, convert or print output data. These 2D products are sold across the world through a value-add distribution network and via OEM agreements with major multinational enterprises within the Large Format Printing industry.

The Company has further established itself into the market related to 3D object scanning. The first product Sol is a commodity product aimed at the Hobbyist / MakerSpace market enabling the scanning of small objects in 3D.

The company is headquartered in Denmark with branches in Japan and the United States.

Result for the year

The Company revenue decreased to USD 10.010 thousand from USD 13.970 thousand in 2019. The decrease in revenue is minaly due to the impact of COVID-19 pandemic.
The Company operating profit of USD 4.915 thousand and was significanlty influenced by the following non-recurring transactions in 2020:
1) write-down on group internal balances, USD 2.400 thousand
2) reversal of write-down on group internal balances, USD 11.107 thousand

The company continues to have lost its equity, but the management expects the equity to be recapitalized over the next 3-5 years, by future earnings.

Capital structure

The company is dependent upon to maintain the credit facility in Denmark, USD 1.0m (DKK 6m), which is up for renewal in August 2021 and continued financing from the Parent Company Global Scanning A/S. The Parent Company have in 2020 breached the leverage covenant on its loan USD 23,7m (nominal SEK 235m), due to the impact of the Covid-19 pandemic. The group has received a waiver for payment of installments and interest until April 2022 and further includes a waiver for covenants.

In January 2021 Riddargatan SPV S AB acquired 100% of the shareholdings in Global Scanning A/S. Riddargatan SPV S AB is a 100% owned Swedish Company in Riddargatan Förvaltning AB group, which is owned 100% by Skandinaviska Kreditfonden AB. Scandinavian Credit Fund I AB (publ), also owned 100% by Skandinaviska Kreditfonden AB, is the company's main lender and they have issued a letter of support, which states that they intend to provide full financial support to Global Scanning A/S and Global Scanning Denmark A/S.

Research and development

Research and development expenses in 2020 amounted to USD 1.488 thousand (2019: USD 3.354 thousand) equal to 15% of the revenue (2019: 24%). The Company has, during the year, developed new product platforms for both scanners within 2D and 3D. Of the costs incurred USD 911 thousand was capitalized (2019: USD 1.620 thousand).
In 2020, R&D has focused on (1) developing and introducing one new platform within 2D, covering the high segment productivity market, (2) enhancing the product offerings to OEM customers and (3) continuing development of 3D products with a particular focus on Scan Dimension - an easy-to-use, customer-operated, affordable system for 3D scanning of small objects.

The development will continue with a further strengthening of the product program.

Risk Management

At Global Scanning Denmark A/S risk management is an integrated part of the operational activities with a view to reducing the uncertainty of the Company´s strategic objectives being met.

The key risks are summarized by the following main areas:

- Industry and market risks
- Financial risks (currency, interest rates, liquidity)
- Credit risks (financial institutions and commercial receivables)
- Environmental risks

A detailed description of the Company´s risks is provided in note 22. Financial risk – management objectives and policies.

<u>Industry and market risks:</u>

Global Scanning Denmark A/S minimizes industry and market risks through (1) using numerous routes to market under a number of different brands which include two own brands in parallel with OEM contracts with major global suppliers; (2) continuing to invest in research and development to ensure the company's technology base and products are state-of-the-art; and (3) manufacturing in a low cost environment to ensure products carry a low cost and can be competitively priced.

<u>Environmental risks:</u>

Global Scanning Denmark A/S manages risks concerning the environment by (1) ensuring the company's manufacturing operations are fully compliant with relevant international standards and (2) ensuring that all of the company's products meet relevant international standards.

Outlook

Global Scanning Denmark A/S has a strong global market position, including opportunities for further profitable growth. A continued focus on R&D investments will enhance the competitive advantages.

Based on the assumptions of (1) stable market conditions on the 2D scanning market and (2) unchanged F/X correlation between USD/SEK/DKK/RMB, the Group's budget expects revenue to recover from the 2020 level and grow by approximately 18%, this growth being driven by a recovery from the 2020 Covid-19 pandemic.

Subsequent events

In January 2021 Riddargatan SPV S AB acquired 100% of the shareholdings in Global Scanning A/S. Riddargatan SPV S AB is a 100% owned Swedish Company in Riddargatan Förvaltning AB group, which is owned 100% by Skandinaviska Kreditfonden AB. Scandinavian Credit Fund I AB (publ), also owned 100% by Skandinaviska Kreditfonden AB, is the company's main lender and they have issued a letter of support, which states that they intend to provide full financial support to Global Scanning A/S and Global Scanning Denmark A/S.

Sales seem to have recovered from Coved-19. Q1 revenue was 23.9% above Q1 2020. The strong demand has continued into Q2. Gross Margin is to some extent negatively affected by the World-Wide increases in Freight rates. The World-Wide Shortage of electronic components is the single most serious threat to the company.

No other post balance sheet events have occurred in 2021 which could materially affect the assessment of the Company´s financial position.

Income statement
for the year ended 31 December

	Notes	2020 USD´000	2019 USD´000
Revenue		10.010	13.970
Production costs	4	(8.733)	(11.663)
Gross profit		**1.277**	**2.307**
Distribution costs	4	(3.085)	(3.142)
Administrative costs	4	(1.983)	(2.601)
Other operating income and expenses	5	8.707	(4.881)
Operating result		**4.915**	**(8.317)**
Financial income	6	68	258
Financial expenses	7	(1.432)	(1.142)
Result before tax		**3.551**	**(9.201)**
Income taxes	8	825	(561)
Net result for the year		**4.376**	**(9.762)**

Statement of comprehensive Income

	Notes	2020 USD´000	2019 USD´000
Net profit for the year		4.376	(9.762)
Other comprehensive income			
Other comprehensive income to be reclassified to profit and loss in subsequent periods			
Valuation adjustments		0	0
Income tax effect		0	0
Total comprehensive income for the year, net of tax		**4.376**	**(9.762)**

Balance sheet
at 31 December

	Notes	2020 USD´000	2019 USD´000
Assets			
Non-current assets			
Development costs	9	2.682	3.430
Customer relations	9	0	0
License rights and patents	9	743	983
Total intangible assets		3.425	4.413
Property, plant and equipment			
Land and buildings	10	1.323	1.419
Right-of-use assets	11	203	318
Leasehold improvements	10	3	5
Plant and machinery	10	3	4
Other plant, operating equipment etc.	10	78	164
Total property, plant and equipment		1.610	1.910
Financial assets			
Investment in subsidiaries	12	0	0
Other long term assets		98	97
Total financial assets		98	97
Total non-current assets		5.133	6.420
Current assets			
Inventories			
Raw materials and consumables		0	363
Work in progress		0	0
Finished goods		652	1.504
Total inventories	13	652	1.867
Receivables			
Trade receivables	14	1.043	1.648
Receivable from group enterprises		1.004	4.610
Income tax receivable	17	13	66
Deferred tax assets	15	190	0
Prepayments		159	145
Total receivables		2.409	6.469
Cash and cash equivalents		129	97
Total current assets		3.190	8.433
Total assets		8.323	14.853

Balance sheet

at 31 December

	Notes	2020 USD´000	2019 USD´000
Equity and liabilities			
Shareholders´ equity			
Share capital		3.401	3.401
Reserve for development costs		2.092	2.683
Retained earnings		(12.185)	(17.152)
Total shareholders´equity		(6.692)	(11.068)
Liabilities other than provisions			
Deferred tax liabilities	15	0	649
Lease liabilities	11	138	224
Other financial liabilities		335	91
Payables to group enterprises		0	6.206
Long-term liabilities other than provisions		473	7.170
Bank debt	16	885	1.379
Lease liabilities	11	105	113
Trade payables		196	837
Payables to group enterprises		12.634	15.946
Other liabilities		722	476
Short-term liabilities		14.542	18.751
Total liabilities other than provisions		15.015	25.921
Total equity and liabilities		8.323	14.853

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Changes in equity

USD´000	Share capital	Retained earnings	Reserve for development costs	Total
Balance 1/1 2019	3.401	(8.370)	3.663	(1.306)
Group Contribution	0	0	0	0
Transactions with shareholders	**0**	**0**	**0**	**0**
Net profit for the year	0	(9.762)	0	(9.762)
Addition to reserve for development costs	0	980	(980)	0
Comprehensive income	**0**	**(8.782)**	**(980)**	**(9.762)**
Balance 1/1 2020	3.401	(17.152)	2.683	(11.068)
Group Contribution	0	0	0	0
Transactions with shareholders	**0**	**0**	**0**	**0**
Net profit for the year	0	4.376	0	4.376
Addition to reserve for development costs	0	591	(591)	0
Comprehensive income	**0**	**4.967**	**(591)**	**4.376**
Shareholders´equity at 31/12 2020	3.401	(12.185)	2.092	(6.692)

Cash flow statement

	2020 USD´000	2019 USD´000
Operating profit/loss	4.915	(8.317)
Amortisation/Depreciation	2.273	2.820
Gain on sale of fixed assets	0	(6.236)
	7.188	(11.733)
Change in inventory and receivables	1.806	564
Change in trade payables	(641)	177
Change in other current liabilities	246	(489)
Other non-cash items	2.400	0
Interest received	68	258
Interest paid	(1.409)	(1.025)
Income taxes paid	53	0
Cash flow from operating activities	9.711	(12.248)
Additions of intangible assets	(941)	(1.786)
Disposals of intangible assets	0	9.029
Additions of tangible assets	(44)	(127)
Disposals of tangible assets	0	39
Other investing acitivities	0	0
Cash flow from investing activities	(985)	7.155
Proceeds from borrowings	244	91
Change in operating credits	(494)	(165)
Change in receivables from group enterprises	1.206	(1.087)
Change in payables to group enterprises	(9.518)	6.354
Repayment of lease liabilities and interest	(132)	(158)
Cash flow from financing activities	(8.694)	5.035
Net cash flow for the year	32	(58)
Cash and cash equivalents at 1/1 2020	97	155
Net cash flow for the year	32	(58)
Cash and cash equivalents at 31/12 2020	129	97
Cash and cash equivalents at 31/12 2020 according to balance sheet		
Cash	129	97
	129	97
Unutilised portion of credit facilities including cash and cash equivalents	**234**	**221**

Notes

Note 1 Accounting Policies

The Annual Report has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the EU and additional disclosure requirements in the Danish Financial Statement Act for annual reports of medium sized reporting class C enterprises.

On 1 July 2021, the Board of Directors and the Executive Board have discussed and approved the annual report of Global Scanning Denmark A/S for 2020. The annual report will be presented to the shareholders of Global Scanning Denmark A/S for approval at the annual general meeting on 1 July 2021.

The financial statements of the Company are presented in US dollars, which is the company’ functional and presentation currency.

New and amended standards and interpretations that have become operative:

All new or amended standards (IFRS) and interpretations (IFRIC) as adopted by the EU and which are effective for the financial year beginning on 1 January 2020 have been adopted. The implementation of these new or amended standards and interpretations had no material impact on the financial statements. The accounting policies have been applied consistently during the financial year and for the comparative figures. For standards implemented prospectively the comparative figures are not restated.

New financial reporting standards not yet adopted

The IASB has issued a number of new or amended standards and interpretations with effective date after 31 December 2020. None of the standards are expected to have a significant effect for the Company.

Consolidation

During 2008 a company has been acquired in the USA, which is not consolidated in the accounts because the group consolidation is done in the ultimate parent company Global Scanning A/S.

Only one consolidated financial report including all the other group enterprises is prepared, as the ’subsidiaries’ are considered solely as representation offices or branches.

Currency translation

Transactions in foreign currency are translated into USD at the exchange rate at the date of the transaction.

Monetary items denominated in foreign currency are translated into USD at the exchange rates at the balance sheet date. Realized and unrealized exchange gains and losses are recognized in the income statement as financial income/expenses.

On initial recognition, all forward exchange contracts are measured at cost and subsequently re-measured at their fair value at the balance sheet date. The value adjustments on forward contracts designated as hedges are taken directly to equity, given hedge effectiveness. The value adjustments on those forward contracts that do not meet the requirements of IAS 39 for hedge accounting are recognized directly in the income statement under financial income/expenses.

Notes

Note 1 Accounting Policies, continued

Revenue

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements.

Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and other sales taxes or duty. The following specific recognition criteria must also be met before revenue is recognized:

Revenue from the sale of goods is recognized at the point when control of the asset is transferred to the customer, generally on delivery of the goods.

Revenue from service contracts is allocated over the service period.

Production costs

Production costs comprise the direct production costs and production overheads relation to revenue and direct costs and costs of labor for product development, which have not been capitalized according to IAS 38.

Distribution costs

Distribution costs comprise the expenses relation to distribution and sale of products, salaries to the sales staff, advertising and exhibition expenses etc.

Administrative expenses

Administrative expenses comprise expenses for the administrative staff and management including office expenses, salaries etc.

Other operating income

Other operating income comprises income of secondary nature in relation to the company's activities, including sale of scrap and gain or loss on sale of fixed assets.

Amortization/depreciation and write-downs

Depreciation and write-downs include depreciation and write-downs of intangible assets and tangible assets.

Intangible assets include development costs, customer relations and license rights and patents.

Tangible assets include land and building, plant and machinery, other fixture and fittings, tools and equipment and leasehold improvement.

Land is recorded at cost and is not depreciated.

Intangible and tangible assets are amortized/depreciated on a straight-line basis on the basis of the cost, measured by reference to the following assessment of the useful life of the assets:

	Years
Development costs	3
Customer relations	3
License rights and patents	5-10
Land and buildings	30
Leasehold improvements	3
Plant and equipment	4-8
Other plant, operating equipment etc.	2-6

Net financials

Financial income and expenses are recognized in the income statement at the amounts that relate to the reporting period. Net financials include interest income and expenses, realized and unrealized capital and exchange gains and losses on foreign currency transactions and surcharges and allowances under the advance-payment -of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year´s expected taxable income and the year´s deferred tax adjustments less the share of the tax for the year that concerns changes in equity.

The parent company and all Danish group enterprises are jointly taxed. The Danish corporation tax charge is allocated between profit-making and loss-making Danish enterprises in proportion to their taxable income (full allocation).

Intangible assets

Development projects

Development project that are clearly defined and identifiable and in respect of which the technological feasibility, sufficient resources and a potential future marked or development potential in the enterprise can be demonstrated, and where the intention is to produce, market or use the product or the process, are recognized as intangible assets provided that it is sufficiently certain that the future earnings are adequate to cover the production, sales and administrative expenses and the aggregate development costs. Other development costs are expended in the income statement as incurred.

Development costs are measured at direct costs.

Customer relations and license rights and patents are measured at cost less accumulated amortization and write-downs.

An impairment test is made for acquired intangible assets if there are indications of decreases in value. The impairment test is made for each individual asset or group of assets, respectively. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

Impairment test is made at yearend for intangible assets that are not ready for use.

Notes

Note 1 Accounting Policies, continued

Property, plant and equipment

Property, plant and equipment comprise land and buildings, production equipment, machinery and other fixtures, fittings, tools and equipment and leasehold improvements. Property, plant and equipment are measured at cost less accumulated depreciation and write-downs.

An impairment test is made for property, plant and equipment if there are indications of decreases in value. The impairment test is made for each individual asset or group of assets, respectively. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount.

Leases

A right-of-use asset and a lease obligation are recognized in the balance sheet when the specifically identifiable asset is made available under the lease agreement during the lease term, and when the Company gains the right to virtually all the economic benefits from the use of the identified asset and the right to control the use of the identified asset.

Lease liabilities are initially measured at the present value of future lease payments discounted at an alternative loan rate. The following lease payments are recognized as part of the lease obligation:
• Fixed payments;
• Variable payments that change as a change in an index or interest rate, based on that index or interest rate;
• Payments owed under a residual value guarantee:
• The exercise price for call options that management expects to utilize in a high probability;
• Payments covered by an extension option that the Company is likely to utilize;
• Penalties related to a termination option, unless the Company is very likely not to exercise the option

The lease liability is measured at amortized cost using the effective interest rate method. The lease liability is recalculated when there are changes in the underlying contractual cash flows from the changes in an index or interest rate if there are changes in the Company's estimate of a residual value guarantee, or If the Company

In assessing the expected lease term for property leases, the Group estimates for strategic reasons that the expected rental period is between 3-5 years. The Group has chosen not to recognize payments related to service components as part of the lease obligation and further not to include leases with a maturity of fewer than 12 months or with a low value.

On initial recognition, the lease asset is measured at cost, which corresponds to the value of the lease liability adjusted for prepaid lease payments plus direct related costs and estimated costs for demolition, refurbishment or similar and less any rebates or other types of incentive payments received from the lessor. Subsequently, the asset is measured at cost less accumulated amortization and impairment losses. The lease asset is depreciated over the shortest of the lease term and the useful life of the lease asset. Depreciation is recognized on a straight-line basis in the income statement.

The right-of-use asset is adjusted for changes in the lease liability as a result of changes in the terms of the lease or changes in the cash flows of the contract in line with changes in an index or interest rate.

Leasing assets are amortized on a straight-line basis over the expected lease period, which is:
Properties 3-5 years
Other plant, operating equipment etc. 2-4 years

The Company presents the right-of-use asset and the lease liability separately in the balance sheet. The Company has chosen not to recognize payments related to service-components of lease agreements as part of the lease obligation in the balance sheet.

When discounting the lease payments at present value, the Group has used its alternative loan rate, which is the cost of raising external financing for a corresponding asset with a financing period corresponding to the term of the lease in the currency in which the lease payments are settled. The Group has documented the alternative loan rate. for each portfolio of leases that have similar characteristics.

In assessing the Group's alternative interest rates, the Group has calculated its alternative interest rates based on an interest rate from a mortgage bond. The portion for which a mortgage cannot be used is estimated based on a reference rate plus a credit margin, derived from the Group's existing credit facilities.

Investments

The value of investments in subsidiaries is stated in the parent company´s financial statement according to the cost method.

Investments are tested for impairment if there is any indication of decreases in value.

Inventories

Inventories are measured at the lower cost (FIFO basis) and net realizable value.

Raw materials and consumables are measured at cost.

Finished goods are measured at manufacturing cost, which includes the cost of materials and direct payroll costs plus production overheads.

Receivables

Trade receivables are measured at the lower of amortized cost, which essentially corresponds to the nominal account receivable, and net realizable value.

Write-downs on trade receivables are based on the simplified expected credit loss model.

Credit loss allowances on individual receivables are provided for when objective indications of credit losses occurs such as customer bankruptcy and uncertainty about the customers´ ability and/or willingness to pay etc. In addition to this, allowances for expected credit losses are made on the remaining trade receivables based on a simplified approach.

Prepayments

Prepayments recognized under assets comprise prepaid expenses.

Notes

Note 1 Accounting Policies, continued

Shareholders´ equity

Dividends proposed for the reporting period are presented as a separate item under Shareholders´ equity. Purchase and sales amounts for treasury shares are recognized directly on equity.

Reserve for development costs comprises recognized development costs. The reserve cannot be used to distribute dividends or cover losses. The reserve will be reduced or dissolved if the recognized development costs are no longer part of the Company´s operations.

Income taxes

Current tax charges are recognized in the balance sheet as the estimated tax charge in respect of the expected taxable income for the year, adjusted for tax on prior years´ taxable income and tax paid in advance.

Provisions for deferred tax are calculated of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations for the taxable income.

Deferred tax assets are recognized at the value at which they are expected to be utilized, either through elimination against tax on future earnings or a set-off against deferred tax liabilities.

Liabilities

Financial liabilities are recognized at the inception of the loan at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortized cost, using the effective interest rate method at the time of the inception.

Other non-financial liabilities are measured at net realizable value.

Cash flow

The cash flow statement shows the enterprise´s net cash flows, the year´s changes in cash and cash equivalents and the enterprise´s cash and cash equivalents at the beginning and at the end of the year.

Cash flow from operation activities are presented using the indirect method and are made up as the net profit or loss for the year, adjusted for non-cash operating items, changes in working capital, paid financial and extraordinary expenses and paid income taxes.

Cash flow from investing activities comprises payments related to additions and disposals of fixed assets, securities related to investing activities.

Cash flow from financing activities comprises dividends paid to shareholders, capital increases and reductions and the raising of loans and repayments of interest-bearing debt, and payments regarding lease agreements including interests and instalments.

Cash and cash equivalents comprise cash and near money securities in respect of which the rest of changes in value are insignificant.

Note 2 Significant accounting judgments, estimates and assumptions

In the process of applying the Company´s accounting policies, management has made the following judgments and estimates, which have a significant effect on the amounts recognized in the financial statements.

Capitalized Development Costs

Development costs are capitalized based on ongoing assessments when they meet the criteria as described in note 1.

Capitalized Development Costs are annually reviewed for impairment indicators. If there is evidence of impairment, an impairment test is carried out for the project concerned. The impairment test is prepared on the basis of factors such as the future use of the project, the present value of expected future income, interest and risk.

Recognition of deferred taxes

Deferred tax assets in the parent company are recognized for tax losses carried forward to the extent that the losses expected to be utilized in the foreseeable future jointly with profitable group companies. The carrying amount of the Company's deferred tax assets were at 31 December 2020 USD 190 thousand (USD -649 thousand at 31 December 2019).

Provision for expected credit loss of receivable from group enterprises

Provision for expected credit loss of receivable from group enterprises are reviewed using the simplified expected credit loss model. The carrying amount of the provision for expected credit loss of receivable from group enterprises were at 31 December 2020 USD 2,400 thousand (USD 11,107 thousand at 31 December 2019).

Note 3 Financing

According to the regulations for preparation of financial statements, Management is required to determine whether the financial statements can be presented on a ‘going concern’ basis. The assessment is based on estimated future prospects, expectations of future cash flow, availability of credit facilities, etc.

The credit facility in Denmark, USD 1.0m (DKK 6m) is up for renewal in august 2021 and it is the assessment of management that the overdraft facilities will be renewed, as management has no indications of otherwise.

The company is dependent upon continued financing from the Parent Company Global Scanning A/S due to intercompany loans of USD 12,6m. The Parent Company have in 2020 breached the leverage covenant on its loan USD 23,7m (nominal SEK 235m), due to the impact of the Covid-19 pandemic. The group has received a waiver for payment of installments and interest until April 2022 and further includes a waiver for covenants.

In January 2021 Riddargatan SPV S AB acquired 100% of the shareholdings in Global Scanning A/S. Riddargatan SPV S AB is a 100% owned Swedish Company in Riddargatan Förvaltning AB group, which is owned 100% by Skandinaviska Kreditfonden AB. Scandinavian Credit Fund I AB (publ), also owned 100% by Skandinaviska Kreditfonden AB, is the company’s main lender and they have issued a letter of support, which states that they intend to provide full financial support to Global Scanning A/S and Global Scanning Denmark A/S.

Based on the budget for 2021 including the assumption for expected renewal of credit facility agreement and support letter from Scandinavian Credit Fund I AB (publ), the management has assessed that the necessary financing and cash are available for the Parent Company's and the Group's ability to continue as a going concern.

Notes

Note 4. Expenses

4.1 Amortisation/depreciation and writedowns	**2020**	**2019**
Analysis of amortisation/depreciation and writedowns for the year:	**USD´000**	**USD´000**
Land and buildings	128	127
Leasehold improvements	1	11
Plant and machinery	1	1
Other plant, operating equipment etc.	98	144
Development costs	1.659	2.288
Customer relations	0	0
License rights and patents	270	94
Right-of-use assets	116	155
	2.273	2.820

4.2 Staff costs

Fee to the Board of Directors	0	0
Remuneration and salaries to the Executive Management	361	432
Defined contribution plans to the Executive Management	0	6
Remuneration and salaries to other key management personnel	415	516
Defined contribution plans to other key management personnel	20	16
Wages and salaries	2.831	3.290
Bonuses	51	0
Defined contribution plans	345	239
Other social security costs	85	88
	4.108	4.587

The average number of staff during the year was 30 employees (2019: 35 employees).

4.3 Research and development

Research and development expenses in total	1.488	3.354
Hereof capitalised as addition on development costs	(911)	(1.620)
Amortisation and impairment of development costs	1.659	2.288
Net development expense presented in Production Costs	2.236	4.022

Note 5. Other operating income and expenses

Other	0	(10)
Write down of intercompany loans	(2.400)	(11.107)
Reversal of write down of intercompany loans	11.107	0
Profit from sale of intangible assets	0	6.223
Profit from sale of property, plant and equipment	0	13
	8.707	(4.881)

Note 6. Financial income

Foreign currency exchange gain	0	0
Interest income from group enterprises	68	258
	68	258

Note 7. Financial expenses

Foreign currency exchange loss	1.123	117
Interest expenses	60	62
Interest on leasing liabilities	13	27
Interest expenses to group enterprises	216	912
Other	20	24
	1.432	1.142

Notes

Note 8. Income taxes in the Statement of income	2020 USD´000	2019 USD´000
Estimated tax on the taxable income for the year	0	(773)
Income tax, carry back refund	0	826
Foreign tax	(14)	(6)
Adjustments prior years	0	0
Change in deferred tax	839	(608)
	825	(561)

Reconciliation of tax rate		
Profit before tax at danish tax rate 22% (2019: 22%)	(781)	2.024
Tax effect of permanent differences	1.870	(2.433)
Other	(33)	(152)
Tax effect of adjustments prior years	0	0
Tax effect of not recognised deferred tax asset	(230)	0
Effective income tax rate -23 % (2019: -6%)	825	(561)

Note 9. Intangible assets

USD´000	***Development costs***	**Customer relations**	***License rights and patents***	**Total**
Cost at 1/1 2019	24.393	1.250	1.149	26.792
Disposal at cost	(8.148)	(1.250)	0	(9.398)
Additions	1.620	0	166	1.786
Cost at 31/12 2019	17.865	0	1.315	19.180
Amortisation at 1/1 2019	17.693	1.076	238	19.007
Disposals	(5.546)	(1.076)	0	(6.622)
Impairment	0	0	0	0
Amortisation	2.288	0	94	2.382
Amortisation at 31/12 2019	14.435	0	332	14.767
Carrying amount at 31/12 2019	3.430	0	983	4.413
Cost at 1/1 2020	17.865	0	1.315	19.180
Disposal at cost	0	0	0	0
Additions	911	0	30	941
Cost at 31/12 2020	18.776	0	1.345	20.121
Amortisation at 1/1 2020	14.435	0	332	14.767
Disposals	0	0	0	0
Impairment	91	0	76	167
Amortisation	1.568	0	194	1.762
Amortisation at 31/12 2020	16.094	0	602	16.696
Carrying amount at 31/12 2020	2.682	0	743	3.425

At December 31 2020 the balance of USD 2,682 thousand regarding development costs contains two significant projects with a total value of USD 1.508 thousand. These two projects aim to introduce user-friendly 3D scanner for small and mid-size objects.
Amortisation and writedowns of intangible assets are included in production costs.
In 2020 there has been an impairment of development projects of USD 91 thousand (2019: USD 0 thousand) due to cancelleation of a developement projects. For license right and patens the impairment of 2020 amounts to USD 76 thousand (2019: USD 0 thousand) due to no longer apply of patented technologies.

Notes

Note 10. Tangible assets

USD´000	Land and Buildings	Leasehold Improvements	Plant and Equipment	Other plant, operating equipment etc.	Total
Cost at 1/1 2019	3.925	49	42	2.840	6.856
Disposal at cost	0	0	0	(130)	(130)
Additions	0	0	0	127	127
Cost at 31/12 2019	3.925	49	42	2.837	6.853
Depreciation and writedowns at 1/1 2019	2.379	34	37	2.633	5.083
Disposals	0	0	0	(104)	(104)
Depreciation	127	11	1	144	283
Depreciation and writedowns at 31/12 2019	2.506	45	38	2.673	5.262
Carrying amount at 31/12 2019	1.419	4	4	164	1.592
Cost at 1/1 2020	3.925	49	42	2.837	6.853
Disposal at cost	0	0	0	0	0
Additions	32	0	0	11	44
Cost at 31/12 2020	3.957	49	42	2.848	6.897
Depreciation and writedowns at 1/1 2020	2.506	45	38	2.673	5.262
Disposals	0	0	0	0	0
Depreciation	128	1	1	98	228
Depreciation and writedowns at 31/12 2020	2.634	46	39	2.771	5.490
Carrying amount at 31/12 2020	1.323	3	3	78	1.408

In 2020 and 2019 there has not been any indication of need to make any impairment of tangible assets.

Notes

Note 11. Leasing

Right-of-use assets	**Land and *Buildings***	**Other plant, operating equipment etc.**	**Total**
Cost at 1/1 2019	639	20	659
Disposal at cost	(185)	0	(185)
Additions	0	0	0
Cost at 31/12 2019	454	20	474
Depreciation and writedowns at 1/1 2019	0	0	0
Disposals	0	0	0
Depreciation	149	6	155
Depreciation and writedowns at 31/12 2019	149	6	155
Carrying amount at 31/12 2019	305	14	319
Cost at 1/1 2020	454	20	474
Disposal at cost	0	0	0
Additions	0	0	0
Cost at 31/12 2020	454	20	474
Depreciation and writedowns at 1/1 2020	149	6	155
Disposals	0	0	0
Depreciation	110	6	116
Depreciation and writedowns at 31/12 2020	259	12	271
Carrying amount at 31/12 2020	195	8	203

Lease liabilities	**2020**	**2019**
Maturity of lease liabilities:	**USD´000**	**USD´000**
Falling due within one year	105	113
Falling due between one and three years	138	224
Falling due between four and five years	0	0
Total lease liabilities	243	337

Amounts recognized in the income statement		
Depreciation	116	155
Finance costs	13	27
Total Right-Of-Use costs recognized in the income statement	129	182

See Note 1 for a description of the extent of the company's leases, exposure to potential cash flows and the process of determining the discount rate.

The company does not have any short term- or low-value leases recognised in the income statement. For 2020, the company has recognized USD 132 thousand (2019: USD 158 thousand) as minimum payments regarding lease agreements, of which interest costs related to lease liabilities amount to USD 13 thousand (2019: USD 27 thousand) and repayments on lease liabilities are USD 119 thousand (2019: USD 131 thousand).

The capitalized right-of-use assets does not have any effect on investing activities in the cash flow statement.

Notes

Note 12. Investments in subsidiaries

	2020	2019
	USD´000	**USD´000**
Cost at 1/1	7.000	7.000
Additions	0	0
Disposals	0	0
Cost at 31/12	7.000	7.000
Accumulated Impairment at 1/1	(7.000)	(7.000)
Impairment during the year	0	0
Impairment at 31/12	0	0
Carrying amount at 31/12	0	0

Subsidiary:

	Domicile	Currency	Ownership	Equity	Net profit/loss
Global Scanning Americas (MD) Inc, USA	USA	USD	100%	-2.440	13

Note 13. Inventories	**2020**	**2019**
Movements in inventory writedown:	**USD´000**	**USD´000**
Inventory writedown at 1/1	(653)	(205)
writedown for the year	(718)	(448)
Reversal of writedown	0	0
Inventory writedown at 31/12	(1.371)	(653)

Impairment expense is included in production costs.

The book value of inventory provisioned for measured at net realisable cost at 31 December 2020 to USD 1,568 thousand (2019: USD 1,052 thousand).

Note 14. Trade receivables

Trade receivables are non-interest bearing and are generally on 30-60 days terms.

All customers who wish to trade on credit terms are subject to credit verification procedures and insured through a credit insurance company.

	2020	**2019**
Movements in the provision for impairment of receivables were as follows:	**USD´000**	**USD´000**
Cost at 1/1	3	3
Charge for the year	50	0
Utilized	0	0
Unused amounts reversed	0	0
Cost at 31/12	**53**	**3**

Notes

Note 14. Trade receivables, continued

Analysis of trade receivables that were past due but not impaired at 31 December 2020:

	Total	***Neither past due nor impaired***	***Past due but not impaired*** **<60 days**	**>60 days**
2019	1.651	956	655	40
2020	1.096	925	113	58

Note 15. Deferred tax

Analysis of deferred tax:	**Income statement**		**Balance sheet**	
	2020	**2019**	**2020**	**2019**
	USD´000	**USD´000**	**USD´000**	**USD´000**
Property, plant and equipment	70	(72)	(192)	(122)
Intangible assets	192	520	695	887
Inventories	158	144	(302)	(144)
Prepaid Expenses	(4)	35	32	28
Tax loss carried forward	423	(1.235)	(423)	0
	839	(608)	(190)	649

	2020	**2019**
Reconciliation of deferred tax liability:	**USD´000**	**USD´000**
Balance at 1/1	649	41
Recognised in the income statement	(839)	608
Recognised in the statement of comprehensive income	0	0
Balance at 31/12	(190)	649

The company has tax losses of USD 3,493 thousand that are available indefinitely for offsetting against future taxable profit. In 2020 the deferred tax assets have not been fully recognised in respect of these tax losses due to uncertainty in timing to offset future taxable profit. If the group was able to recognise all unrecognised deferred tax assets the value at 31 December 2020 would be USD 431 thousand.

Tax asset of USD 54 thousand regarding sale of property has not been included in the deferred tax calculation as it can only be used in future profit of sale of property which the company consider as unlikely in the foreseen future.

Note 16. Bank loans, Mortgage debt and other bank debt

	2020	**2019**
The debt is due for repayment in the following order:	**USD´000**	**USD´000**
Within 1 year	885	1.379
Between 1 and 5 years	0	0
After 5 years	0	0
	885	1.379

Notes

Note 17. Income tax payable (-recievable)	**2020** **USD´000**	**2019** **USD´000**
Estimated income taxes	0	773
Receivable Income tax, carry back refund	0	(826)
Recievable in subsidaries	(13)	(13)
	(13)	(66)

Note 18. Contingent liabilities and security for loans

Pledged assets for loans

The owner´s mortgage deed in the properties nominally USD 9.905 thousand (2019: USD 9.016 thousand) is pledged to banks in the Company and in Global Scanning A/S.

	2020 **USD´000**	**2019** **USD´000**
Carrying amount of assets	1.323	1.419

The company has as per 31 December 2020 a bank debt of 885 KUSD to Nordea Bank Danmark A/S (2019: 1.379 KUSD). The company has given Nordea Bank Danmark A/S a security in inventories and trade receivables for USD 1.651 thousand (DKK 10 million). The value of inventories and trade receivables as per 31 December 2020 is USD 1.695 thousand (2019: USD 3.515 thousand).

Contingent liabilities
In 2013, the company joined the joint taxation arrangement with the parent company Global Scanning A/S as management company and other Danish group entities, thus becoming jointly and severally liable with these entities for payment on income taxes and withholding tax in the group of jointly taxed entities.

Note 19. Foreign currency

Foreign currency risks

As a result of the operation in Denmark, the Company is exposed to a risk in cash flow from foreign currencies and in the balance sheet and and can be affected by movements in the USD/DKK and USD/EUR foreign exchange rates. The foreign currency in the balance sheet have been specified below:

USD´000

Currency	***Assets***		***Liabilities***		***Net***	
	2020	**2019**	**2020**	**2019**	**2020**	**2019**
DKK Danish kroner	182	110	2.726	9.231	(2.544)	(9.121)
EUR Euros	258	223	276	253	(18)	(30)
Other currencies	101	74	5	375	96	(301)
	541	407	3.007	9.859	(2.466)	(9.452)

Impact on the results of operations and changes in shareholders' equity resulting from a change of the Company's primary foreign currencies are shown below. The changes in exchange rates are based on the year's actual foreign exchange rate movements:

	Exchange rate adjustment	**Pre-tax profit**	**Equity**	**Pre-tax profit**	**Equity**
Million USD		**2020**	**2020**	**2019**	**2019**
DKK Danish kroner	+/- 10%	-0,3	-0,2	-0,9	-0,7

Notes

Note 20. Financial assets and liabilities

	2020	2019
	USD´000	**USD´000**
Loans and receivables measured at amortized cost		
Trade receivables	1.043	1.648
Other receivables	0	0
Receivable from group enterprises	1.004	4.610
Cash	129	97
Total loans and receivables measured at amortized cost	2.176	6.355

There are no significant differences between the carrying amounts and the fair values of the asset.

Bank debt	885	1.379
Trade payables	196	837
Lease liabilities	243	337
Other financial liabilities	335	91
Payables to group enterprises	12.634	22.152
Total financial liabilities measured at amortized cost	14.293	24.796

Carrying amount and fair value of the company´s financial instruments that are carried in the financial statements are not shown separately as book values in all material respect are the same.

Note 21. Share capital and reserves

Share capital USD 3.400.554 is distributed in 2.580.000 shares of denominations of USD 1,32. All shares are fully paid.
The share capital has remained USD 3.400.554 in the last 5 years.

Note 22. Financial risk - management objectives and policies

The Company's principal financial instruments comprise bank loans, overdraft and cash. The main purpose of these financial instruments is to raise finance for the Company's operations. The Company has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

Foreign currency risk is described in note 19 and cash flow risk is described in note 20.

The Company´s financial aims are to ensure adequate funds to cover the Company´s operations and to comply with the demands from the owners and agreed-upon terms of the loans.

Credit risk

The Company trades only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and insured through a credit insurance company. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

Credit risk arising from the other financial assets of the Group, which primarily comprise cash and trade receivables, the Group´s exposure arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The credit risks of the Company are considered to be low.

Notes

Note 22. Financial risk - management objectives and policies, continued

Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's bank loans with variable interest rates.

At December 31 2020 the Company has a bank debt of USD 885 thousand (2019: USD 1,370 thousand) which normally is use of bank overdrafts at a interest rate of 4,0% (2019: 4,0%).

Liquidity risk

The company monitors its risk to a shortage of funds using a recurring liquidity planning tool. The company´s objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, capital increases etc. The company´s policy is to maintain a balanced relation between its short-term and long-term debt.

The Company's bank debt consists of a DKK 6m (USD 1.0m) overdraft facility. The facility is up for renewal in June 2021 and it is the assessment of management that the overdraft facilities will be renewed, as management has no indications of otherwise.

The table below summarises the maturity profile of the Company´s financial liabilities based on contractual undiscounted payments:

2019:	**Less than 1 year**	**1 - 2 years**	**2 - 3 years**	**Total**
Bank debt	1.379	0	0	1.379
Lease liabilities	123	164	67	354
Trade and other payables	1.313	0	0	1.313
Total	2.815	164	67	3.046
2020:				
Bank debt	885	0	0	885
Lease liabilities	113	143	0	256
Trade and other payables	918	0	0	918
Total	1.916	143	0	2.059

Capital risk management

The Company wants to secure structural and finansial flexibility as well as competitiveness. In order to secure this, the company continuously evaluate the appropriate capital structure for the Company. At the operationel level, the Company continuously efforts to optimize the working capital.

Note 23. Related party transactions

The Company is controlled by Global Scanning A/S, Denmark, which own 100% of the share capital.

The Company´s balances with subsidiaries and parent at 31 December are recognised and presented separately in the balance sheet and related interest income and -expense are presented in note 6 and 7.

Related parties with material interest include the Board of Directors and Executive Board of the Company and key employees and their related family members. Futhermore related parties include companies in which the aforementioned persons have a material interest.

	2020	**2019**
	USD´000	**USD´000**
Income statement		
Sales to Group enterprises	3.623	5.120
Purchase from Group enterprises	4.246	5.647
Sale of intangible assets	0	9.029
Interest income from group enterprises	68	258
Interest expenses to group enterprises	216	912
Remuneration and salaries to the Executive Management	361	432
Defined contribution plans to the Executive Management	0	6
Balance Sheet:		
Receivables from Group enterprises	1.004	4.610
Impairment that has reduced recievables from Group enterprises	(2.400)	(11.107)
Payables to Group enterprises	12.634	22.152
Guarantees and security		
Guarantee from Group enterprises	10.020	10.171

Notes

Note 24 Subsequent Events

In January 2021 Riddargatan SPV S AB acquired 100% of the shareholdings in Global Scanning A/S. Riddargatan SPV S AB is a 100% owned Swedish Company in Riddargatan Förvaltning AB group, which is owned 100% by Skandinaviska Kreditfonden AB. Scandinavian Credit Fund I AB (publ), also owned 100% by Skandinaviska Kreditfonden AB, is the company's main lender and they have issued a letter of support, which states that they intend to provide full financial support to Global Scanning A/S and Global Scanning Denmark A/S.

Sales seem to have recovered from Coved-19. Q1 revenue was 23.9% above Q1 2020. The strong demand has continued into Q2. Gross Margin is to some extent negatively affected by the World-Wide increases in Freight rates. The World-Wide Shortage of electronic components is the single most serious threat to the company.

No other post balance sheet events have occurred in 2021 which could materially affect the assessment of the Company´s financial position.