

**Global Scanning A/S**

Svanevang 2, 3450 Allerød

CVR nr. 34 61 31 41

**Annual Report**

for the financial period 1 January 2021 – 31 December 2022

10th financial year

Adopted at the Annual General Meeting of shareholders

on 20 June 2023

.....

Chairman



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## Company details

### Main office

Global Scanning A/S  
Svanevang 2  
3450 Allerød

Phone +45 48 14 11 22  
Fax +45 48 14 01 22

### Country of incorporation

Denmark

### Board of Directors

Lars Peter Fredell (Chairman)  
Emma Westerberg  
Graham James Ohn Tinn

### Executive Board

Aage Langkjær Snorgaard (CEO)

### Shareholders holding 5% or more of the share capital or the voting rights

	Percentage
Riddargatan SPV S AB	75,00%
Graham James Ohn Tinn	8,75%

### 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 A/S for 2022.

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 consolidated financial statements and the parent company’s 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 their operations and 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 development in the Group’s and the Parent Company’s operations and financial conditions, of the results for the year and of the financial position of the Group and the Parent Company, as well as a description of material risks and uncertainties facing the Group and the Parent Company.

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

Allerød, 20 June 2023

Executive board:

.....  
Aage Langkjær Snorgaard  
(CEO)

Board of Directors:

.....  
Lars Peter Fredell  
Chairman

.....  
Emma Westerberg

.....  
Graham James Ohn Tinn



## Independent auditor's report

To the shareholders of Global Scanning A/S

### Qualified opinion

We have audited the consolidated financial statements and the parent company financial statements of Global Scanning A/S for the financial year 1 January – 31 December 2022, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company 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, except for the effect of the matter described in the "Basis for the qualified opinion" section, 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 the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

### Basis for qualified opinion

The Group has in 2021 granted warrants to a number of employees. The value of the share-based payment has been recognised at an amount of USD'000 371 (2021 USD'000 1,791), that has been presented in the income statement as "Special items" which is not in compliance with the International Financial Reporting Standards as adopted by the EU. In our opinion the share-based payment should have been presented as "administrative expenses" and thus part of operating income. Accordingly, operating income should have been reduced by USD'000 371 (2021 USD'000 1,791). Our opinion on the current period's consolidated financial statements is also modified because of the effect of this matter on the comparability of the current period's figures and the corresponding figures.

Tax for the year, profit for the year and equity is not affected of the qualification above.

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 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.

### 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 our procedures, 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.

### 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 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 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 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 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.

Copenhagen, 20 June 2023

EY

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Mogens Andreasen  
State Authorised  
Public Accountant  
mne28603



Allan Nørgaard  
State Authorised  
Public Accountant  
mne35501

## Financial highlights

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

Key figures group	2022	2021	2020	2019	2018
<b>Profit &amp; Loss</b>					
Revenue	35.052	34.689	26.190	33.768	42.984
Operating result	1.439	1.875	(2.908)	(6.316)	65
Net financials	(55)	(4.801)	(7.579)	(1.590)	317
Net result for the year	773	(4.791)	(11.617)	(6.163)	771
<b>Cash Flows</b>					
Cash flows from operating activities	4.159	(248)	1.134	(2.257)	2.299
Cash flow to net investments	(2.701)	1.428	(814)	(2.198)	(4.415)
Hereoff investments in tangible assets	(917)	(55)	(167)	(239)	(229)
Net cash flow for the year	709	205	(388)	(555)	(572)
Cash and cash equivalents at year-end	2.452	1.743	1.538	1.926	2.481
<b>Balance sheet</b>					
Total equity	38.951	38.368	10.570	21.655	27.717
Total assets	50.174	51.857	48.635	56.926	59.937
Exchange rate per balance sheet date DKK/USD	6,96	6,56	6,06	6,65	6,52
<b>Average number of employees</b>	123	123	129	164	170

### Key figures and ratio explanations and definitions

Financial ratios are calculated in accordance with the terms and definitions as described in note 1 Accounting policies.

Comparatives for 2018 are not restated following the implementation of IFRS 16.

## Management's Review

### Group overview

The group's objective is to maintain its position as the market leader in innovative and reliable 2D digital imaging solutions, and to establish itself as a player in the emerging 3D digital imaging marketplace.

Global Scanning A/S is the holding company for Global Scanning Denmark A/S and Global Scanning UK Ltd.

The Group 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 names of Contex and Colortrac respectively. 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 Group is also present in the market related to 3D object scanning. The first two products, enabling the scanning of small objects in 3D, are Sol, a commodity product aimed at the Hobbyist / MakerSpace market and Sol Pro aimed at the professional market.

### Result for the year

The Group's revenue increased to USD 35,052 thousand from USD 34,689 thousand in 2021, which is below last years outlook of expected growth. The increase in revenue is mainly due to lesser impact from COVID-19 pandemic than last year.

The group operating profit showed a result of USD 1,439 thousand from a result of USD 1,875 thousand in 2021.

The profit for the year before tax is USD 1,013 thousand against a loss of USD 4,717 thousand in 2021 and the net result for the year, is a profit of USD 773 thousand from a loss USD 4,791 thousand in 2021.

### Capital structure

The balance sheet total at 31 December 2022 was USD 50,174 thousand compared to USD 51,857 thousand in 2021. Cash and cash equivalents at 31 December 2022 are positive by USD 2,452 thousand and the unused credit facilities including cash and cash equivalents total USD 2,994 thousand.

Movements in the DKK/USD and RMB/USD rate during 2022 have had a limited impact on the Group's operating profit.

The Group's bank debt consists of a USD 0,9m (DKK 6m) overdraft facility in Denmark and USD 1,9m (RMB 12m) of short-term bank loans in China. The facility in Denmark is up for renewal in August 2023 and it is the assessment of management that the overdraft facilities will be renewed, as management has no indications of otherwise and the proces and timing for renewal is similar to previous years. The short-term bank loans in China comprise of two loans of USD 1,9m (RMB 12.0m). The loans was repaid Febraury 2022 and March 2022 and new loans of USD 0,6m (RMB 4.0m) and USD 0,9m (RMB 6.0m) was obtained in February 2022 and March 2022 for 6 months, the loan was renewed in August 2022 and September 2022. It is the assessment of management that the loans will be renewed again in August 2023 and September 2023, as management has no indications of otherwise and the proces and timing for renewal is similar to previous years.

### Research and development

Research and development expenses in 2022 amounted to USD 3,066 thousand (2021: USD 2,829 thousand) equal to 8,2% of the revenue (2021: 8.1%). The Group has, during the year, developed new product platforms for both scanners and software. Of the costs incurred USD 1,607 thousand was capitalized.

In 2022, R&D has focused on (1) developing and introducing new scanning platforms and software within 2D, covering the high segment productivity market, (2) enhancing the product offerings to OEM customers and (3) continuing development of 3D object scanning products for 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 the Global Scanning group 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 23. Financial risk – management objectives and policies.

#### Industry and market risks

Global Scanning Group 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.

#### Environmental risks

Global Scanning Group 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 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) component cost still very unpredictable (2) expected improved market conditions on the 2D global scanning market and (3) unchanged F/X correlation between USD/DKK/RMB, the Groups's budget expects revenue to be slightly below 2022. Further the group expects the result before tax of around USD 3.520 thousand

### Subsequent events

In March 2023 the subsidiary Global Scanning Denmark A/S acquired the activity and related net assets of Global Scanning UK LTD and transformed Global Scanning UK LTD into a branch office fully owned by Global Scanning A/S. In January Global Scanning A/S opened a new Distribution Center in Allerød to serve all the European based customers.

No other post balance sheet events have occurred which could materially affect the assessment of the Group's or the Parent Company's financial position.



**Statement of profit and loss  
for the year ended 31 December**

	Notes	Group		Parent	
		2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000
Revenue		35.052	34.689	0	0
Production costs	4	<u>(27.252)</u>	<u>(26.298)</u>	<u>0</u>	<u>0</u>
<b>Gross profit</b>		<b>7.800</b>	<b>8.391</b>	<b>0</b>	<b>0</b>
Distribution costs	4	(3.145)	(3.456)	0	0
Administrative costs	4	(3.236)	(3.118)	(551)	(1.226)
Other operating income / expenses	5	<u>20</u>	<u>58</u>	<u>0</u>	<u>608</u>
<b>Operating result</b>		<b>1.439</b>	<b>1.875</b>	<b>(551)</b>	<b>(618)</b>
Special items	4	(371)	(1.791)	0	0
Impairment investment in subsidiaries		0	0	0	(27.323)
Financial income	6	615	9	0	6.000
Financial expenses	7	<u>(670)</u>	<u>(4.810)</u>	<u>(526)</u>	<u>(4.185)</u>
<b>Result before tax</b>		<b>1.013</b>	<b>(4.717)</b>	<b>(1.077)</b>	<b>(26.126)</b>
Income taxes	8	<u>(240)</u>	<u>(74)</u>	<u>0</u>	<u>500</u>
<b>Net result for the year</b>		<b><u>773</u></b>	<b><u>(4.791)</u></b>	<b><u>(1.077)</u></b>	<b><u>(25.626)</u></b>

**Statement of other comprehensive Income**

	Notes	Group		Parent	
		2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000
<b>Net profit for the year</b>		773	(4.791)	(1.077)	(25.626)
<b>Other comprehensive income</b>					
<b>Other comprehensive income to be reclassified to profit and loss in subsequent periods</b>					
Exchange differences on translation of foreign operations		<u>(50)</u>	<u>135</u>	<u>0</u>	<u>0</u>
<b>Total comprehensive income for the year, net of tax</b>		<b><u>723</u></b>	<b><u>(4.656)</u></b>	<b><u>(1.077)</u></b>	<b><u>(25.626)</u></b>



**Balance sheet**  
at 31 December

	Notes	Group		Parent	
		2022 USD '000	2021 USD '000	2022 USD '000	2021 USD '000
<b>Assets</b>					
<b>Non-current assets</b>					
Goodwill		28.602	28.602	0	0
Development costs		3.430	3.362	0	0
Customer relations		0	67	0	0
License rights and patents		1.381	1.519	0	0
<b>Total intangible assets</b>	9	<u>33.413</u>	<u>33.550</u>	<u>0</u>	<u>0</u>
<b>Property, plant and equipment</b>					
Land and buildings	10	1.644	1.195	0	0
Leasehold improvements	10	25	32	0	0
Plant and machinery	10	1	2	0	0
Other plant, operating equipment etc.	10	204	222	0	0
Right of use asset	11	287	641	0	0
<b>Total property, plant and equipment</b>		<u>2.161</u>	<u>2.092</u>	<u>0</u>	<u>0</u>
<b>Financial assets</b>					
Investments in subsidiaries	12	0	0	43.204	42.834
Receivable from group enterprises		0	0	0	0
Deferred tax assets	15	165	254	0	279
Other long term assets		138	175	0	0
<b>Total financial assets</b>		<u>303</u>	<u>429</u>	<u>43.204</u>	<u>43.113</u>
<b>Total non-current assets</b>		<u>35.877</u>	<u>36.071</u>	<u>43.204</u>	<u>43.113</u>
<b>Current assets</b>					
<b>Inventories</b>					
Raw materials and consumables		2.953	3.822	0	0
Finished goods		2.725	2.166	0	0
<b>Total inventories</b>	13	<u>5.678</u>	<u>5.988</u>	<u>0</u>	<u>0</u>
<b>Receivables</b>					
Trade receivables	14	5.743	6.245	0	0
Receivable from group enterprises		0	0	0	820
Other receivables		0	5	0	0
Income tax receivable	18	0	0	0	0
Prepayments		424	1.805	0	0
<b>Total receivables</b>		<u>6.167</u>	<u>8.055</u>	<u>0</u>	<u>820</u>
<b>Cash and cash equivalents</b>		<u>2.452</u>	<u>1.743</u>	<u>0</u>	<u>0</u>
<b>Total current assets</b>		<u>14.297</u>	<u>15.786</u>	<u>0</u>	<u>820</u>
<b>Total assets</b>		<u>50.174</u>	<u>51.857</u>	<u>43.204</u>	<u>43.933</u>

**Balance sheet**  
at 31 December

	Notes	Group		Parent	
		2022 USD '000	2021 USD '000	2022 USD '000	2021 USD '000
<b>Equity and liabilities</b>					
<b>Shareholders' equity</b>					
Share capital		171	171	171	171
Share premium		72.334	72.334	72.334	72.334
Share based payment reserve		2.161	1.791	2.161	1.791
Reserve for foreign currency translation		617	667	0	0
Retained earnings		(39.285)	(37.105)	(41.870)	(37.840)
Proposed dividend		2.953	510	2.953	510
<b>Total shareholders' equity</b>		<b>38.951</b>	<b>38.368</b>	<b>35.749</b>	<b>36.966</b>
<b>Liabilities other than provisions</b>					
Deferred tax liabilities	15	183	0	0	0
Loan	16	0	0	0	0
Lease liabilities	11	56	379	0	0
Other non-current liabilities		388	466	41	41
<b>Long-term liabilities other than provisions</b>		<b>628</b>	<b>845</b>	<b>41</b>	<b>41</b>
Loan, short-term part	16	0	0	0	0
Bank debt	16	2.195	2.763	0	0
Lease liabilities		288	301	0	0
Trade payables		3.910	5.287	0	0
Income taxes payable	18	47	76	0	0
Debt to group enterprises		2.671	2.600	7.314	6.883
Other liabilities		1.482	1.617	101	43
<b>Short-term liabilities</b>		<b>10.595</b>	<b>12.644</b>	<b>7.414</b>	<b>6.926</b>
<b>Total liabilities other than provisions</b>		<b>11.223</b>	<b>13.489</b>	<b>7.455</b>	<b>6.967</b>
<b>Total equity and liabilities</b>		<b>50.174</b>	<b>51.857</b>	<b>43.204</b>	<b>43.933</b>
Liabilities from financing activities	17				
Contingent assets and liabilities and other financial obligations	19				
Foreign currency in the balance sheet	20				
Financial assets and liabilities	21				
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## Changes in equity

	Group						
	Share capital	Share premium	Retained earnings	Reserve for foreign currency translation	Proposed dividend	Share based payment reserve	Total
USD '000							
<b>Balance 1/1 2021</b>	171	41.671	(31.804)	532	0	0	10.570
Addition from capital increases	0	30.663	0	0	0	0	30.663
Declared Dividend	0	0	(510)	0	510	0	0
Share-based payments	0	0	0	0	0	1.791	1.791
<b>Transactions with shareholders</b>	<b>0</b>	<b>30.663</b>	<b>(510)</b>	<b>0</b>	<b>510</b>	<b>1.791</b>	<b>32.454</b>
Net profit for the year	0	0	(4.791)	0	0	0	(4.791)
Exchange differences on translation of foreign operation:	0	0	0	135	0	0	135
Income tax effect	0	0	0	0	0	0	0
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>(4.791)</b>	<b>135</b>	<b>0</b>	<b>0</b>	<b>(4.656)</b>
<b>Balance 1/1 2022</b>	171	72.334	(37.105)	667	510	1.791	38.368
Addition from capital increases	0	0	0	0	0	0	0
Declared Dividend	0	0	(2.953)	0	2.953	0	0
Paid dividend	0	0	0	0	(510)	0	(510)
Share-based payments	0	0	0	0	0	370	370
<b>Transactions with shareholders</b>	<b>0</b>	<b>0</b>	<b>(2.953)</b>	<b>0</b>	<b>2.443</b>	<b>370</b>	<b>(140)</b>
Net profit for the year	0	0	773	0	0	0	773
Exchange differences on translation of foreign operation:	0	0	0	(50)	0	0	(50)
Income tax effect	0	0	0	0	0	0	0
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>773</b>	<b>(50)</b>	<b>0</b>	<b>0</b>	<b>723</b>
<b>Shareholders' equity at 31/12 2022</b>	<b>171</b>	<b>72.334</b>	<b>(39.285)</b>	<b>617</b>	<b>2.953</b>	<b>2.161</b>	<b>38.951</b>

	Parent						
	Share capital	Share premium	Retained earnings	Reserve for foreign currency translation	Proposed dividend	Share based payment reserve	Total
USD '000							
<b>Balance 1/1 2021</b>	171	41.671	(11.704)	0	0	0	30.138
Addition from capital increases	0	30.663	0	0	0	0	30.663
Declared Dividend	0	0	(510)	0	510	0	0
Share-based payments	0	0	0	0	0	1.791	1.791
<b>Transactions with shareholders</b>	<b>0</b>	<b>30.663</b>	<b>(510)</b>	<b>0</b>	<b>510</b>	<b>1.791</b>	<b>32.454</b>
Net profit for the year	0	0	(25.626)	0	0	0	(25.626)
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>(25.626)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(25.626)</b>
<b>Balance 1/1 2022</b>	171	72.334	(37.840)	0	510	1.791	36.966
Addition from capital increases	0	0	0	0	0	0	0
Declared Dividend	0	0	(2.953)	0	2.953	0	0
Paid dividend	0	0	0	0	(510)	0	(510)
Share-based payments	0	0	0	0	0	370	370
<b>Transactions with shareholders</b>	<b>0</b>	<b>0</b>	<b>(2.953)</b>	<b>0</b>	<b>2.443</b>	<b>370</b>	<b>(140)</b>
Net profit for the year	0	0	(1.077)	0	0	0	(1.077)
<b>Comprehensive income</b>	<b>0</b>	<b>0</b>	<b>(1.077)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(1.077)</b>
<b>Shareholders' equity at 31/12 2022</b>	<b>171</b>	<b>72.334</b>	<b>(41.870)</b>	<b>0</b>	<b>2.953</b>	<b>2.161</b>	<b>35.749</b>

**Cash flow statement**

	Group		Parent	
	2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000
Operating profit/loss	1.439	1.875	(551)	(618)
Amortisation/Depreciation and impairment	2.346	3.076	0	0
<b>EBITDA</b>	<b>3.785</b>	<b>4.951</b>	<b>(551)</b>	<b>(618)</b>
Change in inventory and receivables	2.198	(4.822)	0	4
Change in trade payables	(1.377)	2.080	0	0
Change in other current liabilities	(326)	(222)	58	(105)
Interest received	615	9	1	0
Interest paid	(670)	(2.024)	(526)	(1.638)
Income taxes received/(paid)	(67)	(220)	278	221
<b>Cash flow from operating activities</b>	<b>4.159</b>	<b>(248)</b>	<b>(740)</b>	<b>(2.136)</b>
Additions of intangible assets	(1.630)	(1.117)	0	0
Additions of tangible assets	(917)	(55)	0	0
Disposals of property, plant and equipment	(154)	0	0	0
Investment in subsidiaries	0	0	0	0
Dividend received	0	0	0	6.000
Group contribution	0	0	0	(10.000)
Change in receivables from group enterprises	0	2.600	1.251	6.095
<b>Cash flow from investing activities</b>	<b>(2.701)</b>	<b>1.428</b>	<b>1.251</b>	<b>2.095</b>
Proceeds from borrowings	671	0	0	0
Repayment of borrowings	0	0	0	0
Change in operating credits	(497)	(430)	0	0
Dividend paid	(510)	0	(510)	0
Repayment of lease liabilities and interest	(336)	(384)	0	0
Change in non-current liabilities	(78)	(161)	(0)	41
<b>Cash flow from financing activities</b>	<b>(749)</b>	<b>(975)</b>	<b>(510)</b>	<b>41</b>
<b>Net cash flow for the year</b>	<b>709</b>	<b>205</b>	<b>0</b>	<b>0</b>
Cash and cash equivalents at 1/1 2021	1.743	1.538	0	0
Net cash flow for the year	709	205	0	0
<b>Cash and cash equivalents at 31/12 2022</b>	<b>2.452</b>	<b>1.743</b>	<b>0</b>	<b>0</b>
<b>Cash and cash equivalents at 31/12 2022</b>	<b>2.452</b>	<b>1.743</b>	<b>0</b>	<b>0</b>
Cash	2.452	1.743	0	0
	2.452	1.743	0	0
<b>Unutilised portion of credit facilities including cash and cash equivalents</b>	<b>2.994</b>	<b>1.769</b>	<b>0</b>	<b>0</b>

## 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 20 June 2023, the Board of Directors and the Executive Board have discussed and approved the annual report of Global Scanning A/S for 2022. The annual report will be presented to the shareholders of Global Scanning A/S for approval at the annual general meeting on 20 June 2023.

The financial statements of the Group are presented in US dollars, which is the company's 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 2022 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 2022. None of the standards are expected to have a significant effect for the Group or the Company.

#### Intra-group business combination

The book value method is applied to intra-group business combinations such as mergers etc., in which the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

#### Consolidation

The consolidated financial statements comprise the parent, Global Scanning A/S and entities controlled by the parent. Control is presumed to exist when the parent owns, directly or indirectly, more than half of the voting power of an entity.

The consolidated entities' financial statements are prepared in accordance with the accounting policies applied by the parent. The consolidated financial statements are prepared on the basis of the financial statements of the consolidated entities by adding together like items. Intra-group income, expenses, gains, losses, investments, dividends and balances are eliminated.

Identifiable assets and liabilities in the acquired entities are recognized at the fair value at the time of acquisition. Allowance is made for the tax effect of revaluations of assets and liabilities. Any residual difference between the cost and the group's share of the fair value of the identifiable assets and liabilities is recognized as goodwill or negative goodwill.

#### Currency translation

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

#### Foreign subsidiaries

The accounts of foreign subsidiaries are translated according to the following principles:

Balance sheet items are translated at closing rates. The income statement is translated at the rates at the date of the transaction. Any exchange differences resulting from the translation of the opening equity at the closing rate and the exchange adjustment of the items in the income statement from the rate at the date of the transaction to the closing rate are taken directly through equity.

#### 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 in time 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.

## Notes

### Note 1 Accounting policies, continued

#### 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 activities of the Company, including rental income, sale of scrap and gain on sale of fixed assets.

#### Special items

The use of special items entails management judgement in the separation from ordinary items. Special items include income and expenses of a special nature in terms of the Group's revenue generating operating activities that cannot be attributed directly to the Group's ordinary operating activities. Such income and expenses include the cost of extensive restructuring of processes and fundamental structural adjustments.

Special items are shown separately from the Group's ordinary operations to facilitate a better understanding of the Group's financial performance.

#### Amortization/depreciation and write-downs

Depreciation and write-downs include depreciation and write-downs of intangible assets and property, plant and equipment.

Property, plant and equipment 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 assets and property, plant and equipment 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
Goodwill	Indefinite
Development costs	3
Customer relations	3-10
License rights and patents	5-20
Buildings	30
Leasehold improvements	3
Plant and machinery	4-8
Other plant, operating equipment etc.	2-6

#### Parent company dividend

Dividend from subsidiaries is recognized fully in the profit and loss statement at the time of distribution.

#### 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 in 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. Current and deferred taxes related to items recognized directly in the equity are taken directly on the 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).

#### Shared based payment

The Company's employees and management receive consideration in the form of share-based payments. The share-based consideration is an equity-settled program under which employees and management deliver services in return for share options. The share options are measured at fair value at the time of granting. The fair value of share options is determined using the Black-Scholes option-pricing model.

Costs relating to equity-settled share-based payments are recognised in the income statement under administrative expenses and in equity over the vesting period. The total expense recognised for equity-settled share-based payments at the reporting date reflects the share of the vesting period that has lapsed and management's best estimate of the number of equity instruments that will ultimately vest.

If the terms for equity-settled programs change, the minimum expense is the expense that would have been recognised had the terms not been changed, provided that the employee's or management's right had vested. In addition, an expense is recognised corresponding to the increase in the fair value of the share-based payment at the time at which the terms are changed.

#### Intangible assets

Intangible assets comprise goodwill with indefinite useful life and of development costs, customer relations and license rights and patents with finite useful life.

##### Goodwill:

Goodwill is measured at cost less accumulated write-downs.

Goodwill is tested for impairment annually or when there are indications of decreases in value. The impairment test is made for the activity or business area to which the goodwill relates. Goodwill is written down to the higher of the value in use and the net selling price for the activity or the business area to which the goodwill relates (recoverable amount) if it is lower than the carrying amount.

##### Development projects:

Development projects that are clearly defined and identifiable and in respect of which the technological feasibility, sufficient resources and a potential future market 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 expensed in the income statement as incurred.

Development costs are measured at direct costs.

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.

##### Customer relations, license rights and patents

Customer relations, 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 Group 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 Group's estimate of a residual value guarantee, or if the Company changes the assessment of whether a purchase, extension or termination option with reasonable probability is expected to be exploited.

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 Group presents the right-of-use asset and the lease liability separately in the balance sheet. The Group 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.

The value of share options to the employees in the subsidiaries is recognised as an increase in the investment in the subsidiaries as the employees' services rendered in exchange for the share options are received in subsidiaries.

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.

Work in progress and 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

#### 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.

The value of share options granted is recognised in equity under share-based payment reserve over the vesting period as the employees deliver the relevant services. The reserve reflects the total value of share options granted based on the share of the vesting period that has lapsed and the group's best estimate of the number of equity instruments that will ultimately vest. The reserve is part of the distributable reserves.

#### 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. On refinancing of existing loans, refinanced loans are recognised at fair value, and borrowing costs incurred are recognised in the income statement. In subsequent periods, the loans are measured at amortised cost. 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.

## Notes

### Note 1 Accounting policies, continued

#### 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:

#### Impairment of goodwill

The Group determines whether goodwill is impaired at least once a year. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires that the Group makes an estimate of the expected future cash flows from the cash-generating unit and chooses a suitable discount rate in order to calculate the net present value of such cash flows. The carrying amount of goodwill at 31 December 2022 was USD 28,602 thousand (USD 28,602 thousand at 31 December 2021). More details are given in note 9.

#### 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 parent company's deferred tax assets were at 31 December 2022 USD 0 thousand (USD 279 thousand at 31 December 2021).

#### Recognition of share-based payment expense

The share-based consideration is an equity-settled program under which employees and management deliver services in return for share options. The share options are measured at fair value at the time of granting. The fair value of share options is determined using the Black-Scholes option-pricing model. The Black-Scholes option pricing model is prepared on the basis of Share price, volatility, risk-free interest rate, exercise price, expected life of grant, number of options.

### 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 Group's bank debt consists of a USD 0,9m (DKK 6m) overdraft facility in Denmark and USD 1,9m (RMB 12m) of short-term bank loans in China. The facility in Denmark is up for renewal in August 2023 and it is the assessment of management that the overdraft facilities will be renewed, as management has no indications of otherwise and the process and timing for renewal is similar to previous years. The short-term bank loans in China comprise of two loans of USD 1,9m (RMB 12.0m). The loans were repaid February 2022 and March 2022 and new loans of USD 0,6m (RMB 4.0m) and USD 0,9m (RMB 6.0m) was obtained in February 2022 and March 2022 for 6 months, the loan was renewed in August 2022 and September 2022. It is the assessment of management that the loans will be renewed again in August 2023 and September 2023, as management has no indications of otherwise and the process and timing for renewal is similar to previous years.

The Parent and the Group has intra-group loans to Scandinavian Credit Fund I AB (publ), owned 100% by Skandinaviska Kreditfonden AB of USD 2,6m. The Parent and the Group has after the year-end received waiver for payment of USD 2,6m of the loans until 31 October 2023.

Based on the budget for 2023 including the assumption for expected renewal of credit facility agreement and loans and waivers the management has assessed that the necessary financing and cash are available for the company's ability to continue as a going concern.



## Notes

### Note 4. Expenses

4.1 Amortisation/depreciation	Group		Parent	
	2022	2021	2022	2021
	USD '000	USD '000	USD '000	USD '000
Analysis of amortisation/depreciation for the year:				
Land and buildings	127	128	0	0
Leasehold improvements	24	32	0	0
Plant and machinery	1	1	0	0
Other plant, operating equipment etc.	326	202	0	0
Right of use assets	315	352	0	0
Development costs	1.324	1.980	0	0
Customer relations	67	240	0	0
License rights and patents	160	141	0	0
	<u>2.346</u>	<u>3.076</u>	<u>0</u>	<u>0</u>

### 4.2 Staff costs

Analysis of total payroll costs, etc.:

Fee to the Board of Directors	63	27	31	27
Remuneration and salaries to the Executive Management	163	384	0	0
Defined contribution plans to the Executive Management	16	3	0	0
Remuneration and salaries to other key management personnel	761	841	0	0
Defined contribution plans to other key management personnel	42	35	0	0
Wages and salaries	6.489	6.618	0	608
Bonuses	(190)	73	0	0
Defined contribution plans	814	974	0	0
Other social security costs	62	145	0	0
	<u>8.220</u>	<u>9.100</u>	<u>31</u>	<u>635</u>

The average number of staff during the year was 123 employees. (2021: 123 employees).

### 4.3 Research and development

Research and development expenses in total	3.066	2.829	0	0
Hereof capitalised as addition on development costs	(1.607)	(1.060)	0	0
Amortisation and impairment of development costs	1.324	1.980	0	0
<b>Net development expense presented in Production Costs</b>	<u>2.784</u>	<u>3.749</u>	<u>0</u>	<u>0</u>

### 4.4 Special items

Shared based payment expense (note 4.5)	371	1.791	0	0
	<u>371</u>	<u>1.791</u>	<u>0</u>	<u>0</u>

If not recognized as special items the expense would have been recognized and expensed in administrative expenses 371 USD'000.

### 4.5 Shared-based payments

Employees and members of the management in both the parent company Global Scanning A/S and subsidiaries are eligible for share option schemes. They are granted a certain number of share options in the parent company Global Scanning A/S in return for the services they provide to the Group. Share options under these schemes are granted at fixed exercise prices. The right to share options can only be vested as long as the holder is an employee of the Group. All granted share options are equity-based. The share-based payment expense is measured at fair value at the grant date using the Black-Scholes model. The expense is recognised in the income statement with the counter item in the other reserves under the equity, and it is recognised over (a) the period during share option holder has met the vesting conditions, or (b) the period in which an exercising event is likely to occur if this period is shorter.

Based on the same decision made by General Assembly in October 2021 to issue 537,242 share options, the Board of Directors issued 537,242 share options in October 2021, which vest in either of two models:

- Model 1: Tranche 1 of 268,621 share options of nominal value of DKK 1 at an exercise price of USD 2,55 and tranche 2 of 268,621 share options of nominal value of DKK 1 at an exercise price of USD 5,11. The share options vest with 1/8 in each of the quarter beginning for 1 January 2021 to 31 December 2022. The share options' lifetime is 5 years.
- Model 2: 537,242 share options of nominal value of DKK 1 at an exercise price of USD 0,10. The share options vest when the B-share of Global Scanning A/S is fully redeemed. The share options' lifetime is 5 years.

Model 1 is considered for recognition of the share option program and related disclosure.

	Executive Management		Other key management personnel		Total	
	Number	Avg.ex. Price	Number	Avg.ex. Price	Number	Avg.ex. Price
At 1 Januar 2022	268.622	3,83	268.620	3,83	537.242	3,83
Granted during the year	0	0	0	0	0	0
Exercised/lapsed during the year	0	0	0	0	0	0
At 31 December 2022	<u>268.622</u>	<u>3,83</u>	<u>268.620</u>	<u>3,83</u>	<u>537.242</u>	<u>3,83</u>
Exercisable at 31 December 2022	<u>134.311</u>	<u>3,83</u>	<u>134.310</u>	<u>3,83</u>	<u>268.621</u>	<u>3,83</u>

In 2021, 0 options were exercised and 0 lapsed. The following shows the exercise price of the outstanding share options and warrants:

	2022	2021
Exercise price USD 2,55	134.311	134.311
Exercise price USD 5,11	134.311	134.311
	<u>268.621</u>	<u>268.621</u>

There are no outstanding share options from the 2021 share options program on 31 December 2022.

## Notes

### 4.5 Shared-based payments (continued)

#### Assumptions for the calculation of the fair value of share options and warrants

The fair value of share options and warrants granted during 2021 was estimated on the date of grant using the following assumptions:

	Tranche 1	Tranche 2
Share price (USD)	7,35	7,35
Volatility	42,50%	42,50%
Risk-free interest rate	-0,30%	-0,30%
Exercise price (USD)	2,55	5,11
Expected life of grant (years)	4	4
Number of options	268.621	268.621
Grant date fair value for each option (USD)	4,90	3,25

The volatility is calculated based on a peer group of 7 similar companies. The fair value of the share options is determined using the Black-Scholes option-pricing model. For 2022, the Company has recognised a share-based payment expense of USD 371 thousand in the income statement (2021: USD 1,791 thousand). USD 186 thousand was recognised in relation to Executive Management (2021: USD 896 thousand) and USD 185 thousand in relation to other key management personnel (2021: USD 895 thousand).

	Group		Parent	
	2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000
<b>Note 5. Other operating income / expenses</b>				
Management fee from subsidiaries	0	0	0	608
Profit from sale of Tangible assets	0	0	0	0
Loss on sale of intangible assets	0	0	0	0
Impairment of Intangible assets	0	0	0	0
Other	20	58	0	0
	<u>20</u>	<u>58</u>	<u>0</u>	<u>608</u>
<b>Note 6. Financial income</b>				
Dividends from investments in subsidiaries	0	0	0	6.000
Reversal of impairment of investments in subsidiaries	0	0	0	0
Foreign currency exchange gain	602	0	0	0
Interest income	13	5	0	0
Interest income from group enterprises	0	0	0	0
Other	1	4	0	0
	<u>615</u>	<u>9</u>	<u>0</u>	<u>6.000</u>
<b>Note 7. Financial expenses</b>				
Impairment of investments in subsidiaries	0	0	0	0
Foreign currency exchange loss	46	747	46	491
Interest expenses	542	229	309	0
Interest expense from group enterprises	0	2.564	171	2.571
Interest on leasing liabilities	45	30	0	0
Amortised Loan cost	0	1.123	0	1.123
Other	37	117	0	0
	<u>670</u>	<u>4.810</u>	<u>526</u>	<u>4.185</u>
<b>Note 8. Income taxes</b>				
<b>Tax in the Statement of income</b>				
Estimated tax on the taxable income for the year	348	590	0	0
Income tax, carry back refund	(62)	(322)	0	(221)
Adjustments prior years	0	(20)	0	0
Foreign tax	0	11	0	0
FX adjustment	0	0	0	0
Tax refund in joint taxation	0	0	0	0
Change in deferred tax	(46)	(185)	0	(279)
	<u>240</u>	<u>74</u>	<u>0</u>	<u>(500)</u>
<b>Reconciliation of tax rate</b>				
Profit before tax at danish tax rate 22% (2020: 22%)	223	(1.038)	(237)	(5.748)
Tax effect of adjustments prior years	20	20	0	0
Adjustment carry back refund	0	0	0	0
Tax refund in joint taxation	0	0	0	0
Tax effect of permanent differences	(570)	773	0	5.176
Accounting estimate for not recognised deferred tax assets	798	562	237	174
Foreign currency exchange differences	(356)	(243)	0	(102)
	<u>115</u>	<u>74</u>	<u>0</u>	<u>(500)</u>
<i>Effective tax rate</i>	11,3%	-1,6%	0,0%	1,9%

## Notes

### Note 9. Intangible assets

	Group				Total
	Goodwill	Development costs	Customer relations	License rights and patents	
<b>USD'000</b>					
Cost at 1/1 2021	28.602	34.190	2.400	2.959	68.151
Foreign currency	0	0	0	3	3
Disposal at cost	0	0	0	0	0
Additions	0	1.060	0	57	1.117
<b>Cost at 31/12 2021</b>	<b>28.602</b>	<b>35.250</b>	<b>2.400</b>	<b>3.019</b>	<b>69.271</b>
Amortisation at 1/1 2021	0	29.922	2.093	1.355	33.370
Foreign currency	0	(14)	0	4	(10)
Disposals	0	0	0	0	0
Impairment	0	0	0	0	0
Amortisation	0	1.980	240	141	2.361
<b>Amortisation at 31/12 2021</b>	<b>0</b>	<b>31.888</b>	<b>2.333</b>	<b>1.500</b>	<b>35.721</b>
<b>Carrying amount at 31/12 2021</b>	<b>28.602</b>	<b>3.362</b>	<b>67</b>	<b>1.519</b>	<b>33.550</b>
Cost at 1/1 2022	28.602	35.250	2.400	3.019	69.271
Foreign currency	0	0	0	(16)	(16)
Disposal at cost	0	(157)	0	0	(157)
Additions	0	1.607	0	23	1.630
<b>Cost at 31/12 2022</b>	<b>28.602</b>	<b>36.699</b>	<b>2.400</b>	<b>3.027</b>	<b>70.728</b>
Amortisation at 1/1 2022	0	31.888	2.333	1.501	35.721
Foreign currency	0	57	0	-16	42
Disposals	0	0	0	0	0
Impairment	0	0	0	0	0
Amortisation	0	1.324	67	160	1.552
<b>Amortisation at 31/12 2022</b>	<b>0</b>	<b>33.270</b>	<b>2.400</b>	<b>1.645</b>	<b>37.315</b>
<b>Carrying amount at 31/12 2022</b>	<b>28.602</b>	<b>3.430</b>	<b>0</b>	<b>1.381</b>	<b>33.413</b>
<b>Parent</b>					
	Goodwill	Development costs	Customer relations	License rights and patents	Total
<b>USD'000</b>					
Cost at 1/1 2021	3.000	1.700	0	0	4.700
<b>Cost at 31/12 2021</b>	<b>3.000</b>	<b>1.700</b>	<b>0</b>	<b>0</b>	<b>4.700</b>
Amortisation at 1/1 2021	3.000	1.700	0	0	4.700
<b>Amortisation at 31/12 2021</b>	<b>3.000</b>	<b>1.700</b>	<b>0</b>	<b>0</b>	<b>4.700</b>
<b>Carrying amount at 31/12 2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cost at 1/1 2022	3.000	1.700	0	0	4.700
<b>Cost at 31/12 2022</b>	<b>3.000</b>	<b>1.700</b>	<b>0</b>	<b>0</b>	<b>4.700</b>
Amortisation at 1/1 2022	3.000	1.700	0	0	4.700
<b>Amortisation at 31/12 2022</b>	<b>3.000</b>	<b>1.700</b>	<b>0</b>	<b>0</b>	<b>4.700</b>
<b>Carrying amount at 31/12 2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

At December 31 2022 the balance of USD 3.430 thousand regarding development costs contains one significant projects with a value of USD 1,397 thousand.

This 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 2022 there has not been indications of need to make impairment of intangible assets (2021: 0 KUSD).

Goodwill relates to the 2D activity in Global Scanning Denmark A/S and Global Scanning UK Ltd., that management since year 2017 have assessed to be one cash-generating unit, in total USD 28.602 thousand (2021: USD 28.602 thousand).

## Notes

The Group considers the relationship between its market capitalisation and its accounting value, among other factors, when reviewing for indicators of impairment.

As at 31 December 2022 the market capitalisation of the Group's 2D activity was above the accounting value of the goodwill that relates to the 2D cash generation unit, and accordingly the impairment test has not resulted in any impairment for 2022 (2021: no impairment).

The recoverable amount has been determined based on a value in use calculation using cash flow projections from financial budgets for 2023, and cash flow projections for a three-year period. Cash flows beyond the projection-period are extrapolated using a 2.0% growth rate (2021: 2.0%). The board of directors have approved the assumptions used for the impairment test.

The projected cash flows have been updated to reflect the current demand for products and services. The pre-tax discount rate applied to cash flow projections is 11.0 % (2021: 11.0%). The risk free rate is based on a US government bond. The assumptions made when calculating the pre-tax discount rate for 2022 is adapted to the current conditions.

Due to current market conditions in recent years, the Management has performed a sensitivity analysis on the result of the impairment test, which shows (other things being equal) that an increase of the applied WACC with 3.0%-point will not result in any impairment, and that a decrease of the applied EBITDA-margin in the terminal value with 1%-point will not result in impairment.

### Key assumptions used in value in use calculations

*Revenue and contribution* - Overall the future development is expected to be flat. Volumes are expected to increase and pricing generally expected to decrease. In addition, the 2D business is expected to be a steady future business, which will require less investment compared to previous periods.

*Discount rates* - Discount rates represent the current market assessment of the risks specific to the CGU. The discount rate calculation is based on the specific circumstances of the Group and its operating segment and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

*Life* - Life represent a infinitive period, which is the management's best estimate for the expected length of the cash flow projection period. The assessment of growth rate and infinitive period has not been changed since last year as there has been no significant change in the underlying market and business.

*Other key assumptions* - Unchanged f/x correlation between USD/SEK/DKK has been built into the model combined with the assumption of stable market conditions on the 2D scanning market.

It is the management's assessment that no reasonable possible change in a key assumption on which the management has based its determination of the unit's recoverable amount would cause the unit's carrying amount to exceed its recoverable amount.

### Note 10. Property, plant and equipment

	Group				Total
	Land and Buildings	Leasehold Improvements	Plant and Equipment	Other plant, operating equipment etc.	
<b>USD'000</b>					
Cost at 1/1 2021	2.309	1.056	50	3.328	6.743
Foreign currency	0	15	0	22	37
Disposal at cost	0	0	0	0	0
Additions	0	0	0	55	55
<b>Cost at 31/12 2021</b>	<b>2.309</b>	<b>1.071</b>	<b>50</b>	<b>3.405</b>	<b>6.835</b>
Depreciation and writedowns at 1/1 2021	986	994	47	2.959	4.986
Foreign currency	0	13	0	22	35
Disposals	0	0	0	0	0
Depreciation	128	32	1	202	363
<b>Depreciation and writedowns at 31/12 2021</b>	<b>1.114</b>	<b>1.039</b>	<b>48</b>	<b>3.183</b>	<b>5.384</b>
<b>Carrying amount at 31/12 2021</b>	<b>1.195</b>	<b>32</b>	<b>2</b>	<b>222</b>	<b>1.451</b>
Cost at 1/1 2022	2.309	1.071	50	3.405	6.836
Foreign currency	0	(73)	0	(71)	(144)
Disposal at cost	0	0	0	(1.081)	(1.081)
Additions	576	21	0	320	917
<b>Cost at 31/12 2022</b>	<b>2.885</b>	<b>1.020</b>	<b>50</b>	<b>2.574</b>	<b>6.529</b>
Depreciation and writedowns at 1/1 2022	1.114	1.042	48	3.183	5.386
Foreign currency	0	(71)	0	(61)	(132)
Disposals	0	0	0	(1.077)	(1.077)
Depreciation	127	24	1	326	479
<b>Depreciation and writedowns at 31/12 2022</b>	<b>1.241</b>	<b>995</b>	<b>49</b>	<b>2.370</b>	<b>4.656</b>
<b>Carrying amount at 31/12 2022</b>	<b>1.644</b>	<b>25</b>	<b>1</b>	<b>204</b>	<b>1.873</b>

In 2022 and 2021 there has not been indications of need to make impairment of tangible assets.

## Notes

### Note 11. Leasing

Right-of-use assets	Land and	Other plant,	Total
	Buildings	operating equipment etc.	
Cost at 1/1 2021	1.720	20	1.740
Disposal at cost	(116)	0	(116)
Additions	0	0	0
<b>Cost at 31/12 2021</b>	<b>1.604</b>	<b>20</b>	<b>1.624</b>
Depreciation and writedowns at 1/1 2021	741	12	753
Foreign currency	(6)	0	(6)
Disposals	(116)	0	(116)
Depreciation	346	6	352
<b>Depreciation and writedowns at 31/12 2021</b>	<b>965</b>	<b>18</b>	<b>983</b>
<b>Carrying amount at 31/12 2021</b>	<b>639</b>	<b>2</b>	<b>641</b>
Cost at 1/1 2022	1.604	20	1.624
Disposal at cost	(129)	0	(129)
Additions	107	0	107
<b>Cost at 31/12 2022</b>	<b>1.583</b>	<b>20</b>	<b>1.603</b>
Depreciation and writedowns at 1/1 2022	966	18	984
Foreign currency	17	0	17
Disposals	0	0	0
Depreciation	313	2	315
<b>Depreciation and writedowns at 31/12 2022</b>	<b>1.296</b>	<b>20</b>	<b>1.316</b>
<b>Carrying amount at 31/12 2022</b>	<b>287</b>	<b>0</b>	<b>287</b>
<b>Lease liabilities</b>		<b>2022</b>	<b>2021</b>
Maturity of lease liabilities:		<b>USD '000</b>	<b>USD '000</b>
Falling due within one year		288	301
Falling due between one and three years		56	379
Falling due between four and five years		0	0
<b>Total lease liabilities</b>		<b>344</b>	<b>680</b>
<b>Amounts recognized in the income statement</b>			
Depreciation		315	352
Finance costs		16	30
<b>Total Right-Of-Use costs recognized in the income statement</b>		<b>331</b>	<b>382</b>

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 2022, the company has recognized USD 331 thousand (2021: USD 382 thousand) as minimum payments regarding lease agreements, of which interest costs related to lease liabilities amount to USD 16 thousand (2021: USD 30 thousand) and repayments on lease liabilities are USD 315 thousand (2021: USD 352 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

The fiscal year's investments in and value adjustments of investment in subsidiaries, which are financial assets, are specified as follows:

	Parent	
	2022 USD '000	2021 USD '000
<b>USD '000</b>		
Cost at 1/1	75.957	64.166
Additions, group contribution	0	10.000
Value of share-based payment to employees in subsidiaries	370	1.791
Additions on merger	0	0
Cost at 31/12	<u>76.327</u>	<u>75.957</u>
Impairment at 1/1	(33.123)	(5.800)
Impairment during the year	0	(27.323)
Reversal of impairment during the year	0	0
Impairment at 31/12	<u>(33.123)</u>	<u>(33.123)</u>
<b>Carrying amount at 31/12</b>	<u>43.204</u>	<u>42.834</u>

USD '000	Domicile	Currency	Nominal capital	Interest (%)	Equity	Net profit/loss
Global Scanning Denmark A/S	Denmark	USD	3.401	100%	2.764	1.824
Global Scanning Americas (MD) Inc.	USA	USD	0	100%	224	(11)
Global Scanning UK Ltd.	Great Britain	USD	21	100%	3.141	2.292
Global Scanning Suzhou Co. Ltd.	China	USD	203	100%	10.105	2.009

Group		Parent	
2022 USD '000	2021 USD '000	2022 USD '000	2021 USD '000

### Note 13. Inventories

Movements in the provision for impairment of inventory were as follows:

Cost at 1/1	(1.669)	(1.726)	0	0
Impairment inventory	(137)	(117)	0	0
Reversed impairment inventory	988	174	0	0
<b>Cost at 31/12</b>	<u>(818)</u>	<u>(1.669)</u>	<u>0</u>	<u>0</u>

The impairment expense is included in production costs.

The book value of inventory provisioned for measured at net realisable cost at 31 December 2022 to USD 818 thousand (2021: USD 1.669 thousand).

Cost of goods sold in 2022 amounted to USD 21,270 thousand (2021: USD 18.979 thousand).

### Note 14. Trade receivables

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

As at 31 December 2022, trade receivables at nominal value of USD 0 thousand (2021: 55 thousand) were impaired for.

Movements in the provision for impairment of receivables were as follows:

Cost at 1/1	55	177	0	0
Charge for the year	0	(122)	0	0
Utilized	-55	0	0	0
Unused amounts reversed	0	0	0	0
Cost at 31/12	<u>0</u>	<u>55</u>	<u>0</u>	<u>0</u>

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

Analysis of trade receivables that were past due but not impaired at 31 December 2022:

	Total	Neither	Past due but not impaired	
		past due nor impaired	Past due but not impaired	
			<60 days	>60 days
2021	6.245	4.650	1.547	48
2022	5.743	4.291	1.474	33

## Notes

### Note 15. Deferred tax

Analysis of deferred tax, Group:

	<u>Group Income Statement</u>		<u>Group Balance sheet</u>	
	2022	2021	2022	2021
	USD '000	USD '000	USD '000	USD '000
Property, plant and equipment	(237)	39	6	(231)
Intangible assets	741	209	0	741
Inventories	(299)	(37)	(49)	(348)
Prepaid expenses	18	14	0	18
Other	(103)	(9)	61	(42)
Tax loss carried forward	<u>(392)</u>	<u>(31)</u>	<u>0</u>	<u>(392)</u>
	<u>(272)</u>	<u>185</u>	<u>18</u>	<u>(254)</u>

Analysis of deferred tax, Parent:

	<u>Parent Income Statement</u>		<u>Parent Balance sheet</u>	
	2022	2021	2022	2021
	USD '000	USD '000	USD '000	USD '000
Intangible assets	0	0	0	0
Other	0	0	0	0
Tax loss carried forward	<u>0</u>	<u>279</u>	<u>0</u>	<u>(279)</u>
	<u>0</u>	<u>279</u>	<u>0</u>	<u>(279)</u>

### Reconciliation of deferred tax liability:

	<u>Group</u>		<u>Parent</u>	
	2022	2021	2022	2021
	USD '000	USD '000	USD '000	USD '000
Balance at 1/1, net	(254)	(69)	(279)	0
Additions on merger	0	0	0	0
Recognised in the income statement	(7)	(185)	0	(279)
Utilised through tax credit	279	0	279	0
Recognised in the statement of comprehensive income	0	0	0	0
Balance at 31/12, net	<u>18</u>	<u>(254)</u>	<u>0</u>	<u>(279)</u>

The group has tax losses of USD 15.828 thousand that are available indefinitely for offsetting against future taxable profit. In 2022 the deferred tax assets have not been fully recognised in respect of these 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 31 December 2022 would be USD 3,443 thousand.

The parent company has tax losses of USD 11.911 thousand that are available indefinitely for offsetting against future taxable profit. In 2022 the deferred tax assets have not been fully recognised in respect of these 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 31 December 2022 would be USD 2,755 thousand.

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

The debt is due for repayment in the following order:

	<u>Group</u>		<u>Parent</u>	
	2022	2021	2022	2021
	USD '000	USD '000	USD '000	USD '000
Within 1 year (loan and bank loans)	2.195	2.763	0	0
Between 1 and 5 years (loan)	0	0	0	0
After 5 years	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2.195</u>	<u>2.763</u>	<u>0</u>	<u>0</u>

## Notes

### Note 17. Liabilities from financing activities

	Group		Parent	
	Long-term liabilities	Short-term liabilities	Long-term liabilities	Short-term liabilities
Cost at 1/1 2021	26.985	4.951	26.358	1.758
Reclassification, converted to equity	(28.863)	(1.758)	(28.863)	(1.758)
Cashflow	(23)	(430)	0	0
Non-cash amortisation loan-costs	1.123	0	1.123	0
Non-cash interest accrual	1.383	0	1.383	0
Currency adjustments	(138)	0	0	0
Cost at 31/12 2021	<u>466</u>	<u>2.763</u>	<u>0</u>	<u>0</u>

	Group		Parent	
	Long-term liabilities	Short-term liabilities	Long-term liabilities	Short-term liabilities
Cost at 1/1 2022	466	2.763	0	0
Reclassification, converted to equity				
Cashflow	(249)	(497)	0	0
Non-cash amortisation loan-costs	0	0	0	0
Non-cash interest accrual	171	0	171	0
Currency adjustments	0	(71)	0	0
Cost at 31/12 2022	<u>388</u>	<u>2.195</u>	<u>171</u>	<u>0</u>

### Note 18. Taxes receivable (+) / liability (-)

	Group		Parent	
	2022 USD '000	2021 USD '000	2022 USD '000	2021 USD '000
Estimated income taxes	(47)	(76)	0	0
Tax receivable in joint taxation	0	0	0	0
Tax carry back refund	0	0	0	0
	<u>(47)</u>	<u>(76)</u>	<u>0</u>	<u>0</u>

### Note 19. Contingent liabilities and securities for loans

#### Pledged assets for loans at Nordea Bank

The owner's mortgage deed in the properties nominally USD 8.620 thousand (2021: USD 9,143 thousand) is pledged to banks in Global Scanning Denmark A/S and in Global Scanning A/S.

	Group		Parent	
	2022 USD '000	2021 USD '000	2022 USD '000	2021 USD '000
Carrying amount of land and buildings	<u>1.644</u>	<u>1.195</u>	<u>0</u>	<u>0</u>

The subsidiary Global Scanning Denmark A/S has entered into a credit agreement with Nordea Bank Danmark A/S with a variable credit line of up to USD 862 thousand (DKK 6 million). Global Scanning Denmark A/S has given Nordea Bank Danmark A/S a security in inventories and trade receivables for USD 1,437 thousand (DKK 10 million). The value of inventories and trade receivables as per 31 December 2022 is USD 2,525 thousand (2021: USD 2,625 thousand).

Furthermore the associated company Global Scanning UK Limited has given Nordea Bank Danmark A/S a security in all assets for the above mentioned arrangement between the company and Nordea Bank Danmark A/S. The value of assets in Global Scanning UK Limited as per 31 December 2022 is USD 11.390 thousand (2021: USD 9,654 thousand).

#### Pledged assets for loans

As security for the parent company's loans, nominally USD 2,671 thousand (2021: USD 2,600 thousand), the following assets are pledged:

	Parent	
	2022 USD '000	2021 USD '000
Investments in subsidiaries (share-pledge)	43.204	42.834
Receivable from group enterprises	<u>0</u>	<u>0</u>
	<u>43.204</u>	<u>42.834</u>

#### Contingent liabilities

In 2012/13, the parent company joined the joint taxation arrangement with the Danish subsidiary Global Scanning Denmark A/S which is 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.

The company is also jointly taxed with another Danish company, Blue Finco ApS and its Danish subsidiaries from August 2021, thus also from that time and going forward becoming jointly and severally liable with these entities for payment on income taxes and withholding tax in the group of jointly taxed entities



## Notes

### Note 20. Foreign currency

#### Foreign currency risks

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

#### USD '000

Currency	Assets		Liabilities		Net	
	2022	2021	2022	2021	2022	2021
DKK Danish kroner	401	1.071	1.027	5.512	(626)	(4.441)
SEK Swedish kroner	0	0	2.671	2.600	(2.671)	(2.600)
RMB Renminbi	4.364	6.666	5.006	7.049	(642)	(383)
EUR Euros	407	628	123	77	284	551
GBP Pound	286	312	447	645	(162)	(333)
JPY Japanese Yen	350	423	180	134	170	289
Other currencies	0	0	0	0	0	0
	<u>5.807</u>	<u>9.100</u>	<u>9.455</u>	<u>16.017</u>	<u>(3.647)</u>	<u>(6.917)</u>

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

Million USD	Exchange rate adjustment	Pre-tax profit	Equity	Pre-tax profit	Equity
		2022	2022	2021	2021
DKK Danish kroner	+/- 10%	-0,1	0,0	-0,4	-0,3
SEK Swedish kroner	+/- 10%	-0,3	-0,2	-0,3	-0,2

### Note 21. Financial assets and liabilities

	Group		Parent	
	2022	2021	2022	2021
Loans and receivables measured at amortized cost	USD '000	USD '000	USD '000	USD '000
Trade receivables	5.743	6.245	0	0
Receivable from Group company	0	0	0	820
Other receivables	0	5	0	0
Cash	2.452	1.743	0	0
<b>Total loans and receivables measured at amortized cost</b>	<u>8.195</u>	<u>7.993</u>	<u>0</u>	<u>820</u>

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

#### Financial liabilities measured at amortized cost

Loan	0	0	0	0
Bank debt	2.195	2.763	0	0
Lease liabilities	345	680	0	0
Other non current liabilities	388	466	0	0
Trade payables	3.910	5.287	0	0
Payables to group enterprises	2.671	2.600	7.314	6.883
<b>Total financial liabilities measured at amortized cost</b>	<u>9.510</u>	<u>11.796</u>	<u>7.314</u>	<u>6.883</u>

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 22. Share capital and reserves

Share capital with nominal value USD 171.378 is distributed in 978,588 shares in shares in Class A and 1 share in Class B with a domination of USD 0,18. All shares are fully paid.

	Class A shares	Class B shares - new	Class B shares - old	Class C shares	Total
Opening balance of 1 January 2021	978.588	0	0	0	978.588
Addition from capital increases	0	1	0	0	1
Closing balance as of 31 December 2021	<u>978.588</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>978.589</u>
Cancellation of share classes	0	0	0	0	0
Addition from capital increases	0	0	0	0	0
Closing balance as of 31 December 2022	<u>978.588</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>978.589</u>

Shares in the newly established class B earns annually right to a preferential dividend of 9,5% on the related equity investment price, from the establish date of 28 October 2021. As per December 31 2022 the preferential dividend right amounts to USD 2.953 thousand.

## Notes

### Note 23. Financial risk - management objectives and policies

The Group's principal financial instruments comprise bank loans, bond debt, overdraft and cash. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group 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 20.

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

#### Credit risk

The Group trades only with recognised, creditworthy third parties. It is the Group'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 Group'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 Group are considered to be low.

#### Interest rate risk

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

At December 31 2022 the Group has a bank debt of USD 2.195 thousand (2021: USD 2.763 thousand) which normally is use of bank overdrafts at a interest rate of 7,25% (2021: 4%).

At December 31 2022 the Group debt on loans is USD 2,671 thousand (2021: USD 2,600 thousand) at an interest rate range of 10 - 24 % (2021: 10-24%).

#### Liquidity risk

The Group monitors its risk of a shortage of funds using a recurring liquidity planning tool. The Group'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 Group's policy is to maintain a balanced relation between its short-term and long-term debt.

The Group's bank debt consists of a USD 0,9m (DKK 6m) overdraft facility in Denmark and USD 1,9m (RMB 12m) of short-term bank loans in China. The facility in Denmark is up for renewal in August 2023 and it is the assessment of management that the overdraft facilities will be renewed, as management has no indications of otherwise and the proces and timing for renewal is similar to previous years. The short-term bank loans in China comprise of two loans of USD 1,9m (RMB 12.0m). The loans was repaid February 2022 and March 2022 and new loans of USD 0,6m (RMB 4.0m) and USD 0,9m (RMB 6.0m) was obtained in February 2022 and March 2022 for 6 months, the loan was renewed in August 2022 and September 2022. It is the assessment of management that the loans will be renewed again in August 2023 and September 2023, as management has no indications of otherwise and the proces and timing for renewal is similar to previous years.

The Parent and the Group has intra-group loans to Scandinavian Credit Fund I AB (publ), owned 100% by Skandinaviska Kreditfonden AB of USD 2,671m. The Parent and the Group has after the year-end received waiver for payment of USD 2,671m of the loans until 31 October 2023.

Management has assessed that the cash available and unused credit facilities are sufficient to cover the Group's obligations and planned investments as they fall due for a period of at least 12 months from 31 December 2022.

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

	Less than 1 year	1-2 years	Over 2 years	Total
2021:				
Intra-grop loans	2.600	0	0	2.600
Bank debt	2.763	0	0	2.763
Lease liabilities	301	379	0	680
Trade and other payables	6.904	155	311	7.370
<b>Total</b>	<b>12.568</b>	<b>534</b>	<b>311</b>	<b>13.413</b>
2022:				
Intra-grop loans	2.671	0	0	2.671
Bank debt	2.195	0	0	2.195
Lease liabilities	288	56	0	344
Trade and other payables	5.393	155	311	5.859
<b>Total</b>	<b>10.547</b>	<b>211</b>	<b>311</b>	<b>11.069</b>

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

	Less than 1 year	1-2 years	Over 2 years	Total
2021:				
Intra-grop loans	2.600	0	0	2.600
Bank debt	0	0	0	0
Trade and other payables	43	0	0	43
<b>Total</b>	<b>2.643</b>	<b>0</b>	<b>0</b>	<b>2.643</b>
2022:				
Intra-grop loans	2.671	0	0	2.671
Bank debt	0	0	0	0
Trade and other payables	101	0	0	101
<b>Total</b>	<b>2.772</b>	<b>0</b>	<b>0</b>	<b>2.772</b>

#### Capital risk management

The Group wants to secure structural and financial flexibility as well as competitiveness. In order to secure this, the company continuously evaluate the appropriate capital structure for the Group. At the operational level, the Group continuously efforts to optimize capital tied up in working capital.

## Notes

### Note 24. Related party transactions

#### Group

Related parties with material interest include the Board of Directors and Executive Board of the Company and key employees and their related family members. Furthermore related parties include companies in which the aforementioned persons have a material interest. Refer to note 4.2.

#### Parent

The company is controlled by Skandinaviska Kreditfonden AB, Sweden, which owns 75% of the share capital.

Transactions with related parties:

	Group		Parent	
	2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000
<b>Costs</b>				
Purchase from Group enterprises	0	0	0	608
<b>Other operating income</b>				
Management fee from Group enterprises	0	0	0	608
<b>Financial income and expenses</b>				
Dividend from Group enterprises	0	0	0	6.000
Interest expense from Group enterprises	0	2.564	171	2.571
<b>Executive Management</b>				
Remuneration and salaries to the Executive Management	163	384	0	0
Defined contribution plans to the Executive Management	16	3	0	0
<b>Board of Directors</b>				
Board fee	63	27	31	27
<b>Intercompany balances 31/12</b>				
Receivables from Group enterprises	0	0	0	820
Debt to Group enterprises	2.671	2.600	7.314	6.883

### Note 25 Subsequent events

In March 2023 the subsidiary Global Scanning Denmark A/S acquired the activity and related net assets of Global Scanning UK LTD and transformed Global Scanning UK LTD into a branch office fully owned by Global Scanning A/S. In January Global Scanning A/S opened a new Distribution Center in Allerød to serve all the European based customers.

No other post balance sheet events have occurred which could materially affect the assessment of the Group's or the Parent Company's financial position.



# Verification

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## Document

### Annual report Global Scanning AS 2022

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