Brand3D ApS

Svanevang 2, 3450 Allerød

CVR no. 40 18 97 34

Annual report 2019

(As of the establishment of the Company 17 January - 31 December 2019)

Approved at the Company's annual general meeting on 23 June 2020

Chairman:

....

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Brand3D ApS for the financial year as of the establishment of the Company 17 January - 31 December 2019.

The annual report is prepared in accordance with 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 2019 and of the results of the Company's operations for the financial year as of the establishment of the Company 17 January - 31 December 2019.

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

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

Allerød, 8 June 2020
Executive Board:

Graham James Ohn Tinn

Board of Directors:

Tomas Håkan Therén Chairman	Gunnel Ellinor Duveblad	Graham James Ohn Tinn

Independent auditor's report

To the shareholders of Brand3D ApS

Opinion

We have audited the financial statements of Brand3D ApS for the financial year as of the establishment of the Company 17 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with 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 2019 and of the results of the Company's operations for the financial year as of the establishment of the company 17 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the 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 the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 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 a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- 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.

Independent auditor's report

- 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.

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 8 June 2020
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Mogens Andreasen
State Authorised Public Accountant
mne28603

Management's review

Company details

Name	Brand3D ApS
Address, Postal code, City	Global Scanning A/S Svanevang 2, 3450 Allerød
CVR no.	40 18 97 34
Established	17 January 2019
Registered office	Allerød
Financial year	17 January - 31 December 2019
Board of Directors	Tomas Håkan Therén, Chairman Gunnel Ellinor Duveblad Graham James Ohn Tinn
Executive Board	Graham James Ohn Tinn
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management commentary

Business review

The Company's objects are creation, storage, sharing and viewing of digital 3D models and systems enabling 3D product placement for e-commerce, and other related purposes.

Financial review

The income statement for 2019 shows a loss of USD 4,766,082, and the balance sheet at 31 December 2019 shows a negative equity of USD 4,758,722. Management considers the Company's financial performance in the year unsatisfactory.

The company has lost more than 50% of its equity during 2019. Management expects to explain how the equity will be recapitalized on the companys annual general meeting.

The company is dependent upon continued financing from the Group company Global Scanning Denmark A/S. Global Scanning Denmark A/S have issued a letter of subordination stating that all intercompany balances (loans, operational funding etc.) granted by it to the company which were existing on 31 December 2019 shall be subordinated to all the company's other creditors until the date of the company's ordinary annual general meeting, to be held in 2021, in relation to the company's annual report for the year ended 31 December 2020.

Events after the balance sheet date

After the balance sheet date, the company has ceased all activities and spendings. The company's development project, Brand3D, are currently in proces of being sold to third party, but the transaction was not finalised at the approval date of this annual report.

No other post balance sheet events have occurred in 2020 which could materially affect the assessment of the Company´s financial position.

Financial statements for the period 17 January - 31 December 2019

Income statement

Note	USD	2019
	Gross loss	-1,564,945
	Amortisation/depreciation and impairment of intangible assets	-3,828,591
	Research and development costs	-497,224
	Profit/loss before net financials	-5,890,760
4	Financial expenses	-219,602
	Profit/loss before tax	-6,110,362
5	Tax for the year	1,344,280
	Profit/loss for the year	-4,766,082
	Recommended appropriation of profit/loss	
	Retained earnings/accumulated loss	-4,766,082
		-4,766,082

Financial statements for the period 17 January - 31 December 2019

Balance sheet

Note	USD	2019
	ASSETS	
	Fixed assets	
6	Intangible assets	
	Acquired intangible assets	0
	Goodwill	0
	Development projects in progress and prepayments for intangible assets	600,000
		600,000
	Total fixed assets	600,000
	Non-fixed assets	
	Receivables	
	Trade receivables	11,875
	Deferred tax assets	1,344,280
	Other receivables	7,513
		1,363,668
	Cash	45,219
	Total non-fixed assets	1,408,887
	TOTAL ASSETS	2,008,887
	EQUITY AND LIABILITIES	
	Equity	
	Share capital	7,360
	Retained earnings	-4,766,082
	Total equity	-4,758,722
	Liabilities other than provisions	
	Current liabilities other than provisions	
	Trade payables	8,695
	Payables to group enterprises	6,744,789
	Other payables	14,125
		6,767,609
	Total liabilities other than provisions	6,767,609
	TOTAL EQUITY AND LIABILITIES	2,008,887

1 Accounting policies
2 Events after the balance sheet date
3 Special items
8 Contractual obligations and contingencies, etc.
9 Related parties

Financial statements for the period 17 January - 31 December 2019

Statement of changes in equity

USD	Share capital	Retained earnings	Total
Cash payments concerning formation of enterprise	7,360	0	7,360
Transfer through appropriation of loss	0	-4,766,082	-4,766,082
Equity at 31 December 2019	7,360	-4,766,082	-4,758,722

The company is dependent upon continued financing from the Group company Global Scanning Denmark A/S. Global Scanning Denmark A/S have issued a letter of subordination stating that all intercompany balances (loans, operational funding etc.) granted by it to the company which were existing on 31 December 2019 shall be subordinated to all the company's other creditors until the date of the company's ordinary annual general meeting, to be held in 2021, in relation to the company's annual report for the year ended 31 December 2020.

Financial statements for the period 17 January - 31 December 2019

Notes to the financial statements

1 Accounting policies

The annual report of Brand3D ApS for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

Reporting currency

The financial statements are presented in US Dollar (USD), which is the company's functional and presentation currency.

Foreign currency translation

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

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

Income statement

Revenue

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

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross loss

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross loss in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Impairment

The item comprises impairment of intangible assets.

Financial statements for the period 17 January - 31 December 2019

Notes to the financial statements

1 Accounting policies (continued)

Financial expenses

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

Tax

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

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

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

Balance sheet

Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is between 10 and 20 years.

Acquired intangible assets include software licences and distribution rights etc.

Acquired intangible assets are measured at cost less accumulated amortisation and impairment losses.

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

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

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

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 3 years.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Financial statements for the period 17 January - 31 December 2019

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

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

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

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

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

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

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

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

Income taxes

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

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

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

Other payables

Other payables are measured at net realisable value.

Financial statements for the period 17 January - 31 December 2019

Notes to the financial statements

2 Events after the balance sheet date

Follow up – text in relation to sale of Brand3D Asset in 2020

3 Special items

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

USD	2019
Expenses	
Impairment of intangible assets	-3,828,591
	-3,828,591
Special items are recognised in the below items of the financial statements	
Amortisation/depreciation and impairment of intangible assets	-3,828,591
Net profit/loss on special items	-3,828,591

4 Financial expenses

Interest expenses, group entities	207,803
Other financial expenses	11,799
	219,602

5 Tax for the year

Deferred tax	-1,344,280
	-1,344,280

6 Intangible assets

USD	Acquired intangible assets	Goodwill	Development projects in progress and prepayments for intangible assets	Total
Cost at 17 January 2019	0	0	0	0
Additions	173,000	3,161,000	1,094,591	4,428,591
Cost at 31 December 2019	173,000	3,161,000	1,094,591	4,428,591
Impairment losses and amortisation at 17 January 2019	0	0	0	0
Impairment losses for the year	173,000	3,161,000	494,591	3,828,591
Impairment losses and amortisation at 31 December 2019	173,000	3,161,000	494,591	3,828,591
Carrying amount at 31 December 2019	0	0	600,000	600,000

Financial statements for the period 17 January - 31 December 2019

Notes to the financial statements

7 Investments

Name	Domicile	Interest
Subsidiaries		
Global Scanning Costa Rica Sociedad De Reponsabilidad Limitada	Costa Rica	100%

8 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent, Global Scanning A/S, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2019 onwards as well as withholding taxes on interest, royalties and dividends.

Other financial obligations

Rent and lease liabilities include a rent obligation totalling USD 5,397 in interminable rent agreements with remaining contract terms of 3 months.

9 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Global Scanning A/S	Allerød, Denmark	Erhvervsstyrelsen (www.cvr.dk)