



Global Scanning A/S

Svanevang 2
3450 Allerød
CVR No. 34613141

Annual report 2024

The Annual General Meeting adopted the
annual report on 09.05.2025

Mats Johan Helge Johansson
Chairman of the General Meeting

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Entity details

Entity

Global Scanning A/S

Svanevang 2

3450 Allerød

Business Registration No.: 34613141

Registered office: Allerød

Financial year: 01.01.2024 - 31.12.2024

Phone number: +45 48 14 11 22

Board of Directors

Mats Johan Helge Johansson, Chairman

Per Chrom Jacobsen

Peter Normann

Executive Board

Per Chrom Jacobsen, CEO

Bank

Nordea Bank Danmark A/S

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Global Scanning A/S for the financial year 01.01.2024 - 31.12.2024.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Allerød, 22.04.2025

Executive Board

Per Chrom Jacobsen
CEO

Board of Directors

Mats Johan Helge Johansson
Chairman

Per Chrom Jacobsen

Peter Normann

Independent auditor's report

To the shareholders of Global Scanning A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Global Scanning A/S for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 these consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 22.04.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen

State Authorised Public Accountant
Identification No (MNE) mne33712

Sebastian Reinbach Kilde Hye

State Authorised Public Accountant
Identification No (MNE) mne51486

Management commentary

Financial highlights

	2024 USD'000	2023 USD'000	2022 USD'000	2021 USD'000	2020 USD'000
Key figures					
Revenue	28,324	27,447	35,052	34,689	26,190
Gross profit/loss	8,298	9,331	7,800	8,391	5,623
Operating profit/loss	1,530	2,684	1,439	1,875	(2,908)
Net financials	(216)	(13,722)	(55)	(4,801)	(7,579)
Profit/loss for the year	1,028	(11,112)	733	(4,791)	(11,617)
Balance sheet total	35,093	33,737	50,174	51,857	48,635
Equity	28,401	27,484	38,951	38,368	10,570
Cash flows from operating activities	4,980	3,762	4,159	(248)	1,134
Cash flows from investing activities	(1,161)	(881)	(2,701)	1,428	(814)
Ratios					
Gross margin (%)	29.30	34.00	22.25	24.19	21.47
Net margin (%)	3.63	(40.49)	2.09	(13.81)	(44.36)
Return on equity (%)	3.68	(33.45)	1.90	(19.58)	(72.10)
Equity ratio (%)	80.93	81.47	77.63	73.99	21.73

Leases

As of 1 January 2024 the Group has transitioned from applying IFRS to Danish Financial Statements Act (DanishGAAP). This has resulted in a reversal of the recognition of leasing assets according to IFRS 16 in 2023-2024. The comparative figures for 2020-2022 have not been reversed meaning that the financial highlights above for 2020-2022 contains the impact of activated leasing assets, associated leasing liabilities and P/L impact. Furthermore, the transition has resulted in only the financial figures for 2024 being affected by ongoing amortisation of goodwill.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Gross margin (%):

Gross profit/loss * 100

Revenue

Net margin (%):

Profit/loss for the year * 100

Revenue

Return on equity (%):

Profit/loss for the year * 100
Average equity

Equity ratio (%):

Equity * 100
Balance sheet total

Primary activities

Global Scanning is a market leader in large 2D digital imaging solutions.

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 systems under the brands: Contex and Colortrac. Products are sold all over the world.

Development in activities and finances

The Group's revenue increased by 3% to USD 28.3m up from USD 27.5m in 2023. The gross profit for the year was USD 8.3m down from USD 9.3m in 2023. Group operating profit for the year was USD 1.5m down from 2.7m in 2023.

The net result for the year, is a profit of USD 1m up from a loss of USD 11m in 2023. The Group's balance sheet as of December 31, 2024 showed equity of USD 28.4m.

Profit/loss for the year in relation to expected developments

The development in revenue is in line with management's expectations.

The transition in January 2024 to Danish GAAP from IFRS greatly affect the gross profit as it, for the first time in 2024, include annual amortization of goodwill, please see the Accounting Policies section. The gross margin is also affected by write downs pertaining to previous years. Adjusted for these effects, the underlying gross margin shows good improvements.

Administrative expenses were also affected by the transition to Danish GAAP (see Accounting Policies) as well as write downs on bad debt from previous years.

Outlook

Global Scanning has a strong global market position and good opportunities for further profitable growth. A continued focus on R&D investments will enhance the competitive advantages. The management expects the profit for year 2025 to be on same level as 2024.

Tariffs imposed by the US in early 2025 can affect the result of Global Scanning in 2025.

Research and development activities

The group has, during the year, developed new products and software and kept up the high activity in the research departments. The group initiated a project by project approached in the accounting for R&D costs resulting in more costs expensed over the income statement.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2024

	Notes	2024 USD'000	2023 USD'000
Revenue		28,324	27,447
Production costs		(20,026)	(18,116)
Gross profit/loss		8,298	9,331
Distribution costs		(2,366)	(2,812)
Administrative expenses		(4,402)	(3,835)
Operating profit/loss		1,530	2,684
Other financial income	4	47	87
Impairment losses on financial assets		0	(13,000)
Other financial expenses	5	(263)	(809)
Profit/loss before tax		1,314	(11,038)
Tax on profit/loss for the year	6	(286)	(74)
Profit/loss for the year	7	1,028	(11,112)

Consolidated balance sheet at 31.12.2024

Assets

	Notes	2024 USD'000	2023 USD'000
Completed development projects	9	2,862	3,082
Acquired patents		1,043	1,215
Goodwill		14,042	15,602
Intangible assets	8	17,947	19,899
Land and buildings		1,641	1,705
Other fixtures and fittings, tools and equipment		147	182
Property, plant and equipment	10	1,788	1,887
Other receivables		40	44
Deferred tax	12	193	190
Financial assets	11	233	234
Fixed assets		19,968	22,020
Raw materials and consumables		2,546	3,011
Manufactured goods and goods for resale		2,952	2,629
Inventories		5,498	5,640
Trade receivables		3,967	3,877
Other receivables		9	0
Tax receivable		33	0
Prepayments	13	235	156
Receivables		4,244	4,033
Cash		5,383	2,044
Current assets		15,125	11,717
Assets		35,093	33,737

Equity and liabilities

		2024	2023
	Notes	USD'000	USD'000
Contributed capital	14	171	171
Translation reserve		383	270
Retained earnings		26,819	27,043
Proposed dividend for the financial year		1,028	0
Equity		28,401	27,484
Deferred tax	12	125	182
Other provisions	15	150	150
Provisions		275	332
Other payables	16	286	320
Non-current liabilities other than provisions	17	286	320
Bank loans		1,389	1,645
Trade payables		2,363	2,744
Tax payable		0	29
Other payables		2,149	1,000
Deferred income	18	230	183
Current liabilities other than provisions		6,131	5,601
Liabilities other than provisions		6,417	5,921
Equity and liabilities		35,093	33,737
Events after the balance sheet date	1		
Staff costs	2		
Amortisation, depreciation and impairment losses	3		
Unrecognised rental and lease commitments	20		
Assets charged and collateral	21		
Non-arm's length related party transactions	22		
Subsidiaries	23		

Consolidated statement of changes in equity for 2024

	Contributed capital USD'000	Translation reserve USD'000	Retained earnings USD'000	Proposed dividend for the financial year USD'000	Total USD'000
Equity beginning of year	171	270	27,043	0	27,484
Exchange rate adjustments	0	113	0	0	113
Other entries on equity	0	0	(224)	0	(224)
Profit/loss for the year	0	0	0	1,028	1,028
Equity end of year	171	383	26,819	1,028	28,401

Reference is made to the description in the applied accounting policies regarding the effect of changes in accounting policies. The net effect on equity at the beginning of the period amounts to USD 1 thousand, which is why this is not shown in the statement above.

Consolidated cash flow statement for 2024

	Notes	2024 USD'000	2023 USD'000
Operating profit/loss		1,530	2,684
Amortisation, depreciation and impairment losses		3,212	1,403
Working capital changes	19	745	333
Exchange rate adjustments		117	0
Cash flow from ordinary operating activities		5,604	4,420
Financial income received		47	87
Financial expenses paid		(263)	(745)
Taxes refunded/(paid)		(408)	0
Cash flows from operating activities		4,980	3,762
Acquisition etc. of intangible assets		(1,035)	(1,243)
Acquisition etc. of property, plant and equipment		(126)	(340)
Sale of property, plant and equipment		0	702
Cash flows from investing activities		(1,161)	(881)
Free cash flows generated from operations and investments before financing		3,819	2,881
Repayments of loans etc.		(256)	(550)
Repayment of debt to group enterprises		0	(2,671)
Other cash flows from financing activities		(224)	(68)
Cash flows from financing activities		(480)	(3,289)
Increase/decrease in cash and cash equivalents		3,339	(408)
Cash and cash equivalents beginning of year		2,044	2,452
Cash and cash equivalents end of year		5,383	2,044
Cash and cash equivalents at year-end are composed of:			
Cash		5,383	2,044
Cash and cash equivalents end of year		5,383	2,044

Notes to consolidated financial statements

1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Staff costs

	2024 USD'000	2023 USD'000
Wages and salaries	6,792	6,477
Pension costs	827	928
Other social security costs	358	371
	7,977	7,776
Average number of full-time employees	105	107

The company has chosen not to disclose remuneration to management in accordance with the exemption provisions in Section 98 b of the Danish Financial Statements Act.

3 Depreciation, amortisation and impairment losses

	2024 USD'000	2023 USD'000
Amortisation of intangible assets	2,987	1,057
Depreciation on property, plant and equipment	225	326
	3,212	1,383

4 Other financial income

	2024 USD'000	2023 USD'000
Other interest income	47	87
	47	87

5 Other financial expenses

	2024 USD'000	2023 USD'000
Other interest expenses	75	741
Exchange rate adjustments	82	68
Other financial expenses	106	0
	263	809

6 Tax on profit/loss for the year

	2024	2023
	USD'000	USD'000
Current tax	339	100
Change in deferred tax	(53)	(26)
	286	74

7 Proposed distribution of profit/loss

	2024	2023
	USD'000	USD'000
Ordinary dividend for the financial year	1,028	0
Retained earnings	0	(11,112)
	1,028	(11,112)

8 Intangible assets

	Completed development projects USD'000	Acquired patents USD'000	Goodwill USD'000
Cost beginning of year	37,236	3,031	28,602
Additions	1,035	0	0
Cost end of year	38,271	3,031	28,602
Amortisation and impairment losses beginning of year	(34,154)	(1,816)	(13,000)
Amortisation for the year	(1,255)	(172)	(1,560)
Amortisation and impairment losses end of year	(35,409)	(1,988)	(14,560)
Carrying amount end of year	2,862	1,043	14,042

9 Development projects

As of 31 December 2024, the balance of USD 2,862 thousand related to development projects includes one significant project valued at USD 1,059 thousand. This project aims to develop in scanners. Amortization of intangible assets are included in production costs. The cost associated with the development of these assets is on a running basis recognised as intangible assets. The amortization period is set to 3 years.

10 Property, plant and equipment

	Land and buildings USD'000	Other fixtures and fittings, tools and equipment USD'000
Cost beginning of year	4,741	3,775
Additions	91	35
Cost end of year	4,832	3,810
Depreciation and impairment losses beginning of year	(3,036)	(3,593)
Depreciation for the year	(155)	(70)
Depreciation and impairment losses end of year	(3,191)	(3,663)
Carrying amount end of year	1,641	147

11 Financial assets

	Other receivables USD'000	Deferred tax USD'000
Cost beginning of year	44	190
Exchange rate adjustments	(4)	0
Additions	0	3
Cost end of year	40	193
Carrying amount end of year	40	193

12 Deferred tax

	2024 USD'000	2023 USD'000
Intangible assets	25	28
Property, plant and equipment	168	162
Deferred tax	193	190

	2024 USD'000	2023 USD'000
Changes during the year		
Beginning of year	190	165
Recognised in the income statement	3	25
End of year	193	190

Deferred tax assets

Recognised deferred tax relates to intangible assets and property, plant and equipment.

13 Prepayments

Prepayments include prepayments where the expense has been incurred in the current financial year but relates to subsequent financial years

14 Contributed capital

	Number	Par value USD'000	Nominal value USD'000
A Shares	978,588	0	171
B Shares	1	0.00018	0
	978,589		171

15 Other provisions

Other provisions include provisions for warranties on own goods and products.

16 Other payables

	2024 USD'000	2023 USD'000
Holiday pay obligation	286	320
	286	320

17 Non-current liabilities other than provisions

	Due after more than 12 months 2024 USD'000
Other payables	286
	286

18 Deferred income

Deferred income includes prepaid revenue from service contracts. The amount relates to services to be delivered in the upcoming financial year and will be recognized in the income statement as the services are rendered.

19 Changes in working capital

	2024 USD'000	2023 USD'000
Increase/decrease in inventories	142	(33)
Increase/decrease in receivables	(178)	1,943
Increase/decrease in trade payables etc.	781	(1,577)
	745	333

20 Unrecognised rental and lease commitments

	2024 USD'000	2023 USD'000
Total liabilities under rental or lease agreements until maturity	144	258

21 Assets charged and collateral

The owner's mortgage deed in the properties nominally USD 8,400 thousand (2023: USD 8,571 thousand) is

pledged to banks in the Global Scanning Denmark A/S.

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 840 thousand (2023: USD 886 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 1,400 thousand (2023: USD 1,477 thousand), DKK 10 million. The value of inventories and trade receivables as per 31 December 2024 is USD 4,767 thousand (2023: USD 4,021 thousand). Global Scanning A/S has provided a guarantee.

22 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

23 Subsidiaries

	Registered in	Corporate form	Ownership %	Equity USD'000	Profit/loss USD'000
Global Scanning Denmark A/S	Denmark	A/S	100.00	16,834	1,289
Global Scanning Americas (MD) Inc	USA	Inc.	100.00	1,906	780
Global Scanning UK Ltd.	Great Britain	Inc.	100.00	10,766	0
Global Scanning Suzhou Co. Ltd.	China	Inc.	100.00	8,613	1,204

Parent income statement for 2024

		2024	2023
	Notes	USD'000	USD'000
Administrative expenses		(157)	(717)
Operating profit/loss		(157)	(717)
Impairment losses on financial assets		0	(13,000)
Other financial expenses	1	(169)	(551)
Profit/loss before fair value adjustments and tax		(326)	(14,268)
Profit/loss for the year	2	(326)	(14,268)

Parent balance sheet at 31.12.2024

Assets

	Notes	2024 USD'000	2023 USD'000
Investments in group enterprises		30,204	30,204
Financial assets	3	30,204	30,204
Fixed assets		30,204	30,204
Assets		30,204	30,204

Equity and liabilities

		2024	2023
	Notes	USD'000	USD'000
Contributed capital		171	171
Retained earnings		19,956	21,310
Proposed dividend for the financial year		1,028	0
Equity		21,155	21,481
Other payables	4	52	41
Non-current liabilities other than provisions		52	41
Trade payables		43	42
Payables to group enterprises		8,954	8,640
Current liabilities other than provisions		8,997	8,682
Liabilities other than provisions		9,049	8,723
Equity and liabilities		30,204	30,204
Employees	5		
Contingent liabilities	6		
Assets charged and collateral	7		
Related parties with controlling interest	8		
Non-arm's length related party transactions	9		

Parent statement of changes in equity for 2024

	Contributed capital USD'000	Retained earnings USD'000	Proposed dividend for the year USD'000	Total USD'000
Equity beginning of year	171	21,310	0	21,481
Profit/loss for the year	0	(1,354)	1,028	(326)
Equity end of year	171	19,956	1,028	21,155

To offer incentive pay in the form of share options, the Group's Board of Directors has made an option program that under certain conditions can increase the Company's A-share capital without preemption right for the Company's shareholders. The option program expires in October 2026 and will lapse if not exercised.

Notes to parent financial statements

1 Other financial expenses

	2024 USD'000	2023 USD'000
Financial expenses from group enterprises	160	160
Other interest expenses	9	391
	169	551

2 Proposed distribution of profit and loss

	2024 USD'000	2023 USD'000
Ordinary dividend for the financial year	1,028	0
Retained earnings	(1,354)	(14,268)
	(326)	(14,268)

3 Financial assets

	Investments in group enterprises USD'000
Cost beginning of year	30,204
Cost end of year	30,204
Carrying amount end of year	30,204

The investments in group entities are recognised in the Parent at cost and therefore, the results and equity of the Parent does not reflect the results of the Group enterprises.

Specification of investments in subsidiaries appears from the notes to the consolidated financial statements. Global Scanning A/S ownership in Global Scanning Denmark amounts to 52%. The remaining 48% is owned by the subsidiary Global Scanning UK Ltd.

4 Other payables

	2024 USD'000	2023 USD'000
Holiday pay obligation	52	41
	52	41

5 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

6 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities.

7 Assets charged and collateral

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 840 thousand (2023: USD 886 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 1,400 thousand (2023: USD 1,477 thousand), DKK 10 million. The value of inventories and trade receivables as per 31 December 2024 is USD 4,767 thousand (2023: USD 4,021 thousand). Global Scanning A/S has provided a guarantee.

8 Related parties with controlling interest

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

9 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The financial statements of the Company are presented in US dollars, which is the company's functional and presentation currency. The amounts have been rounded to the nearest thousand.

Changes in accounting policies

The Group and the Parent has changed its accounting policy with regard to implementing Danish Financial Statements Act (Danish GAAP) instead of IFRS. For the Parent, the change in accounting policies has no effect.

Leasing

As of 1 January 2024, the Group has transitioned from applying IFRS 16 to the Danish Financial Statements Act (Danish GAAP). In this context, the accounting practices have been aligned with Danish GAAP.

The change has impacted the balance sheet and profit & loss statement as follows:

- Assets has decreased by DKK 66.9 thousand (2023: USD 88 thousand)
- Liabilities has decreased by DKK 66.5 thousand (2023: USD 87 thousand)
- Equity has decreased by DKK 7 thousand (2023: An increase of USD 8 thousand)
- The P/L impact for the year is DKK 6.9 thousand (2023: DKK 7 thousand)

The comparative figures have been restated following the change in accounting policies.

Revenue

As of January 1, 2024, the Group has transitioned from applying IFRS 15 to the Danish Financial Statements Act (Danish GAAP). Sales are generally based on the point of delivery, when the risk is transferred to the buyer. Revenue from the sale of services is recognized in the income statement when delivery to the buyer has been completed. As a result, the change in 2024 from IFRS 15 to Danish GAAP has no effect.

Goodwill

When applying IFRS as the interpretative basis, no ongoing amortisation of Goodwill has been performed. Upon transitioning to the Danish Financial Statements Act as the interpretative basis, the value in the latest annual report from 2023 can be used as deemed cost. Management assesses that this value, as of 01.01.2024, should be amortised over a period of 10 years, which will consequently impact the financial figures going forward.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistent with last year, except for reclassifications which have not had an effect on profit and equity but are reclassifications.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a

result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in Management's proposal for the distribution of net profit/loss and equity, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Production costs

Production costs comprise cost of sales for the financial year, including normal writedown of inventories and other costs incurred to earn revenue for the financial year, including wages and salaries and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment involved in the distribution process.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationery and office supplies, and amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other financial income

Other financial income comprises interest income, including interest income on transactions in foreign currencies.

Impairment losses on financial assets

Impairment losses on financial assets comprises impairment losses on financial assets which are not measured at fair value on a current basis.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on transactions in foreign currencies.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful lives are reassessed annually. The amortisation periods used are 10 years. Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 3 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Buildings	20
Other fixtures and fittings, tools and equipment	2-6
License rights and patents	5-10

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary

differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other provisions

Other provisions comprise anticipated costs of guarantee commitments.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

The cash flow statement shows consolidated cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs.

Cash and cash equivalents comprise cash.

No cash flow statement has been prepared for the Parent as its cash flows are included in the consolidated cash flow statement, refer to section 86(4) of the Danish Financial Statements Act.