



# GLOBAL SCANNING

INTERIM REPORT  
JANUARY - MARCH 2016

	Group				Parent			
	Full year 2015	Full year 2014	Q1 2016	Q1 2015	Full year 2015	Full year 2014	Q1 2016	Q1 2015
Revenue, KUSD	46.016	53.000	12.949	11.874	-	-	-	-
Gross Profit, KUSD	21.097	24.083	5.701	5.760	-	-	-	-
EBITDA, KUSD	7.026	8.048	2.405	2.411	-	86	4	7
EBIT, kUSD	- 1.215	- 917	376	415	-	86	4	7
Net profit, kUSD	- 2.749	- 1.871	- 1.750	139	- 1.246	- 82	- 1.197	- 89
Gross Margin, %	46%	45%	44%	49%	-	-	-	-
EBITDA Margin, %	15%	15%	19%	20%	-	-	-	-
EBIT Margin, %	-3%	-2%	3%	3%	-	-	-	-
Cash flow from operating activities, kUSD	4.475	8.668	893	764	- 3.212	- 3.670	- 232	- 80
Equity ratio, %	44%	45%	43%	45%	61%	67%	60%	71%
Net debt/EBITDA, times	3,1	2,7	3,2	2,7	-	209,5	- 2.125,9	406,9
Interest coverage ratio, %	276%	380%	407%	536%	0%	621%	-1%	3%

### First quarter (January 1 to March 31 2016)

- Net sales for the group for the quarter amounted to 12.949 KUSD
- EBITDA for the group amounted to 2.405 KUSD
- As a result of the decision taken in August 2015 to move the production from own factory in Denmark to own factory in China, the majority of the employees at the factory in Denmark were given notice of dismissal in March 2016 and the retention bonuses associated with this action have been expensed and accrued for at a total of USD 575 KUSD.

## Comments from CEO

### Group overview

The group's objective is to maintain its position as the market leader in innovative and reliable 2D digital imaging solutions.

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

The Group develops, manufactures and markets large-format scanning solutions 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.

The group's 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.

### Comments on the first quarter

Sales revenue and EBITDA were above expectation during the first quarter due to the launch of new products in late 2015.

As the USD has weakened during Q1 the bond debt (nominal SEK) has increased and the net other financial items is therefore higher due to currency revaluation between SEK and USD.

### Other events

In August 2015 the Group announced the decision to move production from own factory in Denmark to own factory in China. As a result of this, the majority of all employees at the factory in Denmark were given notice of dismissal in March 2016.

### Significant events after the first quarter of 2016

No post balance sheet events have occurred which could materially affect the assessment of the Group's financial position after the first quarter of 2016.

### Outlook

The outlook for 2016 still looks stable, and currently on-plan, with potential to increase both Revenue and EBITDA - driven by the new product launches in late 2015, and further launches planned for 2016. Investment in R&D will remain strong in order to position the company for the future.

## Risks and uncertainties

The main risks for the next year relate to foreign exchange rates (especially continued significant appreciation of the USD) and any further deterioration in the global political and economic situation.

**Graham Tinn**

**CEO, Global Scanning A/S**

## Board Assurance

The Board of Directors and the executive Board give their assurance that this interim report provides a fair review of the company's and the group's operations, financial position and earnings, and describes material risks and uncertainties facing the company and the companies in the group.

The interim report has not been subject to audit or review by our auditors.

Allerød, April 27<sup>th</sup> 2016

Global Scanning A/S

(CVR no. 34 61 31 41)

**Graham James Ohn Tinn**  
CEO

**Gunnel Ellinor Duveblad**  
Chairman

**Tomas Håkan Therén**  
Board Member

**Oskar Emanuel Lindholm**  
Board Member

**Anne Raaen Rasmussen**  
Board Member

**Søren Thuun Jensen**  
Employee elected

**Brian Steen Jensen**  
Employee elected

## Reporting Dates

Interim report January - June 2016      August 26<sup>th</sup>, 2016

Interim report January - September 2016      November 4<sup>th</sup>, 2016

Interim report January - December 2016      February 28<sup>th</sup>, 2017

## Contact Information

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Interim Statement of income

	Group				Parent			
	Full year	Full year	Q1	Q1	Full year	Full year	Q1	Q1
	2015	2014	2016	2015	2015	2014	2016	2015
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Revenue</b>	<b>46.016</b>	<b>53.000</b>	<b>12.949</b>	<b>11.874</b>	-	-	-	-
Costs of sales	- 24.919	- 28.917	- 7.248	- 6.114	-	-	-	-
<b>Gross Profit</b>	<b>21.097</b>	<b>24.083</b>	<b>5.701</b>	<b>5.760</b>	-	-	-	-
Research and Development	- 3.657	- 4.969	- 1.073	- 775	-	-	-	-
Sales and Marketing	- 5.789	- 6.346	- 1.138	- 1.416	-	-	-	-
Support	- 891	- 362	- 259	- 239	-	-	-	-
Administration	- 3.734	- 4.358	- 826	- 919	-	- 86	- 4	7
<b>EBITDA</b>	<b>7.026</b>	<b>8.048</b>	<b>2.405</b>	<b>2.411</b>	-	- 86	- 4	7
Depreciation and Amortization	- 8.241	- 8.965	- 2.029	- 1.997	-	-	-	-
<b>EBIT</b>	<b>- 1.215</b>	<b>- 917</b>	<b>376</b>	<b>415</b>	-	- 86	- 4	7
Net Finance charges	- 2.549	- 2.116	- 591	- 450	- 1.877	14	- 549	- 278
Net other financial items	- 322	160	- 1.009	448	- 486	- 271	- 644	182
<b>EBT</b>	<b>- 4.086</b>	<b>- 2.874</b>	<b>- 1.223</b>	<b>413</b>	<b>- 2.364</b>	<b>- 343</b>	<b>- 1.197</b>	<b>- 89</b>
Income taxes	1.337	1.003	- 527	- 274	1.117	261	-	-
<b>Net profit for the year</b>	<b>- 2.749</b>	<b>- 1.871</b>	<b>- 1.750</b>	<b>139</b>	<b>- 1.246</b>	<b>- 82</b>	<b>- 1.197</b>	<b>- 89</b>

Interim Statement of comprehensive Income

	Group				Parent			
	Full year	Full year	Q1	Q1	Full year	Full year	Q1	Q1
	2015	2014	2016	2015	2015	2014	2016	2015
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
<b>Net profit for the year</b>	- 2.749	- 1.871	- 1.750	139	- 1.246	- 82	- 1.197	- 89
<b>Other comprehensive income</b>								
Exchange differences on translation of foreign operation	-	45	-	-	-	-	-	-
<b>Other comprehensive income to be reclassified to profit and loss in subsequent periods</b>								
Valuation adjustment for the year	- 1.755	- 675	- 118	- 514	- 19	- 315	-	98
Valuation adjustment reclassified to costs	1.747	28	423	-	-	-	-	-
Valuation adjustment reclassified to financial items	613	- 843	-	-	322	218	-	-
Income tax effect	- 148	373	- 67	126	- 74	24	-	23
<b>Total comprehensive income for the year, net of tax</b>	<b>- 2.292</b>	<b>- 3.034</b>	<b>- 1.512</b>	<b>- 249</b>	<b>- 1.018</b>	<b>- 155</b>	<b>- 1.197</b>	<b>- 14</b>

Interim Balance sheet

	Group				Parent			
	Year End 2015	Year End 2014	End Q1 2016	End Q1 2015	Year End 2015	Year End 2014	End Q1 2016	End Q1 2015
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Goodwill	28.602	28.602	28.602	28.602	-	-	-	-
Other intangible assets	13.576	17.840	12.339	16.857	-	-	-	-
Tangible fixed assets	5.169	5.094	5.013	5.193	-	-	-	-
Other long term assets	87	77	145	82	-	-	-	-
Investments in subsidiaries	-	-	-	-	53.366	53.366	53.366	53.366
Deferred tax assets	-	-	-	-	1.177	744	1.237	719
<b>Total non-current assets</b>	<b>47.435</b>	<b>51.614</b>	<b>46.099</b>	<b>50.733</b>	<b>54.543</b>	<b>54.110</b>	<b>54.603</b>	<b>54.085</b>
Inventory	7.003	6.680	6.371	7.099	-	-	-	-
Trade receivables	5.439	6.239	6.934	7.218	-	-	-	-
Receivables from group enterprises	-	-	-	-	6.744	3.967	6.512	1.028
Income tax receivable	521	412	30	17	609	-	-	-
Other receivables	1.189	1.090	1.420	1.293	6	-	7	-
Cash and cash equivalents	5.218	4.734	3.845	2.741	-	-	-	-
<b>Total current assets</b>	<b>19.370</b>	<b>19.155</b>	<b>18.601</b>	<b>18.368</b>	<b>7.359</b>	<b>3.967</b>	<b>6.519</b>	<b>1.028</b>
<b>Total assets</b>	<b>66.805</b>	<b>70.769</b>	<b>64.700</b>	<b>69.101</b>	<b>61.902</b>	<b>58.077</b>	<b>61.122</b>	<b>55.113</b>
<b>Total shareholders' equity</b>	<b>29.253</b>	<b>31.545</b>	<b>27.741</b>	<b>30.914</b>	<b>37.921</b>	<b>38.939</b>	<b>36.723</b>	<b>38.926</b>
Deferred tax	1.650	2.727	1.744	2.542	-	-	-	-
Bank loans	-	26.301	-	23.578	-	18.019	-	15.427
Bonds	23.025	-	24.019	-	23.025	-	24.019	-
<b>Long-term liabilities other than provision</b>	<b>24.675</b>	<b>29.028</b>	<b>25.763</b>	<b>26.120</b>	<b>23.025</b>	<b>18.019</b>	<b>24.019</b>	<b>15.427</b>
Bank debt	3.780	387	2.206	1.543	-	-	-	-
Trade payables	4.777	4.389	4.196	4.726	415	415	-	415
Income taxes payable	-	-	652	148	-	-	-	-
Debt to group enterprises	-	-	-	-	-	217	-	-
Other liabilities	4.320	5.419	4.141	5.650	541	487	379	345
<b>Short-term liabilities</b>	<b>12.877</b>	<b>10.196</b>	<b>11.195</b>	<b>12.066</b>	<b>956</b>	<b>1.119</b>	<b>379</b>	<b>760</b>
<b>Total liabilities other than provision</b>	<b>37.552</b>	<b>39.224</b>	<b>36.958</b>	<b>38.186</b>	<b>23.981</b>	<b>19.138</b>	<b>24.399</b>	<b>16.187</b>
<b>Total equity and liabilities</b>	<b>66.805</b>	<b>70.769</b>	<b>64.700</b>	<b>69.101</b>	<b>61.902</b>	<b>58.077</b>	<b>61.122</b>	<b>55.113</b>

Interim Statement of changes in shareholders' equity

USD '000	Group					
	Share capital	Share premium	Retained earnings	Foreign currency translation	Proposed dividend	Total
Balance 1/1 2015	164	40.172	- 8.791	-	-	31.545
Addition from capital increases	-	-	-	-	-	-
Net profit for the year	-	-	- 2.749	-	-	- 2.749
Valuation adjustment for the year	-	-	- 5.637	-	-	- 5.637
Valuation adjustment reclassified to costs	-	-	1.747	-	-	1.747
Valuation adjustment reclassified to financial items	-	-	4.495	-	-	4.495
Income tax effect	-	-	- 148	-	-	- 148
<b>Balance 1/1 2016</b>	<b>164</b>	<b>40.172</b>	<b>- 11.083</b>	<b>-</b>	<b>-</b>	<b>29.253</b>
Net profit for the year	-	-	- 1.750	-	-	- 1.750
Valuation adjustment for the year	-	-	- 118	-	-	- 118
Valuation adjustment reclassified to costs	-	-	423	-	-	423
Valuation adjustment reclassified to financial items	-	-	-	-	-	-
Income tax effect	-	-	- 67	-	-	- 67
<b>Shareholders' equity at 31/3 2016</b>	<b>164</b>	<b>40.172</b>	<b>- 12.595</b>	<b>-</b>	<b>-</b>	<b>27.741</b>

USD '000	Parent					
	Share capital	Share premium	Retained earnings	Foreign currency translation	Proposed dividend	Total
Balance 1/1 2015	164	40.172	- 1.397	-	-	38.939
Addition from capital increases	-	-	-	-	-	-
Net profit for the year	-	-	- 1.246	-	-	- 1.246
Valuation adjustment for the year	-	-	- 3.901	-	-	- 3.901
Valuation adjustment reclassified to costs	-	-	-	-	-	-
Valuation adjustment reclassified to financial items	-	-	4.204	-	-	4.204
Income tax effect	-	-	- 74	-	-	- 74
<b>Balance 1/1 2016</b>	<b>164</b>	<b>40.172</b>	<b>- 2.415</b>	<b>-</b>	<b>-</b>	<b>37.921</b>
Net profit for the year	-	-	- 1.197	-	-	- 1.197
Valuation adjustment for the year	-	-	-	-	-	-
Valuation adjustment reclassified to costs	-	-	-	-	-	-
Valuation adjustment reclassified to financial items	-	-	-	-	-	-
Income tax effect	-	-	-	-	-	-
<b>Shareholders' equity at 31/3 2016</b>	<b>164</b>	<b>40.172</b>	<b>- 3.612</b>	<b>-</b>	<b>-</b>	<b>36.723</b>



Interim Cash flow	Group				Parent					
	Full year	Full year	Q1	Q1	Full year	Full year	Q1	Q1		
	2015	2014	2016	2015	2015	2014	2016	2015		
<b>EBITDA</b>	<b>7.026</b>	<b>8.048</b>	<b>2.405</b>	<b>2.411</b>	-	-	<b>86</b>	-	<b>4</b>	<b>7</b>
Change in working capital	- 505	3.845	- 1.559	- 1.538	- 2.302	- 2.733	427	-	142	
Change in financial items	- 1.821	- 3.066	- 601	- 388	- 910	- 851	- 655	-	229	
Income taxes paid	- 224	- 159	649	279	-	-	-	-	-	
<b>Cash flow from operating activities</b>	<b>4.475</b>	<b>8.668</b>	<b>893</b>	<b>764</b>	<b>- 3.212</b>	<b>- 3.670</b>	<b>- 232</b>	-	<b>80</b>	
Additions of intangible assets	- 2.637	- 3.366	- 506	- 674	-	-	-	-	-	
Additions of property, plant and equipment	- 1.471	- 727	- 186	- 442	-	-	-	-	-	
<b>Cash flow from investing activities</b>	<b>- 4.108</b>	<b>- 4.093</b>	<b>- 692</b>	<b>- 1.116</b>	<b>-</b>	<b>-</b>	<b>-</b>	-	<b>-</b>	
Change in debt	- 3.276	- 5.448	-	- 2.796	5.006	- 3.674	-	-	2.642	
Capital contribution	-	6.017	-	-	-	6.017	-	-	-	
Dividend received	-	-	-	-	1.200	1.000	-	-	-	
Change in receivables from group enterprises	-	-	-	-	- 2.994	313	232	-	2.722	
<b>Cash flow from financing activities</b>	<b>- 3.276</b>	<b>569</b>	<b>-</b>	<b>- 2.796</b>	<b>3.212</b>	<b>3.656</b>	<b>232</b>	-	<b>80</b>	
<b>Net cash flow</b>	<b>- 2.909</b>	<b>5.144</b>	<b>201</b>	<b>- 3.148</b>	<b>-</b>	<b>- 14</b>	<b>-</b>	-	<b>-</b>	
<b>Cash and cash equivalents at the beginning of year</b>	<b>4.347</b>	<b>- 797</b>	<b>1.438</b>	<b>4.347</b>	<b>-</b>	<b>14</b>	<b>-</b>	-	<b>-</b>	
<b>Cash and cash equivalents at the end of year</b>	<b>1.438</b>	<b>4.347</b>	<b>1.639</b>	<b>1.198</b>	<b>-</b>	<b>-</b>	<b>-</b>	-	<b>-</b>	
<b>Cash and cash equivalents</b>										
Cash	5.218	4.734	3.845	2.741	-	-	-	-	-	
Bank debt	- 3.780	- 387	- 2.206	- 1.543	-	-	-	-	-	
	<b>1.438</b>	<b>4.347</b>	<b>1.639</b>	<b>1.198</b>	<b>-</b>	<b>-</b>	<b>-</b>	-	<b>-</b>	

## Wordlist

### **Gross Margin**

Gross Profit in relation to total revenue.

### **EBITDA Margin**

Operating income before depreciation (EBITDA) in relation to total revenue.

### **EBIT Margin**

Operating Profit (EBIT) in relation to total revenue.

### **Equity ratio**

Equity in relation to total assets.

### **Interest coverage ratio**

Operating income before depreciation (EBITDA) in relation to net finance charges.

### **IAS**

International Accounting Standards. The international accounting standards issued by the independent body, the International Accounting Standards Board (IASB) and processed and adopted by the EU. The rules must be complied by listed companies in the EU.

### **IFRS**

International Financial Reporting Standards. International accounting standards to be applied for the consolidated financial statements of listed companies in the EU from 2005.

## Accounting Policies

The interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU and additional Danish disclosure requirements for listed companies.

The accounting policies are consistent with those applied to the consolidated financial statements for 2015.

The consolidated financial statements for 2015 contain a full description of accounting policies.

### Changes in accounting policies

Effective 1 January 2016, Global Scanning A/S has implemented the following new or amended standards and interpretations:

- Amendments to IAS 16 and IAS 38 concerning methods of accounting for depreciation and amortization.
- Amendments to IFRS 11 concerning accounting for business acquisitions in joint operations.
- Amendments to IAS 1 for clarifications as a result of disclosure initiative.
- Amendments to IAS 27 about the equity method in separate financial statements.
- Annual Improvements to IFRSs 2012-14.

Annual improvements to IFRSs 2012-2014 Cycle result in changes to IFRS 5, IFRS 7, IAS 19 and IAS 34. Except for the amendments to IAS 34 the changes must be characterized as very specific changes with a narrow scope.

None of the new amendments and improvements has affected the recognition and measurement in the interim report.

As none of the new standards and interpretations impacted recognition and measurement in 2016, they did not impact the profit/loss for the year or diluted earnings per share either.

### Consolidation

The interim consolidated financial statements comprise the parent company, 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 interim consolidated financial statements are prepared on the basis of the interim financial statements of the consolidated entities by adding together like items. Intra-group income, expenses, gains, losses, investments, dividends and balances are eliminated.

Recently acquired or sold subsidiaries are recognized in the interim consolidated income statement for the period in which the parent controls such entities. Comparative figures are not restated for recently acquired or sold entities.

The purchase method of accounting is applied to the acquisition of subsidiaries. The cost is made up at the net present value of the consideration agreed plus directly attributable expenses. Conditional payments are recognized at the amount expected to be paid.

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.

## Significant accounting judgments

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 interim 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 2015 was USD 28,602 thousand (USD 28,602 thousand at 31 December 2014).

### **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.