

# **ECA Consortium A/S**

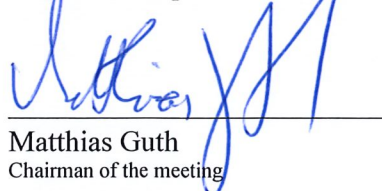
**Blegen 9, 4. TH, 6400 Sønderborg**

**Company reg. no. 37 95 18 38**

## **Annual report**

**2021**

The annual report was submitted and approved by the general meeting on the 12 May 2022.



**Matthias Guth**  
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

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## **Management's statement**

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Today, the Board of Directors and the Managing Director have approved the annual report of ECA Consortium A/S for the financial year 2021.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

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

We recommend that the annual report be approved at the Annual General Meeting.

Sønderborg, 11 May 2022

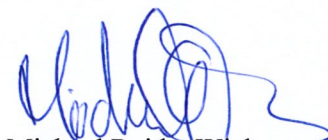
### **Managing Director**

Peter Madsen

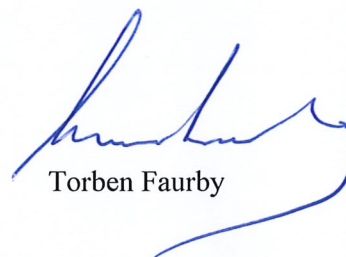
### **Board of directors**



David Rocci Friedland  
Chairman



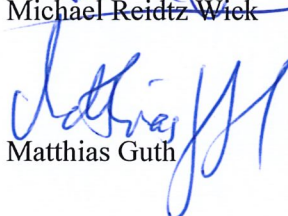
Michael Reidtz Wiek



Torben Faurby



Peter Madsen



Matthias Guth

## **Independent auditor's report**

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### **To the Shareholders of ECA Consortium A/S**

#### **Opinion**

We have audited the financial statements of ECA Consortium A/S for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under 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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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 are independent of the Company 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 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 about 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 these financial statements.

## **Independent auditor's report**

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the 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 Management's Review**

Management is responsible for Management's Review.

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

## **Independent auditor's report**

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In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management's Review.

Sønderborg, 11 May 2022

**Sønderjyllands Revision**

State Authorised Public Accountants  
Company reg. no. 18 06 16 35



**Flemming Callesen**

State Authorised Public Accountant  
mne18489

## Company information

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### **The company**

ECA Consortium A/S  
Blegen 9, 4. TH  
6400 Sønderborg

Company reg. no. 37 95 18 38  
Established: 19 August 2016  
Domicile: Sønderborg, Denmark  
Financial year: 1 January - 31 December  
6th financial year

### **Board of directors**

David Rocci Friedland, Chairman  
Michael Reidtz Wick  
Torben Faurby  
Peter Madsen  
Matthias Guth

### **Managing Director**

Peter Madsen

### **Auditors**

Sønderjyllands Revision Statsautoriseret revisionsaktieselskab  
Jyllandsgade 28  
6400 Sønderborg

## **Management's review**

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### **The principal activities of the company**

Like previous years, the principal activity is to commercialize the demand for relevant parties to get into or remain on the market for products that has to fulfill the requirement of the Biocidal Product Regulation (BPR).

### **Development in activities and financial matters**

The gross loss for the year totals EUR -293.094 against EUR 1.181.955 last year. The results from ordinary activities after tax are EUR -429.017 against EUR 960.033 last year.

The result in 2021 was a reflection of big development costs for product authorization and invoicing for product authorization for a big part, were postponed to 2022.

The result for 2022 is expected to show a reasonable profit, seen in the light of big investments also to be done in 2022. There is still a big interest from outside customers to buy our services so they can be following the BPR regulation 528/12 with an important deadline 1 of July 2022.

We have also decided that we will fulfill the UK BPR regulation taking place in 2022 and 2023 both to support our shareholders and external customers.



## **Accounting policies**

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The annual report for ECA Consortium A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises.

The accounting policies are unchanged from the previous year, and the annual report is presented in euro (EUR).

### **Recognition and measurement in general**

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

### **Foreign currency translation**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

## **Income statement**

### **Gross loss**

Gross loss comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

## **Accounting policies**

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Direct costs comprises costs concerning purchase of raw materials and consumables consumed to achieve revenue for the year.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise expenses incurred for distribution, sales, advertising, administration, premises and loss on receivables.

### **Staff costs**

Staff costs include salaries and wages, including pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

### **Results from investments in subsidiaries**

Dividend from investments in subsidiaries is recognised in the financial year in which the dividend is declared.

### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

## Statement of financial position

### **Investments**

#### **Investments in subsidiaries**

Investments in subsidiaries are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

#### **Impairment loss relating to non-current assets**

The carrying amount of equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

## **Accounting policies**

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### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand.

### **Equity**

#### **Share premium**

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

#### **Income tax and deferred tax**

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

#### **Liabilities other than provisions**

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

**Income statement 1 January - 31 December**

All amounts in EUR.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Gross profit</b>	<b>-293.094</b>	<b>1.181.955</b>
1 Staff costs	-127.910	-135.423
<b>Operating profit</b>	<b>-421.004</b>	<b>1.046.532</b>
Other financial income	77	0
Other financial expenses	-8.090	-3.889
<b>Pre-tax net profit or loss</b>	<b>-429.017</b>	<b>1.042.643</b>
Tax on net profit or loss for the year	0	-82.610
<b>Net profit or loss for the year</b>	<b>-429.017</b>	<b>960.033</b>
<b>Proposed appropriation of net profit:</b>		
Transferred to retained earnings	0	960.033
Allocated from retained earnings	-429.017	0
<b>Total allocations and transfers</b>	<b>-429.017</b>	<b>960.033</b>

**Balance sheet at 31 December**

All amounts in EUR.

<b>Assets</b>		
<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Non-current assets</b>		
Investments in subsidiaries	1	0
Total investments	1	0
<b>Total non-current assets</b>	<b>1</b>	<b>0</b>
<b>Current assets</b>		
Trade receivables	25.334	128.969
Income tax receivables	22.601	96.448
Other receivables	72.474	80.048
Total receivables	120.409	305.465
Cash and cash equivalents	1.176.465	1.176.296
<b>Total current assets</b>	<b>1.296.874</b>	<b>1.481.761</b>
<b>Total assets</b>	<b>1.296.875</b>	<b>1.481.761</b>

**Balance sheet at 31 December**

All amounts in EUR.

<b>Equity and liabilities</b>	<u>2021</u>	<u>2020</u>
<u>Note</u>		
<b>Equity</b>		
Contributed capital	102.000	94.000
Results brought forward	<u>978.161</u>	<u>1.255.325</u>
<b>Total equity</b>	<b><u>1.080.161</u></b>	<b><u>1.349.325</u></b>
 <b>Long term liabilities other than provisions</b>		
Trade payables	126.454	22.264
Other payables	<u>90.260</u>	<u>110.172</u>
Total short term liabilities other than provisions	<u>216.714</u>	<u>132.436</u>
 <b>Total liabilities other than provisions</b>	<b><u>216.714</u></b>	<b><u>132.436</u></b>
 <b>Total equity and liabilities</b>	<b><u>1.296.875</u></b>	<b><u>1.481.761</u></b>

**Statement of changes in equity**

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All amounts in EUR.

	<b>Contributed capital</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2021	94.000	0	1.255.325	1.349.325
Cash capital increase	8.000	151.853	0	159.853
Profit or loss for the year brought forward	0	0	-429.017	-429.017
Transferred to results brought forward	0	-151.853	151.853	0
	<b>102.000</b>	<b>0</b>	<b>978.161</b>	<b>1.080.161</b>

**Notes**

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All amounts in EUR.

	<u>2021</u>	<u>2020</u>
<b>1. Staff costs</b>		
Salaries and wages	127.754	135.240
Other costs for social security	<u>156</u>	<u>183</u>
	<b><u>127.910</u></b>	<b><u>135.423</u></b>
Average number of employees	<u>1</u>	<u>1</u>