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CVR no. 20 22 26 70

**NGDGROUP APS**  
**BIRK CENTERPARK 40, 7400 HERNING**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2022**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 5 July 2023**

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**Keld Rindom**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

**CVR NO. 38 36 07 36**

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**COMPANY DETAILS****Company**

NGDGroup ApS  
Birk Centerpark 40  
7400 Herning

CVR No.: 38 36 07 36  
Established: 25 January 2017  
Municipality: Vejle  
Financial Year: 1 January - 31 December

**Executive Board**

Keld Rindom

**Auditor**

BDO Statsautoriseret revisionsaktieselskab  
Roms Hule 4, 1. sal  
7100 Vejle

## MANAGEMENT'S STATEMENT

Today the Executive Board have discussed and approved the Annual Report of NGDGroup ApS for the financial year 1 January - 31 December 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In my opinion the Financial Statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

The Management Commentary includes in my opinion a fair presentation of the matters dealt with in the Commentary.

I recommend the Annual Report be approved at the Annual General Meeting.

Herning, 5 July 2023

Executive Board

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Keld Rindom

## THE INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of NGDGroup ApS

#### Conclusion

We have performed an extended review of the Financial Statements of NGDGroup ApS for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

#### Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of Financial Statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Extended Review 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### 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 Extended Review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the Financial Statements.

#### Statement on the Management Commentary

Management is responsible for the Management Commentary.

Our conclusion on the Financial Statements does not cover the Management Commentary, and we do not express any form of assurance conclusion thereon.

## THE INDEPENDENT AUDITOR'S REPORT

In connection with our extended review of the Financial Statements, our responsibility is to read the Management Commentary and, in doing so, consider whether the Management Commentary is materially inconsistent with the Financial Statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

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

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

Vejle, 5 July 2023

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Kristian Frost Vingum  
State Authorised Public Accountant  
MNE no. mne36183

## MANAGEMENT COMMENTARY

### Principal activities

The company's main activities are trading and other activities at the discretion of the management related business.

### Development in activities and financial and economic position

The year's result is affected by increasing sales costs for large international trade fairs in Denmark and abroad, as these are considered one of the company's most important sales channels in connection with spreading awareness of the product Green Drain, which is the company's most important product. In the aftermath of COVID-19, large international fairs are again being held in Denmark and abroad. As a result, the company's liquidity is affected.

As described in the paragraph "Significant events after the end of the financial year" below, the company has received new funds to the company along with a new investor has taken over the ownership of the company. The new funds has meant that debts to financial institutions have been paid off. Furthermore the new investor has given commitment to provide the company with liquidity to cover the current working capital, and to the extent deemed necessary for the financial year 2023.

There are still great expectations for the coming financial year 2023, as a great interest in the company's products continues to be felt and a significant growth in sales and earnings is expected, since the company is very close to entering into a major international cooperation agreement, which will increase the company's earnings significantly.

As part of the ongoing planning and management of liquidity, the company has drawn up an operating and liquidity budget. The management considers the budgeted result to be the most likely development and it is a prerequisite for the company's continued operation that the budgets can be met.

### Significant events after the end of the financial year

After the end of the financial year, the company has received new funds to the company along with a new investor has taken over the ownership of the company. The new funds has meant that debts to financial institutions have been paid off. Furthermore the new investor has given commitment to provide the company with liquidity to cover the current working capital, and to the extent deemed necessary for the financial year 2023.

No further events have occurred after the end of the financial year of material importance for the company's financial position.

## INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 DKK
<b>GROSS PROFIT</b> .....	1	530,045	443,650
Staff costs.....	2	-919,641	-1,060,149
Depreciation, amortisation and impairment losses.....		-142,336	-123,242
<b>OPERATING LOSS</b> .....		<b>-531,932</b>	<b>-739,741</b>
Other financial income.....	3	8,725	3,223
Other financial expenses.....	4	-266,920	-172,642
<b>LOSS BEFORE TAX</b> .....		<b>-790,127</b>	<b>-909,160</b>
Tax on profit/loss for the year.....		0	0
<b>LOSS FOR THE YEAR</b> .....		<b>-790,127</b>	<b>-909,160</b>
<b>PROPOSED DISTRIBUTION OF PROFIT</b>			
Retained earnings.....		-790,127	-909,160
<b>TOTAL</b> .....		<b>-790,127</b>	<b>-909,160</b>



## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK	2021 DKK
Other plant, machinery, tools and equipment.....		371,646	513,982
Property, plant and equipment.....	5	371,646	513,982
Rent deposit and other receivables.....		21,535	21,535
Financial non-current assets.....	6	21,535	21,535
<b>NON-CURRENT ASSETS.....</b>		<b>393,181</b>	<b>535,517</b>
Finished goods and goods for resale.....		691,624	2,271,253
Inventories.....		691,624	2,271,253
Trade receivables.....		429,545	322,786
Receivables from group enterprises.....		140,770	93,847
Deferred tax assets.....		20,341	20,341
Other receivables.....		10,790	0
Prepayments and accrued income.....		58,999	34,110
Receivables.....		660,445	471,084
<b>CURRENT ASSETS.....</b>		<b>1,352,069</b>	<b>2,742,337</b>
<b>ASSETS.....</b>		<b>1,745,250</b>	<b>3,277,854</b>

# BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2022 DKK	2021 DKK
Share capital.....		50,000	50,000
Retained profit.....		-1,541,507	-751,380
<b>EQUITY.....</b>		<b>-1,491,507</b>	<b>-701,380</b>
Bank debt.....		1,775,110	2,149,455
Trade payables.....		510,550	809,053
Payables to group enterprises.....		236,032	325,163
Other liabilities.....		715,065	695,563
<b>Current liabilities.....</b>		<b>3,236,757</b>	<b>3,979,234</b>
<b>LIABILITIES.....</b>		<b>3,236,757</b>	<b>3,979,234</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>1,745,250</b>	<b>3,277,854</b>
Contingencies etc.	7		
Charges and securities	8		
Conditions for continued operation	9		

# EQUITY

	Share capital	Retained profit	Total
Equity at 1 January 2022.....	50,000	-751,380	-701,380
Proposed profit allocation.....		-790,127	-790,127
<b>Equity at 31 December 2022.....</b>	<b>50,000</b>	<b>-1,541,507</b>	<b>-1,491,507</b>

## NOTES

			Note
<b>Special items</b>			<b>1</b>
The company has received a compensation for lost revenue including operating loss in 2021/22 is DKK 41,013. This income has been recognised under other operating income in the Income Statement.			
COVID-19 aid packages.....	0	41,013	
	<b>0</b>	<b>41,013</b>	
<b>Staff costs</b>			<b>2</b>
Average number of employees	2	2	
Wages and salaries.....	842,714	997,174	
Pensions.....	45,000	45,000	
Social security costs.....	12,691	13,920	
Other staff costs.....	19,236	4,055	
	<b>919,641</b>	<b>1,060,149</b>	
<b>Other financial income</b>			<b>3</b>
Group enterprises.....	5,409	3,223	
Other interest income.....	3,316	0	
	<b>8,725</b>	<b>3,223</b>	
<b>Other financial expenses</b>			<b>4</b>
Group enterprises.....	11,447	11,222	
Other interest expenses.....	255,473	161,420	
	<b>266,920</b>	<b>172,642</b>	
<b>Property, plant and equipment</b>			<b>5</b>
		Other plant, machinery, tools and equipment	
Cost at 1 January 2022.....		706,896	
<b>Cost at 31 December 2022.....</b>		<b>706,896</b>	
Depreciation and impairment losses at 1 January 2022.....		192,914	
Depreciation for the year.....		142,336	
<b>Depreciation and impairment losses at 31 December 2022.....</b>		<b>335,250</b>	
<b>Carrying amount at 31 December 2022.....</b>		<b>371,646</b>	

## NOTES

		Note
<b>Financial non-current assets</b>		<b>6</b>
	Rent deposit and other receivables	
Cost at 1 January 2022.....	21,535	
Cost at 31 December 2022.....	21,535	
Carrying amount at 31 December 2022.....	21,535	
<b>Contingencies etc.</b>		<b>7</b>
<b>Contingent liabilities</b>		
The company has provided a self-guarantee capped at DKK 800,000 in relation to its commitment with Nordea Bank Danmark A/S for HO-PE A/S. As of December 31, 2022, the outstanding balance with the financial institution amounts to a debt of DKK 353,252.		
<b>Operational leasing</b>		
The company has entered into operational lease and leasing agreements with an average annual lease payment of DKK 40,000.		
<b>Joint liabilities</b>		
The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.		
Tax payable on the Group's joint taxable income is stated in the annual report of Rindom Holding ApS, which serves as management company for the joint taxation.		
<b>Charges and securities</b>		<b>8</b>
For the purpose of securing a bank debt of 1,775 tkr., the company has provided a business collateral of nominal value 1,000 tkr. The business collateral includes the following assets, with their respective accounting values on the balance sheet date (in kr.):		
Receivables from sales and services .....	DKK 429.545	
Inventory and merchandise .....	DKK 691.624	
Other fixed assets, machinery, and inventory .....	DKK 371.646	

**NOTES****Note****Conditions for continued operation****9**

As described in the paragraph "Significant events after the end of the financial year" in the Management Commentary, the company has received new funds to the company along with a new investor has taken over the ownership of the company. The new funds has meant that debts to financial institutions have been paid off. Furthermore the new investor has given commitment to provide the company with liquidity to cover the current working capital, and to the extent deemed necessary for the financial year 2023.

There are still great expectations for the coming financial year 2023, as a great interest in the company's products continues to be felt and a significant growth in sales and earnings is expected, since the company is very close to entering into a major international cooperation agreement, which will increase the company's earnings significantly.

As part of the ongoing planning and management of liquidity, the company has drawn up an operating and liquidity budget. The management considers the budgeted result to be the most likely development and it is a prerequisite for the company's continued operation that the budgets can be met.

## ACCOUNTING POLICIES

The Annual Report of NGDGroup ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B.

The Annual Report is prepared consistently with the accounting principles used last year.

### INCOME STATEMENT

#### Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

#### Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

#### Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

#### Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

#### Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

#### Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

#### Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

## ACCOUNTING POLICIES

### BALANCE SHEET

#### Tangible fixed assets

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

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment.....	5 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

#### Financial non-current assets

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

#### Impairment of fixed assets

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

#### Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

#### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

#### Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.



## ACCOUNTING POLICIES

### **Tax payable and deferred tax**

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### **Liabilities**

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.