

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2019

WOODBOS INTERNATIONAL APS

Høffdingsvej 34

2500 Valby

CENTRAL BUSINESS REGISTRATION no. 26 99 53 45

Adopted at the Company's
Annual General Meeting,
on 1/5 2020



Paul Dolan

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Company

Woodbois International ApS
Høffdingsvej 34
2500 Valby

Central Business Registration no. 26 99 53 45

Registered in: Valby

Board of Executives

Jacob Hansen

Zahid Abbas

Board of Directors

Paul Dolan

Jacob Hansen

Zahid Abbas

Company auditors

inforevision
statsautoriseret revisionsaktieselskab
Buddingevej 312
2860 Søborg
Central business registration no. 19263096

Vibeke Düring Reyes Jensen, State Authorized Public Accountant
Lasse Sværke, State Authorized Public Accountant

| DKK in thousands. | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| <u>Profit and loss account:</u> | | | | | |
| Gross profit/loss | 6.300 | 3.359 | -2.191 | 7.130 | 7.205 |
| Operating profit/loss | 2.274 | -1.031 | -6.948 | 3.534 | 2.537 |
| Net financials | -312 | -5.559 | -3.331 | -843 | -1.376 |
| Results for the year | 1.998 | -7.244 | -9.442 | 2.100 | 892 |
| <u>Balance sheet:</u> | | | | | |
| Balance sheet sum | 108.974 | 97.035 | 66.658 | 65.973 | 57.125 |
| Investments in tangible fixed assets represent | 0 | 0 | 363 | 479 | 225 |
| Equity | 4.093 | 2.096 | 9.340 | 18.982 | 16.882 |
| <u>Employees:</u> | | | | | |
| Average number of full time employees | 5 | 5 | 5 | 5 | 5 |
| <u>Key figures in %:</u> | | | | | |
| Current ratio | 190,9 | 133,9 | 147,0 | 169,5 | 104,3 |
| Solvency ratio | 3,8 | 2,2 | 14,0 | 28,8 | 29,6 |
| Return on equity | 64,6 | -126,7 | -66,7 | 11,7 | 5,4 |

The calculation of key figures and ratios does in all material respects follow the Danish Association of Finance Analysts' recommendations and does only in a few respects deviate from the recommendations.

The key figures appearing from the survey have been calculated as follows:

| | |
|------------------|---|
| Current ratio | $\frac{\text{Current assets} \times 100}{\text{Short-term liabilities}}$ |
| Equity share | $\frac{\text{Equity, closing balance} \times 100}{\text{Assets in total, closing balance}}$ |
| Return on equity | $\frac{\text{Results for the year} \times 100}{\text{Average equity}}$ |

The principal activities of the company

The company's main activity is international trading with wood and wood related products. A larger part of the trading comes from own resources and production compared to previous years.

The company has today 3 main activities; 1) forest production and management, 2) timber and veneers production and 3) timber trading.

All trading with the company's products is done from the company's office in Denmark.

Development in activities and financial matters

The gross profit for the year is tDKK 6.300 against tDKK 3.359 last year. The results from ordinary activities after tax are tDKK 1.998 against tDKK -7.442 last year. Growth is considered satisfactory by management.

Special risks*Exchange rate risks:*

Due to the fact that the majority of sales and purchases are done in foreign currency, the company's results, cash flow and equity are affected by exchange rate fluctuations in a number of currencies, primarily Euro and US Dollar.

Environmental issues

The company's activities are carried out in a manner that accommodates both the internal and external environment. The company complies with the European law on trading with wood (EURT), and furthermore due to the fact that the company is involved in forestry in Gabon, there are currently studies going on to achieve certification on all the company's products to benefit the environment even more than already demanded.

Know how resources*Human resources:*

The company's resources in terms of human resources are sufficient at the current level of activity, but as growth is expected, development in the HR department is also expected. The company aims to keep, attract and develop the best human resources within the line of the company's business.

Product resources:

The company has sufficient resources to make a positive development in the future. One of the main factors is that the company, at the current level only produces about 1/3 of the achievable level for production from the company's own forest in Gabon.

Research and development activities

The company is studying the best norms of forest operation that will allow future growth and better extraction of the company's wood from the forest.

The expected development

The company expects growth in its trading operations as the group is gearing for larger resale of own products which would incur larger mark ups.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

The Board of Directors and Board of Executives have today discussed and approved the annual report for the financial year 1 January - 31 December 2019 of Woodbois International ApS.

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


In our opinion the financial statements give a true and fair view of the Company's financial position at 31 December 2019 and of the result of the Company's operations for the financial year 1 January-31 December 2019.

In our opinion the management's review includes a fair review about the matters the review deals with.

We recommend that the Annual Report be approved at the annual general meeting.

Valby, 1st May 2020

Board of Executives




Jacob Hansen
CEO




Zahid Abbas
Executive


Board of Directors



Paul Dolan
Chairman



Jacob Hansen
Boardmember



Zahid Abbas
Boardmember

To the shareholders of Woodbois International ApS

Report on the Financial Statement

Opinion

We have audited the Financial Statements of Woodbois International ApS for the financial year 1 January to 31 December 2019, which comprise the accounting policies applied, the income statement, the balance sheet, statement of changes in equity and notes. 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 Company's financial position at 31. december 2019, and of the results of the Company's operations for the financial year 1 January to 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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.

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 and 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 the 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.

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.

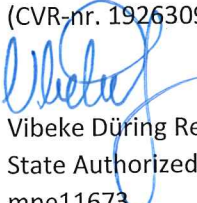
Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not identify any material misstatement of Management's Review.

Report on Other Legal and Regulatory Requirements**Violation of the legislation on providing loan to shareholders**

The Company has during the year granted a loan to the Parent Company, Argento Limited. As at 31 December 2019 the loan amount to DKK 9,2 million. The loan is in violation with the Danish Corporate Act section 210 and Management may incur liability.

Søborg, 1st May 2020

inforevision
statsautoriseret revisionsaktieselskab
(CVR-nr. 19263096)


Vibeke Düring Reyes Jensen
State Authorized Public Accountant
mne11673


Lasse Sværke
State Authorized Public Accountant
mne34318

The annual report has been prepared in accordance with Danish financial statements legislation as well as generally accepted accounting principles.

The annual report has been prepared in accordance with the reporting requirements of the Danish Financial Statements Act of class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year.

No consolidated annual accounts have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The annual accounts of WoodBois International ApS and its group enterprises are included in the consolidated annual accounts for Woodbois Limited, Guernsey, reg. nr. 52184.

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the enterprise has been prepared, as the relevant information is included in the consolidated annual accounts of Woodbois Limited.

RECOGNITION AND MEASUREMENT

The financial statements have been prepared based on historical cost.

The income is recognised in the income statement as earned. Further to this, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Furthermore, all costs incurred to earn the profit or loss for year have been recognised in the income statement, including amortisation, depreciation, write-down and provisions as well as reversals as a consequence of changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow into the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each financial statement item.

RECOGNITION AND MEASUREMENT, continued

Certain financial assets and liabilities are measured at amortised cost, by which a constant redemption yield is recognised over the term. Amortised cost is calculated as original cost less instalments and addition/deduction of the accumulated amortisation of the difference between cost and the nominal amount. Thereby, capital and exchange losses or gains are allocated over the term.

On recognition and measurement, anticipated losses and risks that appear before presentation of the annual report and which confirm or invalidate affairs or conditions existing at the balance sheet date are considered.

The functional currency is Danish kroner, DKK. All other currencies are considered foreign currencies.

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.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

INCOME STATEMENT

The income statement has been classified by nature.

Gross profit/loss

The gross profit comprises the net turnover, changes in inventories of finished goods, other operating income, raw materials and consumables used and other external costs.

The net turnover is recognised in the profit and loss account when the following conditions are satisfied; risk and ownership is transferred to the buyer, effective control over the goods sold is transferred to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transactions will float to the company and the cost incurred in respect to the transaction can be measured reliably. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains on disposal of intangible and tangible fixed assets.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

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

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to tangible fixed assets respectively.

Other financial income and other financial expenses

Financial income and expenses is recognised with amounts concerning the financial year. Financial items comprise interest, realised and unrealised exchange gains and losses, realised and unrealised gains and losses on sale of other securities and investments, dividends, amortised interest on lease commitments as well as interest surcharge and interest reimbursements under the Danish Tax Prepayment Scheme.

Tax on profit or loss for the year income taxes

Tax on profit or loss for the year represents 22% of the book profit or loss adjusted for non-taxable and non-deductible items.

Tax on profit or loss for the year consists of the anticipated tax portion of the taxable income for the year adjusted for the changes for the year in deferred tax. Changes in deferred taxes due to adjustments of tax rates is recognised in the income statement.

The Company is jointly taxed with other Danish group enterprises with the Company as management company. The tax effect of the joint taxation is allocated among the group enterprises in ratio to their taxable income according to the rules on full allocation with a refund for tax losses of the Danish Corporation Tax Act.

Corporation tax relating to the financial year which has not been settled at the balance sheet date is to be classified as corporation tax in receivables or liabilities other than provisions.

Joint tax contributions between the jointly taxed companies which have not been settled at the balance sheet date are classified as joint tax contributions in receivables or liabilities.

The Company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognised in financial income and expenses.

BALANCE SHEET

The balance sheet has been presented in account form.

ASSETS**Tangible fixed assets**

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

| | Useful life | Residual value |
|--|-------------|----------------|
| Other plants, operating assets, fixtures and furniture | 5 years | 0% |

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Financial fixed assets**Equity investments in group enterprises**

Equity investments in group enterprises are measured at cost. In case the recoverable amount is lower than the cost, writedown takes place to this lower value.

Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost plus expenses resulting directly from the purchase.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down for bad debt according to an individual assessment.

EQUITY AND LIABILITIES**Equity**

Management's proposed dividends for the financial year is disclosed as a separate item in equity.

Expenses related to capital increases is recognised directly in equity.

Provision for deferred tax

Deferred tax is measured according to the liability method. Provision has been made for deferred tax by 22 % on all temporary differences between carrying amount and tax-based value of assets and liabilities.

Deferred tax is also measures with respect of the planned use of the asset and the settlement of the liability. The tax value of the tax losses to be carried forward are included in the calculation of deferred taxes if it is probable that the losses can be used.

The tax-based values of tax losses carried forward are included in the statement of deferred tax if it is probable that the losses can be utilised.

Deferred tax assets which are not expected utilised within a few years have been disclosed in notes under contingent assets.

Financial liabilities

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

INCOME STATEMENT
1 JANUARY - 31 DECEMBER 2019

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| <u>Note</u> | <u>2019</u> | <u>2018</u> |
|--|-------------------------|--------------------------|
| GROSS PROFIT/LOSS | 6.300.456 | 3.359.410 |
| 1 Staff costs | -3.607.898 | -3.972.489 |
| 6 Amortisation, depreciation and impairment losses | <u>-418.275</u> | <u>-418.286</u> |
| OPERATING PROFIT/LOSS | 2.274.283 | -1.031.365 |
| 2 Other financial income | 1.453.916 | 863.994 |
| 3 Other financial expenses | <u>-1.765.894</u> | <u>-6.423.398</u> |
| PROFIT/LOSS BEFORE TAX | 1.962.305 | -6.590.768 |
| 5 Tax on profit/loss for the year | <u>35.395</u> | <u>-653.181</u> |
| PROFIT/LOSS FOR THE YEAR | <u><u>1.997.700</u></u> | <u><u>-7.243.949</u></u> |

ASSETS

| <u>Note</u> | <u>31/12 2019</u> | <u>31/12 2018</u> |
|---|---------------------------|--------------------------|
| 6,10 Other fixtures and fittings, tools and equipment | 320.214 | 738.489 |
| PROPERTY, PLANT AND EQUIPMENT | <u>320.214</u> | <u>738.489</u> |
| 7 Investments in group enterprises | 113.400 | 113.400 |
| Deposits | 50.580 | 26.580 |
| 5 Deferred tax assets | <u>0</u> | <u>0</u> |
| FIXED ASSET INVESTMENTS | <u>163.980</u> | <u>139.980</u> |
| FIXED ASSETS | <u>484.194</u> | <u>878.469</u> |
| Manufactured goods and trade goods | 28.697.482 | 30.554.883 |
| Prepayments for goods | <u>15.104.687</u> | <u>30.234.676</u> |
| INVENTORIES IN TOTAL | <u>43.802.169</u> | <u>60.789.559</u> |
| 10 Trade receivables | 10.766.119 | 14.133.246 |
| Receivables from group enterprises | 51.897.038 | 20.611.929 |
| Other receivables | 356.000 | 0 |
| 5 Corporate tax receivables | 35.395 | 190.848 |
| Prepayments | <u>263.442</u> | <u>73.193</u> |
| RECEIVABLES | <u>63.317.994</u> | <u>35.009.216</u> |
| CASH | <u>1.369.752</u> | <u>358.254</u> |
| CURRENT ASSETS | <u>108.489.915</u> | <u>96.157.029</u> |
| TOTAL ASSETS | <u><u>108.974.109</u></u> | <u><u>97.035.498</u></u> |

| <u>Note</u> | <u>31/12 2019</u> | <u>31/12 2018</u> |
|--|----------------------------------|---------------------------------|
| Share capital | 125.000 | 125.000 |
| Retained earnings | 3.968.468 | 1.970.768 |
| Proposed dividends for the financial year | <u>0</u> | <u>0</u> |
| EQUITY | <u>4.093.468</u> | <u>2.095.768</u> |
| Debt to group enterprises | 47.669.655 | 4.156.082 |
| Bank debts | 81.735 | 18.987.593 |
| Other payables | <u>51.788</u> | <u>0</u> |
| 8 LONG-TERM LIABILITIES OTHER THAN PROVISIONS | <u>47.803.178</u> | <u>23.143.675</u> |
| 8 Current portion of long-term liabilities other than provisions | 433.000 | 10.470.264 |
| Bank debts | 27.417.650 | 7.837.683 |
| Prepayments received from customers | 7.170.868 | 7.706.301 |
| Trade payables | 3.930.429 | 10.745.664 |
| Payables to group enterprises | 17.330.396 | 34.510.854 |
| Other payables | <u>795.120</u> | <u>525.289</u> |
| SHORT-TERM LIABILITIES OTHER THAN PROVISIONS | <u>57.077.463</u> | <u>71.796.054</u> |
| LIABILITIES OTHER THAN PROVISIONS | <u>104.880.641</u> | <u>94.939.729</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>108.974.109</u></u> | <u><u>97.035.498</u></u> |
| 9 Contingent liabilities | | |
| 10 Assets charged and security | | |
| 11 Contractual obligations | | |

STATEMENT OF CHANGES IN EQUITY

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| | Share capital | Retained earnings | Proposed dividends | TOTAL |
|--|------------------|----------------------|-----------------------|-------------------|
| Equity at 1/1 2018 | 125.000 | 9.214.717 | 0 | 9.339.717 |
| Dividends paid | | | | 0 |
| Transferred from distribution of profit/loss | | <u>-7.243.949</u> | | <u>-7.243.949</u> |
| Equity at 1/1 2019 | 125.000 | 1.970.768 | 0 | 2.095.768 |
| Expenses related to capital increase | | | | 0 |
| Dividends paid | | | | 0 |
| Transferred from distribution of profit/loss | | <u>1.997.700</u> | <u>0</u> | <u>1.997.700</u> |
| Equity at 31/12 2019 | <u>125.000</u> | <u>3.968.468</u> | <u>0</u> | <u>4.093.468</u> |

| 1 | <u>Staff costs</u> | <u>2019</u> | <u>2018</u> |
|---|-----------------------------|-------------------------|-------------------------|
| | Wages and salaries | 3.448.973 | 3.820.888 |
| | Pensions | 119.495 | 108.000 |
| | Other social security costs | 24.751 | 30.243 |
| | Other staff costs | <u>14.679</u> | <u>13.358</u> |
| | TOTAL | <u><u>3.607.898</u></u> | <u><u>3.972.489</u></u> |
| | Executive board | <u>2.562.087</u> | <u>2.420.796</u> |

The average number of full-time employees has represented 5 in this financial year against 5 in the previous financial year.

| 2 | <u>Other financial income</u> | <u>2019</u> | <u>2018</u> |
|---|--|-------------------------|-----------------------|
| | Interest income from group enterprises | 1.453.778 | 805.683 |
| | Other financial income | <u>138</u> | <u>58.311</u> |
| | I ALT | <u><u>1.453.916</u></u> | <u><u>863.994</u></u> |

| 3 | <u>Other financial expenses</u> | <u>2019</u> | <u>2018</u> |
|---|--|-------------------------|-------------------------|
| | Interest expenses to group enterprises | 0 | 2.574.483 |
| | Other financial expenses | <u>1.765.894</u> | <u>3.848.915</u> |
| | I ALT | <u><u>1.765.894</u></u> | <u><u>6.423.398</u></u> |

| 4 | <u>Distribution of profit/loss</u> | <u>2019</u> | <u>2018</u> |
|---|---|-------------------------|--------------------------|
| | Proposed dividends for the financial year | 0 | 0 |
| | Retained earnings | <u>1.997.700</u> | <u>-7.243.949</u> |
| | I ALT | <u><u>1.997.700</u></u> | <u><u>-7.243.949</u></u> |

5 Corporation tax and deferred tax

| | <u>Income taxes</u> | <u>Deferred tax</u> | <u>Acc. to the inc. statement</u> | <u>2018</u> |
|-------------------------------------|---------------------------|---------------------|---------------------------------------|---------------------------|
| Payable at 1/1 2019 | -190.848 | 0 | | |
| Adjustment, previous years | 0 | 0 | 0 | |
| Received in 2019 | 190.848 | | | |
| Tax for the year | <u>-35.395</u> | <u>0</u> | <u>-35.395</u> | <u>653.181</u> |
| PAYABLE AT 31/12 2019 | <u><u>-35.395</u></u> | <u><u>0</u></u> | | |
| TAX ON PROFIT/LOSS FOR THE YEAR | | | <u><u>-35.395</u></u> | <u><u>653.181</u></u> |

6 List of fixed assets, depreciation,
property, plant and equipment

| | Plant and machinery | TOTAL | 31/12 2018 |
|--|---------------------------|------------------|------------------|
| Cost at 1/1 2019 | 2.091.422 | 2.091.422 | 2.112.918 |
| Additions for the year | 0 | 0 | 0 |
| Disposals for the year | 0 | 0 | -21.496 |
| COST AT 31/12 2019 | 2.091.422 | 2.091.422 | 2.091.422 |
| Depreciation and impairment at 1/1 2019 | 1.352.933 | 1.352.933 | 956.143 |
| Depreciation for the year | 418.275 | 418.275 | 418.286 |
| Depreciation and impairment, disposals for the year | 0 | 0 | -21.496 |
| DEPRECIATION AND IMPAIRMENT AT 31/12 2019 | 1.771.208 | 1.771.208 | 1.352.933 |
| CARRYING AMOUNT AT 31/12 2019 | 320.214 | 320.214 | 738.489 |

7 Investments in group enterprises

| | <u>Group enterprises</u> |
|-------------------------------|--------------------------|
| Cost at 1/1 2019 | 113.400 |
| Additions for the year | 0 |
| Disposals for the year | <u>0</u> |
| COST AT 31/12 2019 | <u>113.400</u> |
| CARRYING AMOUNT AT 31/12 2019 | <u><u>113.400</u></u> |

The financial highlights for the enterprises according to the latest approved annual reports

| | <u>Share of ownership</u> | <u>Equity</u> | <u>Results for the year</u> | <u>Book value at WoodBois International ApS</u> |
|-----------------------|---------------------------|---------------|-----------------------------|---|
| Woodbois Gabon, Gabon | 100% | -7.889.464 | -8.070.832 | 113.400 |

8 Long-term liabilities other than provisions

| | <u>31/12 2019</u> | <u>31/12 2018</u> |
|--|-----------------------|--------------------------|
| <u>Total debt:</u> | | |
| Debt to group enterprises | 47.669.655 | 4.156.082 |
| Bank debt | 514.735 | 29.457.857 |
| Other payables | <u>51.788</u> | <u>0</u> |
| TOTAL | <u><u>51.788</u></u> | <u><u>29.457.857</u></u> |
| <u>Installments next financial year:</u> | | |
| Debt to group enterprises | 0 | 0 |
| Bank debt | 433.000 | 10.470.264 |
| Other payables | <u>0</u> | <u>0</u> |
| TOTAL | <u><u>433.000</u></u> | <u><u>10.470.264</u></u> |
| <u>Debt outstanding after 5 years:</u> | | |
| Debt to group enterprises | 47.669.655 | 4.156.082 |
| Bank debt | 0 | 0 |
| Other payables | <u>0</u> | <u>0</u> |
| TOTAL | <u><u>0</u></u> | <u><u>0</u></u> |

9 Mortgage and securities

The company's two cars with a carrying amount of t.DKK 402 have been provided as security for debt to credit institutions of t.DKK 282.

For bank debts, t.DKK 27.316, the company has provided security in company assets representing a nominal value of t.DKK 18.000. This security comprises the below assets, stating the book values:

| | |
|-------------------------------------|----------------|
| Inventories | DKK 28.697.483 |
| Receivable from sales and services | DKK 10.766.120 |
| Other plant, fixtures and furniture | DKK 320.215 |

10 Contingencies

Contingent assets

A deferred tax of t.DKK 2.800 has not been recognized in the balance sheet, as it is uncertain, when it can be utilized in future earnings.

Contingent liabilities

Leasehold liabilities

The company has entered into two leasehold contracts with annual payment of t.DKK 196. The contracts can be terminated with 4 and 6 months' notice. The total outstanding leasehold payment is t.DKK 89.

Guarantee commitments

The company has provided a payment guarantee of t.DKK 174. subordinated

Subordination

The Company's receivable against the sister company Woodgroup ApS, t.DKK 9.338 is subordinated to Woodgroup ApS debt to credit institution.

Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The liability relating to corporation tax represents an estimated maximum of t.DKK 0.

11 Subordination of debt

Debt to group companies of DKK 47.669.655 is subordinated to the company's existing and future creditors.

12 Related parties

Controlling interest

| | |
|----------------------|----------------------|
| Argento Limited | Majority shareholder |
| Le Caudan Waterfront | |
| Caudan Port Louis | |
| Mauritius | |

Other related parties

| | |
|--|-------------------------|
| Woodbois Limited | Ultimate parent company |
| P.O. Box 161, Dixcart House, Sir William Place | |
| St. Peter Port | |
| Guernsey | |
| GY1 1GX | |

Transactions

No disclosures of transactions with related parties as Management believes that all transactions with related parties has been carried out on arms length basis.

Remuneration for the management is specified in note 1 (staff costs).

Consolidated annual accounts

The company is included in the consolidated annual accounts of Woodbois Limited, P.O. Box 161, Dixcart House, Sir William Place, St Peter Port, Guernsey, GY1 1GX.

The foreign parent's consolidated financial statements can be obtained on the website www.woodbois.com