

Woodgroup ApS

Spotorno Alle 4
2630 Taastrup

CVR No. 36544511

Annual report 2023

1 January 2023 - 31 December 2023

Adopted at the Annual General Meeting on 8
July 2024



Guido Wilhelmus Petrus Maria
Theuns
Chairman

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Company details

Company

Woodgroup ApS
Spotorno Alle 4
2630 Taastrup

CVR No.: 36544511

Executive board

Guido Wilhelmus Petrus Maria Theuns

Auditors

inforevision
statsautoriseret revisionsaktieselskab
Buddingevej 312
2860 Søborg
CVR No. 19263096

Vibeke Düring Reyes Jensen, state authorised public accountant

Lasse Sværke, state authorised public accountant

Management's Review

Primary activities

Like previous years, The company's principal activities comprise trading wood and related activities.

Development in activities and finances

The gross loss for the year is DKK 4.2m against DKK 8.1m profit last year. The result from ordinary activities is a loss after tax of DKK 5.6m against DKK 4.4m profit last year. The loss realised is attributable to reduced trading activities as a result of the loss of a credit line.

Statement by Management

The Executive Board have today considered and adopted the annual report for 1 January 2023 - 31 December 2023 for Woodgroup ApS.

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

In my opinion, the financial statements give a true and fair view of the the company's financial position at 31 December 2023 and of the results of its operations for the financial year 1 January 2023 - 31 December 2023.

I believe that the Management's review contains a fair review of the affairs and conditions referred to therein.

I recommend that the annual report be adopted at the Annual General Meeting.

Taastrup, 8 July 2024

Executive board



Guido Wilhelmus Petrus Maria Theuns
Executive director

Independent auditor's report

To the shareholder in Woodgroup ApS

Opinion

We have audited the financial statements of Woodgroup ApS for the financial year 1 January 2023 - 31 December 2023, which comprise a summary of significant accounting policies, income statement, 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 as at 31 December 2023 and of the results of the company's operations for the financial year 1 January 2023 - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the company in accordance with the International Ethics Standards Board of 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 and 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, for disclosing, as applicable, matters related to going concern, and for 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 judgement and maintain professional scepticism 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.

Independent auditor's report, continued

- 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 content of the financial statements, including the disclosures in the notes, 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.

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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review 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 Management's Review.

Søborg, 8 July 2024

inforevision
Statsautoriseret revisionsaktieselskab
CVR No. 19263096



Vibeke Düring Reyes Jensen
State Authorised Public Accountant
mne11673



Lasse Sværke
State Authorised Public Accountant
mne34318

Accounting policies

Information on reporting class

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

The annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing Reporting class B.

Some provisions from reporting class C has been adopted.

The accounting policies have not been changed from last year.

Generally regarding recognition and measurement

The financial statements have been prepared based on historical cost.

The income is recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to 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.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the annual report which confirm or invalidate affairs and conditions existing at the balance sheet date.

The functional currency is Danish Kroner. All other currencies are considered foreign currencies.

Foreign currency translation

During the year, transactions in foreign currencies have been translated applying the exchange rate at the transaction date. If currency positions are considered hedge of future cash flows, the value adjustments are recognised directly in equity.

Receivables and debt denominated in foreign currencies have been recognised at the exchange rate of the balance sheet date.

Realised and unrealised exchange gains and losses have been recognised in the income statement under other financial income and expenses.

Accounting policies, continued

Income statement

The income statement has been classified by nature.

Gross profit

Gross profit/loss includes "Revenue", "Cost of sales" and "External expenses".

Revenue

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 flow 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.

Cost of sales

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

External expenses

External expenses comprises Selling costs, Cost of premises and Administrative expenses.

Staff costs

Staff costs include wages and salaries including holiday pay and pensions and other social security costs etc. to the company's employees.

Financial income

Financial income is recognised with amounts concerning the financial year. Financial income comprise interest, realised and unrealised capital gains.

Financial expenses

Financial expenses is recognised with amounts concerning the the financial year. Financial expenses comprise interest, realised and unrealised capital losses and losses concerning financial assets and liabilities.

Tax on profit or loss for the year

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 Woodbois International ApS 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.

Accounting policies, continued

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

Inventories

Inventories are measured at cost according to the FIFO method. In the event of cost exceeding net realisable value, writedown is made to this lower value.

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

The net realisable value of inventories is calculated at the estimated selling price less completion costs and expected costs to execute sale. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales price.

Prepayments to suppliers regarding non delivered goods are recognised as a separate item under inventories.

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.

Prepayments

Prepayments comprise costs incurred relating to subsequent financial years.

Equity and liabilities

Deferred tax and corporation tax

Deferred tax is measured using the balance sheet 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 measured 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. Deferred tax assets are measured at net realisable value.

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

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

Financial debts

Short-term debts are measured at amortised cost, substantially corresponding to nominal value.

Accounting policies, continued

Deferred income

Deferred income comprise income received relating to subsequent financial years.

Income statement

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Gross loss		-4.219.656	8.132.265
Staff costs	1	-915.542	-1.018.985
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		-5.135.198	7.113.280
Other financial income	2	745.832	622.027
Other financial expenses	3	-1.194.582	-2.135.415
Profit/loss before tax		-5.583.948	5.599.892
Tax on profit/loss for the year	4	0	-1.231.976
Profit/loss for the year		-5.583.948	4.367.916

Proposed distribution of profit and loss

	<u>2023</u> DKK	<u>2022</u> DKK
Proposed distribution of profit and loss for the year :		
Transferred to retained earnings	-5.583.948	4.367.916
Profit/loss for the year	-5.583.948	4.367.916

Assets

	<u>Note</u>	<u>31/12-2023</u>	<u>31/12-2022</u>
		DKK	DKK
Manufactured goods and trade goods		0	20.197.400
Prepayments for goods		1.358.705	0
Inventories		<u>1.358.705</u>	<u>20.197.400</u>
Trade receivables		1.523.706	3.360.937
Receivables from group enterprises		6.620.721	47.912.612
Other receivables		95.649	57.787
Prepayments		0	4.592.535
Receivables		<u>8.240.076</u>	<u>55.923.871</u>
Cash at bank and in hand		<u>0</u>	<u>9.817.355</u>
Current assets		<u>9.598.781</u>	<u>85.938.626</u>
Total assets		<u>9.598.781</u>	<u>85.938.626</u>

Equity and liabilities

	<u>Note</u>	<u>31/12-2023</u>	<u>31/12-2022</u>
		DKK	DKK
Share capital		200.000	200.000
Retained earnings		8.985.669	14.569.617
Equity		<u>9.185.669</u>	<u>14.769.617</u>
Bank debts		0	42.072.529
Trade payables		188.153	2.657.809
Payables to group enterprises		0	24.100.000
Corporation tax payables	4	0	1.231.976
Other payables		99.960	884.105
Prepayments received from customers		124.999	222.590
Short-term liabilities other than provisions		<u>413.112</u>	<u>71.169.009</u>
Liabilities other than provisions		<u>413.112</u>	<u>71.169.009</u>
Total equity and liabilities		<u>9.598.781</u>	<u>85.938.626</u>
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Statement of changes in equity

	Contributed capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January 2022	200.000	10.201.701	10.401.701
Distributed profit/loss for the year		4.367.916	4.367.916
Equity at 1 January 2023	200.000	14.569.617	14.769.617
Distributed profit/loss for the year		-5.583.948	-5.583.948
Equity at 31 December 2023	200.000	8.985.669	9.185.669

Notes

1. Staff costs

	<u>2023</u>	<u>2022</u>
	DKK	DKK
Wages and salaries	905.572	903.836
Other social security costs	9.970	113.059
Other personnel costs	0	2.090
Total	<u>915.542</u>	<u>1.018.985</u>
Average number of full-time employees	<u>2</u>	<u>2</u>

2. Finance income

	<u>2023</u>	<u>2022</u>
	DKK	DKK
Interest income, group enterprises	681.649	333.465
Other financial income	64.183	288.562
Total	<u>745.832</u>	<u>622.027</u>

3. Finance expenses

	<u>2023</u>	<u>2022</u>
	DKK	DKK
Interest expenses to group enterprises	0	168.043
Other financial expenses	1.194.582	1.967.372
Total	<u>1.194.582</u>	<u>2.135.415</u>

4. Tax expense

	<u>Corpora- tion tax</u>	<u>Deferred tax</u>	<u>Tax on profit/loss for the year</u>	<u>2022</u>
	DKK	DKK	DKK	DKK
Payables at 1 January 2023	1.231.976	0		
Paid in respect of previous years	-1.231.976			
Tax on profit/loss for the year	0	0	0	1.231.976
Payables at 31 December 2023	<u>0</u>	<u>0</u>		
Tax on profit/loss for the year recognised in the income statement			<u>0</u>	<u>1.231.976</u>

Notes, continued

5. Contingent liabilities

Woodgroup ApS are jointly taxed with other group companies and are severally liable for tax on the jointly taxed incomes etc. of the group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of tax on interest, dividend tax and tax on royalty payments. Any subsequent adjustments of corporation taxes and withholding taxes may increase the the company's liability.

6. Group relations

The company is included in the consolidated report for the parent companies:

The largest group:

Woodbois Limited, P.O. Box 161, Dixcart House, Sir William Place