

**ANNUAL REPORT**

**1 JANUARY - 31 DECEMBER 2020**

**WOODGROUP APS**

**Høffdingsvej 34**

**2500 Valby**

**CENTRAL BUSINESS REGISTRATION no. 36 54 45 11**

Adopted at the Company's  
Annual General Meeting,  
on / 2021



---

Paul Dolan

## CONTENTS

	<b>Page</b>
<b>Management's review etc.</b>	
Company details	1
Financial highlights	2
Management's review	3
<b>Statement and report</b>	
Statement by Management on the annual report	4
Independent auditor's report	5-7
<b>Financial statements</b>	
Summary of significant accounting policies	8-13
Income statement 1 January - 31 December 2020	14
Balance sheet at 31 December 2020	15-16
Statement of changes in equity	17
Notes	18-20

**Company**

Woodgroup ApS  
Høffdingsvej 34  
2500 Valby

Central Business Registration no. 36 54 45 11

Registered in: København

**Board of Executives**

Paul Tiernan Dolan

Jacob Hansen

Carnel Geddes

**Company auditors**

**info**revision  
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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017/18</u>	<u>2016/17</u>
<u>Profit and loss account:</u>					
Gross profit/loss	706	332	646	547	160
Operating profit/loss	706	332	646	547	160
Net financials	-1.441	-172	4	-413	-7
Results for the year	-1.007	155	506	110	119
<u>Balance sheet:</u>					
Balance sheet sum	38.117	28.235	8.293	3.682	1.116
Equity	-135	872	717	210	863
<u>Employees:</u>					
Average number of full time employees	0	0	0	0	0

The financial highlights for 2018 only comprise the period 1 July 2018 - 31 December 2018.

**The principal activities of the company**

Like previous years, the principal activities comprise trading wood and related activities.

**Development in activities and financial matters**

The gross profit for the year is DKK 414k against DKK 332k last year. The results from ordinary activities after tax are DKK -1.027 against DKK 155k last year. The result is negatively effected by exchange rate loss due to a declining USD/DKK exchange rate. The management consider the results unsatisfactory.

Per 31 December 2020 the Company's equity is negative by DKK 135k. The Company expect the equity to be re-established via profit in the coming years.

**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 Executives have today discussed and approved the annual report for the financial year 1 January - 31 December 2020 of Woodgroup 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 2020 and of the result of the Company's operations for the financial year 1 January - 31 December 2020.

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.

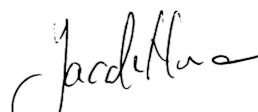
Valby, 26th May 2021

#### Board of Executives



---

Paul Tiernan Dolan  
CEO



---

Jacob Hansen  
Executive



---

Carnel Geddes  
Executive

## To the shareholders of Woodgroup ApS

### Opinion

We have audited the Financial Statements of Woodgroup ApS for the financial year 1 January to 31 December 2020, 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 2020, and of the results of the Company's operations for the financial year 1 January to 31 December 2020 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.

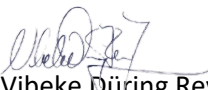
In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially 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.

Søborg, 26th May 2021

**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 B enterprises. Furthermore, the Company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year.

### **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.

**Net financials**

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

**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 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.

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 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 2020**

14

<u>Note</u>	<u>2020</u>	<u>2019</u>
GROSS PROFIT/LOSS	706.177	344.181
1 Staff costs	<u>-271.839</u>	<u>-12.069</u>
OPERATING PROFIT	434.338	332.112
2 Other financial income	0	76.291
3 Other financial expenses	<u>-1.441.111</u>	<u>-247.993</u>
PROFIT/LOSS BEFORE TAX	-1.006.773	160.410
4 Tax on profit/loss for the year	<u>0</u>	<u>-5.542</u>
PROFIT/LOSS FOR THE YEAR	<u><u>-1.006.773</u></u>	<u><u>154.868</u></u>
Distribution of profit/loss:		
Proposed dividends for the financial year	0	0
Retained earnings	<u>-1.006.773</u>	<u>154.868</u>
I ALT	<u><u>-1.006.773</u></u>	<u><u>154.868</u></u>



<u>Note</u>	<u>31/12 2020</u>	<u>31/12 2019</u>
Manufactured goods and trade goods	14.723.446	9.873.669
Prepayments for goods	<u>4.719.327</u>	<u>6.282.511</u>
<b>INVENTORIES</b>	<u>19.442.773</u>	<u>16.156.180</u>
Trade receivables	5.061.520	4.092.372
Receivables from group enterprises	5.677.003	93.364
4 Corporate tax receivables	0	0
Other receivables	<u>134.008</u>	<u>292.265</u>
<b>RECEIVABLES</b>	<u>10.872.531</u>	<u>4.478.001</u>
<b>CASH</b>	<u>7.801.468</u>	<u>7.601.140</u>
<b>CURRENT ASSETS</b>	<u>38.116.772</u>	<u>28.235.321</u>
<b>TOTAL ASSETS</b>	<u><u>38.116.772</u></u>	<u><u>28.235.321</u></u>

<u>Note</u>	<u>31/12 2020</u>	<u>31/12 2019</u>
Share capital	100.000	100.000
Retained earnings	-235.261	771.512
Proposed dividends for the financial year	<u>0</u>	<u>0</u>
<b>EQUITY</b>	<u><b>-135.261</b></u>	<u><b>871.512</b></u>
Other payables	<u>18.865</u>	<u>0</u>
<b>LONG-TERM LIABILITIES OTHER THAN PROVISIONS</b>	<u><b>18.865</b></u>	<u><b>0</b></u>
Bank debts	20.024.221	12.966.925
Prepayments received from customers	518.520	976.339
Trade payables	4.881.864	3.062.631
Payables to group enterprises	12.556.487	10.071.435
Corporate tax payables	0	35.395
Other payables	<u>252.076</u>	<u>251.084</u>
<b>SHORT-TERM LIABILITIES OTHER THAN PROVISIONS</b>	<u><b>38.233.168</b></u>	<u><b>27.363.809</b></u>
<b>LIABILITIES OTHER THAN PROVISIONS</b>	<u><b>38.252.033</b></u>	<u><b>27.363.809</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u><b>38.116.772</b></u></u>	<u><u><b>28.235.321</b></u></u>

6 Mortgage and securities

7 Contingencies

STATEMENT OF CHANGES IN EQUITY

	Share capital	Retained earnings	Proposed dividends	TOTAL
Equity at 1/1 2019	100.000	616.644	0	716.644
Changes in accounting policies		0		0
Dividends paid				0
Transferred from distribution of profit/loss		154.868		154.868
Equity at 1/1 2020	100.000	771.512	0	871.512
Increase of capital	0			0
Expenses related to capital increase				0
Dividends paid				0
Transferred from distribution of profit/loss		-1.006.773	0	-1.006.773
Equity at 31/12 2020	<u>100.000</u>	<u>-235.261</u>	<u>0</u>	<u>-135.261</u>

1 Staff costs	2020	2019
Wages and salaries	239.110	10.560
Other social security costs	32.729	1.509
TOTAL	271.839	12.069

The average number of full-time employees has represented 1 in this financial year against 0 in the previous financial year.

2 Other financial income	2020	2019
Other financial income	0	76.291
I ALT	0	76.291

3 Other financial expenses	2020	2019
Interest expenses to group enterprises	334.469	132.290
Other financial expenses	1.106.642	115.703
I ALT	1.441.111	247.993

#### 4 Corporation tax and deferred tax

	<u>Income taxes</u>	<u>Deferred tax</u>	<u>Acc. to the inc. statement</u>	<u>2019</u>
Payable at 1/1 2020	35.395	0	0	0
Adjustment, previous years	0	0	0	-29.853
Paid re. previous years	-35.395	0	0	0
Tax for the year	<u>0</u>	<u>0</u>	<u>0</u>	<u>35.395</u>
PAYABLE AT 31/12 2020	<u><u>0</u></u>	<u><u>0</u></u>		
TAX ON PROFIT/LOSS FOR THE YEAR			<u><u>0</u></u>	<u><u>5.542</u></u>

#### 5 Long-term liabilities other than provisions

	<u>31/12 2020</u>	<u>31/12 2019</u>
<u>Total debt:</u>		
Other payables	<u>18.865</u>	<u>0</u>
TOTAL	<u><u>18.865</u></u>	<u><u>0</u></u>
<u>Installments next financial year:</u>		
Other payables	<u>0</u>	<u>0</u>
TOTAL	<u><u>0</u></u>	<u><u>0</u></u>
<u>Debt outstanding after 5 years:</u>		
Other payables	<u>0</u>	<u>0</u>
TOTAL	<u><u>0</u></u>	<u><u>0</u></u>

#### 6 Mortgage and securities

For bank debts, t.DKK 20.025, the company has provided security in company assets representing a nominal value of t.DKK 10.500. This security comprises the below assets, stating the book values:

Inventories	DKK 19.442.774
Receivable from sales and services	DKK 5.061.521

## 7 Contingencies

---

### **Joint taxation**

Woodbois International ApS, company reg. no. 26 99 53 45, being the administration company, the company is 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 total known net liabilities of jointly taxed companies to Skattestyrelsen are stated in the annual report of the administration company.