

**ANNUAL REPORT**

**1. January - 31. December 2020**

**BM GROUP INTERNATIONAL APS**

**Marielundvej 48D  
2730 Herlev**

**CVR-No. 38 75 47 85**

**5. Financial year**

The Annual Report was presented and  
adopted by the Annual General Meeting  
14. June 2021

Jonathan Nigel Edwards  
Chairman of the meeting

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Please note that Danish decimal and digit grouping symbols have been used in the Annual Report.

**The Company:**

BM Group International ApS  
Marielundvej 48D  
2730 Herlev

**Executive Board:**

Jonathan Nigel Edwards

**Auditors:**

Lægård Revision  
Statsautoriseret revisionsfirma  
Østerbrogade 62  
2100 København Ø

Today the Board of Directors and the Executive Board presented the Annual Report for 2020 for BM Group International ApS.

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

We find the accounting policies applied appropriate, and the Annual Report therefore provides a true and fair view of the Company's assets, liabilities and equity, financial position and results of the company. In our opinion, the Management's Review includes a true and fair description of the matters mentioned in the review.

We recommend that the Annual Report be approved at the Annual General Meeting.

Herlev, 14. June 2021.

**Executive Board:**

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Jonathan Nigel Edwards

**To the shareholders of BM Group International ApS.****Opinion:**

We have audited the Financial Statements of BM Group International ApS "the Company" for the financial year 1. January - 31. December 2020, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies, for the Company. The financial statements are 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 results of the Company's operations for the financial year 1. January - 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Management's Responsibility for the Financial Statements:**

Management is responsible for the preparation and fair presentation of these financial statements 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 operations; To provide information on matters relating to continued operation where appropriate; and to draw up the financial statements on the basis of the accounting principle of continued operation, unless the management intends either to liquidate the company, cease operations or have no other realistic alternative than to do so.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Statement on Management's Review:**

Management is responsible for Management's Review.

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

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

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

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

Copenhagen, 14. June 2021.

Lægård Revision, CVR-No. 18 43 70 82

State Authorised Public Accountants

Kurt Lægård

State Authorised Public Accountant

MNE-No. mne15013

**Principal activities:**

BM Group International ApS' principal activities are manufacturing and trading of industrial machines.



The annual report of BM Group International ApS for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act regarding reporting medium-sized class B enterprises.

The significant areas of the accounting policies, which are presented using the same policies as last year, are mentioned below.

## GENERALLY REGARDING RECOGNITION AND MEASUREMENT

Income is recognised in the Income Statement as earned, including value adjustments of financial assets and liabilities. Likewise, all expenses including depreciation/amortisation, impairment losses, and reversals which are due to changes in estimated amounts previously recognised in the Income Statement, are recognised in the Income Statement.

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

Liabilities are recognised in the balance sheet when it is probable that the future economic benefits will flow out of the Company and when the measurement of the value of the liability is reliable.

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

Allowances are made for predictable losses and risks that arise before the presentation of the Annual Report and that confirm or invalidate circumstances that existed at the balance sheet date.

The carrying value of the tangible fixed assets, are reviewed annually to determine, if there are any indication of impairment, besides what is determined as normal depreciation. If this is the case, the assets will be written down to its recoverable amount.

## THE INCOME STATEMENT:

### Gross income:

Gross income comprises the net turnover, other operating income, cost of sales and other external costs.

### Revenue:

Revenue is recognised less VAT and taxes and with the deduction of any discounts granted in connection with the sale.

**Cost of sales:**

Cost of sales includes costs incurred to achieve net sales for the year. Including direct and indirect costs for raw materials and consumables.

**Other operating income and other operating expenses:**

Other operating income and other operating expenses comprises items of a secondary activity, including profit and losses on sale of intangible and tangible fixed assets.

**Other external costs:**

Other external costs include costs relating to sales, advertising, administration and premises.

**Staff costs:**

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

**Financials:**

Financial income and costs are recognised in the income statement, with the amounts concerning the financial year. Financial income and costs include interest and transactions in foreign currency.

**Tax on results for the year:**

Tax on results for the year which comprises current tax and changes in deferred tax is recognised in the Income Statement with the portion of taxes related to the taxable income for the year whereas the portion attributable to entries on equity is recognised directly in equity.

The parent company and the Danish group companies are jointly taxed. Danish corporation tax is distributed among the jointly taxed Danish companies in proportion to their taxable income. The parent company acts as the administration company for the joint taxation circuit and is responsible for settling taxes etc. to the Danish tax authorities.

**Assets:****Tangible fixed assets:**

Equipment, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses

The depreciable amount is cost less expected residual value after the end of the asset's life.

Cost includes the purchase price, as well as expenses directly attributable to the acquisition, up until the moment the asset is ready to be commissioned.

Assets are depreciated under the straight-line method over the expected useful lives of the assets and the scrap value:

	Operating time	<u>Scrap value</u>
Other plants, fixtures and equipment	3-5 år	0

Small assets are recognised as costs in the Income Statement in the year of acquisition.

Profits and losses arising from disposal of plant and equipment are stated as the difference between the selling price less the selling costs and the carrying amount of the asset at the time of the disposal. Profits and losses are recognised in the Income Statement in other operating income or other operating expenses.

**Financial assets:**

Other receivables are measured at amortized cost, which normally corresponds to the nominal value.

**Inventories:**

Inventories are measured at cost on basis of "first in - first out" (FIFO) accounting. If the net realisable value is lower than cost, write-down is provided to the lower value.

The cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and direct production cost.

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 equals nominal value. The value will be adjusted to meet expected losses.

**Prepayments:**

Prepayments recognized under assets include incurred expenses relating to subsequent financial years.

**Cash funds:**

Cash equivalents consist of bank deposits and cash. Cash and cash equivalents are carried at fair value.

**LIABILITIES:****Prepayments from customers:**

Received prepayments from customers, recognized under liabilities, include payments relating to revenue in subsequent years.

**Tax payable and deferred tax:**

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

Deferred tax is measured according to the balance sheet liability method in respect of temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured according to the balance sheet liability method in respect of temporary differences between the carrying amount and the tax base of assets and liabilities. In cases, e.g. in respect of shares in which the statement of the tax base can be made according to alternative taxation rules, deferred tax is measured on the basis of the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets including the tax value of tax loss carryforwards, are measured at the expected realisable value, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Any deferred net tax assets are measured at net realisable value.

**Liabilities:**

Liabilities concerning debts to suppliers and other debts are measured at amortised cost which usually corresponds to the nominal value.

<u>Note</u>	<u>2020</u>	<u>2019</u>
GROSS PROFIT	7.452.825	6.022.438
1 Staff costs	<u>-5.620.305</u>	<u>-5.252.846</u>
PROFIT (LOSS) FROM ORDINARY OPERATING ACTIVITIES	1.832.520	769.592
Depreciation	<u>-90.851</u>	<u>-137.811</u>
PROFIT/LOSS BEFORE INTEREST AND TAX	1.741.669	631.781
Financial income	222.266	305.472
Financial expenses	<u>-770.061</u>	<u>-266.564</u>
PROFIT BEFORE TAX	1.193.874	670.690
Tax on profit for the year	<u>-236.224</u>	<u>-149.294</u>
<b>PROFIT FOR THE YEAR</b>	<b><u>957.650</u></b>	<b><u>521.396</u></b>
 PROPOSED DISTRIBUTION OF PROFIT		
Dividend for the year	100.000	0
Retained earnings	<u>857.650</u>	<u>521.396</u>
<b>TOTAL DISTRIBUTION</b>	<b><u>957.650</u></b>	<b><u>521.396</u></b>

**BALANCE SHEET AS AT 31. DECEMBER 2020**  
**ASSETS****12**

<u>Note</u>	<u>31/12 2020</u>	<u>31/12 2019</u>
Other fixtures and fittings, tools and equipment	287.732	234.409
<b>TANGIBLE ASSETS</b>	<b>287.732</b>	<b>234.409</b>
Other receivables	254.322	194.322
<b>FINANCIAL ASSETS</b>	<b>254.322</b>	<b>194.322</b>
<b>NON-CURRENT ASSETS</b>	<b>542.053</b>	<b>428.730</b>
Manufactured goods and goods for resale	3.927.487	3.394.851
<b>INVENTORIES</b>	<b>3.927.487</b>	<b>3.394.851</b>
Trade receivables	2.425.921	2.831.986
Receivables from group enterprise	453.429	0
Deferred Tax	57.500	79.400
Short-term tax receivables	0	135.215
Other receivables	128.798	60.189
Prepayments	402.269	760.408
<b>RECEIVABLES</b>	<b>3.467.916</b>	<b>3.867.197</b>
<b>CASH AND CASH EQUIVALENTS</b>	<b>2.776.960</b>	<b>764.430</b>
<b>CURRENT ASSETS</b>	<b>10.172.363</b>	<b>8.026.479</b>
<b>TOTAL ASSETS</b>	<b>10.714.416</b>	<b>8.455.209</b>

**BALANCE SHEET AS AT 31. DECEMBER 2020**  
**LIABILITIES**

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<u>Note</u>	<u>31/12 2020</u>	<u>31/12 2019</u>
Contributed capital	50.000	50.000
Retained earnings	6.572.875	5.715.226
Proposed dividend for the financial year	100.000	0
<b>EQUITY</b>	<b>6.722.875</b>	<b>5.765.226</b>
2 Other long-term liabilities	398.925	141.788
<b>LONG-TERM LIABILITIES</b>	<b>398.925</b>	<b>141.788</b>
Short-term debt to other credit institutions	42.941	20.970
Payables from group enterprises	0	135.276
Prepayments received from customers	101.492	0
Trade payables	909.610	619.828
Short-term tax payables	214.324	0
Other short-term payables	2.324.249	1.772.122
<b>SHORT-TERM LIABILITIES</b>	<b>3.592.616</b>	<b>2.548.196</b>
<b>LIABILITIES</b>	<b>3.991.541</b>	<b>2.689.984</b>
<b>LIABILITIES AND EQUITY</b>	<b>10.714.416</b>	<b>8.455.209</b>

Note

3 Contingent liabilities



1	Staff costs	2020	2019
	Wages and salaries	5.247.159	5.089.091
	Other social security contributions	60.900	71.825
	Other employee costs	312.246	91.930
	<b>TOTAL</b>	<b>5.620.305</b>	<b>5.252.846</b>

Average number of full time employees	7	7
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2	Other long-term liabilities	2020	2019
	Other liabilities	398.925	141.788
	<b>TOTAL</b>	<b>398.925</b>	<b>141.788</b>

Repayments in next financial year	0	0
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Other long-term liabilities falling due more than 5 years after the balance sheet date	398.925	141.788
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### 3 Contingent liabilities

The company's total contingent liabilities amount to approx. DKK 361.000.

The Company is jointly and severally liable for the corporate tax of the Group's jointly taxed income and for certain withholding tax as dividend tax and royalties tax. The total corporation tax is stated in the annual report for BM Group Holding ApS CVR no. 40 07 99 20, which is management company in relation to the joint taxation. Any subsequent corrections of joint taxation income and withholding taxes, etc. could result in the company's liability amounting to a larger amount.

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## Kurt Lægård

Statsautoriseret revisor

På vegne af: Lægård Revision

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IP: 91.133.xxx.xxx

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## Jonathan Nigel Edwards

Direktør og dirigent

På vegne af: BM Group International ApS

Serienummer: PID:9208-2002-2-150727250724

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