



**International Woodland Company
A/S**

Amalievej 20
1875 Frederiksberg C
CVR No. 15013176

Annual report 2021

The Annual General Meeting adopted the
annual report on 14.06.2022

Karsten Rømer

Chairman of the General Meeting

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Entity details

Entity

International Woodland Company A/S

Amalievej 20

1875 Frederiksberg C

Business Registration No.: 15013176

Date of foundation: 01.01.1991

Registered office: Frederiksberg

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Steen Villemoes, Chairman

Jan Kamp Juestesen, Vice-Chairman

Nis Jul Clausen

Lars Wilhjelm

Executive Board

Otto Frederik Iuel Reventlow

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of International Woodland Company A/S for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Frederiksberg, 14.06.2022

Executive Board

Otto Frederik Iuel Reventlow

Board of Directors

Steen Villemoes
Chairman

Jan Kamp Justesen
Vice-Chairman

Nis Jul Clausen

Lars Wilhjelm

Independent auditor's report

To the shareholders of International Woodland Company A/S

Opinion

We have audited the financial statements of International Woodland Company A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. 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 Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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 Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the 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 Entity'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 Entity 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 Entity'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 Entity'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 Entity 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

Copenhagen, 14.06.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bill Haudal Pedersen

State Authorised Public Accountant
Identification No (MNE) mne30131

Michael Thorø Larsen

State Authorised Public Accountant
Identification No (MNE) mne35823

Management commentary

Primary activities

The company provides investment management services outside the scope of the AIFM Act and offers advisory services regarding international timberland investments and related investments (including agricultural investments and land related issues such as payment for ecosystem services and impact investments) to professional investors.

Description of material changes in activities and finances

Net profit after tax for the year amounts to a net profit of DKK 2.7 million compared to a net loss after tax of DKK 3.4 million for 2020. Equity at year-end 2021 is DKK 20.3 million.

During 2021 the company has been able to generate increased income through the new initiatives taken in 2018.

Outlook

The company will focus on increasing its client base through active marketing of its products and services especially in Europe. As expected, the corona virus affected 2021 especially as travelling has been difficult. Going into 2022 the travel situation seems to slowly return back to normal. The outlook for 2022 is positive.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Revenue		30,471,293	26,304,235
Other external expenses		(7,821,921)	(7,800,519)
Gross profit/loss		22,649,372	18,503,716
Staff costs	1	(21,762,493)	(21,227,880)
Depreciation, amortisation and impairment losses	2	(298,051)	(433,087)
Operating profit/loss		588,828	(3,157,251)
Income from investments in group enterprises		205,815	448,352
Other financial income	3	3,142,123	25,934
Other financial expenses	4	(1,090,477)	(1,175,218)
Profit/loss before tax		2,846,289	(3,858,183)
Tax on profit/loss for the year	5	(157,544)	494,829
Profit/loss for the year		2,688,745	(3,363,354)
Proposed distribution of profit and loss:			
Retained earnings		2,688,745	(3,363,354)
Proposed distribution of profit and loss		2,688,745	(3,363,354)

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Acquired intangible assets		174,540	300,167
Intangible assets	6	174,540	300,167
Other fixtures and fittings, tools and equipment		336,282	442,798
Property, plant and equipment	7	336,282	442,798
Investments in group enterprises		2,358,199	2,066,743
Other investments		12,039,265	9,981,162
Financial assets	8	14,397,464	12,047,905
Fixed assets		14,908,286	12,790,870
Trade receivables		4,015,491	3,039,459
Receivables from group enterprises		1,408,263	3,655,925
Deferred tax		986,023	1,195,136
Other receivables		2,935,640	3,285,626
Joint taxation contribution receivable		0	231,000
Prepayments		325,371	270,431
Receivables		9,670,788	11,677,577
Other investments		2,472,640	2,480,990
Other investments		2,472,640	2,480,990
Cash		4,191,993	2,135,874
Current assets		16,335,421	16,294,441
Assets		31,243,707	29,085,311

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		1,003,000	1,003,000
Reserve for net revaluation according to the equity method		635,165	230,394
Retained earnings		18,669,616	16,108,118
Equity		20,307,781	17,341,512
Other provisions		1,928,864	1,980,155
Provisions		1,928,864	1,980,155
Trade payables		291,098	443,978
Payables to group enterprises		5,728,500	5,691,884
Other payables		2,987,464	3,627,782
Current liabilities other than provisions		9,007,062	9,763,644
Liabilities other than provisions		9,007,062	9,763,644
Equity and liabilities		31,243,707	29,085,311

Contingent liabilities

9

Statement of changes in equity for 2021

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1,003,000	230,394	16,108,118	17,341,512
Exchange rate adjustments	0	102,882	0	102,882
Value adjustments	0	0	174,642	174,642
Profit/loss for the year	0	301,889	2,386,856	2,688,745
Equity end of year	1,003,000	635,165	18,669,616	20,307,781

Exchange rate adjustments include adjustments related to fully owned group enterprises measured at equity method. The adjustments are recognised directly in equity.

Value adjustments include adjustments related to fully owned group enterprises and comprise receivables adjusted directly in equity.

Notes

1 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	20,715,676	20,173,681
Pension costs	899,792	913,691
Other social security costs	147,025	140,508
	21,762,493	21,227,880
Average number of full-time employees	22	22

2 Depreciation, amortisation and impairment losses

	2021 DKK	2020 DKK
Amortisation of intangible assets	138,887	168,037
Depreciation of property, plant and equipment	159,164	265,050
	298,051	433,087

3 Other financial income

	2021 DKK	2020 DKK
Other interest income	60,152	20,319
Other financial income	3,081,971	5,615
	3,142,123	25,934

4 Other financial expenses

	2021 DKK	2020 DKK
Other interest expenses	32,349	18,415
Exchange rate adjustments	285,425	290,572
Other financial expenses	772,703	866,231
	1,090,477	1,175,218

5 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Change in deferred tax	167,696	(494,829)
Adjustment concerning previous years	(10,152)	0
	157,544	(494,829)

6 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	3,046,083
Additions	13,260
Cost end of year	3,059,343
Amortisation and impairment losses beginning of year	(2,745,916)
Amortisation for the year	(138,887)
Amortisation and impairment losses end of year	(2,884,803)
Carrying amount end of year	174,540

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	3,017,759
Additions	52,648
Cost end of year	3,070,407
Depreciation and impairment losses beginning of year	(2,574,961)
Depreciation for the year	(159,164)
Depreciation and impairment losses end of year	(2,734,125)
Carrying amount end of year	336,282

8 Financial assets

	Investments in group enterprises DKK	Other investments DKK
Cost beginning of year	1,683,034	13,728,053
Additions	40,000	383,487
Cost end of year	1,723,034	14,111,540
Revaluations beginning of year	383,709	0
Exchange rate adjustments	102,882	0
Share of profit/loss for the year	148,574	0
Revaluations end of year	635,165	0
Impairment losses beginning of year	0	(3,746,889)
Exchange rate adjustments	0	841,467
Impairment losses for the year	0	1,479,590
Other adjustments	0	(646,443)
Impairment losses end of year	0	(2,072,275)
Carrying amount end of year	2,358,199	12,039,265

Investments in group enterprises and Other investments consist of shares in subsidiaries and funds under management that are valued on the basis of fair value calculated on the basis of the net asset value per share and the number of shares in the company.

Management makes an independent assessment of the rates used and verifies coherence to completed transactions and published accounts.

9 Contingent liabilities

The Company is limited liable as a limited partner in the company IWC Timberland Partners I K/S. . As of 31 December 2021 the Company has paid USD 1,674,670 with an obligation to pay up to a total of USD 1,712,455 in the coming years.

The Company is limited liable as a limited partner in the company IWC Timberland Partners II K/S. As of 31 December 2021 the Company has paid USD 604,952 with an obligation to pay up to a total of USD 606,061 in the coming years.

The Company participates in a Danish joint taxation arrangement in which International Woodland Company Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is, therefore, liable from 1 July 2012 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

The Company is jointly registered for VAT with a subsidiary company. The companies are jointly and severally liable for the vat liability.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year. Furthermore, revaluation of financial assets and liabilities that are measured at fair value or amortised cost are recognised in the profit and loss statement. The profit and loss statement also includes all expenses that are incurred in order to reach the earnings for the financial year; this includes amortisation, depreciation, provisions and reversals as a consequence of changes in accounting estimates, which have been previously included in the profit and loss statement.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, realised and unrealised gain on securities and foreign currency transactions, tax relief under the Danish Tax Prepayment Scheme etc. and income from Other investments comprising the prorata share of the individual investments profit/loss.

Other financial expenses

Other financial comprises interest expenses, including interest expenses on payable from group enterprises, realized and unrealized gain on securities and foreign currency transactions, and tax relief under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise the amortisation of software.

Intangible assets are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

he basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets.

Software

6 years

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5 years
IT	3-6 years

Minor consumables according to the current rate are expensed in the year of acquisition.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount

Other investments

Other investments comprise unlisted equity investments measured at fair value at the balance sheet date.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments

Securities recognised under current assets comprise listed securities measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises bank deposits.

Other financial liabilities

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