

Woodfarm ApS

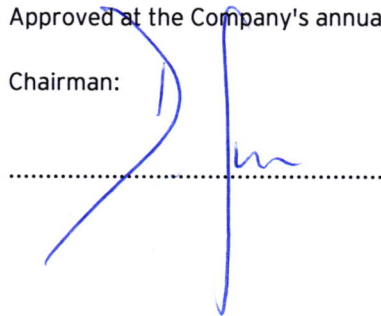
Glostrup Torv 6-10, 2600 Glostrup

CVR no. 30 24 53 93

Annual report 2017

Approved at the Company's annual general meeting on 8 May 2018

Chairman:

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Woodfarm ApS for the financial year 1 January - 31 December 2017.

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


In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Oberägeri - ZUG Switzerland, 8 May 2018

Executive Board:


.....
Michael Petersen Skovgaard

Board of Directors:


.....
Michael Petersen Skovgaard
Chairman
.....
Daniel Grunder
.....
Daniel Aaxman

Independent auditor's report

To the shareholder of Woodfarm ApS

Opinion

We have audited the financial statements of Woodfarm ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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.

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 as to 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 the 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.

Independent auditor's report

- ▶ 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 note 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 the Management's review.


Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Odense, 8 May 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Lars Tylvad Andersen
State Authorised Public Accountant
MNE no.: mne8854



Management's review

Company details

Name	Woodfarm ApS
Address, Postal code, City	Glostrup Torv 6-10, 2600 Glostrup
CVR no.	30 24 53 93
Established	1 January 2007
Registered office	Glostrup
Financial year	1 January - 31 December
Board of Directors	Michael Petersen Skovgaard, Chairman Daniel Grunder Daniel Aaxman
Executive Board	Michael Petersen Skovgaard
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Englandsgade 25, P.O. Box 200, 5100 Odense C, Denmark

Management's review

Business review

The Company's principal activities are investments, asset management and related activities.

Financial review

The income statement for 2017 shows a profit of DKK 380,347 against a loss of DKK 4,697,577 last year, and the balance sheet at 31 December 2017 shows equity of DKK 492,550,947.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2017	2016
	Other external expenses	-5,681,847	-10,554,495
	Gross margin	-5,681,847	-10,554,495
2	Staff costs	-108,048	-80,125
	Amortisation/depreciation equipment etc.	-196,800	-328,100
	Profit/loss before net financials	-5,986,695	-10,962,720
3	Financial income	31,020,227	22,538,378
	Financial expenses	-24,301,200	-16,826,126
	Profit/loss before tax	732,332	-5,250,468
4	Tax for the year	-351,985	552,891
	Profit/loss for the year	380,347	-4,697,577
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	380,347	-4,697,577
		380,347	-4,697,577

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2017	2016
	ASSETS		
	Fixed assets		
	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	295,200	492,000
		<u>295,200</u>	<u>492,000</u>
5	Investments		
	Investments in group entities, net asset value	127,274	138,734
	Investments in associates, net asset value	2,386,388	4,086,777
	Receivables from associates	0	5,826,828
	Other securities and investments	50,638,836	41,513,729
		<u>53,152,498</u>	<u>51,566,068</u>
	Total fixed assets	<u>53,447,698</u>	<u>52,058,068</u>
	Non-fixed assets		
6	Receivables		
	Receivables from group entities	36,223,827	39,297,867
	Other receivables	181,124	810,251
		<u>36,404,951</u>	<u>40,108,118</u>
	Securities and investments		
	Other securities and investments	403,308,250	434,330,231
		<u>403,308,250</u>	<u>434,330,231</u>
	Cash	15,549,042	26,067,063
	Total non-fixed assets	<u>455,262,243</u>	<u>500,505,412</u>
	TOTAL ASSETS	<u><u>508,709,941</u></u>	<u><u>552,563,480</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2017	2016
	EQUITY AND LIABILITIES		
	Equity		
7	Share capital	126,000	126,000
	Retained earnings	492,424,947	492,044,600
	Dividend proposed for the year	0	0
	Total equity	<u>492,550,947</u>	<u>492,170,600</u>
	Provisions		
	Deferred tax	5,989,620	5,637,635
	Total provisions	<u>5,989,620</u>	<u>5,637,635</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Bank debt	7,734,217	50,512,392
	Income taxes payable	51,471	50,059
	Other payables	2,383,686	4,192,794
		<u>10,169,374</u>	<u>54,755,245</u>
	Total liabilities other than provisions	<u>10,169,374</u>	<u>54,755,245</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>508,709,941</u></u>	<u><u>552,563,480</u></u>

- 1 Accounting policies
- 8 Contractual obligations and contingencies, etc.
- 9 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2016	126,000	496,742,177	35,000,000	531,868,177
Transfer through appropriation of loss	0	-4,697,577	0	-4,697,577
Dividend distributed	0	0	-35,000,000	-35,000,000
Equity at 1 January 2017	126,000	492,044,600	0	492,170,600
Transfer through appropriation of profit	0	380,347	0	380,347
Equity at 31 December 2017	126,000	492,424,947	0	492,550,947

In the retained earnings is included "Reserves from Capital Contribution" according to Swiss tax law of DKK 2,782,639 (2016: DKK 2,782,639).

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Woodfarm ApS for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Basis of recognition and measurement

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

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

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

Certain financial assets and liabilities are measured at amortised cost implying the recognition of a constant effective interest rate to maturity. Amortised cost is calculated at initial cost minus any principal repayments and plus or minus the cumulative amortisation of any difference between cost and nominal amount.

When assets and liabilities are recognised and measured, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to capital management, administration, premises, bad debts etc.

Depreciation

The item comprises depreciation of automobiles.

Automobiles are depreciated on a straight-line basis over the expected useful life (5 years) of each individual asset. Basis of depreciation is costvalue.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Other fixtures and fittings, tools and equipment	5 years
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Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Property, plant and equipment

This item comprises automobiles. Automobiles are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Other securities and investments

Other securities and investments under non-current assets are measured at fair value. The fair value is made up at the market value at the balance sheet date if the securities are listed and at a value made up using generally recognised valuation principles if the securities are unlisted.

Impairment of fixed assets

Every year, other fixtures and fittings, tools and equipment as well as investments in subsidiaries and associates are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

Securities and investments

Other securities and investments under current assets are measured at fair value. The fair value is made up at the market value at the balance sheet date if the securities are listed and at a value made up using generally recognised valuation principles if the securities are unlisted.

Cash

Cash comprises cash balances and bank balances.

Equity

Proposed dividends

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other liabilities which also comprises unrealised losses on forward contracts and similar are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2017	2016
2 Staff costs		
Wages/salaries	98,221	69,367
Other social security costs	9,827	10,758
	<u>108,048</u>	<u>80,125</u>
 Average number of full-time employees	 <u>1</u>	 <u>1</u>
3 Financial income		
Interest receivable, group entities	102,400	145,560
Other financial income	30,917,827	22,392,818
	<u>31,020,227</u>	<u>22,538,378</u>
4 Tax for the year		
Deferred tax adjustments in the year	351,985	-552,891
	<u>351,985</u>	<u>-552,891</u>

5 Investments

Name	Legal form	Domicile	Interest
Subsidiaries			
Skovgaard Holding GmbH	GmbH	Zug, Switzerland	100.00%
Associates			
Woodman Venture Opportunity II AG	AG	Zug, Switzerland	31.00%
Name	Legal form	Domicile	
Other investments in limited partnerships or partnerships			
Winside AG	AG	Zug, Switzerland	

6 Receivables

Of receivables from group entities, DKK 1,133 thousand is subordinated loans.

7 Share capital

The Company's share capital has remained DKK 126,000 over the past 10 years.

Financial statements 1 January - 31 December

Notes to the financial statements

8 Contractual obligations and contingencies, etc.

Other contingent liabilities

Securities and other investments comprise "Credit Opportunities Funds" and similar to which the Company has committed to invest a maximum of additionally DKK 116,930 thousand within the next 12-24 months. The commitment can be called at the discretion of the individual investment provider.

9 Collateral

As security for Trading Liabilities towards Company's bank, the Company has placed assets, worth a total of DKK 569 thousand.