

Komplementarselskabet Capricorn ApS
Central Business Registration No
30722736
c/o Bruun & Hjejle, Nørregade 21
1165 Copenhagen K, Denmark

Annual report 2015

The Annual General Meeting adopted the annual report on 27.05.2016

Chairman of the General Meeting


Name: Søren Damgaard

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Entity details

Entity

Komplementarselskabet Capricorn ApS
c/o Bruun & Hjejle, Nørregade 21
1165 Copenhagen K, Denmark

Central Business Registration No: 30722736

Registered in: Denmark

Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Advokat Hans Robin Philip, Chairman
Advokat Søren Damgaard

Executive Board

Søren Damgaard

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 Copenhagen C, Denmark

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Komplementarselskabet Capricorn ApS for the financial year 01.01.2015 - 31.12.2015.

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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

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.

Copenhagen, 17.05.2016

Executive Board

Søren Damgaard

Board of Directors


Advokat Hans Robin Philip
Chairman


Advokat Søren Damgaard

Independent auditor's reports

To the owners of Komplementarselskabet Capricorn ApS

Report on the financial statements

We have audited the financial statements of Komplementarselskabet Capricorn ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Independent auditor's reports

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

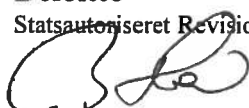
Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

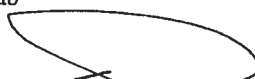
Copenhagen, 17.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab



Bill Haudal Pedersen
State-Authorised Public Accountant



~~Martin Pedersen~~
State-Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

The purpose of the company is to be the general partner of the Capricorn Forest Fund K/S and in this connection to exercise certain special rights in the limited partnership.

Development in activities and finances

Activities

Since the establishment of the company in 2007, the main activity of the company has been the management of The Capricorn Forest Fund K/S. The purpose of The Capricorn Forest Fund is to carry out long term sustainable forestry investments in new markets in Asia, Africa, and the tropical part of Latin America.

In accordance with a special agreement this task has been performed in collaboration with the investment advisor of the fund, The International Woodland Company A/S.

During 2015, the activities of The Capricorn Forest Fund K/S have focused on the management of the company's four investments in Mozambique, Panama, Cambodia, and Uganda respectively.

Economic development

The general economic development of The Capricorn Forest Fund K/S in 2015 has primarily been impacted by changes in the fair market value of the investments. The income statement for the parent fund in 2015 shows a loss of USD 23.019.136 and the balance sheet as of 31 December 2015 shows an equity of USD 114.562.207.

The income statement for Komplementarselskabet Capricorn ApS for the financial year 2015 shows a loss of USD 45.532 and the company's balance sheet as of 31 December 2015 shows an equity of USD 206.700.

Events after the balance sheet date

No events have occurred after the end of the financial year, which may have a material impact on the assessment of the financial position of the company.

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.

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

The annual report for the company is presented in its functional currency, USD.

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.

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 one 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. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Fair value adjustment of other investment assets and related financial liabilities

Fair value adjustment of other investment assets and related financial liabilities comprises adjustments for the financial year of the Entity's investment assets.

Accounting policies

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including legal cost, audit fee and bank charges.

Other financial expenses

Other financial expenses consist of interest expenses and both realized and unrealized exchange rate adjustments.

Income taxes

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

Other investments

Other investments comprise equity investment in The Capricorn Forest Fund K/S.

Equity investment in The Capricorn Forest Fund K/S are recognised and measured to equity value according to the annual report of the Company.

In The Capricorn Forest Fund K/S the investments are recognised as mentioned below:

Equity investments in the portfolio company are recorded at fair value. The fair value is compiled at balance sheet date and is based on a third party assessment.

The third party assessment is based on a valuation methodology that aims to determine the transaction price, which would arise between independent parties who bring normal commercial considerations.

The valuation methodology involves all factors likely to influence the fair value and is in accordance with generally accepted methodologies for pricing equity investment.

Third party evaluation is based on projections, which contains a number of estimates (e.g. discount rate, expected production, sales prices and costs), making third-party assessments subject to a certain degree of uncertainty.

Accounting policies

Unrealized and realized fair values of financial assets are recognized in the income statement as income from portfolio companies.

Loan provided to portfolio companies are measured to amortised cost, which usually is comparable to nominal value. The value is reduced by write-down on expected loss

Deferred tax

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Income statement for 2015

	<u>Notes</u>	<u>2015 USD</u>	<u>2014 USD</u>
Fair value adjustments of other investment assets	1	(40.550)	(8.028)
Other external expenses	2	(5.167)	(11.746)
Operating profit/loss		(45.717)	(19.774)
Other financial expenses		(744)	(122)
Profit/loss from ordinary activities before tax		(46.461)	(19.896)
Tax on profit/loss from ordinary activities		929	3.803
Profit/loss for the year		(45.532)	(16.093)
Proposed distribution of profit/loss			
Retained earnings		(45.532)	(16.093)
		(45.532)	(16.093)

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 USD</u>	<u>2014 USD</u>
Other investments		201.812	233.845
Fixed asset investments	3	<u>201.812</u>	<u>233.845</u>
Fixed assets		<u>201.812</u>	<u>233.845</u>
Deferred tax assets		929	3.803
Receivables		<u>929</u>	<u>3.803</u>
Cash		<u>9.359</u>	<u>20.792</u>
Current assets		<u>10.288</u>	<u>24.595</u>
Assets		<u><u>212.100</u></u>	<u><u>258.440</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 USD</u>	<u>2014 USD</u>
Contributed capital	4	27.552	27.552
Retained earnings		179.148	224.680
Equity		<u>206.700</u>	<u>252.232</u>
Other payables		5.400	6.208
Current liabilities other than provisions		<u>5.400</u>	<u>6.208</u>
Liabilities other than provisions		<u>5.400</u>	<u>6.208</u>
Equity and liabilities		<u><u>212.100</u></u>	<u><u>258.440</u></u>
Contingent liabilities	5		
Related parties with control	6		

Statement of changes in equity for 2015

	Contributed capital USD	Retained ear- nings USD	Total USD
Equity beginning of year	27.552	224.680	252.232
Profit/loss for the year	0	(45.532)	(45.532)
Equity end of year	27.552	179.148	206.700

Notes

1. Fair value adjustments of other investment assets

Fair value adjustments of other investment assets comprise of value adjustment on the subsidiary The Capricorn Forest Fund K/S.

2. Other external expenses

Other external expenses specified as follows:

	2015	2014
	USD	USD
Legal costs	0	(5.653)
Auditor's fee	(4.917)	(5.675)
Bank charges	(250)	(418)
Total Partnership expenses	(5.167)	(11.746)

	Other in- vestments USD
3. Fixed asset investments	
Cost beginning of year	298.587
Additions	8.517
Cost end of year	307.104
Impairment losses beginning of year	(64.742)
Fair value adjustments	(40.550)
Impairment losses end of year	(105.292)
Carrying amount end of year	201.812

The company owns 0.176 % of the paid contribution in Capricorn Forest Fund K/S, Denmark. According to Capricorn Forest Fund K/S's annual report as of 31.12.2015, the paid contribution is USD 201.230.597 the total equity USD 114.562.207 and the loss for the year is USD 23.019.136.

	Number	Nominal value USD
4. Contributed capital		
A-shares	103.600	19.286
B-shares	44.400	8.266
	148.000	27.552

Notes

	<u>2015</u> <u>USD</u>	<u>2014</u> <u>USD</u>	<u>2013</u> <u>USD</u>	<u>2012</u> <u>USD</u>	<u>2011</u> <u>USD</u>
Changes in contributed capital					
Contributed capital beginning of year	27.552	27.187	26.832	25.297	25.297
Increase of capital	0	365	355	1.535	0
Contributed capital end of year	<u>27.552</u>	<u>27.552</u>	<u>27.187</u>	<u>26.832</u>	<u>25.297</u>

5. Contingent liabilities

The company is joint and unlimited liable as general partner for the liabilities in The Capricorn Forest K/S. In addition the company has pledged to contribute a total of 369.314 USD in The Capricorn Forest K/S.

6. Related parties with control

Related parties with a controlling interest:

The following related parties have a controlling interest in Komplementarselskabet Capricorn ApS:

International Woodland Company A/S, Amalievej 20, 1875 Frederiksberg, Denmark

Basis of influence: Owner and investment advisor

Transactions between related parties and Komplementarselskabet Capricorn ApS that have not been conducted at arm's length: None.