



**Komplementarselskabet
Capricorn ApS**

Nørregade 21
1165 København K
CVR No. 30722736

Annual report 2021

The Annual General Meeting adopted the
annual report on 31.05.2022

Søren Damgaard

Chairman of the General Meeting

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Entity details

Entity

Komplementarselskabet Capricorn ApS

Nørregade 21

1165 København K

Business Registration No.: 30722736

Registered office: København

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Søren Damgaard

Executive Board

Søren Damgaard

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 Komplementarselskabet Capricorn ApS 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.

Copenhagen, 31.05.2022

Executive Board

Søren Damgaard

Board of Directors

Søren Damgaard

Independent auditor's report

To the shareholders of Komplementarselskabet Capricorn ApS

Opinion

We have audited the financial statements of Komplementarselskabet Capricorn ApS 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, 31.05.2022

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 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

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 emerging 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.

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 USD	2020 USD
Fair value adjustments of other investment assets		(1,018)	(13,334)
Other external expenses		(6,061)	(6,842)
Gross profit/loss		(7,079)	(20,176)
Other financial expenses		(603)	0
Profit/loss before tax		(7,682)	(20,176)
Tax on profit/loss for the year	2	88	6,727
Profit/loss for the year		(7,594)	(13,449)
Proposed distribution of profit and loss:			
Ordinary dividend for the financial year		15,000	20,000
Retained earnings		(22,594)	(33,449)
Proposed distribution of profit and loss		(7,594)	(13,449)

Balance sheet at 31.12.2021

Assets

	Notes	2021 USD	2020 USD
Other investments		25,903	82,826
Financial assets	3	25,903	82,826
Fixed assets		25,903	82,826
Deferred tax		33	33
Receivables		33	33
Cash		38,749	9,569
Current assets		38,782	9,602
Assets		64,685	92,428

Equity and liabilities

	Notes	2021 USD	2020 USD
Contributed capital		27,856	27,856
Retained earnings		9,358	31,952
Proposed dividend		15,000	20,000
Equity		52,214	79,808
Payables to group enterprises		0	5,917
Non-current liabilities other than provisions		0	5,917
Other payables		12,471	6,703
Current liabilities other than provisions		12,471	6,703
Liabilities other than provisions		12,471	12,620
Equity and liabilities		64,685	92,428
Events after the balance sheet date	1		
Fair value information	4		
Contingent liabilities	5		

Statement of changes in equity for 2021

	Contributed capital USD	Retained earnings USD	Proposed dividend USD	Total USD
Equity beginning of year	27,856	31,952	20,000	79,808
Ordinary dividend paid	0	0	(20,000)	(20,000)
Profit/loss for the year	0	(22,594)	15,000	(7,594)
Equity end of year	27,856	9,358	15,000	52,214

Notes

1 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.

2 Tax on profit/loss for the year

	2021 USD	2020 USD
Refund in joint taxation arrangement	(88)	(6,727)
	(88)	(6,727)

3 Financial assets

	Other investments USD
Cost beginning of year	369,314
Cost end of year	369,314
Revaluations beginning of year	(47,383)
Revaluations end of year	(47,383)
Impairment losses beginning of year	(239,105)
Fair value adjustments	(56,923)
Impairment losses end of year	(296,028)
Carrying amount end of year	25,903

4 Fair value information

	Unlisted Equities USD
Fair value end of year	25,903
Unrealised fair value adjustments recognised in the income statement	(56,923)

The unlisted equities consists only of the Company's ownership shares of Capricorn Forest Fund K/S. The unrealised fair value adjustments recognized in this annual report is based on the equity method. The Company has no influence on the fair value assessments in the underlying fund why no key assumptions related to the fair value is relevant to disclose. As a part of the compilation of the annual report management assesses the fair value principles and accounting estimates of the underlying investments, and evaluate if these principles are fair based on management experience and knowledge of the investments. For further considerations see accounting policies.

5 Contingent liabilities

The Entity is liable, as a general partner, for the liabilities in The Capricorn Forest fund K/S without limit and has a joint and several liability.

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 for income taxes etc. for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

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.

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 nonmonetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Fair value adjustments of other investment assets

Fair value adjustments of other investment assets comprise adjustments for the financial year of the Entity's investment assets measured at fair value at the balance sheet date.

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

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**Other investments**

Other investments comprise investment in The Capricorn Forest Fund K/S which are measured at fair value (market price) at the balance sheet date according to the annual report of the Company.

Unrealised and realised fair values of financial assets are recognised in the income statement as fair value adjustments of other investment assets.

The fair value is based on recognised valuation methods including reports from underlying funds.

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 bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Other financial liabilities

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