

**International Woodland Company
Holding A/S
Central Business Registration No
34079226
Amalievej 20
1875 Frederiksberg C**

Annual report 2015

The Annual General Meeting adopted the annual report on 29.03.2016

Chairman of the General Meeting



Name: Karsten Rømer

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Entity details

Entity

International Woodland Company Holding A/S
Amalievej 20
1875 Frederiksberg C

Central Business Registration No: 34079226
Registered in: Denmark
Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Steen Villemoes, Chairman
Jan Kamp Justesen, Vice chairman
Peter Vilhelm Carøe
Nis Jul Clausen
Lars Wilhjelm

Executive Board

Otto Reventlow

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of International Woodland Company Holding A/S 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.

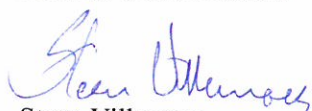
Frederiksberg, 02.03.2016

Executive Board




Otto Reventlow

Board of Directors



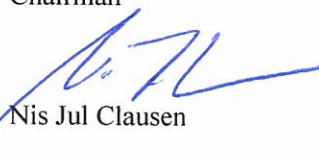
Steen Villemoes
Chairman



Jan Kamp Justesen
Vice chairman



Peter Vilhelm Carøe



Nis Jul Clausen



Lars Wilhjelm

Independent auditor's reports

To the owners of International Woodland Company Holding A/S

Report on the financial statements

We have audited the financial statements of International Woodland Company Holding A/S 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.

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.

Independent auditor's reports

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.

København, 02.03.2016

Deloitte

Statsautoriseret Revisionspartnerselskab



Bill Haudal Pedersen
State Authorised Public Accountant



Martin Pedersen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

The company owns the subsidiaries International Woodland Company A/S, Amalievej 20, Frederiksberg and IWC Investment Partners Investment Fondsmæglerselskab A/S, Amalievej 20, Frederiksberg.

International Woodland Company A/S provides advice to large professional investors relating to the acquisition, establishment, operation and sale of international forestry and manages the investments made. The company also performs investment management of alternative investment funds (AIF) and is as of 1 October 2014 registered as alternative investment fund manager (AIFM) with the Danish Financial Supervisory Authority. Furthermore, the company provides consulting services on forest-related issues in general.

IWC Investment Partners Investment Fondsmæglerselskab A/S provides investment advice and discretionary portfolio management of investments in forest-related securities and similar investments as well as probably also farming in the longer term.

Development in activities and finances

Profit/loss for the year in relation to expected developments

Net profit after tax for the year amounts to 6.1 million DKK compared to a net profit of DKK 5.7 million for 2014. Equity at year-end 2015 is DKK 33.3 million.

Outlook

The group wishes to expand its investment management and investment advisory business focused on timberland fund-of-funds and related investments such as payments for ecosystem services by gathering these activities in IWC Investment Partners Fondsmæglerselskab A/S (IWC IP) and replacing the IWC IP's current investment firm authorization with an alternative investment fund manager (AIFM) authorization through which such services can be delivered in Denmark and other relevant regions. Therefore, IWC IP has in December 2015 submitted an application for authorization as AIFM from the Danish Financial Supervisory Authority (Danish FSA). International Woodland Company A/S' registration as AIFM with the Danish FSA is expected to be evoked in connection with IWC IP obtaining an AIFM authorization. The IWC group furthermore contemplates to be active with agricultural investments and impact investments

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.

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. By virtue of the Danish Financial Statements Act § 110 the company is not preparing a consolidating financial statement

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

The annual report has been presented in DKK.

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 amortized cost are recognized in the profit and loss statement. The profit and loss statement also includes all expenses that are incurred in order to reach the earnings of the financial year; this includes amortizations, depreciations, provisions and reversals as a consequence of changes in accounting estimates, which have been previously enclosed in the profit and loss statement

Income statement

Other external expenses

Other external expenses include expenses relating to the Entity's secondary activities relative to the Entity's ordinary activities, including gains and losses from sale of intangible and tangible fixed assets.

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 internal profits or losses.

Accounting policies

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

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 100% with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income.

Balance sheet

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 plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0. 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.

Receivables

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

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax. Ekstra payments and repayment under the tax arrangement is recognized in the income statement under financial items.

Accounting policies

Cash

Cash comprises cash in hand and bank deposits.

Dividend

The 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.

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Other external expenses		-59,949	-18,647
Operating profit/loss		-59,949	-18,647
Income from investments in group enterprises		6,204,756	5,740,898
Other financial income		2	25
Other financial expenses		-516	0
Profit/loss from ordinary activities before tax		6,144,293	5,722,276
Tax on profit/loss from ordinary activities	1	3,845	4,574
Profit/loss for the year		<u>6,148,138</u>	<u>5,726,850</u>
 Proposed distribution of profit/loss			
Dividend for the financial year		2,932,000	3,000,000
Reserve for net revaluation according to the equity method		394,079	0
Retained earnings		2,822,059	2,726,850
		<u>6,148,138</u>	<u>5,726,850</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Investments in group enterprises		30,368,079	27,162,323
Fixed asset investments	2	<u>30,368,079</u>	<u>27,162,323</u>
Fixed assets		<u>30,368,079</u>	<u>27,162,323</u>
Dividends receivable from group enterprises		3,000,000	3,000,000
Income tax receivable		3,845	4,556
Receivables		<u>3,003,845</u>	<u>3,004,556</u>
Cash		<u>14,834</u>	<u>12,887</u>
Current assets		<u>3,018,679</u>	<u>3,017,443</u>
Assets		<u><u>33,386,758</u></u>	<u><u>30,179,766</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Contributed capital	3	1,003,000	1,002,000
Reserve for net revaluation according to the equity method		394,079	0
Retained earnings		28,986,075	26,164,016
Proposed dividend		2,932,000	3,000,000
Equity		<u>33,315,154</u>	<u>30,166,016</u>
Debt to group enterprises		44,104	0
Other payables		27,500	13,750
Current liabilities other than provisions		<u>71,604</u>	<u>13,750</u>
Liabilities other than provisions		<u>71,604</u>	<u>13,750</u>
Equity and liabilities		<u><u>33,386,758</u></u>	<u><u>30,179,766</u></u>
Contingent liabilities	4		
Related parties with control	5		
Ownership	6		

Statement of changes in equity for 2015

	Contributed capital DKK	Reserve for net revalua- tion accor- ding to the equity me- thod DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	1,002,000	0	26,164,016	3,000,000	30,166,016
Increase of capital	1,000	0	0	0	1,000
Ordinary dividend paid	0	0	0	-3,000,000	-3,000,000
Dividend	0	0	0	2,932,000	2,932,000
Profit/loss for the year	0	394,079	2,822,059	0	3,216,138
Equity end of year	1,003,000	394,079	28,986,075	2,932,000	33,315,154

Notes

	<u>2015</u> <u>DKK</u>	<u>2014</u> <u>DKK</u>
1. Tax on ordinary profit/loss for the year		
Current tax	-3,845	-4,574
	<u>-3,845</u>	<u>-4,574</u>
		Investments in group en- terprises DKK
2. Fixed asset investments		
Cost beginning of year		29,973,000
Additions		1,000
Cost end of year		<u>29,974,000</u>
Revaluations beginning of year		-2,810,677
Amortisation of goodwill		-1,245,737
Share of profit/loss after tax		7,450,493
Dividend		-3,000,000
Revaluations end of year		<u>394,079</u>
Carrying amount end of year		<u>30,368,079</u>

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity interest %</u>	<u>Equity DKK</u>	<u>Profit/loss DKK</u>
Subsidiaries:					
International Woodland Company A/S	Frederiksberg	A/S	100.00	23,518,977	6,694,936
IWC Investment Part- ners Fondsmæglersel- skab A/S	Frederiksberg	A/S	100.00	8,691,866	736,595

Notes

	<u>Number</u>	<u>Nominal value DKK</u>
3. Contributed capital		
A-shares	998,000	998,000
B-shares	1,000	1,000
C-shares	1,000	1,000
D-shares	1,000	1,000
E-shares	1,000	1,000
F-shares	1,000	1,000
	<u>1,003,000</u>	<u>1,003,000</u>

	<u>2015 DKK</u>	<u>2014 DKK</u>	<u>2013 DKK</u>	<u>2012 DKK</u>	<u>2011 DKK</u>
Changes in contributed capital					
Contributed capital beginning of year	1,002,000	1,002,000	1,002,000	1,001,000	0
Increase of capital	1,000	0	0	1,000	1,001,000
Contributed capital end of year	<u>1,003,000</u>	<u>1,002,000</u>	<u>1,002,000</u>	<u>1,002,000</u>	<u>1,001,000</u>

4. Contingent liabilities

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.

5. Related parties with control

During the year there has not been conducted transactions with the board members, executive, management employees, major shareholders, group companies or other related parties.

Notes

6. Ownership

The following shareholders are registered in the company's register of shareholder as holding at least 5% of the voting rights or 5% of the company capital:

LB Forsikring A/S, Farvergade 17, 1463 København K

OREW Holding ApS, Amalievej 20, 1875 Frederiksberg C

International Woodland Company Employee ApS, Amalievej 20, 1875 Frederiksberg C