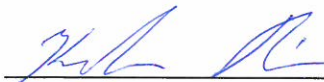


**International Woodland  
Company Holding A/S**  
Amalievej 20  
1875 Frederiksberg C  
Central Business Registration No  
34079226

**Annual report 2016**

The Annual General Meeting adopted the annual report on 05.04.2017

**Chairman of the General Meeting**



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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

Founded: 05.12.2011

Registered in: Frederiksberg

Financial year: 01.01.2016 - 31.12.2016

Fax: 33240242

Website: [www.iwc.dk](http://www.iwc.dk)

E-mail: [iwc@iwc.dk](mailto:iwc@iwc.dk)

### Board of Directors

Steen Villemoes, Chairman

Jan Kamp Justesen, Vice chairman

Nis Jul Clausen

Peter Vilhelm Carøe

Lars Wilhjelm

### Executive Board

Otto Frederik Juel 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 01.01.2016 - 31.12.2016.

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

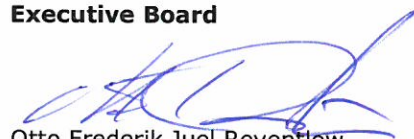
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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, 01.03.2017

### Executive Board



Otto Frederik Juel Reventlow

### Board of Directors



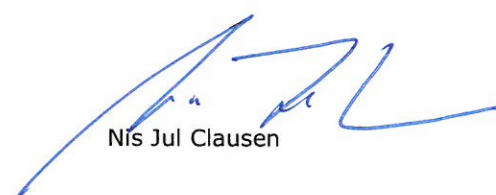
Steen Villemoes

Chairman

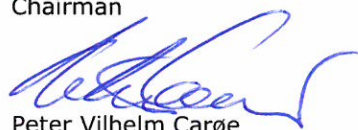


Jan Kamp Justesen

Vice chairman



Nis Jul Clausen



Peter Vilhelm Carøe



Lars Wilhjelm

## Independent auditor's report

### To the shareholders of International Woodland Company Holding A/S

#### Opinion

We have audited the financial statements of International Woodland Company Holding A/S for the financial year 01.01.2016 - 31.12.2016, 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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 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 of 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 requirements. 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:

## Independent auditor's report

- 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.

## Independent auditor's report

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.

København, 01.03.2017

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556



Bill Haudal Pedersen

State Authorised Public Accountant



Martin Jon Albæk Pedersen

State Authorised Public Accountant

## Management commentary

### Primary activities

The company owns the subsidiaries, International Woodland Company A/S, Amalievej 20, Frederiksberg and IWC Investment Partners A/S, Amalievej 20, 1875 Frederiksberg C.

International Woodland Company A/S provides investment management services outside the scope of the AIFM Act and advisory services regarding international timberland investments and related investments (including land related issues such as payment for ecosystem services and impact investments) to professional investors.

IWC Investment Partners A/S provides investment management of Alternative Investment Funds (AIFs), and investment advice and discretionary portfolio management regarding securities linked to forest investments and related assets to professional investors.

### Development in activities and finances

Net profit after tax for the year amounts to 5.4 million DKK compared to a net profit of DKK 6.1 million for 2015. Equity at year-end 2016 is DKK 35.8 million.

### Outlook

The subsidiaries of the company will focus on increasing their client base through active marketing of their products and services especially in Europe and – as a new focus – also in the US. In 2017, the subsidiaries expect to hire staff with agricultural expertise with the purpose to include agricultural investments in their primary activities. Furthermore, IWC Investment Partners A/S is contemplating to provide investment management services to certain external AIFs seeking an external AIFM with a tailored solution to meet the regulatory requirements.

### 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 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Other external expenses		(92,043)	(59,949)
<b>Operating profit/loss</b>		<b>(92,043)</b>	<b>(59,949)</b>
Income from investments in group enterprises		5,506,191	6,204,756
Other financial income		0	2
Other financial expenses		(718)	(516)
<b>Profit/loss before tax</b>		<b>5,413,430</b>	<b>6,144,293</b>
Tax on profit/loss for the year	1	7,993	3,845
<b>Profit/loss for the year</b>		<b>5,421,423</b>	<b>6,148,138</b>
<b>Proposed distribution of profit/loss</b>			
Ordinary dividend for the financial year		1,910,000	2,932,000
Transferred to reserve for net revaluation according to the equity method		3,506,191	394,079
Retained earnings		5,232	2,822,059
		<b>5,421,423</b>	<b>6,148,138</b>

**Balance sheet at 31.12.2016**

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Investments in group enterprises		33,874,270	30,368,079
<b>Fixed asset investments</b>	2	<b>33,874,270</b>	<b>30,368,079</b>
<b>Fixed assets</b>		<b>33,874,270</b>	<b>30,368,079</b>
Dividends receivable from group enterprises		2,000,000	3,000,000
Income tax receivable		7,993	3,845
<b>Receivables</b>		<b>2,007,993</b>	<b>3,003,845</b>
<b>Cash</b>		<b>14,369</b>	<b>14,834</b>
<b>Current assets</b>		<b>2,022,362</b>	<b>3,018,679</b>
<b>Assets</b>		<b>35,896,632</b>	<b>33,386,758</b>

## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		1,003,000	1,003,000
Reserve for net revaluation according to the equity method		3,900,270	394,079
Retained earnings		28,991,307	28,986,075
Proposed dividend		<u>1,910,000</u>	<u>2,932,000</u>
<b>Equity</b>		<b><u>35,804,577</u></b>	<b><u>33,315,154</u></b>
Payables to group enterprises		21,875	44,104
Other payables		<u>70,180</u>	<u>27,500</u>
<b>Current liabilities other than provisions</b>		<b><u>92,055</u></b>	<b><u>71,604</u></b>
<b>Liabilities other than provisions</b>		<b><u>92,055</u></b>	<b><u>71,604</u></b>
<b>Equity and liabilities</b>		<b><u>35,896,632</u></b>	<b><u>33,386,758</u></b>
Contingent liabilities	3		
Transactions with related parties	4		

## Statement of changes in equity for 2016

	<b>Contributed capital DKK</b>	<b>Reserve for net revaluation according to the equity method DKK</b>	<b>Retained earnings DKK</b>	<b>Proposed dividend DKK</b>
Equity beginning of year	1,003,000	394,079	28,986,075	2,932,000
Ordinary dividend paid	0	0	0	(2,932,000)
Profit/loss for the year	0	3,506,191	5,232	1,910,000
<b>Equity end of year</b>	<b>1,003,000</b>	<b>3,900,270</b>	<b>28,991,307</b>	<b>1,910,000</b>
				<b>Total DKK</b>
Equity beginning of year				33,315,154
Ordinary dividend paid				(2,932,000)
Profit/loss for the year				5,421,423
<b>Equity end of year</b>				<b>35,804,577</b>

## Notes

	<u>2016</u>	<u>2015</u>
	<u>DKK</u>	<u>DKK</u>
<b>1. Tax on profit/loss for the year</b>		
Tax on current year taxable income	(7,993)	(3,845)
	<u>(7,993)</u>	<u>(3,845)</u>
		<b>Investment s in group enterprises DKK</b>
<b>2. Fixed asset investments</b>		
Cost beginning of year		<u>29,974,000</u>
<b>Cost end of year</b>		<b><u>29,974,000</u></b>
Revaluations beginning of year		394,079
Amortisation of goodwill		(1,156,998)
Share of profit/loss for the year		6,663,189
Dividend		<u>(2,000,000)</u>
<b>Revaluations end of year</b>		<b><u>3,900,270</u></b>
<b>Carrying amount end of year</b>		<b><u>33,874,270</u></b>

### 3. 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.

### 4. Transactions with related parties

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

## 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 financial statement has been presented in DKK.

### Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

### 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 recognized in the income statement when earned, whereas costs are recognized 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 comprises interest income, including interest income on receivables 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

#### 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, and 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.

#### Receivables

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

#### Income tax payable or receivable

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

#### Cash

Cash comprises cash in hand and bank deposits.

## **Accounting policies**

### **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.