

IWC Investment Partners A/S

Central Business Register (CVR) No. 34 46 52 90

**Amalievej 20
1875 Frederiksberg C**

Annual Report 2016

The Annual General Meeting adopted the annual report on 5 April 2017

Chairman of the General Meeting



Karsten Rømer

Contents

	<u>Page</u>
Company details	1
Statement by management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement and statement of comprehensive income for 2016	9
Balance sheet at 31 December 2016	10
Statement of changes in equity for 2016	11
Notes	12-20

Company details

Company

IWC Investment Partners A/S
Amalievej 20
1875 Frederiksberg C
Denmark

Central Business Register (CVR) No. 34 46 52 90
Municipality of domicile: Frederiksberg, Denmark
Homepage: www.iwcip.dk
E-mail: iwc@iwc.dk

Board of Directors

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

Executive Board

Otto Frederik Juel Reventlow

Auditor

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S
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 IWC Investment Partners A/S for the financial year 1 January to 31 December 2016.

The report has been presented in accordance with the Alternative Investment Fund Managers etc. Act and the Executive Order on Financial Reports for Credit Institutions and Investment Companies etc.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2016 and of its financial performance for the financial year 1 January to 31 December 2016.

In our opinion, the management commentary contains a fair review of the development in the company's activities and financial position together with a description of the principal risks and uncertainties that may affect the company.

Frederiksberg, 1 March 2017

Executive Board

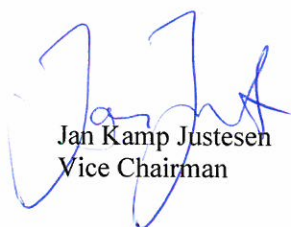


Otto Frederik Juel Reventlow, Chief Executive Officer

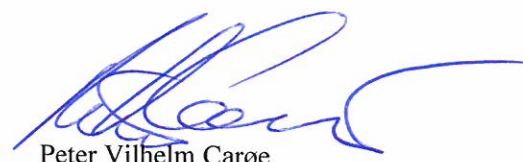
Board of Directors



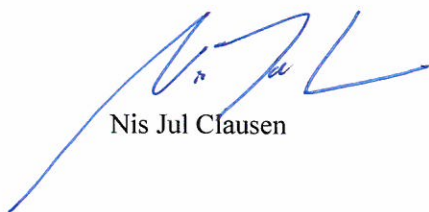
Steen Villemoes
Chairman



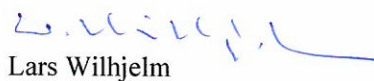
Jan Kamp Justesen
Vice Chairman



Peter Vilhelm Carøe



Nis Jul Clausen



Lars Wilhjelm

Independent auditor's report

To the shareholders of IWC Investment Partners A/S

Opinion

We have audited the financial statements of IWC Investment Partners A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Alternative Investment Fund Managers etc. Act and the Executive Order on Financial Reports for Credit Institutions and Investment Companies etc.

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 Alternative Investment Fund Managers etc. Act and the Executive Order on Financial Reports for Credit Institutions and Investment Companies etc.

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 Alternative Investment Fund Managers etc. Act and the Executive Order on Financial Reports for Credit Institutions and Investment Companies etc., 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

Independent auditor's report (continued)

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.

Independent auditor's report (continued)

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 Alternative Investment Fund Managers etc. Act and the Executive Order on Financial Reports for Credit Institutions and Investment Companies etc.

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 the Alternative Investment Fund Managers etc. Act and the Executive Order on Financial Reports for Credit Institutions and Investment Companies etc. We did not identify any material misstatement of the management commentary.

Copenhagen, 1 March 2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56



Bill Haudal Pedersen
State-Authorised Public Accountant



Martin Jon Albæk Pedersen
State-Authorised Public Accountant

Management commentary

Change of license and company name

During the period from 8 October 2012 to 10 May 2016, the company was licensed as an investment firm by the Danish Financial Supervisory Authority to provide investment advice etc. in accordance with the Danish Financial Business Act. On 10 May 2016, the company's investment firm license was replaced by a license as Alternative Investment Fund Manager (AIFM) in accordance with the Alternative Investment Fund Managers etc. Act. The company's name was therefore changed from IWC Investment Partners Fondsmæglerselskab A/S to IWC Investment Partners A/S. The change of license has had no major impact on the financial statement.

Primary activities

As of 10 May 2016, the primary activities of IWC Investment Partners A/S are to provide 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. The forest-related securities are primarily forest funds managed by an external Timberland Investment Management Organisation. The underlying investments are typically located on the American continent, Oceania, Asia, Africa, and Europe. The company is the AIFM of one AIF, IWC Timberland Partners I K/S, and is in the process of raising its second AIF, IWC Timberland Partners II.

Uncertainty relating to recognition and measurement

During the financial year, there have been no uncertainties relating to recognition and measurement.

Unusual circumstances

Except from change of license and company name as described above, no unusual circumstances have occurred during the year affecting recognition or measurement.

Intellectual capital resources

The company's investment management and investment advisory services are based on the staff's detailed knowledge of the timberland investment market and related markets.

Remuneration policy

The members of the Board of Directors are paid a fixed remuneration which is determined based on market terms and reflect their workload. The Board members are not covered by the company's bonus and incentive programmes. The remuneration of the Board of Directors is approved by the shareholders at the general meeting.

The management of the company has developed a remuneration policy and practice for remunerating the Board of Directors, the Executive Board, other employees whose activities have a significant impact on the company's risk profile, and employees with control and risk functions. It is evident from this policy that the fixed salary must represent such a high share of the total remuneration that it is possible to have a flexible pay policy for the variable salary, including the possibility of not disbursing the variable salary.

Management commentary (continued)

Development in activities and finances

Net profit for the year amounts to DKK 357 thousands after tax compared to a net profit of DKK 737 thousands for 2015.

As of year end 2016 the company's equity was DKK 7,972 thousands, the capital base (in Danish: kapitalgrundlag) was DKK 7,472 thousands and the cash position at year end was DKK 10,217 thousands.

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 semi annual report.

Outlook and other forward-looking statements

The net profit for the year 2017 is expected to be DKK 0 after tax as investments are made in developing new activities. It is the expectation that these initiatives will broaden the client base and increase the turnover and the net profit from 2018 and onwards.

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

The Board of Directors proposal for dividend

The Board of Directors proposes a dividend of DKK 500 thousands for the financial year 2016.

Particular risks and uncertainties

The company's business model is based on (i) performing investment management for AIFs and (ii) providing investment advice, discretionary portfolio management, and receipt and transmission of orders regarding securities linked to forest investments and related assets to professional investors. In connection with the replacement of the company's investment firm license by an AIFM license on 10 May 2016, the company continued with its investment advisory activities and started its investment management activities as the AIFM of its first AIF, IWC Timberland Partners I K/S. The company plans to expand its investment management activities. There is the risk that it will take longer time than expected to expand these activities. Furthermore, the company's income hinges on whether its clients do invest and how much. The clients' definite investment interest in 2017 will therefore affect the company's ultimate financial performance.

Management commentary (cont.)

Directorships and other offices

Executive Board:

Otto Frederik Juel Reventlow, Chief Executive Officer

Chief Executive officer of:

- International Woodland Company Holding A/S
- International Woodland Company A/S
- International Woodland Company Employee ApS
- ITP I GP ApS
- ITP I Brazil Holding I GP ApS
- ITP I Brazil Holding II GP ApS
- OREW Holding ApS

Member of the Board of Directors of:

- Den Reventlowske Stiftelse Theophiliskoven
- Godfred Birkedal Hartmann's Familiefond

Owner of:

- Agerup Gods, Saks København

Board of Directors:

Steen Villemoes, Chairman

Chairman of the Board of Directors of:

- International Woodland Company Holding A/S
- International Woodland Company A/S
- International Woodland Company Employee ApS
- K/S Habro-Lowestoft
- ApS Habro Komplementar-19
- Aspecto A/S

Member of the Board of Directors of:

- K/S Habro-Norwich
- K/S Habro-Islington
- ApS Habro Komplementar-26
- ApS Habro Komplementar-39

Owner of:

- Virksomhedskonsulent Steen Villemoes
- Vilmo Invest ApS

Jan Kamp Justesen, Vice Chairman

Vice chairman of the Board of Directors of:

- International Woodland Company Holding A/S
- International Woodland Company A/S
- International Woodland Company Employee ApS

Chief Financial Officer of:

- LB Forsikring A/S
- LB Foreningen F.M.B.A.

Chairman of the Board of Directors of:

- Semen Ejendomsaktieselskab
- Randan A/S
- LB IT A/S

Member of the Board of Directors of:

- Terrorforsikringspool for skadesforsikring
- Danwood Invest I/S

Peter Vilhelm Carøe

Member of the Board of Directors of:

- International Woodland Company Holding A/S
- International Woodland Company A/S
- International Woodland Company Employee ApS
- Aase og Ejnar Danielsens Fond
- DADES A/S
- DATEA A/S
- SPI-Fonden
- IMAP, Jakarta, PLC, Dublin
- IMAP, Matterhorn, PLC, Dublin
- Dansk Vækstkapital, Fund II
- Dansk Vækstkapital II Komplementar ApS

Chairman of the Board of Directors of:

- SPF IV GP ApS

Chief Executive Officer of:

- CI-II Holdings GP ApS.

Owner and Manager of:

- Finance Advisory ApS

Nis Jul Clausen

Member of the Board of Directors of:

- International Woodland Company Holding A/S
- International Woodland Company A/S
- International Woodland Company Employee ApS

Lars Wilhjelm

Member of the Board of Directors of:

- International Woodland Company Holding A/S
- International Woodland Company A/S
- International Woodland Company Employee ApS
- WEFRI A/S
- Wefri Holding ApS
- Vennerlund Familiefond
- Vennerlund Skove A/S
- KW Plan Software A/S
- Triangelhus A/S
- Ejendomsselskabet Bispenbo ApS
- H.C.A. ApS
- H.C.Andersens Boulevard 39 A/S
- Wasardske Familiefond
- Wilhjelm A/S
- Skovselskabet Poulsker ApS
- Copenhagen City Invest A/S

Chief Executive Officer of:

- Skovselskabet Poulsker ApS

Owner and Chief Executive Officer of:

- Orenæs Gods
- Wilhjelm Holding ApS

Income statement and statement of comprehensive income for 2016

Income statement

	<u>Notes</u>	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
Administration fees and income from managed AIF	4	6,070	8,410
Other administration fees and income		4,662	2,610
Administration fees and commission expenses paid		<u>(1,313)</u>	<u>(1,811)</u>
Net Administration fees and commission income		<u>9,419</u>	<u>9,209</u>
Staff costs and administrative expenses	5	<u>(8,910)</u>	<u>(8,245)</u>
Profit/(loss) before financial income and expenses, net		509	964
Financial expenses	6	(30)	(17)
Translation and market value adjustments	7	<u>(1)</u>	<u>3</u>
Profit/loss before tax		<u>478</u>	<u>950</u>
Income tax	8	<u>(121)</u>	<u>(213)</u>
Profit/loss for the year		<u>357</u>	<u>737</u>
Distribution of profit / loss for the year			
Proposed dividend		500	1,000
Retained earnings		<u>(143)</u>	<u>(263)</u>
		<u>357</u>	<u>737</u>
Statement of comprehensive income			
Profit/loss for the year		357	737
Other comprehensive income		(103)	214
Tax on other comprehensive income		<u>26</u>	<u>(50)</u>
Total other comprehensive income		<u>(77)</u>	<u>164</u>
Comprehensive income for the year		<u>280</u>	<u>901</u>

Balance sheet at 31 December 2016

Assets	<u>Notes</u>	<u>2016</u> DKK'000	<u>2015</u> DKK'000
Other receivables		373	390
Deferred tax assets	8	25	0
Prepayments		<u>8</u>	<u>275</u>
Total Receivables		<u>406</u>	<u>665</u>
Cash, on demand		<u>10,217</u>	<u>10,984</u>
Total assets		<u>10,623</u>	<u>11,649</u>
Equity and liabilities			
Share capital		2,250	2,250
Share premium		2,750	2,750
Other Reserves		(95)	(18)
Retained earnings		2,567	2,710
Of this, proposed dividend		<u>500</u>	<u>1,000</u>
Total equity		<u>7,972</u>	<u>8,692</u>
Provisions for deferred tax	8	<u>0</u>	<u>55</u>
Total provisions		<u>0</u>	<u>55</u>
Current tax liabilities		17	259
Other liabilities		<u>2,634</u>	<u>2,643</u>
Total liabilities other than provisions		<u>2,651</u>	<u>2,902</u>
Total equity and liabilities		<u>10,623</u>	<u>11,649</u>

Other notes:

1. Accounting policies
2. Accounting estimates
3. Financial highlights
9. Financial risks and financial risk management policies and objectives
10. Related parties
11. Derivative financial instruments
12. Ownership
13. Contingencies

Statement of changes in equity

	Share capital DKK'000	Share premium DKK'000	Other reserves DKK'000	Proposed dividend DKK'000	Retained earnings DKK'000	Total DKK'000
Equity at 1 January 2016	2,250	2,750	(18)	1,000	2,710	8,692
Retained earning for the period	0	0	0	0	(143)	(143)
Other comprehensive income	0	0	(77)	0	0	(77)
Paid dividend	0	0	0	(1,000)	0	(1,000)
Proposed dividend	0	0	0	500	0	500
Equity at 31 December 2016	<u>2,250</u>	<u>2,750</u>	<u>(95)</u>	<u>500</u>	<u>2,567</u>	<u>7,972</u>
Equity at 1 January 2015	2,250	2,750	(182)	0	2,973	7,791
Retained earning for the period	0	0	0	0	(263)	(263)
Other comprehensive income	0	0	164	0	0	164
Proposed dividend	0	0	0	1,000	0	1,000
Equity at 31 December 2015	<u>2,250</u>	<u>2,750</u>	<u>(18)</u>	<u>1,000</u>	<u>2,710</u>	<u>8,692</u>

Number of shares, 22,500 shares in denominations of DKK 100

The share capital is not divided into classes.

Notes

1. Accounting policies

The annual report of IWC Investment Partners A/S has been prepared in accordance with the Alternative Investment Fund Managers etc. Act and the Executive Order on Financial Reports for Credit Institutions and Investment Companies etc.

The income statement and balance sheet and the terms within, are adapted to the company's activity as an Alternative Investment Fund Manager (AIFM).

In connection with the company's transition from an investment firm to an AIFM in May 2016, the income statement and balance sheet are now prepared in accordance with the Alternative Investment Fund Managers etc. Act. and the Executive Order on Financial Reports for Credit Institutions and Investment Companies etc. This amendment does not change the company's results, balance sheet or equity. Comparative figures and financial ratios are changed accordingly.

The accounting policies are consistent with those applied last year.

The financial statements are presented in Danish Krone (DKK), rounded to the nearest thousand.

As part of the preparation of the financial statements, management makes a number of accounting judgments which form the basis of presentation, recognition and measurement of the company's assets and liabilities. The financial statements have been presented applying the principle of going concern based on current practice and interpretation of the rules governing AIFMs. The most significant accounting judgements, estimates and uncertainties are evident from note 2 to the financial statements.

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 company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company 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 company, 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 financial statements 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.

Notes

1. Accounting policies (continued)

Foreign currency

Transactions denominated in currencies other than DKK are translated using the transaction date exchange rate. Monetary items denominated in currencies other than DKK are translated into DKK at the official rates of exchange at the balance sheet date. Gains and losses arising between the exchange rate on the transaction date and the date of settlement are recognised in the income statement. If foreign currency transactions are considered hedges of future cash flows, the value adjustments are recognised directly in equity.

Income statement and statement of comprehensive income

Net Administration fees and commission income

Income from services for the clients' account, including portfolio fees and brokerage fees, is recognised in administration fees and income. Expenses from the sale of services are recognised in administration fees and commission paid.

Administration fees and commission income and expenses paid from the sale of services are recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Staff costs and administrative expenses

Staff costs comprise salaries, social security costs, pension contributions, etc. for the company's staff.

Administrative expenses include expenses relating to the company's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Financial expenses

Financial expenses comprises of interest expenses on bank deposits.

Translation and market value adjustments

All translation and market value adjustments of assets and liabilities measured at fair value are recognised in translation and market value adjustments.

Income tax

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/loss for the year and recognised directly in equity by the portion attributable to entries directly in equity.

IWC Investment Partners A/S is subject to joint taxation with a number of Danish companies, with International Woodland Company Holding A/S serving as the administration company. The current Danish income

Notes

1. Accounting policies (continued)

tax is allocated among the jointly taxed companies proportionally to their taxable income. The jointly taxed companies are subject to the Danish Tax Prepayment Scheme. Tax for the year, comprising current tax and changes in deferred tax, is recognised in the income statement.

Current tax assets are composed of amounts receivable related to losses used under the joint taxation arrangement. Such amounts are recognised in the balance sheet until the time of settlement by the administration company. The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year taxable income, adjusted for prepaid 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.

The tax liability incumbent on any temporary difference between its carrying amount and its tax base is recognised as deferred tax. If the temporary difference is negative, and it is probable that it may be used to reduce future tax payments, then a deferred tax asset is recognised.

Balance sheet

Other receivables

Other receivable comprises income not payable until after financial year-end, including portfolio and advisory fees, interest and brokerage fees receivable. Other receivables are measured at amortised cost, usually equaling nominal value less provisions for bad debts

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other liabilities

Other liabilities comprises expenses not payable until after financial year-end, including various accounts payable and salaries payable. The financial statement item is measured at cost on initial recognition and subsequently at amortised cost, which usually corresponds to nominal value.

Derivative Financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables. Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

Notes

1. Accounting policies (continued)

Financial highlights

Financial and operating data and key ratios have been prepared in accordance with the requirements of the Executive Order on Financial Reports to this effect. Also, financial and operating data and key ratios representing zero value are not disclosed in the statement of financial highlights. The ratios and key figures are defined in the Executive Order on Financial Reports for Credit Institutions and Investment Companies etc.

2. Accounting estimates

The financial statements are prepared based on specific assumptions which involve the use of accounting estimates. These estimates are made by management in accordance with the accounting policies and based on historical experience as well as assumptions which management considers reasonable and realistic.

For the year of 2016, no areas have been subject to significant accounting estimates or uncertainties.

3. Financial highlights

	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>	<u>2014</u> <u>DKK'000</u>	<u>2013</u> <u>DKK'000</u>	<u>20.03.-</u> <u>31.12.2012</u> <u>DKK'000</u>
Income statement					
Net fees and commission income	9,419	9,209	9,281	6,750	0
Staff costs and administrative expense	(8,910)	(8,245)	(7,483)	(7,481)	(2,425)
Profit/(loss) before financial income	509	964	1,798	(731)	(2,425)
Profit / (loss) for the year	357	737	1,360	(548)	(1,839)
Balance sheet					
Equity	7,972	8,692	7,791	6,618	3,161
Total assets	10,623	11,649	10,708	9,164	4,492
Solvency ratio	258%	344%	349%	254%	141%
Return on equity before tax	5.7%	12%	25%	(15%)	(59%)
Return on equity after tax	4.3%	8.9%	19%	(11%)	(45%)
Average number of employees	6	5	6	5	4
Number of AIF under admin. *	1	n/a	n/a	n/a	n/a
Assets under Management, AUM *	1,017,932	n/a	n/a	n/a	n/a

* No comparative figures are disclosed. The company was licensed as an AIFM as of 10 May 2016.

Notes

Notes

	2016	2015
	<u>DKK'000</u>	<u>DKK'000</u>
4. Administration fees and income from managed AIF		
The company has one managed AIF: IWC Timberland Partners I K/S, Business Registration CVR 35140964		
5. Staff costs and administrative expenses		
Staff costs	6,491	6,156
Other administrative expenses	<u>2,419</u>	<u>2,089</u>
Total staff costs and administrative expenses	<u>8,910</u>	<u>8,245</u>
Salaries	6,195	5,884
Pension contributions	262	238
Other social security costs	<u>34</u>	<u>34</u>
Staff costs	<u>6,491</u>	<u>6,156</u>
Average number of employees converted into full-time employees	<u>6</u>	<u>5</u>
Remuneration of the Executive Board		
Otto Reventlow, Chief Executive Officer, fixed remuneration	630	608
Otto Reventlow, Chief Executive Officer, variable remuneration	<u>7</u>	<u>6</u>
Remuneration of the Executive Board	<u>637</u>	<u>614</u>
Number of members of the Executive Board	<u>1</u>	<u>1</u>
The group's remuneration of the Executive Board		
Otto Reventlow, Chief Executive Officer, fixed remuneration	2,522	2,430
Otto Reventlow, Chief Executive Officer, variable remuneration	<u>28</u>	<u>26</u>
The group's remuneration of the Executive Board	<u>2,550</u>	<u>2,456</u>
Number of members of the Executive Board	<u>1</u>	<u>1</u>
Board of Directors		
Steen Villemoes, Chairman	150	150
Jan Kamp Justesen, Vice Chairman	50	50
Peter Carøe, joined the Board on 9 April 2015	50	38
Jørgen Bo Larsen, resigned from the Board on 9 April 2015	0	25
Lars Wilhjelm	50	50
Nis Jul Clausen	<u>50</u>	<u>50</u>
Fixed remuneration of the Board of Directors	<u>350</u>	<u>363</u>
Number of members of the Board of Directors	<u>5</u>	<u>5</u>

Notes

5. Staff costs and administrative expenses (continued)

	<u>2016</u> <u>DKK'000</u>	<u>2015</u> <u>DKK'000</u>
The group's total remuneration of the Board of Directors		
Steen Villemoes, Chairman	375	375
Jan Kamp Justesen, Vice Chairman	125	125
Peter Carøe, joined the Board on 9 April 2015	125	94
Jørgen Bo Larsen, resigned from the Board on 9 April 2015	0	62
Lars Wilhjelm	125	125
Nis Jul Clausen	<u>125</u>	<u>125</u>
The group's fixed remuneration of the Board of Directors	<u>875</u>	<u>906</u>
Number of members of the Board of Directors	<u>5</u>	<u>5</u>
Other employees significantly influencing the company's risk profile		
Fixed remuneration	1,826	1,555
Variable remuneration	<u>41</u>	<u>27</u>
Remuneration of employees influencing the company's risk profile	<u>1,867</u>	<u>1,582</u>
Number of employees	<u>4</u>	<u>4</u>
Audit fees		
Statutory audit of the financial statements	27	40
Tax advisory services	3	3
Other services	<u>58</u>	<u>106</u>
Total fees for the auditors appointed by the general meeting who perform the statutory audit	<u>88</u>	<u>149</u>
6. Interest expenses		
Other interest expenses	<u>(30)</u>	<u>(17)</u>
Total interest expense	<u>(30)</u>	<u>(17)</u>
7. Market value adjustments		
Foreign currency translations	<u>(1)</u>	<u>3</u>
Total market value adjustments	<u>(1)</u>	<u>3</u>

Notes

	2016	2015
	<u>DKK'000</u>	<u>DKK'000</u>
8. Income tax		
Current tax	(180)	(215)
Change in deferred tax	<u>59</u>	<u>2</u>
Tax on profit/loss for the year	<u>(121)</u>	<u>(213)</u>
Effective tax rate		
Danish corporation tax rate	22.0	23.5
Non-deductible expenses etc.	<u>3.3</u>	<u>(1.1)</u>
Effective tax rate	<u>25.3</u>	<u>22.4</u>
Deferred tax is incumbent on the following financial statement items:		
Prepayments	(2)	(60)
Derivative financial instruments	<u>27</u>	<u>5</u>
Deferred tax assets / Provisions for deferred tax	<u>25</u>	<u>(55)</u>

9. Financial risks and financial risk management policies and objectives

The company is exposed to different types of risks. The objective of the company's risk management policies is to minimise the losses which might occur due to changes in e.g. the financial markets.

The company continuously develops its tools to identify and manage the risks affecting it on a daily basis. The Board of Directors lays down the overall framework and principles for risk and capital management, and the Chairman and the Executive Board receive monthly reports on developments in risks and utilisation of the defined risk framework.

Credit risk

Risk management policies have therefore been prepared to ensure that transactions with credit institutions are consistent with the framework laid down by the Board of Directors.

Market risk

The company's market risk is managed through fixed limits for a large number of risk targets. Market risks are determined and monitored on a daily basis in so far as this is relevant.

Liquidity risk

The company's cash resources are managed by maintaining sufficient cash and cash equivalents. The cash resources are determined with the object of securing sufficient and stable cash resources.

Notes

9. Financial risks and financial risk management policies and objectives (continued)

Operational risk

With a view to reducing losses from operational risks, the company has prepared a number of policies to mitigate human and systems errors.

10. Related parties

All related party transactions have been conducted on an arm's length basis.

Related parties with a controlling interest in the company

International Woodland Company Holding A/S, Frederiksberg, Denmark holds the majority of votes.

Related party transactions in the financial year

The company has had the following transactions with related parties in the financial year:

<u>Name</u>	<u>Basis of influence</u>	<u>Nature and scope of transactions</u>
International Woodland Company A/S	Group company	Sharing of costs on a cost recovery basis, DKK 1,352 thousands. (2015: DKK 1,075 thousands).
IWC Timberland Partners I K/S	Control through group company	Management fee, DKK 6,070 thousands (2015: DKK 8,410 thousands).
Otto Reventlow	Executive Board	Remuneration
Steen Villemoes	Board of Directors	Remuneration
Jan Kamp Justesen	Board of Directors	Remuneration
Peter Carøe	Board of Directors	Remuneration
Lars Wilhjelm	Board of Directors	Remuneration
Nis Jul Clausen	Board of Directors	Remuneration
Jørgen Bo Larsen	Board of Directors	Remuneration

Please refer to note 4 to the financial statements for the amount of remuneration of the Board of Directors and the Executive Board.

11. Derivative financial instruments

The company has entered into forward exchange contracts to hedge future transactions until 28 September 2017 in the total amount of USD 300 thousands. The fair value of these contracts is negative by DKK 121 thousands at 31 December 2016, which amount has been recognised in the balance sheet (31 December 2015: negative by DKK 23 thousands).

Notes

	<u>2016</u>	<u>2015</u>
	<u>DKK'000</u>	<u>DKK'000</u>

12. Ownership

The following shareholders hold more than 5% of the company's share capital:

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

13. Contingencies

Guarantees etc.

Guaranteed towards the Danish Guarantee Fund for Depositors and Investors	<u>21</u>	<u>25</u>
Total	<u>21</u>	<u>25</u>

The company participates in a Danish joint taxation arrangement with International Woodland Company Holding A/S serving as 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.

The company is jointly registered for VAT with a sister company. The companies are jointly and severally liable for the VAT liability.