



ITP II Brazil Holding I K/S

Scherfigsvej 10, st. th
2100 Copenhagen Ø
CVR No. 39264692

Annual report 2022

The Annual General Meeting adopted the
annual report on 09.06.2023

Henrik Lundqvist
Chairman of the General Meeting

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Entity details

Entity

ITP II Brazil Holding I K/S

Scherfigsvej 10, st. th

2100 Copenhagen Ø

Business Registration No.: 39264692

Date of foundation: 16.01.2018

Registered office: Copenhagen

Financial year: 01.01.2022 - 31.12.2022

Executive Board

Celine Emilie Gaelle Claudon

Henrik Lundqvist

Otto Frederik luel Reventlow

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of ITP II Brazil Holding I K/S for the financial year 01.01.2022 - 31.12.2022.

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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

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, 09.06.2023

Executive Board

Celine Emilie Gaele Claudon

Henrik Lundqvist

Otto Frederik Iuel Reventlow

Independent auditor's report

To the shareholders of ITP II Brazil Holding I K/S

Opinion

We have audited the financial statements of ITP II Brazil Holding I K/S for the financial year 01.01.2022 - 31.12.2022, 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 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 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, 09.06.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bill Haudal Pedersen

State Authorised Public Accountant
Identification No (MNE) mne30131

Management commentary

Primary activities

The purpose of the Entity is to carry out long-term sustainable investments in forestry and plantation establishment in Brazil, through equity participation in the Brazilian forest fund LACAN FLORESTAL II.

Description of material changes in activities and finances

Since the establishment of the Entity in 2018, the main activity has been investment in plantation establishment in Brazil via a Brazilian company, LACAN FLORESTAL II.

In accordance with a special agreement, this task has been performed in collaboration with the investment adviser IWC Investment Partners A/S.

The economic development is primarily influenced by the adjustment of fair value in the underlying investments. The income from financial assets in 2022 has been USD 3,357,922.

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 2022

	Notes	2022 USD	2021 USD
Other external expenses		(46,578)	(44,331)
Gross profit/loss		(46,578)	(44,331)
Income from financial assets		3,357,922	483,813
Other financial income		1,467	2
Other financial expenses		(108,772)	(99)
Profit/loss for the year		3,204,039	439,385
Proposed distribution of profit and loss:			
Retained earnings		3,204,039	439,385
Proposed distribution of profit and loss		3,204,039	439,385

Balance sheet at 31.12.2022

Assets

	Notes	2022 USD	2021 USD
Other investments		21,217,811	17,352,572
Financial assets	1	21,217,811	17,352,572
Fixed assets		21,217,811	17,352,572
Cash		103,682	14,408
Current assets		103,682	14,408
Assets		21,321,493	17,366,980

Equity and liabilities

	Notes	2022 USD	2021 USD
Contributed capital		16,988,416	15,636,043
Distributions		(1,013,748)	(381,832)
Retained earnings		5,312,178	2,108,139
Equity		21,286,846	17,362,350
Other payables		34,647	4,630
Current liabilities other than provisions		34,647	4,630
Liabilities other than provisions		34,647	4,630
Equity and liabilities		21,321,493	17,366,980
Employees	2		
Fair value information	3		

Statement of changes in equity for 2022

	Contributed capital USD	Distributions USD	Retained earnings USD	Total USD
Equity beginning of year	15,636,043	(381,832)	2,108,139	17,362,350
Increase of capital	1,352,373	0	0	1,352,373
Ordinary distributions	0	(631,916)	0	(631,916)
Profit/loss for the year	0	0	3,204,039	3,204,039
Equity end of year	16,988,416	(1,013,748)	5,312,178	21,286,846

Notes

1 Financial assets

	Other investments USD
Cost beginning of year	15,561,043
Additions	1,352,373
Cost end of year	16,913,416
Revaluations beginning of year	1,791,529
Fair value adjustments	2,512,866
Revaluations end of year	4,304,395
Carrying amount end of year	21,217,811

Fixed asset investments comprises of investments in non-controlling enterprises.

2 Employees

The company has no employees.

The Executive Board has not received any remuneration

3 Fair value information

	Other Investments USD
Unrealised fair value adjustments recognised in the income statement	3,357,922

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 rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Other external expenses

Other operating expenses comprise expenses of bank, audit, legal fee and remuneration to ITP II Brazil Holding GP I ApS.

Income from other fixed asset investments

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 financial income

Other financial income comprises exchange rate gain on distributions from other investment, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Financial income and expenses consists of realised as well as unrealised exchange rate adjustments.

Balance sheet**Other investments**

Other investments in the portfolio company are recorded at fair value. The fair value is complied at balance sheet date and is based on audited financial statements.

The third party assessment is based on a valuation methodology that aims at determining the transaction price which would arise between independent parties who bring normal commercial considerations. The valuation methodology involves all factors likely to influence the fair value and is in accordance with generally accepted methodologies for pricing equity investment.

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

Unrealized and realized fair values of financials asstes are recognized in the income statement as fair value adjustments of other investment assets.

Recognition and measurement of investments are in compliance with the requirements of the IFRS and are presented in accordance with the ILPA guidelines, which has not made any impact in the income statement or balance sheet.

Cash

Cash comprises of bank deposits.

Other financial liabilities

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