



IWC Timberland Partners II K/S

Scherfigsvej 10, st. th
2100 Copenhagen
CVR No. 39185954

Annual report 2024

The Annual General Meeting adopted the
annual report on 02.06.2025

Thomas Bentzen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2024	8
Balance sheet at 31.12.2024	9
Statement of changes in equity for 2024	11
Notes	12
Accounting policies	14

Entity details

Entity

IWC Timberland Partners II K/S
Scherfigsvej 10, st. th
2100 Copenhagen

Business Registration No.: 39185954
Date of foundation: 22.12.2017
Registered office: Copenhagen
Financial year: 01.01.2024 - 31.12.2024

Executive Board in ITP II GP ApS

Thomas Bentzen
Morten Stadil
Søren Damgaard

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of IWC Timberland Partners II K/S for the financial year 01.01.2024 - 31.12.2024.

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 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024.

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, 14.05.2025

Executive Board in ITP II GP ApS

Thomas Bentzen

Morten Stadil

Søren Damgaard

Independent auditor's report

To the shareholders of IWC Timberland Partners II K/S

Opinion

We have audited the financial statements of IWC Timberland Partners II K/S for the financial year 01.01.2024 - 31.12.2024, 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 31.12.2024 and of the results of its operations for the financial year 01.01.2024 - 31.12.2024 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 14.05.2025

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Rasmus Grynderup Kiær Steffensen

State Authorised Public Accountant

Identification No (MNE) mne44143

Management commentary

Primary activities

The purpose and objective of IWC Timberland Partners II K/S ("ITP II") is, by acting as a fund-of-funds, to make, manage, and dispose of sustainably managed forest investments and related assets.

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 2024

	Notes	2024 USD	2023 USD
Other operating income		(5,094)	48,242
Other external expenses	1	114,525	(481,512)
Gross profit/loss		109,431	(433,270)
Income from investments in group enterprises		0	6,299,838
Other financial income	2	764,892	897,560
Other financial expenses		(208)	(208)
Profit/loss for the year		874,115	6,763,920
Proposed distribution of profit and loss:			
Retained earnings		874,115	6,763,920
Proposed distribution of profit and loss		874,115	6,763,920

Balance sheet at 31.12.2024

Assets

	Notes	2024 USD	2023 USD
Investments in group enterprises		39,645,694	42,505,603
Receivables from group enterprises		12,477,715	12,762,715
Financial assets	3	52,123,409	55,268,318
Fixed assets		52,123,409	55,268,318
Receivables from group enterprises		1,044,552	663,693
Other receivables		0	265,608
Receivables		1,044,552	929,301
Cash		57,197	109,156
Current assets		1,101,749	1,038,457
Assets		53,225,158	56,306,775

Equity and liabilities

	Notes	2024 USD	2023 USD
Contributed capital		63,185,549	63,050,549
Revaluation reserve		17,210,432	0
Distributions		(33,006,449)	(30,341,495)
Retained earnings		5,573,989	23,035,456
Equity		52,963,521	55,744,510
Trade payables		57,737	36,689
Payables to group enterprises		3,548	1,952
Other payables		200,352	523,624
Current liabilities other than provisions		261,637	562,265
Liabilities other than provisions		261,637	562,265
Equity and liabilities		53,225,158	56,306,775
Employees	4		
Fair value information	5		
Contingent liabilities	6		

Statement of changes in equity for 2024

	Contributed capital USD	Revaluation reserve USD	Distributions USD	Retained earnings USD	Total USD
Equity beginning of year	63,050,549	0	(30,341,495)	23,035,456	55,744,510
Increase of capital	135,000	0	0	0	135,000
Ordinary distributions	0	0	(2,664,954)	0	(2,664,954)
Revaluations for the year	0	(1,125,150)	0	0	(1,125,150)
Transfer to reserves	0	18,335,582	0	(18,335,582)	0
Profit/loss for the year	0	0	0	874,115	874,115
Equity end of year	63,185,549	17,210,432	(33,006,449)	5,573,989	52,963,521

The Limited Partners have committed themselves to contributing up to USD 60,606 thousand into the Fund, when new capital is required for making investments, paying fund costs etc. Of the total committed capital, the Limited Partners have paid-in net USD 63,186 thousand at 31.12.2024 out of which USD 15,152 thousand has been distributed as recallable distributions, causing the balance of undrawn commitment to stand at USD 2,572 thousand, due to released commitment of USD 10,000 thousand.

Notes

1 Other external expenses

According to paragraph 61 section 3 (5 and 6) of the Alternative Investment Fund Managers etc. Act, alternative investment funds must disclose information about the total remuneration of the entire staff of the Fund Manager and the number of beneficiaries. Furthermore, remuneration to material risk-takers must be disclosed.

The Fund Manager must also disclose the information necessary to provide an understanding of the risk profile of the Fund and the measures that the Fund Manager takes to avoid or manage conflicts of interest between the Fund Manager and the Limited Partners. The Executive board has adopted a remuneration policy in order to ensure that the employees and Management are remunerated according to the Danish Executive Order on remuneration policy and disclosure requirements on remuneration for managers of alternative investment funds, etc.

In accordance with paragraph 61 section 3 (5 and 6) of the Alternative Investment Fund Managers etc. Act, information regarding salaries paid to employees of the fund manager is disclosed in the Annual Report for IWC Investment Partners A/S, Business Reg. No. 34 46 52 90.

No carried interest was paid out by the Fund during the financial period.

2 Other financial income

	2024 USD	2023 USD
Financial income from group enterprises	760,444	872,610
Other interest income	4,448	24,950
	764,892	897,560

3 Financial assets

	Investments in group enterprises USD	Receivables from group enterprises USD
Cost beginning of year	37,400,360	23,736,500
Cost end of year	37,400,360	23,736,500
Revaluations beginning of year	5,105,243	(10,973,785)
Revaluations for the year	(1,734,760)	(285,000)
Fair value adjustments	(1,125,150)	0
Revaluations end of year	2,245,333	(11,258,785)
Carrying amount end of year	39,645,693	12,477,715
Carrying amount if assets had not been revalued	37,400,360	

Fixed asset investments comprise investments in group enterprises and loans and interests.

As a part of the compilation of the annual report, Management assesses the fair value principles and accounting estimates of the investments, and evaluate if the applied principles are fair, based upon management experience and knowledge regarding the specific investments. Given the nature of the unlisted equities the valuation is inherently associated with uncertainty, and the final valuation or sale price of the investments held by the investments, will depend on the future developments in market and specific factors, including earnings, interest rates, foreign exchange, etc.

4 Employees

The Entity has no employees other than the Executive Board. The Executive Board has not received any remuneration.

5 Fair value information

	Investments in group enterprises USD
Fair value end of year	39,645,694
Unrealised fair value adjustments recognised in the fair value reserve in equity	(1,125,150)

6 Contingent liabilities

The Partnership has as of December 31, 2024 assumed an irrevocable commitment to Investments of USD 61.1 million. Of this, total USD 0 is outstanding.

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 annual report for the company is presented in its functional currency, USD. Applied USD v/ DKK exchange rate at balance sheet date is 7.14 (2023: 6.75).

Changes in accounting policies

The Entity has changed its accounting policies with regard to the recognition of investments in group enterprises.

Management has decided to recognise investments in group enterprises at fair value in accordance with section 41(1) of the Danish Financial Statements Act. Hence, the cumulative effect of revaluation to fair value will be recognised directly in equity under revaluation reserves to ensure a more true and fair view.

The change in accounting policies has led to an increase in profit/loss for the year, due to the negative unrealised income from investments in group enterprises of USD 1,125,150 has been posted against the equity on revaluation reserves. Consequently, the total effect of the change in accounting policies is an increase in this year's profit or loss of USD 1,125,150, while it has an effect of USD 0 on equity and balance sheet total at 31.12.2024.

Referring to section 51(2) of the Danish Financial Statements Act, the change in accounting policy does not lead to a change in comparative figures.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistently with last year.

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 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 operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

Other external expenses comprise partnership expenses and management fee. Partnership expenses include expenses that have been paid during the year for the performance of the Limited Partnership's investment activities. Management fee comprises expenses for the tasks that have been performed by the investment manager IWC Investment Partners A/S.

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 intra-group profits or losses.

Other financial income

Other financial income comprise interest and net exchange rate adjustments on transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest and net exchange rate adjustments on transactions in foreign currencies.

Balance sheet

Investments in group enterprises

Investments in group enterprises under non-current assets comprise unlisted investments.

Investments are measured at fair value through revaluation reserves on the equity. When measuring the fair value, the valuation is based on the fair value of the assets and liabilities, which appears in the individual investments audited financial statement.

The fair value of the investments are calculated based on recognized valuation methods, including the IPEV valuation guidelines, which essentially correspond to the recognition and measurement provisions under IFRS 13. The estimated fair value on the investments under non-current assets thus corresponds to the Entity's share of the net asset value of the investment.

The Company receives audited financial statements from the underlying investment by an independent auditor which is the basis for valuation at the balance sheet date.

Since the valuation is dependent on assumptions about e.g., future earnings in underlying companies and the development in market multiples, the valuation is associated with a natural uncertainty. This uncertainty will naturally be greater in periods of fluctuations in the financial markets, where market multiples, and thus the valuation, will be affected by, among other things, developments in illiquidity premiums and the possibility of selling underlying companies in the funds. Outstanding investment commitments at the balance sheet date are disclosed as contingent liabilities in the notes.

The Company only holds investments in unlisted equity.

Refer to note 3 for further.

Receivables

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

Cash

Cash comprises cash in bank deposits.

Other financial liabilities

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