

MGM 1C ApS

c/o Nectar Management A/S
Bornholmsgade 3.
1266 Copenhagen K, Denmark
CVR-No. 31 27 23 78

Financial Statements

For the period 1 January – 31 December 2021
(12 months)
14th financial year

Adopted at the Annual General Meeting of shareholders
on 29 June 2022

DocuSigned by:

Helene Egede Scotwin

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Chairman

Helene Egede Scotwin

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Please note that for computational reasons, rounding differences to the exact mathematical figures (monetary units, percentages, etc.) may occur.

1 Company details

MGM 1C ApS

c/o Nectar Management A/S
Bornholmsgade 3.
1266 Copenhagen K, Denmark

Company registration number

CVR-No. 31 27 23 78

Supervisory Board

- Tommas Jakobsen
- Peer Thomas Borg

Executive Board

- Tommas Jakobsen
- Peer Thomas Borg

Shareholders holding 5 % or more of the share capital or the voting rights

MGM 1 S.à r.l., 12C, rue Guillaume Kroll, L-1882 Luxembourg

Ultimate parent company

MELF S.à r.l., 12C, rue Guillaume Kroll, L-1882 Luxembourg

2 Statement by the Supervisory and Executive Boards on the Financial Statements

The Supervisory and Executive Boards have presented the Financial Statements of MGM 1C ApS (in the following "the Company") for the year ended 31 December 2021. The Financial Statements were discussed and adopted on today's date.

The Financial Statements have been presented in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for financial statements.

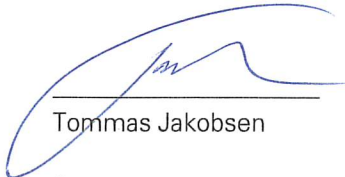
We consider that the accounting policies used are appropriate and the accounting estimates made are reasonable. To the best of our belief, the Financial Statements include the information which is relevant for an assessment of the Company's financial position. Against this background, it is our opinion that the Financial Statements give a true and fair view of the Company's assets and liabilities, financial position, and results of operations and cash flow for the year ended 31 December 2021.

We believe that the management's review contains a fair review of the affairs and conditions referred to therein.

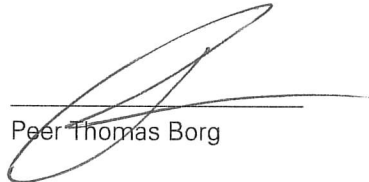
We recommend that the Financial Statements be adopted by the Annual General Meeting of shareholders.

Copenhagen, 27.06. 2022

Executive Board

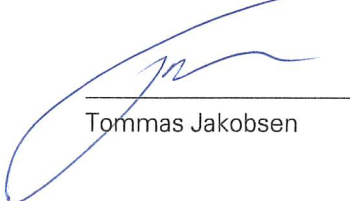


Tommas Jakobsen

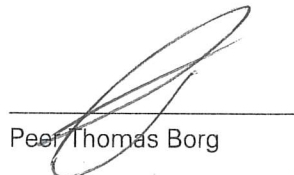


Peer Thomas Borg

Supervisory Board



Tommas Jakobsen



Peer Thomas Borg

3 Financial highlights

5-year summary

	2021	2020	2019	2018	2017
	EUR	EUR	EUR	EUR	EUR
Key figures (in EUR, except per share data)					
Statement of comprehensive income					
Revenue	57,745	339,395	847,215	943,756	921,823
Gross profit/(loss)	(49,739)	176,433	593,445	663,447	636,594
Profit/(loss) before net financials (EBIT)	(212,620)	1,318,553	2,261,141	532,159	324,527
Financial expenses	(228,809)	(277,981)	(291,795)	(293,991)	(295,936)
Total comprehensive income/(expense) for the year	(380,826)	866,854	1,969,346	238,168	28,591
Statement of financial position					
Total assets	1,307,244	2,406,002	9,213,409	7,524,102	7,646,760
Shareholders' equity	(330,026)	50,800	(816,054)	(2,785,400)	(3,023,568)
Other					
Number of employees	0	0	0	0	0
Ratio in %					
Rate of return (Profit/loss before net financials x 100/total assets)	-16.26 %	54.80%	24.54%	7.07%	4.24%
Equity ratio (Shareholders' equity x 100/total assets)	-25.25 %	2.11%	-8.86%	-37.02%	-39.54%

Financial highlights are prepared in accordance with International Financial Standards, cf. Note 1 "Accounting policies".

Ratios are computed in accordance with Guidelines and Financial ratios issued by the Danish Society of Financial Analysts.

4 Management's review

Business activities and mission

The Company's main objective is property investment.

Business review

The Company recorded rental income of EUR 27,947 for the year ended 31 December 2021 (2020: EUR 300,407).

The investment properties were sold during the financial year for a total purchase price of EUR 2,180,000.

Recognition and measurement uncertainties

The Company's investment properties are recognised in the financial statements at market value based on an internal return based assessment model. This model contains an estimate of the property's future return and the expected return requirement. The property's future returns are estimated based on existing leases and experience.

Going concern

These financial statements have been prepared on a going concern basis.

The Company incurred a loss of EUR 380,826 for the year ended 31 December 2021 (2020: profit of EUR 866,854) and the statement of financial position reflected a negative total equity position of EUR 330,026 (2020: positive total equity position of EUR 50,800)

Management closely monitors the cash requirements of the Company and works with its advisors to forecast and manage liquidity requirements over the life of its investment activities. Management has reviewed the forecasted cash flows and is confident that there are no liquidity issues and that the Company will continue to meet its liabilities as they fall due.

The Company has lost its share capital but expects to be able to restore it through future earnings. The parent company, MELF S.à r.l., has issued a subordination letter for a 12-month period from the signing date of the financial statements, covering all the loans they have

Going concern (continued)

provided to the Company. The Company's ability to continue as a going concern is at risk if the parent company fails to provide sufficient financial support.

During the year the Company had a net cash inflow of EUR 59,279 and cash at bank at the balance sheet date of EUR 104,338.

Financial position

The result for the year is as expected.

Future developments

It is envisaged that the Company will be merged in near future. There is no set timeframe for the merger of the company and in this regard, the company shall continue as a going concern for the foreseeable future.

Subsequent events

No events have occurred after the financial year-end which could significantly affect the Company's financial position.

5 Statement of profit or loss and other comprehensive income

	Notes	1 Jan. 2021 – 31 Dec. 2021	1 Jan. 2020 – 31 Dec. 2020
		EUR	EUR
Revenue	3	57,745	339,395
Expenses related to rental activity		(107,484)	(162,962)
Gross profit/(loss)		(49,739)	176,433
Fair value adjustment	4	0	796,017
Profit/(loss) on disposal of assets held for sale	10	(125,529)	382,910
Other external expenses		(36,549)	(41,512)
Other gains/(losses)		(803)	4,703
Profit/(loss) before net financial result		(212,620)	1,318,553
Other financial expenses	5	(228,809)	(277,981)
Profit/(loss) before taxes		(441,429)	1,040,572
Tax of continuing operations for the year	6	60,603	(173,718)
Net profit/(loss) for the year		(380,826)	866,854
Total comprehensive income/(expense) for the year		(380,826)	866,854
Total comprehensive income/(expense) for the year attributable to:			
Equity holders of the Company		(380,826)	866,854

6 Statement of financial position

Assets	Notes	31 Dec. 2021	31 Dec. 2020
		EUR	EUR
A. Non-current assets			
I. Investment property	6	0	0
Total non-current assets		0	0
B. Current assets			
I. Assets held for sale	9	0	2,180,000
II. Receivables			
1. Trade receivables	7	52,500	146,496
2. Receivables from group enterprises	7, 8	1,112,510	291
3. Other receivables	7	37,896	34,156
III. Cash		104,338	45,059
Total current assets		1,307,244	2,406,002
Total assets		1,307,244	2,406,002

Equity and liabilities	Notes	31 Dec. 2021	31 Dec. 2020
		EUR	EUR
A. Shareholders' equity			
I. Share capital		267,337	267,337
II. Retained earnings/accumulated loss		(216,537)	(1,083,391)
III. (Profit)/Loss for the Period		(380,826)	866,854
Total shareholders' equity		(330,026)	50,800
B. Non-current liabilities			
Total non-current liabilities		0	0
C. Current liabilities			
I. Trade payables	7	14,289	8,247
II. Payables to group enterprises	7, 8	1,603,171	2,263,742
III. Income taxes payables	7	8,560	0
IV. Accruals	7	11,250	83,213
Total current liabilities		1,637,270	2,355,203
Total liabilities		1,637,270	2,355,203
Total equity and liabilities		1,307,244	2,406,002

7 Statement of cash flows

Assets	31 Dec. 2021	31 Dec. 2020
	EUR	EUR
Profit/(loss) before net financial result	(212,620)	1,318,553
Fair value adjustments, non-current assets	0	(796,017)
Profit/(loss) on disposal of assets held for sale	125,529	(382,910)
Sales costs paid	(125,529)	0
Taxes refunded/(paid)	69,163	(173,718)
Lease incentives and capital expenditures	0	(6,664)
Financial expenses	(228,809)	(277,981)
Amortisation of loan costs	0	19,541
Changes in:		
Trade and other receivables	90,257	(85,096)
Current liabilities	(65,922)	34,646
Cashflows from operating activities	(347,931)	(349,647)
Disposals of investment property	2,180,000	8,066,814
Repayments on group enterprises	0	70
Cashflows from investing activities	2,180,000	8,066,884
Repayments to Postbank	0	(4,011,402)
Repayment to group enterprises	(1,772,790)	(3,716,815)
Cashflows from financing activities	(1,772,790)	(7,728,217)
Net cashflow for the year	59,279	(10,980)
Cash and cash equivalents		
Cash and cash equivalents at 1 January	45,059	56,039
Net cash flow for the year	59,279	(10,980)
Cash and cash equivalents at 31 December	104,338	45,059

8 Statement of changes in equity

	Share capital	Retained earnings/ accumulated loss	Total
	EUR	EUR	EUR
Shareholders' equity at 1 January 2020	267,337	(1,083,391)	(816,054)
Profit and loss	0	866,854	866,854
Total equity at 31 December 2020	267,337	(216,537)	50,800
Shareholders' equity at 1 January 2021	267,337	(216,537)	50,800
Profit and loss	0	(380,826)	(380,826)
Total equity at 31 December 2021	267,337	(597,363)	(330,026)

9 Notes

Note 1 Accounting policies

The financial statements of MGM 1C ApS have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for financial statements, as laid down in the IFRS order issued in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The financial statements are presented in Euros (EUR), which is also the functional currency of the Company.

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

New and revised standards and bases for conclusion

The adoption of the new and amended IFRS and IFRIC interpretations has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions and arrangements.

Note 1 Accounting policies (continued)

New and revised standards and bases for conclusion which have yet to take effect

The IASB and IFRIC have issued a number of standards and interpretations with an effective date during or after the date of these financial statements:

New currently effective requirements	Effective date
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
IFRS 4: Amendments deferral of IFRS 9	1 January 2021
IFRS 16: Amendment COVID-19 Related Rent Concessions beyond 30 June 2021	1 April 2021

Forthcoming requirements	Effective date
IFRS 3: Amendments Reference to the Conceptual Framework	1 January 2022
IAS 16: Amendments Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
IAS 37: Amendments Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
IFRS 1, IFRS 9, IAS 41 and IFRS 16: Improvements to IFRS Standards 2018 - 2020	1 January 2022
IAS 1: Amendments Classification of Liabilities as Current or Non-current	1 January 2023
IAS 1 and IFRS Practice Statement 2 Amendments: Disclosure of Accounting Policies	1 January 2023
IAS 8 Amendment: Definition of Accounting Estimates	1 January 2023
IAS 12: Amendment Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IFRS 17: Insurance Contracts	1 January 2023
IFRS 17: Amendments Insurance Contracts	1 January 2023
IFRS 10 and IAS 28: Amendments Sale or Contribution of Assets between an Investor and its Associate or Joint Venture / Amendment Effective Date	unknown

Note 1 Accounting policies (continued)

The Directors do not expect that the adoption of these Standards and Interpretations will have material impact on the financial statements of the Company in future periods.

Statement of profit and loss and other comprehensive income

Revenue

Rental income receivable from operating leases is recognised on a straight line basis over the term of the lease, except for contingent rental income, which is recognised as earned.

Costs relating to incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the lessee has the option to continue the lease, where, at the inception of the lease, the management is reasonably certain that the lessee will exercise that option.

Amounts received from lessees to terminate leases or to compensate for dilapidations are recognised in the statement of profit and loss and other comprehensive income as received. Service charges and expenses are recoverable from tenants.

Income arising from expenses recharged to lessees is recognised in the period in which the expenses can be contractually recovered. Service charges and other such receipts are included gross of the related costs in revenue if the management considers that the entity acts as principal and net if the management considers that the entity acts as agent.

Expenses related to rental income

Expenses that are directly linked to rental income and comprise mainly service charge expenses and asset and property management fees.

Other external expenses

Other external expenses comprise administrative expenses incurred.

Note 1 Accounting policies (continued)

Net financial result

Financial income and expenses are recognised in the statement of profit and loss and other comprehensive income in the reporting period they relate to. Net financials include interest income and expenses, realised capital and exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Taxes

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments less the share of the tax for the period that concerns the changes in equity.

Deferred taxes related to items recognised directly in equity are taken directly to equity.

The Company and all Danish group enterprises are jointly taxed. The Danish income tax charge is allocated between profit-making and loss-making Danish enterprises in proportion to their taxable income (full allocation method).

Statement of financial position

Investment property

Investment property is property held on a long-term basis with the purpose of earning rental income and increases in value and which are not held for sale.

Investment properties are initially measured at cost. After initial recognition, investment properties are measured at fair value based on an internal return based assessment model. The model used is a discounted cash flow model with a five year forecast.

The market value is the estimated amount for which a property is expected to be exchanged between willing parties, at the date of valuation, in an arm's length transaction in which the parties act knowledgeably, prudently and voluntarily.

Fair value adjustments are recognised in a separate line item in the statement of profit and loss and other comprehensive income.

Note 1 Accounting policies (continued)

Assets held for sale

Assets held for sale are valued with the purchase price from SPA which is already signed at the balance sheet date.

Receivables

Receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Cash

Cash in the statement of financial position comprises cash at bank.

Income taxes

Current tax charges are recognised in the statement of financial position as the estimated tax charge in respect of the expected taxable income for the year, adjusted for tax on prior-year taxable income and tax paid in advance.

Provisions for deferred tax are calculated at 15.825 % of all temporary differences between carrying amounts and tax bases, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or a set-off against deferred tax liabilities.

Financial liabilities

Financial liabilities are recognised at initial recognition measured at fair value net of transaction costs incurred upon the raising of the loan. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Other debt is subsequently measured at amortised cost corresponding to the nominal unpaid debt.

Note 1 Accounting policies (continued)

Deferred income

Deferred income is recognised as a liability and comprises of payments received for income relating to subsequent reporting periods.

Statement of cash flows

The cash flow statement shows the Company's net cash flows, the year's changes in cash and cash equivalents and the Company's cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are presented using the indirect method and are made up as the net profit or loss for the year, adjusted for non-cash operating items, changes in working capital, paid financial and extraordinary expenses and paid income taxes.

Cash flow from investing activities comprise payments related to additions and disposals of fixed assets as well as the provision intercompany loans.

Cash flow from financing activities comprise dividends paid to shareholders, capital increases and reductions, borrowings and repayments of interest-bearing debt.

Cash and cash equivalents comprise cash and short-term securities in respect of which the risk of changes in value is insignificant.

Note 2 Going concern

These financial statements have been prepared on a going concern basis.

The Company incurred a loss of EUR 380,826 for the year ended 31 December 2021 (2020: profit of EUR 866,854) and the statement of financial position reflected a negative total equity position of EUR 330,026 (2020: positive total equity position of EUR 50,800).

The Company has lost its share capital but expects to be able to restore it through future earnings. The parent company, MELF S.à r.l., has issued a subordination letter for a 12-month period from the signing date of the financial statements, covering all the loans they have provided to the Company. The Company's ability to continue as a going concern is at risk if the parent company fails to provide sufficient financial support.

During the year, the Company had a net cash inflow of EUR 59,279 and cash at bank at the balance sheet date of EUR 104,338.

Note 2 Going concern (continued)

Management closely monitors the cash requirements of the Company and works with its advisors to forecast and manage liquidity requirements over the life of its investment activities. Management has reviewed the forecasted cash flows and is confident that there are no liquidity issues and that the Company will continue to meet its liabilities as they fall due.

Note 3 Rental and related income

	2021	2020
	EUR	EUR
Rental income	27,947	300,407
Service charge income	15,229	34,890
Other property income	14,569	4,520
Bad debts/receivables written-off	0	(422)
Revenue	57,745	339,395

Rental and related income fully relates to rent attributable to the year ended 31 December 2021.

Note 4 Fair value adjustment

	2021	2020
	EUR	EUR
Fair value adjustment of property	0	796,017

Note 5 Other financial expenses

	2021	2020
	EUR	EUR
Interest payable, group enterprises	(228,809)	(239,455)
Interest payable, exchange losses and similar expenses	0	(38,526)
	(228,809)	(277,981)

Note 6 Income taxes

	2021	2020
	EUR	EUR
Current income tax charge/refund	60,603	(173,718)
Deferred income tax	0	0
	60,603	(173,718)
Reconciliation of effective tax rate		
	2021	2020
	EUR	EUR
Profit/(loss) before tax	(441,429)	1,040,572
Expected tax rate	22 %	22 %
Expected effort for income tax	97,114	(228,926)
Tax		
<i>Deviation of foreign tax rates from expected tax rate</i>	(27,258)	64,255
<i>Current year tax losses for which no deferred tax asset is recognised</i>	(9,253)	(9,047)
Effective income tax	60,603	(173,718)
Breakdown of deferred tax assets		
	2021	2020
	EUR	EUR
Investment property	0	171,934
Tax (gains)/losses carried forward	197,825	0
Thereof unrecognised	(197,825)	(171,934)
Total deferred tax assets	0	0

The Company has tax loss carry forwards amounting to EUR 1,380,354 (2020: EUR 0).

Deferred tax assets have been recognised to the extent that it is probable that future taxable profit will be available against which the Company can use the benefit therefrom.

Note 7 Financial risks and financial instruments

Foreign exchange risks

As the Company's income and costs are primarily in its reporting currency, EUR, the Company is not exposed to any significant currency risks.

Interest rate risks

The Company is exposed to interest rate risks relating to fluctuations in interest levels in Euroland and Denmark due to balances held at the bank. The primary exposure is related to Euribor and Libor.

The Company limits interest rate risk by taking out only fixed rate loans.

Credit risk

It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis, with the result that the Company's exposure to bad debts is minimised. There are no significant concentrations of credit risk within the Company. With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, the Company's exposure to credit risk arises from any default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Credit risks arising from operating activities relate mainly to the non-payment of rentals by tenants of the properties held by the Company. Credit risks related to the placement of liquid funds (counterparty credit risks) are minimised by making agreements only with the most reputable domestic and international banks and financial institutions.

Note 7 Financial risks and financial instruments (continued)

Liquidity risks

It is the Company's strategy to reduce the liquidity risk by taking out only long-term interest loans.

The Company monitors its risk to a shortage of funds using cash flow forecasting techniques focused on the maturity profile of its debt commitments, operational cash flow and capital expenditure.

The financial liabilities are also covered by the letter of support provided by the parent company.

The subsequent table summarises the maturity profile of the Company's financial liabilities as at 31 December based on contractual undiscounted payments.

At 31 December 2021	On demand	less than 1 year	1 to 5 years	> 5 years	Total
	EUR	EUR	EUR	EUR	EUR
Payables to group enterprises	0	1,603,171	0	0	1,603,171
Trade and other payables	0	14,289	0	0	14,289
Income taxes payable	0	8,560	0	0	8,560
Accruals	0	11,250	0	0	11,250
	0	1,637,270	0	0	1,637,270
At 31 December 2020	On demand	less than 1 year	1 to 5 years	> 5 years	Total
	EUR	EUR	EUR	EUR	EUR
Payables to group enterprises	0	2,119,942	143,800	0	2,263,742
Trade and other payables	0	8,247	0	0	8,247
Accruals	0	83,213	0	0	83,213
	0	2,211,402	143,800	0	2,355,202

Note 7 Financial risks and financial instruments (continued)

Fair values

A comparison of the carrying value of financial instruments included in the Company's financial statements to their fair value is included below by class of instrument.

The fair value of the financial assets and liabilities are included at an estimate of the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Cash, trade and other receivables, and trade and other payables approximate their carrying amounts due to the short-term maturities of these instruments.

The fair value of mortgage debt is estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities. The fair value approximates their carrying amounts gross of unamortised transaction costs (level 2 fair value hierarchy).

The fair value of payables to group enterprises is estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.

Financial assets	2021	
	Carrying amount	Fair value
	EUR	EUR
Trade and other receivables	90,396	90,396
Receivables from group enterprises	1,112,510	1,112,510
Cash	104,338	104,338
Loans and receivables	1,307,244	1,307,244

Financial liabilities	2021	
	Carrying amount	Fair value
	EUR	EUR
Payables to group enterprises	1,603,171	1,603,171
Trade and other payables	22,849	22,849
Accruals	11,250	11,250
Financial liabilities held	1,637,269	1,637,270

Note 8 Related parties

Tommas Jakobsen and Peer Thomas Borg are members of the Supervisory Board of MGM 1C ApS.

None of the directors were paid by MGM 1C ApS in the year. The Directors are employed by Nectar Asset Management ApS, which renders management services to MGM 1C ApS. The amount charged by Nectar Asset Management ApS in the year to 31 December 2021 for services rendered was EUR 1,632 (2020: EUR 1,400).

The Company does not have any employees.

The parent company, MELF S.à r.l., has issued a subordination letter for a 12-month period from the signing date of the financial statements, covering all the loans they have provided to the Company.

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

Balances with group enterprises:

	Principal Amount	Balance outstanding 31 Dec. 2021	Rate of interest	Maturity
	EUR	EUR	%	
Payables:				
MELF S.à r.l.	1,603,171	1,603,171	0 %	On demand
Receivables:				
GRP 1A ApS	291	291	0 %	On demand
GRP 1D ApS	1,112,219	1,112,219	0 %	On demand

Note 9 Assets held for sale

On 1 April and 30 April 2021, the sales of the properties Künzell and Hirschau completed.

	2021	2020
	EUR	EUR
Properties held for sale	0	2,180,000

Note 10 Profit/(loss) on disposal of investment property

	2021	2020
	EUR	EUR
Sales proceeds	2,180,000	8,305,500
Cost basis	(2,180,000)	(7,683,903)
Sales costs	(125,529)	(238,686)
	(125,529)	382,910

Note 11 Subsequent events

There have been no significant subsequent events after 31 December 2021.

Note 12 Comparative figures

Some comparative figures have been changed for presentational purposes only. The changes made have had no effect on either profit or loss.