

PATRIZIA

PMM Global IV K/S

Strandvejen 102 E, 4., 2900 Hellerup

CVR no. 37 12 78 76

Annual report 2018/19

Approved at the Company's annual general meeting on 30 January 2020

Chairman:

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Mads Peter Grønkjær

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Statement by the Board of Directors

Today, the Management has discussed and approved the annual report of PMM Global IV K/S for the financial year 1 October 2018 - 30 September 2019.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 30 September 2019 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 October 2018 - 30 September 2019.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Hellerup, 2 December 2019
Management, Komplementarselskabet SPF IV GP ApS:

Mads Rude

Birger Grubbe

Peter V. Carøe

Independent auditor's report

To the limited partners of PMM Global IV K/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of PMM Global IV K/S for the financial year 1 October 2018 - 30 September 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 September 2019, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 October 2018 - 30 September 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 consolidated financial statements and the parent Company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for 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 rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company 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 as to 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 the financial statements.

Independent auditor's report

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 Group's and the Parent Company'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 Group's and the Parent Company'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 Group and the Parent Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the Management's review 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's review.

Copenhagen, 2 December 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Ole Karstensen
State Authorised Public Accountant
mne16615

Kaare K. Lendorf
State Authorised Public Accountant
mne33819

Management's review

Company details

Name	PMM Global IV K/S
Address, Postal code, City	Strandvejen 102 E, 4., 2900 Hellerup
CVR no.	37 12 78 76
Established	30 September 2015
Registered office	Hellerup
Financial year	1 October 2018 - 30 September 2019
Management	Mads Rude Birger Grubbe Peter V. Carøe
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Financial highlights for the Group

EUR'000	2018/19	2017/18	2016/17	2015/16
Key figures				
Net operating income from properties	25,827	13,461	8,913	210
Operating profit/loss	25,860	9,904	7,509	-1,359
Net financials	6,998	-1,680	-3,743	-764
Profit before tax	32,858	8,224	3,766	-2,122
Profit for the year	32,858	8,224	3,766	-2,122
Fixed assets	372,348	315,845	191,330	80,094
Non-fixed assets	4,042	12,344	5,810	469
Total assets	376,390	328,189	197,140	80,563
Investments by limited partners	318,756	303,218	196,228	64,993
Equity	376,386	318,965	197,076	66,761

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations. For terms and definitions, please see the accounting policies.

Management's review

Business review

PMM Global IV K/S business concept is investment in and management of indirect investments in foreign property via international partners.

Long-term objectives

The Fund's long-term objective is to generate an attractive internal rate of return (IRR) of more than 11% including approximately 3-4% in dividends from operating cash flow.

Recognition and measurement uncertainties

Investments in associates and property investments are measured at fair value. The measurement includes accounting estimates and is, therefore, subject to uncertainty.

Disclosure requirements in respect of section 61 (3) of the Danish FAIF Act

We can inform, that during the financial year there have been no changes to the disclosures regarding sections 62, 64 and 65. The disclosures are included in the quarterly investor reports as well the subscription documentation for the fund. In respect of the requested disclosure of total remunerations paid to the management of PATRIZIA Multi Managers A/S, this can be found in the annual report for PATRIZIA Multi Managers A/S, which can be found at www.erhvervsstyrelsen.dk. The disclosures are given on manager level and are neither allocated nor shown per individually managed fund.

Financial review

Real estate fundamentals continue to be relatively healthy, especially in mature markets where leasing demand is significant and supply growth is relatively moderate.

Positive fair value adjustments on foreign property investments recognized as associates, are recognized directly at equity in the annual report, but are recognized in the income statement in the investor reports. A reconciliation between the two accounting policies is shown below:

Income statement for the Group			
EUR'000	According to investor reports	Adjustment	According to the annual report
Net income from properties	25,827	0	25,827
Fair value adjustment of property investments	13,103	-10,325	2,778
Impairment adjustments for associates	0	-53	-53
Administrative expenses	-2,692	0	-2,692
Operating profit	36,238	-10,378	25,860
Net financials	15,617	-8,628	6,998
Profit for the year	51,855	18,997	32,858

Management's review

Operating activities

In the financial year 2018/19, the Group generated a positive operating profit of EUR 25,860 thousand. Profit after foreign exchange adjustments and financial expenses amounted to EUR 32,858 thousand.

Financing

In the financial year, the investors in the Group made capital injections (cash calls) of EUR 61.1 million.

The limited partner's committed capital totaled EUR 504.8 million. Undrawn capital amounted to EUR 131.9 million. There is not assessed any risk in connection with payment of the undrawn commitment.

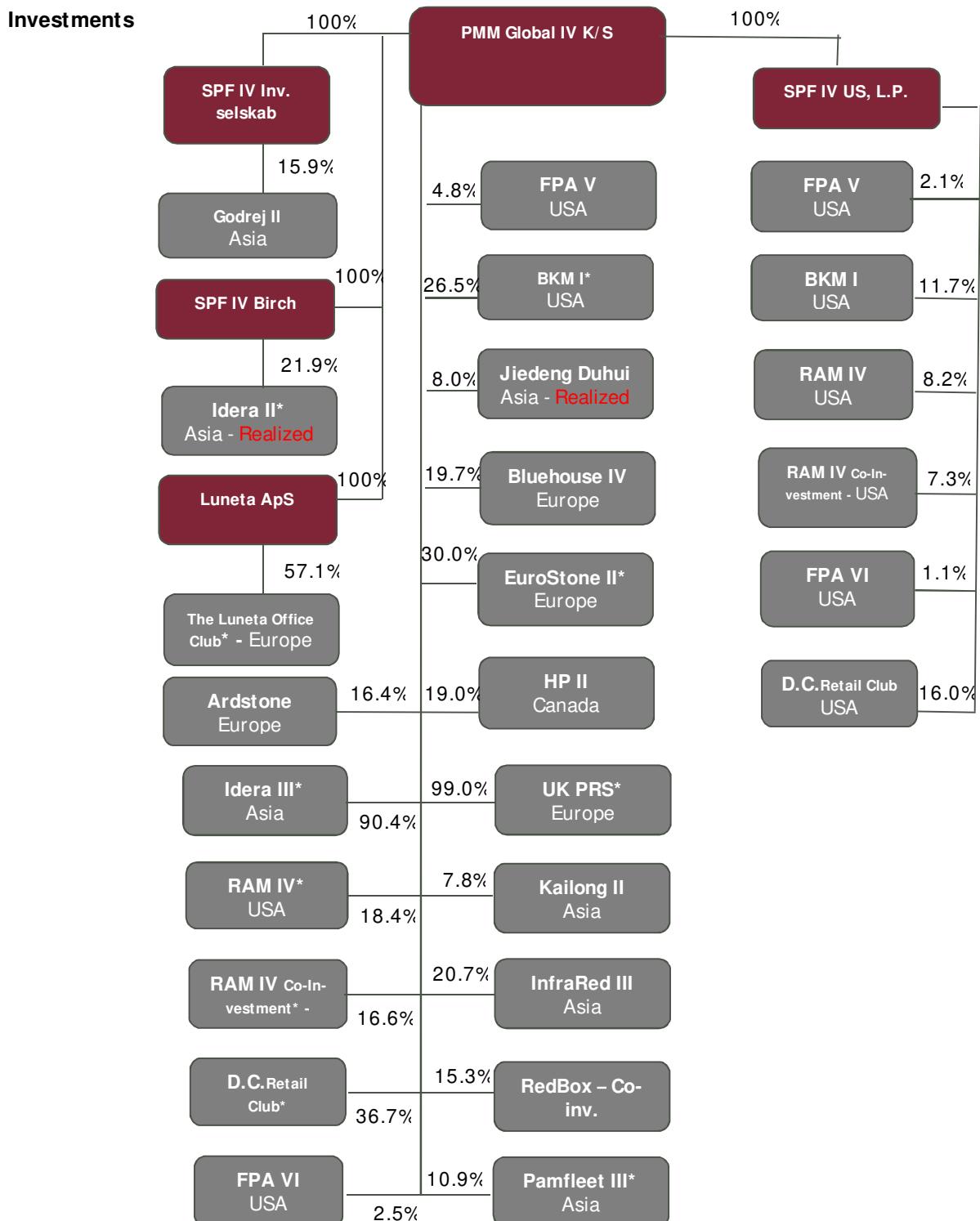
Investments

At the end of the financial year, total commitments to investments amounted to EUR 447.8 million, equivalent to 88.7% of total net commitments to the Fund. Of the total commitments, net investments made in underlying investments (cash calls) totaled EUR 367.6 million or approx. 82.1%

Parent company

In the financial year 2018/19, the Parent Company generated a positive operating profit of EUR 18,317 thousand. Profit after foreign exchange adjustments, financial income and financial expenses was positive by EUR 32,858 thousand.

Management's review



Note: the above mentioned percentages refer to PMM Global IV K/S' ownership shares in each of the investments. The country / region specification refers to the location of the assets.

*The company has, as consequence of the structure, characteristics and contractual agreement of the investment, no control of the investment.

Management's review

Special risks

Operating risks

The Fund's most significant operating risks are related to the development of the property market and general economic risks. During the investment period, the Fund mitigated the risks by diversified investments in the European, American and Asian markets

Financial risks

Apart from liabilities relating to operating activities and trading activities, the Fund has no debt, and investments are not leveraged. For each of the foreign property investments, no investments have been made in investments with leverage - the proportion between liabilities and assets - exceeding 70% The leverage total for all property investments is not to exceed an average of 60% at the end of the investment period or when the last investment has been completed. The current leverage in the investments made in foreign property investments amounts to 49.2% Accordingly, the financial risk is assessed as moderate.

Foreign exchange risks

The Fund makes investments in foreign property investments in foreign currency. No hedging of foreign currency risks on long-term investments is made. At their own discretion, the Fund's investors may decide to hedge the underlying risk on an investment.

Knowledge resources

The Fund makes investments based on an overall assessment of potential property investments using a systematised selection method involving external consultants, when necessary. When selecting specific assets, the personal knowledge and competencies of the partners are decisive. Consequently, the Fund has ensured strong alignment of the partners through financial incentives.

Environmental matters

The Fund's operations have no direct environmental impact, but the Fund intends to contribute to a minimal environmental impact through its investment policy.

Research and development activities

During the financial year, the Fund had no research and development activities, and none are expected in the coming financial year.

Events after the balance sheet date

No events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

Outlook

In the coming financial year the Fund's total return is expected to be approximately 8-10% before currency adjustments.

Consolidated financial statements and parent company financial statements 1 October 2018 - 30 September 2019

Income statement

Note	EUR'000	Group		Parent company	
		2018/19	2017/18	2018/19	2017/18
	Net operating income from properties	25,827	13,461	14,375	10,647
	Fair value adjustment of foreign investment properties	2,778	-2,186	3,690	-2,294
	Impairment adjustments for associated entities	-53	503	41	-2,157
	Administrative expenses	-2,692	-1,874	211	-1,222
	Gross profit	25,860	9,904	18,317	4,974
	Profit from group enterprises	0	0	8,681	1,858
4	Financial income	7,860	878	6,994	2,189
5	Financial expenses	-862	-2,558	-1,134	-797
	Profit for the year	32,858	8,224	32,858	8,224

Consolidated financial statements and parent company financial statements 1 October 2018 - 30 September 2019

Balance sheet

Note	EUR'000	Group		Parent company		
		2018/19	2017/18	2018/19	2017/18	
ASSETS						
Fixed assets						
6 Investments						
Investments in subsidiaries	0	0	81,075	65,591		
Investments in associates	202,418	181,989	137,653	117,169		
Investments in foreign property investments	101,790	80,028	79,633	62,471		
Loan to associates and foreign property investments	68,140	53,828	68,141	53,828		
Loan to subsidiaries	0	0	24,756	24,189		
	372,348	315,845	391,258	323,248		
Total fixed assets	372,348	315,845	391,258	323,248		
Non-fixed assets						
Receivables						
Other receivables	173	3,357	351	3,337		
	173	3,357	351	3,337		
Cash	3,869	8,987	7,868	1,146		
Total non-fixed assets	4,042	12,344	8,219	4,483		
TOTAL ASSETS	376,390	328,189	399,477	327,731		

Consolidated financial statements and parent company financial statements 1 October 2018 - 30 September 2019

Balance sheet

Note	EUR'000	Group		Parent company		
		2018/19	2017/18	2018/19	2017/18	
EQUITY AND LIABILITIES						
Equity						
7	Investments by limited partners	318,756	303,218	318,756	303,218	
	Net revaluation reserve according to the equity method	0	0	51,390	2,136	
	Retained earnings	57,630	15,747	6,240	13,611	
	Total equity	376,386	318,965	376,386	318,965	
Liabilities other than provisions						
Current liabilities other than provisions						
	Bank debt	0	9,191	0	0	
	Payables to group enterprises	0	0	23,084	8,733	
	Other payables	4	33	7	33	
		4	9,224	23,091	8,766	
	Total liabilities other than provisions	4	9,224	23,091	8,766	
	TOTAL EQUITY AND LIABILITIES	376,390	328,189	399,477	327,731	

- 1 Accounting policies
- 2 Recognition and measurement uncertainties
- 3 Staff costs
- 8 Contractual obligations and contingencies, etc.
- 9 Related parties

Consolidated financial statements and parent company financial statements 1 October 2018 - 30 September 2019

Statement of changes in equity

Note	EUR'000	Group		
		Investments by limited partners	Retained earnings	Total
	Equity at 1 October 2018	303,218	15,747	318,965
	Equity called during the period	61,139	0	61,139
	Equity distributed during the period	-30,409	0	-30,409
	Transfer through appropriation of profit	0	32,858	32,858
	Transferred	-15,192	15,192	0
	Fair value adjustments associates	0	18,997	18,997
	Dividend distributed	0	-25,164	-25,164
	Equity at 30 September 2019	318,756	57,630	376,386

Note	EUR'000	Parent company			
		Investments by limited partners	Net revaluation reserve according to the equity method	Retained earnings	Total
	Equity at 1 October 2018	303,218	2,136	13,611	318,965
	Equity called during the period	61,139	0	0	61,139
	Equity distributed during the period	-30,409	0	0	-30,409
10	Transfer, see "Appropriation of profit"	0	24,219	8,639	32,858
	Transferred	-15,192	25,035	-9,843	0
	Fair value adjustments associates	0	0	18,997	18,997
	Dividend distributed	0	0	-25,164	-25,164
	Equity at 30 September 2019	318,756	51,390	6,240	376,386

At the balance sheet date, allocated carried interest amounted to approx. EUR 3,722 thousand. In case of liquidation of the Fund, the amount would be redistributed between A and B shares at the balance sheet date. Carried interest will only be relevant in case it is earned over the total lifetime of the Fund.

Consolidated financial statements and parent company financial statements 1 October 2018 - 30 September 2019

Cash flow statement

Note	EUR'000	Group	
		2018/19	2017/18
	Profit for the year	32,858	8,224
	Cash generated from operations (operating activities)	32,858	8,224
	Value adjustment of property investments and loans	-3,242	639
	Impairment adjustments for associates	53	-503
	Unrealised exchange adjustments of property investments and loans	-6,515	878
	Changes in receivables	3,157	-758
	Cash flows from operating activities	26,311	8,480
	Acquisition of investments in associates	-35,479	-82,800
	Acquisition of investments in property investments	-33,160	-11,774
	Loan for foreign property investments	-9,021	-3,697
	Disposal of investments in property investments	29,464	0
	Disposal of investments in associates	17,752	0
	Distribution from property investments and loans	2,640	0
	Cash flows to investing activities	-27,804	-98,271
	Investments by limited partners	61,139	120,301
	Exits to limited partners	-30,409	-13,311
	Dividend to limited partners	-25,164	-21,077
	Cash flows from financing activities	5,566	85,913
	Net cash flow	4,073	-3,878
	Cash and cash equivalents at 1 October	-204	3,674
	Cash and cash equivalents at 30 September	3,869	-204

Consolidated financial statements and parent company financial statements 1 October 2018 - 30 September 2019

Notes to the financial statements

1 Accounting policies

The annual report of PMM Global IV K/S has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities with the adjustments following the legal form and operating activities of the Fund.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Basis of recognition and measurement

All income in relation to the financial year is recognised in the income statement as earned. Negative value adjustments in respect of investments in foreign property investments are also recognised in the income statement.

Equally, costs incurred to generate the year's earnings are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Fund and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits from the Fund is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below. In recognising and measuring assets and liabilities, expected losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Reporting currency

The financial statements are presented in euros (EUR), as the Company's most significant transactions are settled in EUR.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company PMM Global IV K/S and subsidiaries in which the Parent Company directly or indirectly holds the majority of the voting rights or which it, through shareholding or in some other way, controls.

On consolidation, similar items are aggregated. Intra-group income and expenses, shareholdings, dividends, balances and realised and unrealised gains on intra-group transactions are eliminated.

The Parent Company's investments in consolidated subsidiaries are set off against the Parent Company's share of the subsidiaries' equity value at the date when the subsidiary was acquired.

Consolidated financial statements and parent company financial statements 1 October 2018 - 30 September 2019

Notes to the financial statements

1 Accounting policies (continued)

Foreign currency translation

EUR is used as the functional currency. Transactions denominated in other currencies than EUR are considered transactions denominated in foreign currencies.

On initial recognition, investments in property investments are translated to EUR at the exchange rates at the transaction date. Subsequent fair value adjustments of investments in property investments are recognised in the income statement at the same historical exchange rate to the effect that exchange rate adjustments do not affect the operating profit. Differences arising between the exchange rate at the balance sheet date and the historical exchange rate are recognised in the income statement as financial items. Financial items are specified in the note regarding financial income and expenses on investments in foreign property investments and other items.

Receivables, payables and other monetary items denominated in foreign currencies are translated to EUR at the exchange rate or forward price at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or the exchange rate in the latest annual report is recognised in the income statement as financial income or expenses.

Investments in foreign property investments are translated at the exchange rate at the balance sheet date.

Income statement

Net operating income from properties

In the income statement, net operating income received from properties translated at the weighted historical exchange rates at the transaction date is recognised as income.

Other operating income and operating expenses

In the income statement, fair value adjustment of properties and liabilities translated at the weighted historical exchange rates at the transaction date for cash calls are recognised as income.

Value adjustments due to changes in exchange rates are recognised as financial income or expenses.

Administrative expenses

Administrative expenses comprise expenses for management fee to PATRIZIA Multi Managers A/S, due diligence costs in connection with investments, remuneration to the general partner and audit fee.

The Fund has entered into a management agreement regarding the Fund's activities. A fixed management fee is paid.

Financial income and expenses

Financial income and expenses comprise foreign exchange adjustments of investments in foreign property investments, other realised and unrealised foreign exchange adjustments and interest.

Consolidated financial statements and parent company financial statements 1 October 2017 - 30 September 2018

Notes to the financial statements

1 Accounting policies (continued)

Tax

PMM Global IV K/S is not a separate entity subject to taxation. The tax liability in respect of the Fund's earnings is incumbent on the individual investors of the Fund. For this reason, no tax is calculated on the Fund's earnings, and withholding of foreign tax on dividends from property investments is charged directly to the Fund's investors.

Balance sheet

Investments

Investments in associates

On initial recognition, investments in associates are determined at the exchange rates at the transaction date and are subsequently measured at fair value translated at the exchange rate at the balance sheet date. The fair value is determined by each fund based on the fair value of the underlying properties. Liabilities in investments in property investments are measured at fair value.

The fair value measurement is based on recognised valuation methods on the basis of observable market information (fair value hierarchy 3).

The proportionate ownership share of the associates' equity value determined based on the fair value of the identifiable net assets at the acquisition date minus or plus unrealised intragroup gains or losses is recognised in the balance sheet as "Investments in associates".

Investments in foreign property investments

On initial recognition, investments in property investments are determined at the exchange rates at the transaction date and are subsequently measured at fair value translated at the exchange rate at the balance sheet date. The fair value is determined by each fund based on the fair value of the underlying properties. Liabilities in investments in property investments are measured at fair value.

The fair value measurement is based on recognised valuation methods on the basis of observable market information (fair value hierarchy 3).

Investment commitments where cash calls have not been made at the balance sheet date are disclosed under contingent liabilities in the notes. Received dividends from property investments are deducted from the value of the investments.

Loans to foreign property investments

On initial recognition, loans to foreign property investments are recognised in the balance sheet at fair value. Subsequently, loans to foreign property investments are measured at amortised cost, which is equivalent to nominal value less write-down for bad debt losses. Write-downs are made for bad debt losses based on an individual assessment of the loans.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which is equivalent to nominal value less write-down for bad debt losses. Write-downs are made for bad debt losses based on an individual assessment of receivables.

Receivables from limited partners regarding cash calls receivable, etc. are recognised at nominal value.

Consolidated financial statements and parent company financial statements 1 October 2017 - 30 September 2018

Notes to the financial statements

1 Accounting policies (continued)

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Investments by limited partners are recognised when cash calls are made. Investment commitments where cash calls have not been made at the balance sheet date are disclosed in the notes.

The reserve for net revaluation according to the equity method is determined as the total net revaluation of investments in subsidiaries less distribution of dividends to the Parent Company and adjusted for other changes in equity in subsidiaries.

Fair value adjustments of investments in associates are made on a continuous basis, and revaluations and reversals relative to cost are recognised in a special reserve under equity called "Revaluation reserve".

Reserve for net revaluation according to the equity method

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries and associates relative to cost. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

Liabilities

Liabilities (current and non-current) are included when the Fund, as a consequence of an event occurring no later than on the balance sheet date, has a legal or constructive obligation, and an outflow of economic benefits from the Fund to settle the obligation is probable. Investment commitments where cash calls have not been made at the balance sheet date are disclosed in the notes.

Other liabilities are measured at net realisable value.

Consolidated financial statements and parent company financial statements 1 October 2017 - 30 September 2018

Notes to the financial statements

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning of the year and at the end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as profit/loss for the year adjusted for changes in working capital and non-cash operating items such as value adjustments. The working capital comprises fixed assets minus current liabilities - excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from and to investments in property investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from and to the investors.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios.

2 Recognition and measurement uncertainties

The determination of the carrying amount of property investments and liabilities requires judgements, estimates and assumptions concerning future events.

The estimates and assumptions made are based on fair value calculations from property investments, historical experiences and other factors assessed by Management to be reliable in the circumstances, but which by nature are associated with uncertainty and unpredictability.

The assumptions made may prove incomplete or inaccurate, and unexpected events or circumstances may arise. Furthermore, the Fund is subject to risks and uncertainties, which may lead to actual results differing from the estimates. Particular risks for PMM Global IV K/S are mentioned in the Management's review.

It may be necessary to change previously made estimates as a consequence of changes in the circumstances on which the previous estimates were based or due to new knowledge or subsequent events.

Estimates essential to the financial reporting may for example comprise determination of the value of the underlying investments in foreign property investments. Because of the measurement principles used, the calculation of fair value will be subject to uncertainty.

Consolidated financial statements and parent company financial statements 1 October 2018 - 30 September 2019

Notes to the financial statements

3 Staff costs

Group

The Limited Partnership is managed by the general partner. The general partner receives a fee of t.EUR 40 for the general partner role.

EUR'000	Group		Parent company	
	2018/19	2017/18	2018/19	2017/18
4 Financial income				
Interest income, subsidiaries	0	0	2,003	1,611
Other financial income	7,860	878	4,991	578
	7,860	878	6,994	2,189
5 Financial expenses				
Interest expense, subsidiaries	0	0	108	0
Other financial expenses	862	2,558	1,026	797
	862	2,558	1,134	797

Consolidated financial statements and parent company financial statements 1 October 2018 - 30 September 2019

Notes to the financial statements

6 Investments

EUR'000	Group			
	Investments in associates	Investments in foreign property investments	Loan to associates and foreign property investments	Total
Cost at 1 October 2018	154,417	78,815	53,221	286,453
Additions	35,479	33,159	9,020	77,658
Disposals	-17,752	-29,464	-2,640	-49,856
Transferred	-16,859	13,693	3,166	0
Cost at 30 September 2019	155,285	96,203	62,767	314,255
Value adjustments at 1 October 2018	27,572	1,213	607	29,392
Revaluations for the year	18,943	6,891	2,867	28,701
Transferred	618	-2,517	1,899	0
Value adjustments at 30 September 2019	47,133	5,587	5,373	58,093
Carrying amount at 30 September 2019	202,418	101,790	68,140	372,348

Group				
Name	Domicile	Interest	Equity EUR'000	Profit/loss EUR'000
Associates				
The Luneta Office Club	Europe	57.10%	74,849	12,902
Idera Residential Partnership II	Asia	21.90%	0	1,522
BKM Industrial Value Fond I*	USA	38.20%	99,584	26,685
Ram Realty Partners IV*	USA	26.60%	139,309	17,933
Ram IV Co-investment*	USA	23.90%	33,646	2,864
Washington D.C. Urban Retail Club	USA	52.70%	59,701	7,163
Infrared NF China Real Estate Fund III	Asia	20.70%	60,002	8,207
Idera Residential Partnership III**	Asia	89.40%	46,844	7,315
Cording UK PRS Residential JV**	Europe	99.00%	26,759	-197

* Classified as an associate in the consolidated financial statements together with associates in the parent company.

** The company has, as consequence of the structure, characteristics and contractual agreement of the investment, no control of the investment.

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October 2018 – 30 September 2019

Notes to the financial statements

6 Investments (continued)

Group

Name	Domicile	Interest	Equity EUR' 000	Profit/loss EUR' 000
Foreign property investments				
FPA Apartment Opportunity Fund V	USA	7.0%	141,596	42,039
Ardstone Residential Partners	USA	16.4%	190,443	48,327
Godrej Residential Partnership II	Asia	15.9%	93,094	12,085
Bluehouse Property Fund VI	Europe	19.7%	74,069	13,455
Hungerford Property Opportunity II	Canada	19.0%	98,424	6,438
FPA Apartment Opportunity Fund VI	USA	3.6%	399,361	16,278
Kailong Great China Real Estate II	Asia	7.8%	144,941	19,213
RedBox Co-Investment	Asia	15.3%	61,224	5,972

On initial recognition, property investments are measured at cost translated at the exchange rates at the transaction date. Subsequently property investments are measured at fair value translated at the exchange rate at the balance sheet date. The fair value is determined by each Fund based on the fair value of the net assets in the fund comprising underlying properties and related liabilities.

PMM Global IV invests in managed real estate funds, which are not quoted on an active market. The investments in these funds will generally be classified as Level 3 in the fair value hierarchy. The valuation models applied for the real estate funds assets will typically be based on (i) discounted cash flow analysis; (ii) direct capitalisation method; and/or (iii) comparable sales method. The real estate funds reflects its real estate equity investments net of investment level financing. Increases or decreases in any of the assumptions in isolation would result in a lower or higher fair value measurement.

The real estate funds generally invest in real estate and real estate related investments for which there is no liquid market. The market price for such investments may not be readily ascertainable. As a result, amounts ultimately realised by the fund from investments sold may differ from the fair value presented and the difference could be material.

The review of the valuation process is performed by the management of PATRIZIA Multi Managers A/S. PATRIZIA Multi Managers A/S considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing to ensure they are reasonable and appropriate.

PATRIZIA Multi Managers A/S bases their ongoing review of the valuation process on the information reported from the real estate funds in their annual financial statements and quarterly reports. In PATRIZIA Multi Managers A/S's review of the valuation process, the obtained reported information is compared to what is budgeted or expected by the management of PATRIZIA Multi Managers A/S and, if the information is not in accordance with what is expected, the management engages in dialog with the real estate funds in order to clarify any irregularities. At least once every year, PATRIZIA Multi Managers A/S ensures that an external valuation of all the assets in the funds is carried out.

The following table shows information about the real estate funds used unobservable inputs related to the fair value measurement at 30 September 2019 as per their quarterly reports:

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Notes to the financial statements

6 Investments (continued)

At 30 September 2019

Fund	Type	Asset class	Valuation techniques	Unobservable inputs	Weighted average	Vacancy
FPA Apartment Opportunity Fund V	Investment in real estate equity	Residential (stabilised)	Direct capitalisation method	Cap rate	4.8 – 6.0%	8.0%
		Residential (under contract to sell)	Quoted price in market			
Ardstone Residential Partners	Real estate development	Residential	a) Quoted (unadjusted) marked prices	N/A	N/A	N/A
Godrej Residential Partnership II	Real estate development	Residential	Discounted cash flow (unobservable inputs used for discount rate/cost of equity calculated using CAPM)	a) Risk free rate of return b) Market rate of return c) Beta (systemic risk) d) Alpha (asset specific risk)	a) 7.0% b) 7.0% c) 1.04% d) Range 5.0%– 6.0%	N/A
Bluehouse Property Fund IV	Investment in real estate equity	Office/Logistics/Retail	Discounted cash flow (unobservable inputs used for discount rate/cost of equity calculated using CAPM)	Discount rate	7.8%	15.0%

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Notes to the financial statements

6 Investments (continued)

At 30 September 2019

Fund	Type	Asset class	Valuation techniques	Unobservable inputs	Weighted average	Vacancy
Hungerford Properties Opportunity Fund II	Investment in real estate equity	Logistics/industrial	a) Direct capitalisation method b) Discounted cash flow c) Direct comparison approach	a) Capitalization rate b) Discount rate c) Qualitative and quantitative adjustment to comparable properties	a) N/A b) N/A c) N/A	37.3%
Kailong II	Investment in real estate equity	Office	Cost Recent transactions	Transaction price	N/A	N/A
Redbox Co-Investment	Investment in real estate equity	Self-Storage	a) Direct capitalization method b) Market comparison approach	Capitalization rate N/A	3%- 6.5% N/A	N/A

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Notes to the financial statements

6 Investments (continued)

EUR'000	Parent company					
	Investments in subsidiaries	Investments in associates	Investments in foreign property investments	Loan to associates and foreign property investments	Loan to subsidiaries	Total
Cost at 1 October 2018	47,147	109,059	61,948	53,221	24,189	295,564
Additions	7,304	30,803	27,336	9,021	567	75,031
Disposals	0	-10,116	-27,482	-2,640	0	-40,238
Transferred	0	-16,859	13,693	3,166	0	0
Cost at 30 September 2019	54,451	112,887	75,495	62,768	24,756	330,357
Value adjustments at 1 October 2018	18,444	8,110	523	607	0	27,684
Revaluations for the year	8,180	16,039	6,131	2,867	0	33,217
Transferred	0	617	-2,516	1,899	0	0
Value adjustments at 30 September 2019	26,624	24,766	4,138	5,373	0	60,901
Carrying amount at 30 September 2019	81,075	137,653	79,633	68,141	24,756	391,258

Parent company

Name	Domicile	Interest	Equity EUR'000	Profit/ loss EUR'000
Subsidiaries				
SPF IV US L.P	USA	100.00%	32,303	4,954
SPF IV Birch ApS	Europe	100.00%	8,996	373
SPF IV Investeringsselskab ApS	Europe	100.00%	17,817	1,806
Luneta ApS	Europe	100.00%	21,959	4,548
Associates				
BKM Industrial Value Fund I	USA	26.50%	99,584	26,685
Ram Realty Partners IV*	USA	18.40%	139,309	17,933
Ram IV Co-investment*	USA	16.60%	33,646	2,864
Eurostone Residential Partnership II	Europe	30.00%	46,812	-1,706
Idera Residential Partnership III**	Asia	89.40%	46,844	7,315
Cording UK PRS Residential JV**	Europe	99.00%	26,759	-197
Washington D.C. Urban Retail Club*	USA	36.70%	59,701	7,163
Infrared NF China Real Estate Fund III*	Asia	31.60%	60,002	8,207

* Classified as an associate in the consolidated financial statements.

** The company has, as consequence of the structure, characteristics and contractual agreement of the investment, no control of the investment.

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Notes to the financial statements

6 Investments (continued)

Parent

Name	Domicile	Interest	Equity EUR' 000	Profit/loss EUR' 000
Foreign property investments				
FPA Apartment Opportunity Fund V	USA	4.8%	141,596	42,039
Bluehouse Property Fund IV	Europe	19.7%	74,069	13,455
Hungerford Properties Opportunity Fund II	Canada	19.0%	98,424	6,438
FPA Apartment Opportunity Fund VI	USA	2.5%	399,361	16,278
Kailong Great China Real Estate II	Asia	7.8%	144,941	19,213
RedBox Co-Investment	USA	15.3%	61,224	5,972

7 Investments by limited partners

The subscribed equity capital consists of 504,752 shares of EUR 1,000 each allocated to 504,000 A Shares and 752 B shares.

The total subscribed equity capital amounts to EUR 504,752 thousand, the equity called at year end amounts to EUR 372,891 thousand and the commitments for additional investments amounts to EUR 131,861 thousand.

The subscribed capital has not changed since final closing.

Limited Partners Holding more than 5% of the subscribed capital:

Lærernes Pension Forsikringsaktieselskab
Danica Pensionsforsikring
Pensionskassen for Sygeplejersker og Lægesekretærer
P+, Pensionskassen for Akademikere
Lægernes Pension – Pensionskassen for Læger
Pensionskassen for Socialrådgivere / -Pædagoger og Kontorpersonale
Pensionskassen for Sundhedsfaglige

Consolidated financial statements and parent company financial statement 1
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Notes to the financial statements

8 Contractual obligations and contingencies, etc.

EUR million	Commitment		Residual commitment	
Fund	Currency	EUR	Currency	EUR
Pamfleet Real Estate Fund III	USD 20.0	18.3	USD 20.0	18.3
Jiedeng Duhui Building	USD 0.0	0.0	USD 0.0	0.0
FPA Apartment Opportunity Fund V	USD 7.6	6.7	USD 0.7	0.6
BKM Industrial Value Fund I	USD 24.8	22.4	USD 2.5	2.3
Eurostone Residential Partnership II	EUR 28.6	28.6	EUR 15.3	15.3
Hungerford Properties Opportunity Fund II	CAD 39.2	26.5	CAD 11.6	8.0
Bluehouse Property Fund IV	EUR 26.7	26.7	EUR 14.6	14.6
Ram Realty Partners IV	USD 24.3	21.4	USD 0.8	0.8
Idera Residential Partnership III	JPY 4.497,2	35.1	JPY 146.5	1.2
Ram IV Co-investment	USD 5.5	4.8	USD 0.2	0.2
Washington D.C. Urban Retail Club	USD 20.8	18.4	USD 5.3	4.9
Cording UK PRS Development Fund	GBP 25.0	28.3	GBP 0.3	0.4
FPA Apartment Opportunity Fund VI	USD 13.9	12.3	USD 2.5	2.3
Kailong Greater China Real Estate Fund II	USD 39.4	35.6	USD 27.2	25.0
InfraRed NF China Real Estate Fund III	USD 33.9	30.3	USD 15.6	14.3
RedBox Co-Investment	USD 9.7	8.6	USD 0.0	0.0
Total Parent Company		319.0		107,9
FPA Apartment Opportunity Fund V	USD 3.3	3.0	USD 0.3	0.3
BKM Industrial Value Fund I	USD 10.9	9.9	USD 5.6	5.2
Ram Realty Partners IV	USD 10.7	9.5	USD 0.4	0.3
Ram IV Co-investment	USD 2.5	2.1	USD 0.1	0.1
Washington D.C. Urban Retail Club	USD 9.2	8.0	USD 2.4	2.2
FPA Apartment Opportunity Fund VI	USD 6.1	5.4	USD 1.1	1.0
Ardstone Residential Partners	EUR 27.6	27.6	EUR 0.0	0.0
Godrej Residential Partnership II	USD 35.0	31,7	USD 19.7	18.1
Idera Residential Partnership II	JPY 573.3	5,0	JPY 0,0	0.0
The Luneta Office Club	EUR 26.4	26.4	EUR 0.0	0.0
Total through Subsidiaries		128.7		27.2
Total Group		447.8		135.1

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Notes to the financial statements

9 Related parties

PMM Global IV K/S has the following related parties exercising control:

SPF IV GP ApS, registration no. 37 76 90 61 is general partner in PMM Global IV K/S. As general partner the company has the general management responsibility for PMM Global IV K/S. However, a management agreement with a management company was entered when founding PMM global IV K/S, see below. As general partner SPF IV GP ApS receives a fixed fee. Transactions have been made on an arm's length basis.

On behalf of SPF IV GP ApS, PATRIZIA Multi Managers A/S, registration no. 32 46 88 88 has entered into an agreement with PMM Global IV K/S on management of PMM Global IV K/S. As management company PATRIZIA Multi Managers A/S receives a fee calculated as a percentage of obtained commitments to invest in foreign property investments. Transactions have been made on an arm's length basis. No other transactions between PMM Global IV K/S and PATRIZIA Multi Managers A/S have taken place.

Investor Board

The Fund's Investor Board does not receive any fees.

**Consolidated financial statements and parent company financial statements 1 October
2018 - 30 September 2019**

Notes to the financial statements

EUR'000	Parent company	
	2018/19	2017/18
10 Appropriation of profit		
Recommended appropriation of profit		
Net revaluation reserve according to the equity method	24,219	1,858
Retained earnings	8,639	6,366
	32,858	8,224

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"By my signature I confirm all dates and content in this document."

Birger Grubbe

Board of Directors

On behalf of: PMM Global IV & V K/S

Serial number: PID:9208-2002-2-416233883229

IP: 46.36.xxx.xxx

2019-12-04 10:45:05Z

NEM ID 

Mads Rude

Board of Directors

On behalf of: PMM Global IV & V K/S

Serial number: PID:9208-2002-2-044133565664

IP: 165.225.xxx.xxx

2019-12-04 12:54:07Z

NEM ID 

Peter Vilhelm Carøe

Board of Directors

On behalf of: PMM Global IV & V K/S

Serial number: PID:9208-2002-2-420041542979

IP: 93.163.xxx.xxx

2019-12-06 12:45:21Z

NEM ID 

Ole Karstensen

State Authorised Public Accountant

On behalf of: Ernst & Young P/S

Serial number: CVR:30700228-RID:1268145551631

IP: 80.197.xxx.xxx

2019-12-06 16:05:56Z

NEM ID 

Kaare Kristensen

State Authorised Public Accountant

On behalf of: Ernst & Young P/S

Serial number: CVR:30700228-RID:73827337

IP: 145.62.xxx.xxx

2019-12-09 09:46:57Z

NEM ID 

Mads Peter Grønkjær

Chairman

On behalf of: PMM Global IV & V K/S

Serial number: CVR:37127876-RID:91941863

IP: 165.225.xxx.xxx

2020-02-02 09:02:26Z

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