Intertrust

Onyx Denmark Propco K/S

c/o Ejendomsvirke A/S, Hirsemarken 3, DK-3520 Farum

CVR no. 38 39 89 62

Annual report for 2019

Adopted at the annual general meeting
on 7 September 2020

Line Pedersen
chairman

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Statement by management on the annual report

The management has today discussed and approved the annual report of Onyx Denmark Propco K/S for the financial year 1 January - 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 7 September 2020

On behalf of the General Partner:
Onyx Denmark GP S.à.r.l., represented by Mileway DirectorCo S.A., represented by:

Allison Breland　　　　Cyril Seraline

Independent auditor's report

To the shareholder of Onyx Denmark Propco K/S

Auditors' Report on the Financial Statements

Opinion

We have audited the financial statements of Onyx Denmark Propco K/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 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 financial statements" section of our report. We are independent of the company 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the 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 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 company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

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 judgment and maintain professional skepticism 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 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 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 company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

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 management's review
Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

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

Report on other legal and regulatory requirements

Violation of criminal law or tax duty and subsidy legislation
During the year, the company has prepared incorrect VAT returns and reported VAT late, which is a violation of the VAT legislation (momsloven), whereby the management may incur liability.

Aarhus, 7 September 2020

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56

Lars Andersen

Lars Andersen
State Authorized Public Accountant
MNE no. mne34506

Company details

Onyx Denmark Propco K/S
c/o Ejendomsvirke A/S
Hirsemarken 3
DK-3520 Farum

CVR-no. 38 39 89 62

Financial year: 1 January - 31 December 2019

Domicile: Farum

Executive Board
Allison Breland
Cyril Seraline

Auditors
Deloitte
Statsautoriseret Revisionspartnerselskab
Værkmestergade 2, 18
DK-8000 Aarhus C

Financial highlights

Seen over a 3-year period, the development of the Company may be described by means of the following financial highlights:

	2019	2018	2017
	TDKK	TDKK	TDKK
Key figures			
Gross profit/loss	44.208	45.681	55.734
Profit/loss before net financials	411.358	12.404	55.734
Net financials	-41.113	-47.455	-51.131
Profit/loss for the year	370.245	-35.051	4.603
Balance sheet total	1.383.217	987.934	1.048.882
Equity	349.569	-20.676	14.375
Financial ratios			
Return on assets	34,7%	1,2%	10,6%
Solvency ratio	25,3%	-2,1%	1,4%
ROIC	4,0%	4,8%	5,8%

The financial ratios are calculated in accordance with the Danish Finance Society's recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Management's review

Business review
The company's main activity is to hold, develop, manage and sale properties and business related to the same.

Recognition and measurement uncertainties
Management acknowledges that uncertainty remains over the determination of fair value of the investment properties held by the company. To mitigate that risk, an independent qualified valuer has been appointed to issue a report on the market value of the properties. The calculation method used in the report is based on the expected future cash flows for each investment property.

Unusual matters
The company's financial position at 31 December 2019 and the results of its operations and cash flows for the financial year ended 31 December 2019 are not affected by any unusual matters.

Financial review
The company's income statement for the year ended 31 December 2019 shows a profit of TDKK 370.245, and the balance sheet at 31 December 2019 shows equity of TDKK 349.569.

Pursuant to an external valuer's report, the company reversed impairment recognized in previous year on the investment properties and reports gain from the fair value adjustment.

Financing
In September 2019 the company refinanced its external and internal debt with new loans. Using a surplus of the new financing, the company also repaid part of its remaining debt with the group.

Special risks apart from generally occurring risks in industry
Currency risks
The company's loan is denominated in Danish kroner, in addition, the majority of the company's transactions are in Danish kroner.

Interest-rate risks
The company has a fixed interest for each of the loans hence no risks related to this.

Management's review

Significant events occurring after the end of the financial year

The recent outbreak of COVID-19 may negatively affect economic conditions regionally as well as globally, disrupt operations situated in countries particularly exposed to the contagion or otherwise impact our business. Governments in affected countries are imposing travel bans, quarantines and other emergency public safety measures. Those measures, though temporary in nature, may continue and increase depending on developments in the virus' outbreak. The ultimate severity of the COVID-19 outbreak is uncertain at this time and therefore the company cannot reasonably estimate the impact it may have on our end markets and operations.

Besides from the above, no other events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	Note	2019	2018
		TDKK	TDKK
Gross profit		**44.208**	**45.681**
Fair value adjustment of investment properties	3	367.150	-33.277
Profit/loss before net financials		**411.358**	**12.404**
Financial expenses	2	-41.113	-47.455
Profit/loss for the year		**370.245**	**-35.051**

Distribution of profit

Retained earnings	370.245	-35.051
	370.245	**-35.051**

Balance sheet 31 December

	Note	2019	2018
		TDKK	TDKK
Assets			
Investment in property		1.291.774	923.021
Tangible assets	3	**1.291.774**	**923.021**
Total non-current assets		**1.291.774**	**923.021**
Trade receivables		5.693	1.627
Receivables from group companies		12.866	12
Other receivables		2.164	0
Prepayments		8.060	5.987
Receivables		**28.783**	**7.626**
Cash at bank and in hand		**62.660**	**57.287**
Total current assets		**91.443**	**64.913**
Total assets		**1.383.217**	**987.934**

Balance sheet 31 December

	Note	2019	2018
		TDKK	TDKK
Equity and liabilities			
Share capital		100	100
Retained earnings		349.469	-20.776
Equity		**349.569**	**-20.676**
Mortgage loans		826.715	644.824
Payables to group companies		142.370	327.709
Deposits		18.889	0
Total non-current liabilities	4	**987.974**	**972.533**
Mortgage loans	4	5.870	0
Trade payables		18.920	4.959
Payables to group companies		10.416	0
Other payables		692	6.867
Deferred income		346	1.159
Deposits		9.430	23.092
Total current liabilities		**45.674**	**36.077**
Total liabilities		**1.033.648**	**1.008.610**
Total equity and liabilities		**1.383.217**	**987.934**
Subsequent events	5		
Mortgages and collateral	6		
Related parties and ownership structure	7		

Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 January 2019	100	-20.776	-20.676
Net profit/loss for the year	0	370.245	370.245
Equity at 31 December 2019	**100**	**349.469**	**349.569**

Cash flow statement 1 January - 31 December

	Note	2019	2018
		TDKK	TDKK
Net profit/loss for the year		370.245	-35.051
Impairment losses/gains		-367.150	33.277
Net financials		41.113	47.455
Cash flows from operating activities before financial income and expenses		**44.208**	**45.681**
Interest expenses and similar charges		-41.113	-47.455
Cash flows from operating activities		**3.095**	**-1.774**
Purchase of property		-1.603	-887
Sale of property		0	8.750
Cash flows from investing activities		**-1.603**	**7.863**
Change in mortgage loans		187.761	-352
Change in payables to group companies		-174.923	-31.973
Change in receivables		-21.157	-1.639
Change in debt		12.200	5.928
Cash flows from financing activities		**3.881**	**-28.036**
Change in cash and cash equivalents		**5.373**	**-21.947**
Cash and cash equivalents		57.287	79.234
Cash and cash equivalents		**62.660**	**57.287**
Analysis of cash and cash equivalents:			
Cash at bank and in hand		62.660	57.287
Cash and cash equivalents		**62.660**	**57.287**

Notes

	2019	2018
1 Staff expenses		
Average number of employees	0	0

	2019 TDKK	2018 TDKK
2 Financial expenses		
Financial expenses, group companies	16.226	25.673
Other financial costs	24.887	21.759
Gain on financial instruments	0	23
	41.113	**47.455**

3 Tangible assets

	Investment in property
Cost at 1 January 2019	956.298
Additions for the year	1.603
Cost at 31 December 2019	957.901
Revaluations for the year	333.873
Revaluations at 31 December 2019	333.873
Impairment losses and depreciation at 1 January 2019	33.277
Reversal for the year of previous years' impairment losses	-33.277
Impairment losses and depreciation at 31 December 2019	0
Carrying amount at 31 December 2019	**1.291.774**

Notes

3 Tangible assets (continued)

Valuation method and techniques
The fair value of investment properties is determined by using a capitalisation model. The calculation is based on the budgeted net earnings for the coming years.

Key assumptions for determining fair value:
The company's investment properties comprise mainly warehouses. The investment properties are measured at fair value using the capitalisation model. The required rates of return are in the interval 3,1 % - 8,3 %.

Fair value estimation
- Adjustment is made of the existing rent to expected market rent
- Correction is made in regard to idle leases and expected rental period
- Estimates are made of the properties' own share of operating expenses and heating costs
- All vacant units comprise of 34.278 sqm out of a total of 351.112 sqm, which is 9,8% of vacancy
- The properties cover a span of 3.853 sqm - 102.304 sqm, where the smallest is situated in Zealand and the biggest in the Triangle area (Jutland)
- The properties prices start from 2.016 kr. per sqm - 6.996 kr. of which the cheapest is situated in the Triangle area and the most expensive is on Zealand.

Properties
The companies investment properties consist of 25 light industrial - and logistic properties, which covers a total of 351.112 sqm situated in Denmark, 14 properties spread out on Zealand, 1 on Funen, 6 in the Triangle area and south Jutland, 1 in north Jutland and 3 in mid Jutland. The investment properties are cf. the desciption of the applied accounting policies. The fair value of investment properties is determined by using a capitalisation model. The calculation is based on the budgeted net earnings for the coming years.

- The investment properties have an average NOI yield on 6,3%.

Pursuant to current level of vacancy and relatively short WAULTS in Denmark, there is uncertainty of when particular units will be let and at what level of income. On top of the market value of the properties, the valuer calculated also a vacant possession value of the portfolio, which is TDKK 955.070.

Assuming 100% vacancy in all properties, their value would drop by TDKK 335.100 (26,0%).

Notes

4 Long term debt

	Debt at 1 January 2019	Debt at 31 December 2019	Instalment next year	Debt outstanding after 5 years
Mortgage loans	644.824	826.715	0	0
Payables to group companies	327.709	142.370	0	0
Deposits	0	18.889	0	0
	972.533	**987.974**	**0**	**0**

5 Subsequent events

The recent outbreak of COVID-19 may negatively affect economic conditions regionally as well as globally, disrupt operations situated in countries particularly exposed to the contagion or otherwise impact our business. Governments in affected countries are imposing travel bans, quarantines and other emergency public safety measures. Those measures, though temporary in nature, may continue and increase depending on developments in the virus’ outbreak. The ultimate severity of the COVID-19 outbreak is uncertain at this time and therefore the company cannot reasonably estimate the impact it may have on our end markets and operations.

Besides from the above, no other events have occurred after the balance sheet date which could significantly affect the company's financial position.

Notes

6 Mortgages and collateral

As security for the company's debt, the company has provided security in its properties. The value of the properties as of 31. December 2019 is TDKK 1.291.774 (2018: TDKK 923.021).

7 Related parties and ownership structure

Transactions

The company has had interest expense with group companies worth TDKK 16.226 (2018: TDKK 25.673) based on arms length principle (see note 2). In addition the company has taken net loans against group companies worth TDKK 151.358 (2018: TDKK 327.709) and cost of management fee charged by the group companies worth TDKK 1.428 (2018: TDKK 0).

Accounting policies

The annual report of Onyx Denmark Propco K/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied are consistent with those of last year.

The annual report for 2019 is presented in TDKK.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and other external expenses.

Revenue

Rental income is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Rental income is net of all types of discounts granted.

Accounting policies

Other external expenses
Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Value adjustments of investment properties
Value adjustments of investment property comprise the year's changes in the fair value of investment property and relating payables.

Financial income and expenses
Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/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.

Tax on profit/loss for the year
The company is not independently liable to tax and consequently tax has not been recognized.

Balance sheet

Investment property
On initial recognition, investment property is measured at cost. Investment property is subsequently measured at fair value, and the value adjustment for the year is recognized in the income statement under the item “Fair value adjustment of investment property”. The fair value is based on the expected future cash flows for the investment property.

The fair value is calculated using the capitalization model as the calculated capital value of the expected cash flows from the individual properties.

The determination of the expected cash flows is based on the budgeted cash flows of the individual property for the coming years, including rental and price increases, as well as a calculated term value that expresses the value of the normalized cash flows that the property is expected to generate after the budget period. The cash flows thus calculated are discounted at present value using a discount factor which is judged to reflect the market's current rate of return for corresponding properties including expected inflation.

Impairment of fixed assets
The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Accounting policies

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price and the value in use. The value in use is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables
Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Receivables for which there is no objective evidence of individual impairment are tested for impairment on a portfolio basis. The portfolios are primarily based on debtors' domicile and credit ratings in accordance with the Company's credit risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

Prepayments
Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents
Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Liabilities
Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Accounting policies

Liabilities, which include trade liabilities, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income
Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Cash flow statement

The cash flow statement shows the company's cash flows for the year, broken down under cash flows from operating, investing and financing activities, 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.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Cash flows from operating activities
Cash flows from operating activities are stated as the company's profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes.

Cash flows from investing activities
Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities as well as intangible assets, property, plant and equipment and investments.

Cash flows from financing activities
Cash flows from financing activities comprise changes in the size or composition of the company's share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial highlights

Definitions of financial ratios.

Return on assets $= \dfrac{\text{Profit/loss before financials x 100}}{\text{Average assets}}$

Solvency ratio $= \dfrac{\text{Equity at year-end x 100}}{\text{Total assets at year-end}}$

ROIC $= \dfrac{\text{EBITA x 100}}{\text{Average invested capital excluding goodwill}}$