

# M7 EREIP IV DK HoldCo K/S

c/o M7 Real Estate ApS, Borgergade 2,6.  
1300 København K

CVR no. 39 03 50 49

## **Annual report for the period 11 October 2017 – 31 December 2018**

The annual report was presented and approved at the  
Company's annual general meeting on

25 March 2019

Mads Berg  
chairman

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**M7 EREIP IV DK HoldCo K/S**  
Annual report 2017/18  
CVR no. 39 03 50 49

## **Statement by the Executive Board**

The Executive Board has today discussed and approved the annual report of M7 EREIP IV DK HoldCo K/S for the financial period 11 October 2017 – 31 December 2018.

The annual report has been 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 assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial period 11 October 2017 – 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 25 March 2019  
Executive Board:

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Pernille Ohlsen

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Niels Christian Wedell-  
Wedellsborg

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Mette Seifert

## Independent auditor's report

### To the shareholder of M7 EREIP IV DK HoldCo K/S

#### Opinion

We have audited the financial statements of M7 EREIP IV DK HoldCo K/S for the financial period 11 October 2017 – 31 December 2018 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial period 11 October 2017 – 31 December 2018 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Management's responsibility 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 that 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 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.

#### 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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.



## Independent auditor's report

- 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.

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.

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, 25 March 2019

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Jette Kjær Bach  
State Authorised  
Public Accountant  
mne19812

**M7 EREIP IV DK HoldCo K/S**  
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## **Management's review**

### **Company details**

M7 EREIP IV DK HoldCo K/S  
c/o M7 Real Estate ApS, Borgergade 2,6.  
1300 København K

CVR no.:	39 03 50 49
Established:	24 October 2018
Registered office:	Copenhagen
Financial period:	11 October 2017 – 31 December 2018

### **Executive Board**

Pernille Ohlsen  
Niels Christian Wedell-Wedellsborg  
Mette Seifert

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
DK-2100 Copenhagen

### **Annual general meeting**

The annual general meeting will be held on 25 March 2019.

## **Management's review**

### **Operating review**

#### **Principal activities**

The object of the Company is to own shares in other companies and any business related hereto.

#### **Development in activities and financial position**

The Company's income statement for the year ended 31 December 2018 shows a loss of DKK 1,040 thousand, and the Company's balance sheet at 31 December 2018 shows equity of DKK -940 thousand.

The results for the year are considered to be in accordance with expectations.

#### **Events after the balance sheet date**

No events have occurred after the balance sheet date that materially affect the Company's financial position.

#### **Going Concern**

The Company has lost more than half of its share capital.

In order to ensure the Company's continued operations, M7 EREIP IV DK HoldCo K/S has received a letter of support from M7 EREIP IV DK PropCo 1 K/S ensuring sufficient liquidity to the Company to settle its obligations as they fall due at least until 31 December 2019. Furthermore reference is made to note 2.

## Financial statements 11 October – 31 December

### Income statement

DKK'000	Note	11/10 2017- 31/12 2018
<b>Gross loss</b>		<u>-979</u>
<b>Operating loss</b>		<u>-979</u>
Financial expenses	3	<u>-61</u>
<b>Loss for the year</b>		<u><u>-1,040</u></u>
<b>Proposed profit appropriation/distribution of loss</b>		
Retained earnings		<u><u>-1,040</u></u>



## Financial statements 11 October – 31 December

### Balance sheet

DKK'000	Note	2018
<b>ASSETS</b>		
<b>Fixed assets</b>		
<b>Investments</b>		
Investment in subsidiaries		<u>100</u>
<b>Total fixed assets</b>		<u>100</u>
<b>Current assets</b>		
<b>Cash at bank and in hand</b>		<u>33</u>
<b>Total current assets</b>		<u>33</u>
<b>TOTAL ASSETS</b>		<u><u>133</u></u>

## Financial statements 11 October – 31 December

### Balance sheet

DKK'000	Note	2018
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share premium		100
Retained earnings		<u>-1,040</u>
<b>Total equity</b>		<u>-940</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables		18
Payables to group entities		<u>1,055</u>
		<u>1,073</u>
<b>Total liabilities</b>		<u>1,073</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>133</u></u>
<b>Disclosure of uncertainties regarding going concern</b>	2	
<b>Contractual obligations, contingencies, etc.</b>	4	
<b>Related party disclosures</b>	5	

## Financial statements 11 October – 31 December

### Statement of changes in equity

DKK'000	<u>Contributed capital</u>	<u>Share premium</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 11 October 2017	0	0	0	0
Cash capital increase	0	100	0	100
Transferred over the distribution of loss	<u>0</u>	<u>0</u>	<u>-1,040</u>	<u>-1,040</u>
<b>Equity at 31 December 2018</b>	<u><u>0</u></u>	<u><u>100</u></u>	<u><u>-1,040</u></u>	<u><u>-940</u></u>

## Financial statements 11 October – 31 December

### Notes

#### 1 Accounting policies

The annual report of M7 EREIP IV DK HoldCo K/S for 2017/18 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

This is the entity's first financial year why there are no comparative figures. The first financial year has been extended to 15 months.

#### Omission of consolidated financial statements

Pursuant to section 110(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

### Income statement

#### Gross profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

The gross profit reflects other external expenses.

#### Other external expenses

Other external expenses comprise expenses incurred during the year for management and administration of the Company.

#### Financial expenses

Financial expenses include interest expenses. Financial expenses are recognised in the income statement with the amount concerning the financial year.

### Balance sheet

#### Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where the cost exceeds the net realisable value, writedown is made to this lower value.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

## Financial statements 11 October – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

##### Corporation tax and deferred tax

The Company is not subject to taxation. Taxable income is taxed in the parent company M7 EREIP IV Lux Denmark HoldCo S.a.r.l.

#### 2 Disclosure of uncertainties regarding going concern

The Company has lost more than half of its share capital.

In order to ensure the Company's continued operations, M7 EREIP IV DK HoldCo K/S has received a letter of support from M7 EREIP IV DK PropCo 1 K/S ensuring sufficient liquidity to the Company to settle its obligations as they fall due at least until 31 December 2019.

#### 3 Financial expenses

DKK'000	11/10 2017- 31/12 2018
Interest expense to group entities	50
Other financial costs	11
	<u>61</u>

#### 4 Contractual obligations, contingencies, etc.

The Company has provided a self-liable guarantee to credit institutions of DKK 21,500 thousand.

The Company has subscribed for shares in a number of limited partnerships. The company is liable for the non-paid contributed capital. The total remaining liability at the balance sheet date amounts to DKK 100 thousand.

#### 5 Related party disclosures

M7 EREIP IV DK HoldCo K/S is included in the consolidated financial statement of M7 European Real Estate Investment Partners IV LP, The Monument Building, 11 Monument Street, London, EC3R 8AF, United Kingdom, where they can be obtained.