

M7 EREIP IV DK HoldCo K/S

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

CVR no. 39 03 50 49

Annual report for the period 1 January – 31 December 2019

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

7 May 2020

Line Pedersen
chairman

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M7 EREIP IV DK HoldCo K/S
Annual report 2019
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 year 1 January – 31 December 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019.

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, 7 May 2020
Executive Board:

Peter Matzen Drachmann

Niels Christian Wedell-
Wedellsborg

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 year 1 January – 31 December 2019 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 2019 and of the results of the Company's operations 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 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, 7 May 2020

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
Denmark

CVR no.:	39 03 50 49
Established:	24 October 2018
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Executive Board

Peter Matzen Drachmann
Niels Christian Wedell-Wedellsborg
Mette Seifert

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen
Denmark

Annual general meeting

The annual general meeting will be held on 7 May 2020.

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 2019 shows a profit of DKK 2,750 thousand, and the Company's balance sheet at 31 December 2019 shows equity of DKK 610 thousand.

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

Events after the balance sheet date

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

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2019	11/10/2017- 31/12/2018
Gross loss		-234	-979
Operating loss		-234	-979
Income from equity investments in subsidiaries		3,000	0
Financial expenses	3	-16	-61
Profit for the year		<u>2,750</u>	<u>-1,040</u>
Proposed profit appropriation/distribution of loss			
Dividend during the year		1,200	-1,040
Retained earnings		<u>1,550</u>	<u>0</u>
		<u>2,750</u>	<u>-1,040</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2019	11/10/2017- 31/12/2018
ASSETS			
Fixed assets			
Investments			
Investment in subsidiaries		<u>100</u>	<u>100</u>
Total fixed assets		<u>100</u>	<u>100</u>
Current assets			
Cash at bank and in hand		<u>1,796</u>	<u>33</u>
Total current assets		<u>1,796</u>	<u>33</u>
TOTAL ASSETS		<u><u>1,896</u></u>	<u><u>133</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2019	11/10/2017- 31/12/2018
EQUITY AND LIABILITIES			
Equity			
Share premium		100	100
Retained earnings		510	-1,040
Total equity		<u>610</u>	<u>-940</u>
Liabilities			
Current liabilities			
Trade payables		181	18
Payables to group entities		1,105	1,055
		<u>1,286</u>	<u>1,073</u>
Total liabilities		<u>1,286</u>	<u>1,073</u>
TOTAL EQUITY AND LIABILITIES		<u>1,896</u>	<u>133</u>
Disclosure of uncertainties regarding going concern	2		
Contractual obligations, contingencies, etc.	4		
Related parties	5		
Average number of employees			

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Share premium	Retained earnings	Total
Equity at 1 January 2019	100	-1,040	-940
Transferred over the profit appropriation	0	2,900	2,900
Extraordinary dividends paid	0	-1,200	-1,200
Equity at 31 December 2019	100	660	760

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of M7 EREIP IV DK HoldCo K/S for 2019 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with option from higher reporting classes.

Prior financial year was extended and the income statement was for the financial period 11 October 2017 to 31 December 2018.

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

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 costs

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

Income from equity investments in group entities and associates

Income from other equity investments and securities comprises realised capital gains and losses from other equity investments and securities recognised as investments or current assets in the balance sheet.

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 at bank and in hand

Cash at bank and in hand comprise cash.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Liabilities

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 Average number of employees

DKK'000	2019	11/10/2017- 31/12/2018
	0	0

3 Financial expenses

DKK'000	2019	11/10/2017- 31/12/2018
Interest expense to group entities	0	50
Other financial costs	16	11
	16	61

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 1.896 thousand.

5 Related parties

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.