

M7 EREIP V DK HoldCo K/S

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

CVR no. 39 96 75 10

Annual report 2020

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

25 March 2021 

Cathrine Moesgaard Albertsen
chairman

Contents

Statement by the Executive Board	2
Independent auditor's report	3
Management's review	6
Company details	6
Operating review	7
Financial statements 1 January – 31 December	8
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Notes	12

M7 EREIP V DK HoldCo K/S
Annual report 2020
CVR no. 39 96 75 10

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of M7 EREIP V DK HoldCo K/S for the financial year 1 January – 31 December 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

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 2021

On behalf of Komplementar M7 EREIP V DK 1 ApS:

Peter Drachmann

Peter Drachmann

N.C. Wedellsborh

Niels Christian Wedel-
Wedellsborh

Mette Seifert

Mette Seifert

Independent auditor's report

To the shareholder of M7 EREIP V DK HoldCo K/S

Opinion

We have audited the financial statements of M7 EREIP V DK HoldCo K/S for the financial year 1 January – 31 December 2020 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 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 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

Independent auditor's report

- 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.
- 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.



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, 25 March 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

A handwritten signature in blue ink, appearing to read 'Jette Kjær Bach'.

Jette Kjær Bach
State Authorised
Public Accountant
mne19812

M7 EREIP V DK HoldCo K/S
Annual report 2020
CVR no. 39 96 75 10

Management's review

Company details

M7 EREIP V DK HoldCo K/S
c/o M7 Real Estate ApS
Borgergade 2, 6.
1300 Copenhagen K
Denmark

CVR no.:	39 96 75 10
Established:	24 October 2018
Registered office:	Copenhagen
Financial year:	1 January – 31 December

On behalf of Komplementar M7 EREIP V DK 1 ApS

Peter Drachmann
Niels Christian Wedel-Wedellsborh
Mette Seifert

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen
Denmark

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 2020 shows a loss of DKK -293 thousand as against DKK -267 thousand for the period 24 October 2018 - 31 December 2019. Equity in the Company's balance sheet at 31 December 2020 amounts to DKK -510 thousand as against DKK -217 thousand at 31 December 2019.

Going Concern

The Company has lost its contributed capital and has a negative equity.

In order to ensure the Company's continued operations, M7 EREIP V DK HoldCo K/S has received a letter support from M7 EREIP V DK PropCo 1 K/S ensuring sufficient liquidity to the Company to settle its obligations as they fall due at least until the general meeting in 2022, there the annual report for 2021 is approved. Furthermore reference is made to note 2.

Events after the balance sheet date

No events have occurred after the balance sheet date which could significantly affect the Company's financial position.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2020	24/10 2018 - 31/12 2019
Gross loss		<u>-260</u>	<u>-250</u>
Loss before financial income and expenses		<u>-260</u>	<u>-250</u>
Financial expenses	4	<u>-33</u>	<u>-17</u>
Loss for the year		<u><u>-293</u></u>	<u><u>-267</u></u>
Proposed distribution of loss			
Retained earnings		<u>-293</u>	<u>-267</u>
		<u><u>-293</u></u>	<u><u>-267</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2020	2019
ASSETS			
Fixed assets			
Investments	5		
Investments 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>0</u>	<u>20</u>
Total current assets		<u>0</u>	<u>20</u>
TOTAL ASSETS		<u>100</u>	<u>120</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2020	2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital		50	50
Retained earnings		-560	-267
Total equity		<u>-510</u>	<u>-217</u>
Liabilities			
Current liabilities			
Banks, current liabilities		2	0
Trade payables		31	31
Payables to group entities		577	255
Payables to shareholders		0	50
Other payables		0	1
		<u>610</u>	<u>337</u>
Total liabilities		<u>610</u>	<u>337</u>
TOTAL EQUITY AND LIABILITIES		<u>100</u>	<u>120</u>
Disclosure of material uncertainties regarding going concern	2		
Staff costs and incentive schemes	3		
Contractual obligations, contingencies, etc.	6		
Related party disclosures	7		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2020	50	-267	-217
Transferred over the distribution of loss	<u>0</u>	<u>-293</u>	<u>-293</u>
Equity at 31 December 2020	<u><u>50</u></u>	<u><u>-560</u></u>	<u><u>-510</u></u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of M7 EREIP V DK HoldCo K/S for 2020 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.

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

Prior financial year was extended and the income statement was for the financial period 24 October 2018 to 31 December 2019.

Omission of consolidated financial statements

The Danish group fulfills the requirements for not performing a consolidated financial statement in compliance with the Danish Financial Statements Act, section 110(4).

Income statement

Gross loss

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

The gross loss reflects other external expenses.

Other external costs

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

Financial expenses

Financial expenses include interest expenses.

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 at bank.

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 V Lux Denmark HoldCo S.a.r.l.

Financial statements 1 January – 31 December

Notes

2 Material 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 V DK HoldCo K/S has received a support letter from M7 EREIP V DK PropCo 1 K/S ensuring sufficient liquidity to the Company to settle its obligations as they fall due at least until the general meeting in 2022, there the annual report for 2021 is approved.

3 Staff costs and incentive schemes

	2020	24/10 2018 - 31/12 2019
Average number of full-time employees	0	0

4 Financial expenses

	2020	24/10 2018 - 31/12 2019
DKK'000		
Interest expenses to group entities	21	6
Other financial costs	12	0
	33	17

5 Investments in subsidiaries

The equity value of investments in subsidiaries comprises DKK 22.5 million as at 31 December 2020, of which the Company holds a 100% ownership.

6 Contractual obligations, contingencies, etc.

The Company has provided a self-liable guarantee to credit institutions concerning M7 EREIP V DK PropCo 1 K/S. As at 31 December 2020, the guarantee amounts to 0 DKK.

7 Related party disclosures

Control

M7 EREIP V DK HoldCo K/S is part of the consolidated financial statements of M7 European Real Estate Investment Partners V LP, 3rd floor, 37 Esplanade, St Helier, JE1 1AD Jersey, Channel Islands, which is the smallest group, in which the Company is included as a subsidiary.

The consolidated financial statements of M7 European Real Estate Investment Partners V LP can be obtained by contacting the Company at the address above.