

European Real Estate Senior Debt 4 S.à.r.l

Annual Accounts
For the year ended 31 December 2020

Airport Center Luxembourg 5

Heienhaff

L-1736 Senningerberg

R.C.S. Luxembourg B227277

Share Capital GBP 12,400

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C.A.C.S. Expertise S.à.r.l.

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REPORT OF THE COMMISSAIRE

To the Partner of
EUROPEAN REAL ESTATE SENIOR DEBT 4 S.à.r.l.
RCS Luxembourg B 227 277

In accordance with legal and statutory requirements we report to you on our mandate as a commissaire aux comptes for the year ended December 31st, 2020. We have executed our work on the basis of Article 443-2 of the commercial law dated August 10th, 1915 as amended and which do not require from the commissaire aux comptes to give an opinion on the annual accounts. Therefore we have not audited the annual accounts in accordance with generally accepted auditing standards.

Responsibility for the preparation of the Annual Accounts is that of the Board of Managers. This includes the maintenance of adequate accounting records and internal controls, the selection and application of accounting policies, and the safeguarding of the assets of the Company. We have examined the attached Balance Sheet as at December 31st, 2020 and related Profit and Loss Account for the year then ended, to the extent, which we deemed necessary to the company's accounting records and documents made available to us. We have checked the assets and liabilities as of that date by methods that we considered appropriate.

The annual accounts as of December 31st, 2020 show a Balance Sheet total of 12.111.923 UK£ and a loss for the year ended December 31st, 2020 of 697 UK£.

The annual accounts referred to above are in conformity with the accounting documents as presented to us.

C.A.C.S. Expertise Sàrl.
Commissaire Aux Comptes

June 30th, 2021

Annual Accounts Helpdesk :

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RCSL Nr. : B227277

Matricule :

BALANCE SHEET

Financial year from 01 01/01/2020 **to** 02 31/12/2020 (in 03 GBP)

European Real Estate Senior Debt 4 S.A.R.L.

Airport Center Luxembourg 5, Heienhaff,

L-1736 Senningerberg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets	1109 _____	109 <u>11,852,501</u>	110 <u>-</u>
I. Intangible assets	1111 _____	111 _____	112 _____
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B227277

Matricule :

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131 _____	131 _____	132 _____
4. Payments on account and tangible assets in the course of construction	1133 _____	133 _____	134 _____
III. Financial assets	1135 <u>4</u>	135 <u>11,852,501</u>	136 <u>-</u>
1. Shares in affiliated undertakings	1137 _____	137 _____	138 _____
2. Loans to affiliated undertakings	1139 _____	139 _____	140 _____
3. Participating interests	1141 _____	141 _____	142 _____
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143 _____	143 _____	144 _____
5. Investments held as fixed assets	1145 <u>4</u>	145 <u>11,852,501</u>	146 <u>-</u>
6. Other loans	1147 _____	147 _____	148 _____
D. Current assets	1151 _____	151 <u>259,422</u>	152 <u>12,688</u>
I. Stocks	1153 _____	153 _____	154 _____
1. Raw materials and consumables	1155 _____	155 _____	156 _____
2. Work in progress	1157 _____	157 _____	158 _____
3. Finished goods and goods for resale	1159 _____	159 _____	160 _____
4. Payments on account	1161 _____	161 _____	162 _____
II. Debtors	1163 <u>6</u>	163 <u>61,676</u>	164 <u>12,400</u>
1. Trade debtors	1165 _____	165 _____	166 _____
a) becoming due and payable within one year	1167 _____	167 _____	168 _____
b) becoming due and payable after more than one year	1169 _____	169 _____	170 _____
2. Amounts owed by affiliated undertakings	1171 _____	171 _____	172 _____
a) becoming due and payable within one year	1173 _____	173 _____	174 _____
b) becoming due and payable after more than one year	1175 _____	175 _____	176 _____
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177 _____	177 _____	178 _____
a) becoming due and payable within one year	1179 _____	179 _____	180 _____
b) becoming due and payable after more than one year	1181 _____	181 _____	182 _____
4. Other debtors	1183 <u>6</u>	183 <u>61,676</u>	184 <u>12,400</u>
a) becoming due and payable within one year	1185 <u>6</u>	185 <u>61,676</u>	186 <u>12,400</u>
b) becoming due and payable after more than one year	1187 _____	187 _____	188 _____

RCSL Nr. : B227277	Matricule :
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	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 <u>5</u>	197 <u>197,746</u>	198 <u>288</u>
E. Prepayments	1199 _____	199 _____	200 _____
	TOTAL (ASSETS)	201 <u>12,111,923</u>	202 <u>12,688</u>

RCSL Nr. : B227277

Matricule :

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301	11,013	11,710
I. Subscribed capital	3	12,400	12,400
II. Share premium account			
III. Revaluation reserve			
IV. Reserves			
1. Legal reserve			
2. Reserve for own shares			
3. Reserves provided for by the articles of association			
4. Other reserves, including the fair value reserve			
a) other available reserves			
b) other non available reserves			
V. Profit or loss brought forward	12	(690)	(4)
VI. Profit or loss for the financial year	12	(697)	(686)
VII. Interim dividends			
VIII. Capital investment subsidies			
B. Provisions			
1. Provisions for pensions and similar obligations			
2. Provisions for taxation			
3. Other provisions			
C. Creditors	7	12,100,910	978
1. Debenture loans			
a) Convertible loans			
i) becoming due and payable within one year			
ii) becoming due and payable after more than one year			
b) Non convertible loans			
i) becoming due and payable within one year			
ii) becoming due and payable after more than one year			
2. Amounts owed to credit institutions			
a) becoming due and payable within one year			
b) becoming due and payable after more than one year			

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B227277

Matricule :

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are shown separately as deductions from stocks	1361 _____	361 _____	362 _____
a) becoming due and payable within one year	1363 _____	363 _____	364 _____
b) becoming due and payable after more than one year	1365 _____	365 _____	366 _____
4. Trade creditors	1367 _____	367 _____	368 _____
a) becoming due and payable within one year	1369 _____	369 _____	370 _____
b) becoming due and payable after more than one year	1371 _____	371 _____	372 _____
5. Bills of exchange payable	1373 _____	373 _____	374 _____
a) becoming due and payable within one year	1375 _____	375 _____	376 _____
b) becoming due and payable after more than one year	1377 _____	377 _____	378 _____
6. Amounts owed to affiliated undertakings	1379 _____	379 _____	380 _____
a) becoming due and payable within one year	1381 _____	381 _____	382 _____
b) becoming due and payable after more than one year	1383 _____	383 _____	384 _____
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385 _____	385 _____	386 _____
a) becoming due and payable within one year	1387 _____	387 _____	388 _____
b) becoming due and payable after more than one year	1389 _____	389 _____	390 _____
8. Other creditors	1451 <u>7</u>	451 <u>12,100,910</u>	452 <u>978</u>
a) Tax authorities	1393 _____	393 _____	394 _____
b) Social security authorities	1395 _____	395 _____	396 _____
c) Other creditors	1397 <u>7</u>	397 <u>12,100,910</u>	398 <u>978</u>
i) becoming due and payable within one year	1399 <u>7</u>	399 <u>12,100,910</u>	400 <u>978</u>
ii) becoming due and payable after more than one year	1401 _____	401 _____	402 _____
D. Deferred income	1403 _____	403 _____	404 _____
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405 <u>12,111,923</u>	406 <u>12,688</u>


 Shane Califf
 Manager
 12.07.2021

Annual Accounts Helpdesk :

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RCSL Nr. : B227277

Matricule :

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/01/2020 **to** ⁰² 31/12/2020 (in ⁰³ GBP)

European Real Estate Senior Debt 4 S.A.R.L.

Aiport Center Luxembourg 5, Heienhaff,

L-1736 Senningerberg

PROFIT AND LOSS ACCOUNT

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____	702 _____
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____	704 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 _____	713 _____	714 _____
5. Raw materials and consumables and other external expenses	1671 _____	671 _____	672 _____
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____	603 _____	604 _____
6. Staff costs	1605 _____	605 _____	606 _____
a) Wages and salaries	1607 _____	607 _____	608 _____
b) Social security costs	1609 _____	609 _____	610 _____
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 _____	656 _____
c) Other staff costs	1613 _____	613 _____	614 _____
7. Value adjustments	1657 _____	657 _____	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____	662 _____
8. Other operating expenses	1621 <u>8</u>	621 <u>(54,441)</u>	622 <u>(686)</u>

The notes in the annex form an integral part of the annual accounts

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
10. Income from other investments and loans forming part of the fixed assets	1721	721	722
a) derived from affiliated undertakings	1723	723	724
b) other income not included under a)	1725	725	726
11. Other interest receivable and similar income	1727	727	728
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731	732
	9	54,488	-
	9	54,488	-
12. Share of profit or loss of undertakings accounted for under the equity method	1663	663	664
13. Value adjustments in respect of financial assets and of investments held as current assets	1665	665	666
14. Interest payable and similar expenses	1627	627	628
a) concerning affiliated undertakings	1629	629	630
b) other interest and similar expenses	1631	631	632
15. Tax on profit or loss	1635	635	636
	10	(744)	-
16. Profit or loss after taxation	1667	667	668
		(697)	(686)
17. Other taxes not shown under items 1 to 16	1637	637	638
18. Profit or loss for the financial year	1669	669	670
		(697)	(686)



Shane Califf
 Manager
 12.07.2021

European Real Estate Senior Debt 4 S.à r.l.
Société à Responsabilité Limitée
R.C.S. Luxembourg: B227277

Notes to the accounts
As at 31 December 2020
(Expressed in GBP)

1. Organisation

European Real Estate Senior Debt 4 S.à.r.l (hereafter “the Company”) was incorporated on 01 August 2018 and is currently organised under the laws of Luxembourg as a private limited liability company (Société à Responsabilité Limitée). The Company is established for an unlimited period of time and it is registered under R.C.S. in Luxembourg, number B227277. The registered office of the Company is established at Airport Center Luxembourg 5, Heienhaff, L-1736 Senningerberg.

The Company's object is to, directly or indirectly, acquire, hold or dispose of interests, in any form whatsoever and participations in Luxembourg or foreign entities, by any means and to administrate, develop and manage such holding of interests or participations. The Company may also, directly or indirectly, acquire, hold or dispose of loans or of various tranches of loans or other indebtedness originated, structured or funded by other entities or persons, by any means and administrate, develop and manage such holding of loans or tranches of loans or other indebtedness.

The Company may make real estate related investments whether directly or through direct or indirect participations in subsidiaries of the Company owning such investments. The Company may also, directly or indirectly, invest in, acquire, hold or dispose of any kind of asset by any means. The Company may also render every assistance, whether by way of loans, guarantees or otherwise to its subsidiaries or companies in which it has a direct or indirect interest or any company being a direct or indirect shareholder of the Company or any entity or person belonging to the same group as the Company (hereafter referred to as the "Connected Companies") or any other entity, it being understood that the Company will not enter into any transaction which would cause it to be engaged in any activity that would be considered as a regulated activity of the financial sector.

The Company may in particular enter into the following transactions, it being understood that the Company will not enter into any transaction which would cause it to be engaged in any activity that would be considered as a regulated activity of the financial sector:

- to borrow money in any form or to obtain any form of credit facility and raise funds through, including, but not limited to, the issue, always on a private basis, of listed or unlisted bonds, notes, promissory notes and other debt or equity instruments convertible or not, the use of financial derivatives or otherwise;
- to advance, lend or deposit money or give credit to or with or to subscribe to or purchase any debt instrument issued by any Luxembourg or foreign entity on such terms as may be thought fit and with or without security;
- to enter into any hedge agreement, as well as into any guarantee, pledge or any other form of security, whether by personal covenant or by mortgage or charge upon all or part of the undertaking, property assets (present or future) or by all or any of such methods, for the performance of any contracts or obligations of the Company and of any of the Connected Companies, within the limits of and in accordance with the provisions of Luxembourg Law.

The Company may in addition participate in the administration, development and management of the Connected Companies as well as provide assistance and support of any kinds to such Connected Companies in relation to the negotiation, re-negotiation, the acquisition, the structuring and the re-structuring of any kind of commercial or financial agreements entered into or to be entered into by any of the Connected Companies as long as such activity is not contrary to the laws of the Grand Duchy of Luxembourg or the present Articles.

The Company can perform all legal, commercial, technical and financial investments or operations and in general, all transactions which are necessary to fulfil its object as well as all operations connected directly or indirectly to facilitating the accomplishment of its purpose in all areas described above.

European Real Estate Senior Debt 4 S.à r.l.
Société à Responsabilité Limitée
R.C.S. Luxembourg: B227277

Notes to the accounts
As at 31 December 2020
(Expressed in GBP)

2. Summary of significant accounting policies

The Company maintains its books and records in GBP and the annual accounts have been prepared in accordance with generally accepted accounting principles and legal and regulatory requirements in force in Luxembourg including the following significant policies:

a) Accounting Year End

The Company accounting year end coincides with the calendar year.

b) Foreign currency translation

Transactions expressed in currencies other than GBP are translated into GBP at the exchange rate effective at the time of the transaction. Long-term assets and liabilities expressed in currencies other than GBP are translated into GBP at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

c) Financial assets

Financial assets are composed of loans and claims held as fixed assets and shares in undertaking with which the company is linked by virtue of participating interest. These are recorded at fair value through the profit and loss account.

d) Provisions for taxation

Provisions for taxation corresponding to the difference between the tax liability estimated by the Company and the advance payments for the financial year for which the tax return has not yet been filed are recorded under the caption "Provisions for taxation".

e) Debts

Debts are recorded at their repayment value. Amounts owed to related parties are initially recorded at their repayment value and interest is accrued as it becomes payable.

3. Subscribed Capital and Legal Reserve

As of 31 December 2020, the fully paid-in share capital amounts to GB£12,400 represented by 12,400 ordinary shares with a par value of GB£1 each.

During the financial year ended 31 December 2020, the Company did not acquire nor dispose of any of its own shares and the Company did not hold any of its own shares or share premium at 31 December 2020.

Under Luxembourg law, an amount equal to at least 5% of the annual net income must be allocated to a legal reserve until such reserve equals 10% of the paid-in share capital. This reserve is not available for dividend distribution.

European Real Estate Senior Debt 4 S.à r.l.
Société à Responsabilité Limitée
R.C.S. Luxembourg: B227277

Notes to the accounts
As at 31 December 2020
(Expressed in GBP)

4. Financial Fixed Assets

	2020 GBP	2019 GBP
Investments held as fixed assets	11,852,501	-
Total	11,852,501	-

As of 31 December 2020, the total fair value of investments held as fixed assets comprises of loans of GBP 11,852,501.

5. Cash at bank, cash in postal cheque accounts, cheques and cash in hand

	2020 GBP	2019 GBP
GBP	197,746	288
Total	197,746	288

6. Debtors

	2020 GBP	2019 GBP
Due from related entities	61,676	12,400
Total	61,676	12,400

7. Creditors

	2020 GBP	2019 GBP
Due to related entities	11,920,978	978
Other payables	179,932	-
Total	12,100,910	978

As at 31 December 2020, due to related entities represents tracking bonds issued to European Real Estate Senior Debt 4 L.P which amounts to GBP 11,920,000. Other payables include administration fees and unamortized upfront fees.

European Real Estate Senior Debt 4 S.à r.l.
Société à Responsabilité Limitée
R.C.S. Luxembourg: B227277

Notes to the accounts
As at 31 December 2020
(Expressed in GBP)

8. Other external charges

	2020	2019
	GBP	GBP
Bank Charges	625	686
General operating	51,603	-
Administration Fee	2,213	-
Total	54,441	686

9. Other interest and other financial income

	2020	2019
	GBP	GBP
Interest Income	54,488	-
Total	54,488	-

As at 31 December 2020, the interest income represents interest on loans and commitment fees related to undrawn loan commitment.

10. Income Tax

	2020	2019
	GBP	GBP
Corporate Income tax	744	-
Total	744	-

11. Tax status

The Company is subject in Luxembourg to the applicable general tax regulations.

The Company may be subject to Luxembourg VAT in respect of fees charged for certain services rendered to the Company.

12. Proposed allocation of the result

	Results of the year	Results carried forward	Legal reserve
Balance as of 31.12.2019	(686)	(4)	0
Allocation of the results	686	(686)	0
Net result of 2020	(697)	0	0
Allocation of the results	697	(697)	0
	0	(1,387)	0

European Real Estate Senior Debt 4 S.à r.l.
Société à Responsabilité Limitée
R.C.S. Luxembourg: B227277

Notes to the accounts
As at 31 December 2020
(Expressed in GBP)

13. Effects of the COVID-19 virus

The COVID-19 pandemic and measures taken by various governments worldwide to contain the virus can have a significant impact on the liquidity and/or solvency of the Company. The COVID-19 event creates uncertainty about long term outlook as measures taken might change, the disease might spread further, which could have an impact on the Company.

Although at this moment unknown there could be an impact in the following areas:

- Increased credit risk as counterparties fail to perform their obligations which could result in increased credit losses which impact the net assets attributable to the partners;
- Increased operational risk as the Company, the Investment advisor and service providers could suffer from the lack of availability of resources; and
- Increased liquidity risk as counterparties or financial institutions can come under financial distress.

The Company has existing measures in place as part of its internal control environment and has taken the following additional measures to manage these risks:

- A stricter risk and performance monitoring of the loan portfolio, frequent dialogues with the counterparties involved, more frequent creditworthiness assessment by loan agents and security agent.
- The Company, the Investment advisor and service providers all take measures to ensure flexible working by its staff. Adequate measures are taken on the relevant IT systems to ensure remote access to data and systems.

14. Subsequent events

There were no further material subsequent events that have a bearing on the understanding of the financial statements.

15. Going concern

These annual accounts have been prepared on the basis of accounting principles applicable to a going concern company, which assumes that the Company will continue to be supported financially by the shareholders and will realize its assets and discharge its liabilities in the normal course of business.



Shane Califf
Manager
12.07.2021