

Komplementar M7 EREIP IV DK1 ApS

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

CVR no. 39 03 45 14

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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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Komplementar M7 EREIP IV DK1 ApS 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 Komplementar M7 EREIP IV DK1 ApS

Opinion

We have audited the financial statements of Komplementar M7 EREIP IV DK1 ApS 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

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Management's review

Company details

Komplementar M7 EREIP IV DK1 ApS
c/o M7 Real Estate ApS
Borgergade 2, 6.
1300 København K
Denmark

CVR no.:	39 03 45 14
Established:	11 October 2017
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.

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Management's review

Operating review

Principal activities

The objective of the Company is to be general partner for M7 EREIP IV DK HoldCo K/S.

Development in activities and financial position

The Company's income statement for the year shows a profit of DKK 46 thousand and the balance sheet at 31 December 2019 shows an equity of DKK 146 thousand.

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	2019	11/10/2017- 31/12/2018
Gross profit		<u>60</u>	<u>65</u>
Operating profit		<u>60</u>	<u>65</u>
Financial expenses		<u>-1</u>	<u>-1</u>
Profit before tax		<u>59</u>	<u>64</u>
Tax on profit for the year		<u>-13</u>	<u>-14</u>
Profit for the year		<u><u>46</u></u>	<u><u>50</u></u>
Proposed profit appropriation			
Retained earnings		<u>46</u>	<u>50</u>
		<u><u>46</u></u>	<u><u>50</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2019	11/10/2017- 31/12/2018
ASSETS			
Current assets			
Receivables			
Receivables from group entities		150	0
Prepayments		0	42
		<u>150</u>	<u>42</u>
Cash at bank and in hand		<u>101</u>	<u>87</u>
Total current assets		<u>251</u>	<u>129</u>
TOTAL ASSETS		<u>251</u>	<u>129</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2019	11/10/2017- 31/12/2018
EQUITY AND LIABILITIES			
Equity			
Contributed capital		100	50
Retained earnings		46	50
Total equity		<u>146</u>	<u>100</u>
Liabilities			
Current liabilities			
Payables to group entities		67	0
Corporation tax		13	14
Other payables		25	15
		<u>105</u>	<u>29</u>
Total liabilities		<u>105</u>	<u>29</u>
TOTAL EQUITY AND LIABILITIES		<u>251</u>	<u>129</u>
Contractual obligations, contingencies, etc.	3		
Related parties	4		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2019	100	0	100
Transferred over the profit appropriation	0	46	46
Equity at 31 December 2019	100	46	146

Financial statements 1 January – 31 December

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1 Accounting policies

The annual report of Komplementar M7 EREIP IV DK1 ApS 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 does not disclose its revenue.

The gross profit reflects an aggregation of revenue and other external expenses.

Revenue

Revenue comprising income from partnership is recognised in the period to which it relates.

Other external expenses

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

Financial expenses

Financial expenses comprise interest expense.

Tax on profit for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Balance sheet

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise cash.

Corporation tax and deferred tax

Current tax receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities

Liabilities are measured at net realisable value.

2 Average number of employees

	2019	11/10/2017- 31/12/2018
Average number of full-time employees	0	0
	0	0

3 Contingent liabilities

The Company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax, therefore the Company is jointly taxed with the parent company M7 EREIP IV Lux Denmark HoldCo S.à r.l.

The Company is general partner for M7 EREIP IV DK HoldCo K/S. As general partner, the Company is liable for M7 EREIP IV DK HoldCo K/S' liabilities.

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4 Related parties

Komplementar M7 EREIP IV DK1 ApS is included in the consolidated financial statements 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.