

Komplementar M7 EREIP IV DK3 ApS

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

CVR no. 39 37 17 66

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

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Annual report 2020
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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 DK3 ApS 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 M7 EREIP IV DK HoldCo K/S:

Peter Drachmann

Peter Drachmann

N.C. Wedell

Niels Christian Wedell-
Wedellsborg

Mette Seifert

Mette Seifert

Independent auditor's report

To the shareholder of Komplementar M7 EREIP IV DK3 ApS

Opinion

We have audited the financial statements of Komplementar M7 EREIP IV DK3 ApS 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, which appears to read 'Jette Kjær Bach'.

Jette Kjær Bach
State Authorised
Public Accountant
mne19812

Komplementar M7 EREIP IV DK3 ApS
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Management's review

Company details

Komplementar M7 EREIP IV DK3 ApS
c/o M7 Real Estate ApS
Borgergade 2, 6.
1300 København K
Denmark

CVR no.:	39 37 17 66
Established:	27 February 2018
Registered office:	Copenhagen
Financial year:	1 January – 31 December

On behalf of M7 EREIP IV DK HoldCo K/S

Peter Drachmann
Niels Christian Wedell-Wedellsborg
Mette Seifert

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen
Denmark

Management's review

Operating review

Principal activities

The objective of the Company is to be general partner for M7 EREIP IV PropCo 2 K/S.

Development in activities and financial position

The Company's income statement for 2020 shows a profit of DKK 166 thousand as against DKK 161 thousand in 2019. Equity in the Company's balance sheet at 31 December 2020 amounts to DKK 555 thousand as against DKK 389 thousand at 31 December 2019.

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	2019
Gross profit		<u>216</u>	<u>209</u>
Profit before financial income and expenses		<u>216</u>	<u>209</u>
Financial expenses		<u>-3</u>	<u>-2</u>
Profit before tax		<u>213</u>	<u>207</u>
Tax on profit for the year		<u>-47</u>	<u>-46</u>
Profit for the year		<u>166</u>	<u>161</u>
Proposed profit appropriation			
Retained earnings		<u>166</u>	<u>161</u>
		<u>166</u>	<u>161</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2020	2019
ASSETS			
Current assets			
Receivables			
Receivables from group entities		0	300
Prepayments		47	0
		<u>47</u>	<u>300</u>
Cash at bank and in hand		<u>581</u>	<u>161</u>
Total current assets		<u>628</u>	<u>461</u>
TOTAL ASSETS		<u>628</u>	<u>461</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2020	2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital		50	50
Retained earnings		505	339
Total equity		<u>555</u>	<u>389</u>
Liabilities			
Current liabilities			
Corporation tax		47	46
Trade payables		26	26
		<u>73</u>	<u>72</u>
Total liabilities		<u>73</u>	<u>72</u>
TOTAL EQUITY AND LIABILITIES		<u>628</u>	<u>461</u>
Average number of employees	2		
Contractual obligations, contingencies, etc.	3		
Related party disclosures	4		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2020	50	339	389
Transferred over the profit appropriation	0	166	166
Equity at 31 December 2020	50	505	555

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Komplementar M7 EREIP IV DK3 ApS 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.

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

Notes

1 Accounting policies (continued)

Balance sheet

Receivables

Receivables are measured at amortised cost.

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 at bank.

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.

Financial statements 1 January – 31 December

Notes

DKK'000	<u>2020</u>	<u>2019</u>
2 Average number of employees		
Average number of full-time employees	<u>0</u>	<u>0</u>

3 Contractual obligations, contingencies, etc.

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 Propco 2 K/S. As general partner, the Company is liable for M7 EREIP IV DK Propco 2 K/S' liabilities

4 Related party disclosures

Control

Komplementar M7 EREIP IV DK3 ApS is part of the consolidated financial statements of M7 European Real Estate Investment Partners IV LP, The Monument Building, 11 Monument Street, London, EC3R 8AF, United Kingdom, 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 IV LP can be obtained by contacting the Company at the address above.