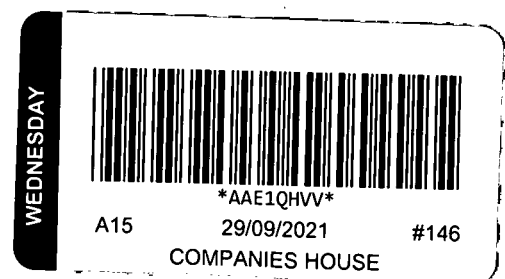


BLACKSTONE REAL ESTATE UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



BLACKSTONE REAL ESTATE UK LIMITED

COMPANY INFORMATION

Directors	Simon Davies Farhad Karim Adam Shah
Company secretary	Intertrust (UK) Limited
Registered number	07611925
Registered office	40 Berkeley Square London United Kingdom W1J 5AL
Independent auditors	Deloitte LLP Statutory Auditor 1 New Street Square London United Kingdom EC4A 3HQ
Solicitors	Simpson Thacher & Bartlett LLP City Point One Ropemaker St. London United Kingdom EC2Y 9HU

BLACKSTONE REAL ESTATE UK LIMITED

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Statement of financial position	8
Statement of changes in equity	9
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BLACKSTONE REAL ESTATE UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and the audited financial statements for Blackstone Real Estate UK Limited ("the Company") for the year ended 31 December 2020.

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the financial statements for the Company in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102"). Under company law the directors must not approve the financial statements for the Company unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements for the Company, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the audited financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the audited financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity and review of the business

The Company was incorporated in the United Kingdom on 21 April 2011. The Company is a private Company limited by shares and is registered in England and Wales for the purpose of holding investments in limited partnerships and acts as a managing member of Blackstone (FM) Real Estate LLP. The results and the financial position of the Company at the year-end are satisfactory.

Results and dividends

The profit for the year, after taxation, amounted to \$NIL (2019 - \$11).

Any expenses have been borne by an affiliate of the Company, Blackstone Real Estate Advisors L.P. The directors did not declare or pay a dividend in the financial year (2019: nil).

Directors

The directors who served during the year and up to the date of this report unless noted otherwise were:

Simon Davies
Farhad Karim
Adam Shah

BLACKSTONE REAL ESTATE UK LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Going concern

The Company continues to act as a managing member and hold investments in limited partnerships, and the directors do not believe that the uncertain market conditions as a result of COVID-19 will significantly impact the performance of the Company.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. Accordingly, the going concern basis has been adopted in preparing the directors' report and financial statements.

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors, which were in place throughout the period and remain in force at the date of this report.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Geopolitical uncertainty

Geopolitical risk has become a key driver of uncertainty and will remain one over the foreseeable future. In advance of the UK's exit from the European Union ("Brexit"), the operational impacts of this event were evaluated across human resources, counterparty relationships, supply chains, tax, macroeconomic and regulatory policy and were deemed to have a negligible impact on the long-term sustainability of the Company. The longer-term impact of Brexit will continue to be monitored by the Company as the EU and UK formulate bilateral agreements.

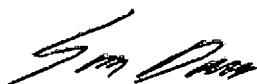
Auditors

Deloitte LLP have indicated their willingness to be appointed as auditor and will be proposed for re-appointment as the independent auditor of the LLP.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 414B and 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Simon Davies
Director

Date: 23 September 2021

BLACKSTONE REAL ESTATE UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BLACKSTONE REAL ESTATE UK LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Blackstone Real Estate UK Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes on pages 10 - 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

BLACKSTONE REAL ESTATE UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BLACKSTONE REAL ESTATE UK LIMITED

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about 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 (UK) will always detect a material misstatement when it exists. Misstatements can 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 taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These include breaches of the Money Laundering Regulations and contractual agreements whose effects should be considered while preparing financial statements.

BLACKSTONE REAL ESTATE UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BLACKSTONE REAL ESTATE UK LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation of investments, and our specific procedures performed to address it are described below:

- Valuation of Investments - we have assessed the valuation of investments by verifying and challenging the management around the valuation's key inputs and assumptions.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

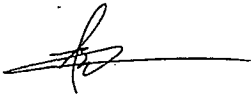
We have nothing to report in respect of these matters.

BLACKSTONE REAL ESTATE UK LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BLACKSTONE REAL ESTATE UK
LIMITED**

Use of our report

This report is made solely to the Company's shareholders, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



Yasir Aziz, ACA (Senior statutory auditor)

for and on behalf of

Deloitte LLP
Statutory Auditor
London, United Kingdom

23 September 2021

BLACKSTONE REAL ESTATE UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 \$	2019 \$
Gains arising on revaluation of investment	6	-	11
Profit before tax		<u>-</u>	<u>11</u>
Tax on profit	5	-	-
Profit for the financial year		<u><u>-</u></u>	<u><u>11</u></u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

All results are derived from continuing operations.

The notes on pages 10 to 14 form part of these financial statements.

BLACKSTONE REAL ESTATE UK LIMITED
REGISTERED NUMBER:07611925

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Fixed assets			
Investments	6	1,064	1,064
		<u>1,064</u>	<u>1,064</u>
Current assets			
Debtors: amounts falling due within one year	7	2	2
		<u>2</u>	<u>2</u>
Creditors: amounts falling due within one year	8	(180)	(180)
Net current liabilities		<u>(178)</u>	<u>(178)</u>
Total assets less current liabilities		<u>886</u>	<u>886</u>
Net assets		<u>886</u>	<u>886</u>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account		884	884
		<u>886</u>	<u>886</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 September 2021.



Simon Davies
Director

The notes on pages 10 to 14 form part of these financial statements.

BLACKSTONE REAL ESTATE UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Profit and loss account	Total equity
	\$	\$	\$
At 1 January 2019	2	873	875
Profit for the year	-	11	11
At 1 January 2020	2	884	886
At 31 December 2020	2	884	886

The notes on pages 10 to 14 form part of these financial statements.

BLACKSTONE REAL ESTATE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Details of the Company's general information are set out on the Company Information page and in the Directors' report on page 1.

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102") and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied consistently throughout the year and to the preceding year:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company meets the definition of a qualifying entity and has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation;
- the requirements of Section 11 Financial Instruments;
- the requirements of Section 12 Other Financial Instruments; and
- the requirements of Section 33 Related Party Disclosures.

This information is included in the consolidated financial statements of The Blackstone Group Inc. as at 31 December 2020 and these financial statements may be obtained from 345 Park Avenue, New York, NY 10154.

1.3 Going concern

The ongoing novel coronavirus ("COVID-19") pandemic has caused disruption in global economies. More recently, broad-based economic recovery and activity has accelerated following meaningful progress on vaccine distribution, the easing of shutdowns and other restrictions. Nevertheless, there is continued uncertainty regarding the trajectory of a continuing recovery, particularly given the strength of the Delta variant. Accordingly, this recovery remains uneven with dispersion across sectors and regions. The estimates and assumptions underlying these financial statements are based on the information available as of 31 December 2020. The estimates and assumptions include judgments about financial market and economic conditions which have changed, and may continue to change, over time.

The Company continues to carefully monitor the ongoing developments regarding the COVID-19 outbreak and the directors do not believe that the uncertain market conditions as a result of COVID-19 will significantly impact the performance of the Company.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. Accordingly, the going concern basis has been adopted in preparing the directors' report and financial statements.

BLACKSTONE REAL ESTATE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.4 Valuation of investments

Investments, whose market value can be reliably determined, are initially recognised at fair value and remeasured to fair value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where fair value cannot be reliably determined, such investments are stated at historic cost less impairment. Fair value measurement is based on audited financial statements of the underlying entity.

1.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.6 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.7 Foreign currency translation

Functional and presentational currency

The Company's functional and presentational currency is United States Dollars (\$).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

1.8 Taxation

Tax is recognised in the Profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

BLACKSTONE REAL ESTATE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

As noted in note 1.4 Valuations of investments, the fair valuation of the investments is based on the audited financial statements of the underlying entity. Management have reviewed these financial statements, and note that accounts making up the net asset value of the underlying entities are monetary assets. As the monetary assets are recorded at fair value, management is comfortable that there are no critical accounting judgements nor key sources of estimation uncertainty involved to determine the fair value of the underlying assets.

3. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements have been borne by an affiliate of the Company in the current and prior year. The audit fee for the year ended 31 December 2020 was \$4,648 (2019: \$4,375). Other services in relation to taxation for the year ended 31 December 2020 was \$2,679 (2019: \$2,598).

4. Employees

The directors were not remunerated for their services to the Company during the current and prior year. There were no staff employed during the current or prior year.

5. Taxation

	2020 \$	2019 \$
Total current tax	-	-

BLACKSTONE REAL ESTATE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

5. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2019 - the same as) the standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%) as set out below:

	2020 \$	2019 \$
Profit before tax	-	11
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (2019 - 19%)	-	2
Effects of:		
Non-taxable income	-	(2)
Total tax charge for the year	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

6. Fixed asset investments

	2020 \$	2019 \$
Valuation		
At 1 January	1,064	1,053
Revaluation	-	11
At 31 December	1,064	1,064

On 28 July 2011, the Company invested \$180 to buy 0.01% of Blackstone (FM) Real Estate LLP (the "Investment"). The registered place of business for this entity is 40 Berkeley Square, London, W1J 5AL.

7. Debtors: amounts falling due within one year

	2020 \$	2019 \$
Amounts owed by group undertakings	2	2
	2	2

Amount owed by group undertakings are non-interest bearing and repayable on demand.

BLACKSTONE REAL ESTATE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

8. Creditors: amounts falling due within one year

	2020 \$	2019 \$
Amounts owed to group undertakings	180	180
	<u>180</u>	<u>180</u>

Amount owed to group undertakings are non-interest bearing and repayable on demand.

9. Share capital

	2020 \$	2019 \$
Allotted, called up and fully paid		
1 (2019 - 1) Ordinary Shares share of £1	2	2
	<u>2</u>	<u>2</u>

10. Controlling party

The Company's immediate parent undertaking is Blackstone Real Estate Associates (Offshore) VI L.P., a Limited Partnership incorporated in Canada. The Company's ultimate parent undertaking and controlling party is The Blackstone Group Inc., a corporation listed on the New York Stock Exchange.

The Blackstone Group Inc. is the smallest and largest group which includes the Company and for which financial statements are prepared.

Copies of the group financial statements are available from 345 Park Avenue, New York, NY 10154, United States of America.

11. Subsequent events

The Company continues to carefully monitor the ongoing developments regarding the COVID-19 outbreak and currently expects the COVID-19 outbreak to have only a negligible impact on the Company.

Subsequent events have been evaluated through to 23 September 2021, the date that these financial statements were available to be issued. Other than what has been noted above, there were no events that require recognition or disclosure in the financial statements.