



## Euro Economics X ApS

Amaliegade 22, 1.  
1256 København K  
CVR No. 26146062

## Annual report 2019

The Annual General Meeting adopted the  
annual report on 31.08.2020

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**Claus Molbech Bendtsen**

Chairman of the General Meeting

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# Entity details

## Entity

Euro Economics X ApS

Amaliegade 22, 1.

1256 København K

CVR No.: 26146062

Registered office: København

Financial year: 01.01.2019 - 31.12.2019

## Executive Board

Claus Molbech Bendtsen

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

# Statement by Management

The Executive Board have today considered and approved the annual report of Euro Economics X ApS for the financial year 01.01.2019 - 31.12.2019.

The annual report is presented in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 31.08.2020

**Executive Board**

**Claus Molbech Bendtsen**

# Independent auditor's extended review report

**To the shareholders of Euro Economics X ApS**

## Conclusion

We have performed an extended review of the financial statements of Euro Economics X ApS for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

## Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity 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 requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

## Management's responsibilities 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 as 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 Entity'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 Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with 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 commentary.

Aarhus, 31.08.2020

#### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

#### **Morten Gade Steinmetz**

State Authorised Public Accountant  
Identification No (MNE) mne34145

# Management commentary

## Primary activities

The Company's activity consists of acquiring and operating real estate.

## Development in activities and finances

Profit for the year of DKK 2,817k is considered satisfactory.

## Uncertainty relating to recognition and measurement

The Company's investment properties are measured at fair value. The fair value of the investment properties are recognized at DKK 100,000k. Revaluations and impairment losses of investment properties are based on accounting judgements based on market value calculations of the net rent.

The required rate of return is set so that it is considered to reflect the market's actual required rate of return on similar properties. There is uncertainty related to determining the required rate of return and an increase in this of 0.5 percentage points will reduce the fair value by approx. DKK 12,3m as per the mentioning in the annual report's notes for investment properties.

## Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

The outbreak of the pandemic COVID-19 took place after the balance sheet date. It is difficult to assess how this will affect the Company's financial position and development.

# Income statement for 2019

	Notes	2019 DKK	2018 DKK
<b>Gross profit/loss</b>		<b>2,590,281</b>	<b>3,291,537</b>
Fair value adjustments of investment property		1,363,277	1,476,592
<b>Operating profit/loss</b>		<b>3,953,558</b>	<b>4,768,129</b>
Other financial income from group enterprises		411,882	314,955
Financial expenses from group enterprises		0	(91,239)
Other financial expenses		(779,775)	(844,522)
<b>Profit/loss before tax</b>		<b>3,585,665</b>	<b>4,147,323</b>
Tax on profit/loss for the year	2	(768,472)	(912,129)
<b>Profit/loss for the year</b>		<b>2,817,193</b>	<b>3,235,194</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		2,817,193	3,235,194
<b>Proposed distribution of profit and loss</b>		<b>2,817,193</b>	<b>3,235,194</b>



# Balance sheet at 31.12.2019

## Assets

	Notes	2019 DKK	2018 DKK
Investment property		100,000,000	98,292,000
<b>Property, plant and equipment</b>	3	<b>100,000,000</b>	<b>98,292,000</b>
<b>Fixed assets</b>		<b>100,000,000</b>	<b>98,292,000</b>
Trade receivables		313,784	54,535
Receivables from group enterprises		11,181,166	9,819,284
Other receivables		110,353	35,660
Prepayments		94,091	0
<b>Receivables</b>		<b>11,699,394</b>	<b>9,909,479</b>
<b>Cash</b>		<b>0</b>	<b>328,435</b>
<b>Current assets</b>		<b>11,699,394</b>	<b>10,237,914</b>
<b>Assets</b>		<b>111,699,394</b>	<b>108,529,914</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2019 DKK</b>	<b>2018 DKK</b>
Contributed capital		125,000	125,000
Retained earnings		43,162,096	40,344,903
<b>Equity</b>		<b>43,287,096</b>	<b>40,469,903</b>
Deferred tax		12,197,000	11,746,000
Other provisions		0	200,000
<b>Provisions</b>		<b>12,197,000</b>	<b>11,946,000</b>
Mortgage debt		51,182,332	52,387,481
<b>Non-current liabilities other than provisions</b>	<b>4</b>	<b>51,182,332</b>	<b>52,387,481</b>
Current portion of non-current liabilities other than provisions	4	1,211,654	1,197,283
Bank loans		21,641	0
Deposits		978,374	1,169,677
Prepayments received from customers		741,152	414,935
Trade payables		1,195,298	174,350
Payables to group enterprises		516,194	111,304
Joint taxation contribution payable		317,472	496,129
Other payables		51,181	162,852
<b>Current liabilities other than provisions</b>		<b>5,032,966</b>	<b>3,726,530</b>
<b>Liabilities other than provisions</b>		<b>56,215,298</b>	<b>56,114,011</b>
<b>Equity and liabilities</b>		<b>111,699,394</b>	<b>108,529,914</b>
Events after the balance sheet date	1		
Contingent liabilities	5		
Assets charged and collateral	6		

# Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125,000	40,344,903	40,469,903
Profit/loss for the year	0	2,817,193	2,817,193
<b>Equity end of year</b>	<b>125,000</b>	<b>43,162,096</b>	<b>43,287,096</b>

# Notes

## 1 Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report. The impact of the outbreak and spread of COVID-10 at the beginning of 2020 has not been possible to estimate completely or accurately, but is not expected to have material impact on the Company's financial situation.

## 2 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	317,472	496,129
Change in deferred tax	451,000	416,000
	<b>768,472</b>	<b>912,129</b>

## 3 Property, plant and equipment

	Investment property DKK
Cost beginning of year	49,306,696
Additions	344,723
<b>Cost end of year</b>	<b>49,651,419</b>
Fair value adjustments beginning of year	48,985,304
Fair value adjustments for the year	1,363,277
<b>Fair value adjustments end of year</b>	<b>50,348,581</b>
<b>Carrying amount end of year</b>	<b>100,000,000</b>

Revaluations and impairment losses of investment properties are based on accounting judgements based on market value calculations of the net rent.

As described under accounting policies, investment properties are measured at fair value using the return-based model. The average required rate of return of the Company's properties is 3.50% at 31.12.2019.

An increase of the required rate of return of 0.5 percentage points will reduce the total fair value by approx. DKK 12.3m. A reduction of the required rate of return of 0.5 percentage points will increase the value by approx. DKK 16.4m.

The actual rent per m<sup>2</sup> of the property amounts to DKK 1,667. The size of the property is 2,662 m<sup>2</sup>. There has been no material vacancy in the property in the financial year.

#### 4 Non-current liabilities other than provisions

	Due within 12 months 2019 DKK	Due within 12 months 2018 DKK	Due after more than 12 months 2019 DKK	Outstanding after 5 years 2019 DKK
Mortgage debt	1,211,654	1,197,283	51,182,332	46,351,352
	<b>1,211,654</b>	<b>1,197,283</b>	<b>51,182,332</b>	<b>46,351,352</b>

#### 5 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Euro Economics serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

#### 6 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties.

The carrying amount of mortgaged properties is DKK 100,000k.

Maximized suretyship of DKK 60,000k has been issued in relation to the company's group enterprise with its bank connection. Bank debt at December 31, 2019 is DKK 57,819k.

The company guarantees for all mortgage debt of the group enterprises below:

Euro Economics I ApS - Central Business Registration No 36730862  
 Euro Economics II ApS - Central Business Registration No 36074698  
 Euro Economics III ApS - Central Business Registration No 32788823  
 Euro Economics IV ApS - Central Business Registration No 37362670  
 Euro Economics V ApS - Central Business Registration No 37546208  
 Euro Economics VI ApS - Central Business Registration No 38133365  
 Euro Economics VII ApS - Central Business Registration No 38428276  
 Euro Economics VIII ApS - Central Business Registration No 38472739  
 Euro Economics IX ApS - Central Business Registration No 38667629  
 Euro Economics X ApS - Central Business Registration No 20805285  
 Euro Economics XI ApS - Central Business Registration No 40304118

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

## Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, other operating income and other external expenses.

### Revenue

Revenue consists of rental income from renting of tenancy to businesses and private. Rental income is recognized in the income statement according to the maturity principle.

### Fair value adjustments of investment property

Fair value adjustments of investment property comprise adjustments for the financial year of the Entity's investment properties measured at fair value at the balance sheet date.

### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

### Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

**Financial expenses from group enterprises**

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

**Other financial expenses**

Other financial expenses comprise interest expenses, tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet****Investment property**

On initial recognition, investment properties are measured at cost consisting of the acquisition price of the properties plus directly related acquisition costs.

Subsequent to initial recognition, investment properties are measured at fair value which is equivalent to the amount at which the individual property may be sold to an independent buyer at the balance sheet date.

Fair value is determined by applying the yield-based model as the calculated value in use of expected cash flows from each property. The calculation is based on budgeted net earnings for the next year that has been adjusted to normal earnings, and using a required yield rate that reflects current market yield rates for similar properties. The value is adjusted for factors not reflected in normal earnings, for example, actual vacancy rate, major refurbishments etc.

The financial year's adjustments of the properties' fair value are recognised in the income statement.

**Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises bank deposits.

**Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Other provisions**

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

**Mortgage debt**

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

**Joint taxation contributions payable or receivable**

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.