



Euro Economics ApS

Amaliegade 22, 1.
1256 Copenhagen
CVR No. 32763138

Annual report 2021

The Annual General Meeting adopted the
annual report on 20.06.2022

Claus Molbech Bendtsen

Chairman of the General Meeting

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Entity details

Entity

Euro Economics ApS

Amaliegade 22, 1.

1256 Copenhagen

Business Registration No.: 32763138

Registered office: Copenhagen

Financial year: 01.01.2021 - 31.12.2021

Executive Board

Claus Molbech Bendtsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Euro Economics ApS for the financial year 01.01.2021 - 31.12.2021.

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

In my opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

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, 20.06.2022

Executive Board

Claus Molbech Bendtsen

Independent auditor's report

To the shareholders of Euro Economics ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Euro Economics ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements 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 audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 applicable in

Denmark 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group's and the Entity'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 commentary

Management is responsible for the management commentary.

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

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit 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 the consolidated financial statements and the parent 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, 20.06.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Morten Gade Steinmetz

State Authorised Public Accountant
Identification No (MNE) mne34145

Sune Pagh Sølvsteen

State Authorised Public Accountant
Identification No (MNE) mne47819

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures					
Gross profit/loss	14,772	9,200	25,828	29,890	31,871
Operating profit/loss	38,478	52,405	26,316	187,714	46,418
Net financials	(18,388)	(26,472)	(36,562)	(36,533)	(33,229)
Profit/loss for the year	15,874	17,177	(7,690)	116,737	7,462
Balance sheet total	900,368	839,847	1,563,593	1,466,958	1,246,572
Investments in property, plant and equipment	54,291	7,887	124,386	96,760	224,211
Equity	142,007	125,490	108,314	116,004	(733)
Cash flows from operating activities	21,900	(58,669)	85,532	90,373	65,371
Cash flows from investing activities	(54,301)	770,066	(101,587)	(98,154)	(256,024)
Cash flows from financing activities	32,704	(731,171)	(22,071)	(12,199)	184,126
Ratios					
Equity ratio (%)	15.77	14.94	6.93	7.91	(0.06)

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Equity ratio (%):

Equity * 100

Balance sheet total

Primary activities

The group's primary activities consists in investing in properties and owning equity interests in other companies, exercising ownership rights and asset management in connection with this.

Development in activities and finances

The group has realized a result of 15.9 mDKK. The result is assessed to be satisfactory.

Profit/loss for the year in relation to expected developments

The result of 2021 are as expected.

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 875,399k. 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 125,1m as per the mentioning in the annual report's notes for investment properties.

Outlook

The group expect a result before tax around DKK 0 before fair value adjustment of 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.

Consolidated income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Gross profit/loss		14,772	9,200
Fair value adjustments of investment property		24,809	44,240
Staff costs	1	(905)	(837)
Depreciation, amortisation and impairment losses	2	(198)	(198)
Operating profit/loss		38,478	52,405
Other financial income		(81)	2,907
Other financial expenses	3	(18,307)	(29,379)
Profit/loss before tax		20,090	25,933
Tax on profit/loss for the year	4	(4,216)	(8,756)
Profit/loss for the year	5	15,874	17,177

Consolidated balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Land and buildings		11,150	11,330
Investment property		875,399	796,298
Other fixtures and fittings, tools and equipment		103	121
Property, plant and equipment	6	886,652	807,749
Deposits		260	250
Financial assets	7	260	250
Fixed assets		886,912	807,999
Trade receivables		2,418	400
Other receivables		9,509	29,609
Prepayments	8	305	918
Receivables		12,232	30,927
Cash		1,224	921
Current assets		13,456	31,848
Assets		900,368	839,847

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital		125	125
Retained earnings		141,882	125,365
Equity		142,007	125,490
Deferred tax	9	36,206	32,488
Provisions		36,206	32,488
Mortgage debt		331,045	312,567
Payables to owners and management		340,031	326,743
Non-current liabilities other than provisions	10	671,076	639,310
Current portion of non-current liabilities other than provisions	10	9,499	8,201
Bank loans		130	489
Deposits		7,803	6,633
Prepayments received from customers		2,702	2,919
Trade payables		4,404	4,358
Tax payable		2,247	2,247
Other payables	11	24,294	17,712
Current liabilities other than provisions		51,079	42,559
Liabilities other than provisions		722,155	681,869
Equity and liabilities		900,368	839,847
Contingent liabilities	12		
Assets charged and collateral	13		
Transactions with related parties	14		
Subsidiaries	15		

Consolidated statement of changes in equity for 2021

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	125	125,367	125,492
Effect of mergers and business combinations	0	641	641
Profit/loss for the year	0	15,874	15,874
Equity end of year	125	141,882	142,007

Consolidated cash flow statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Operating profit/loss		38,478	52,405
Amortisation, depreciation and impairment losses		199	198
Adjustments of investment property		(24,810)	(44,240)
Increase/decrease in receivables		18,694	(22,051)
Increase/decrease in trade payables etc.		7,584	(15,107)
Other changes		143	0
Cash flow from ordinary operating activities		40,288	(28,795)
Financial income received		0	2,907
Financial expenses paid		(18,388)	(29,379)
Taxes refunded/(paid)		0	(3,402)
Cash flows from operating activities		21,900	(58,669)
Acquisition etc. of property, plant and equipment		(54,291)	(7,887)
Sale of property, plant and equipment		0	777,953
Acquisition of fixed asset investments		(10)	0
Cash flows from investing activities		(54,301)	770,066
Free cash flows generated from operations and investments before financing		(32,401)	711,397
Loans raised		40,905	292,107
Repayments of loans etc.		(8,201)	(1,023,278)
Cash flows from financing activities		32,704	(731,171)
Increase/decrease in cash and cash equivalents		303	(19,774)
Cash and cash equivalents beginning of year		921	20,695
Cash and cash equivalents end of year		1,224	921
Cash and cash equivalents at year-end are composed of:			
Cash		1,224	921
Cash and cash equivalents end of year		1,224	921

Notes to consolidated financial statements

1 Staff costs

	2021 DKK'000	2020 DKK'000
Wages and salaries	821	808
Other social security costs	7	10
Other staff costs	77	19
	905	837
Average number of full-time employees	1	1

2 Depreciation, amortisation and impairment losses

	2021 DKK'000	2020 DKK'000
Depreciation on property, plant and equipment	198	198
	198	198

3 Other financial expenses

Of other financial costs, DKK 13,288 thousand relates to financial costs for a company participant.

4 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Change in deferred tax	5,153	5,762
Adjustment concerning previous years	(937)	2,994
	4,216	8,756

5 Proposed distribution of profit/loss

	2021 DKK'000	2020 DKK'000
Retained earnings	15,874	17,177
	15,874	17,177

6 Property, plant and equipment

	Land and buildings DKK'000	Investment property DKK'000	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	12,698	587,857	158
Additions	0	54,291	0
Cost end of year	12,698	642,148	158
Depreciation and impairment losses beginning of year	(1,368)	0	(37)
Depreciation for the year	(180)	0	(18)
Depreciation and impairment losses end of year	(1,548)	0	(55)
Fair value adjustments beginning of year	0	208,442	0
Fair value adjustments for the year	0	24,809	0
Fair value adjustments end of year	0	233,251	0
Carrying amount end of year	11,150	875,399	103

Revaluations and impairment losses of investment properties are based on accounting judgements using 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 Group's properties is 3.0% at 31.12.2021 compared to 3.3% last year. An increase of the required rate of return of 0.5 percentage points would reduce the total fair value by DKK 125.1m. A reduction of the required rate of return of 0.5 percentage points would increase the value by DKK 175.1m.

The size of the properties is 21,930 m², primarily consisting of residential rentals and commercial rentals. The properties is situated in Copenhagen. The actual rent per m² of properties amounts to DKK 1,505 against DKK 1,536 last year.

In the financial year, there has been minor vacancy as a result of vacating and moving in.

The Group has signed leases with tenants, which are terminable at three months' notice.

The fair value of the Group's investment properties amounts to DKK 875,399k at the balance sheet date against DKK 796,299k last year. This yields a change in the fair value of DKK 24,809k, which is recognised directly in the income statement.

No external valuation expert has been engaged to determine the fair value.

7 Financial assets

	Deposits DKK'000
Cost beginning of year	250
Additions	10
Cost end of year	260
Carrying amount end of year	260

8 Prepayments

Prepayments are the payment of costs there relating to next year.

9 Deferred tax

	2021 DKK'000	2020 DKK'000
Property, plant and equipment	54,165	46,401
Tax losses carried forward	(17,959)	(13,913)
Deferred tax	36,206	32,488

	2021 DKK'000	2020 DKK'000
Changes during the year		
Beginning of year	32,488	68,259
Recognised in the income statement	4,216	5,763
Sold Investment properties	0	(41,534)
Effect of mergers and business combinations	(498)	0
End of year	36,206	32,488

10 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK'000	Due within 12 months 2020 DKK'000	Due after more than 12 months 2021 DKK'000	Outstanding after 5 years 2021 DKK'000
Mortgage debt	9,499	8,201	331,045	297,508
Payables to owners and management	0	0	340,031	340,030
	9,499	8,201	671,076	637,538

11 Other payables

	2021 DKK'000	2020 DKK'000
VAT and duties	506	614
Wages and salaries, personal income taxes, social security costs, etc. payable	601	541
Other costs payable	23,187	16,557
	24,294	17,712

12 Contingent liabilities

The group has provided security for the continued operation of Restaurant Skindbuksen ApS, CVR 34602794.

13 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties.

The carrying amount of mortgaged properties is DKK 875,399k

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

Euro Economics I ApS – Central Business Registration No 36730862

Euro Economics V ApS - Central Business Registration No 37546208

Euro Economics XII ApS - Central Business Registration No 40475370

14 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

15 Subsidiaries

	Registered in	Corporate form	Ownership %
Euro Economics II ApS	Copenhagen	ApS	100.00
Euro Economics III ApS	Copenhagen	ApS	100.00
Euro Economics III Holding ApS	Copenhagen	ApS	100.00
Euro Economics IV ApS	Copenhagen	ApS	100.00
Euro Economics VI ApS	Copenhagen	ApS	100.00
Euro Economics VII ApS	Copenhagen	ApS	100.00
Euro Economics VII Holding ApS	Copenhagen	ApS	100.00
Euro Economics VIII ApS	Copenhagen	ApS	100.00
Euro Economics IX ApS	Copenhagen	ApS	100.00
Euro Economics X ApS	Copenhagen	ApS	100.00
Euro Economics X Holding ApS	Copenhagen	ApS	100.00
Euro Economics XI ApS	Copenhagen	ApS	100.00

Parent income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Gross profit/loss		(3,888)	(4,094)
Staff costs	1	(905)	(837)
Depreciation, amortisation and impairment losses	2	(198)	(198)
Operating profit/loss		(4,991)	(5,129)
Income from investments in group enterprises		25,477	31,820
Other financial income from group enterprises		4,538	10,465
Other financial income	3	109	2,836
Financial expenses from group enterprises		160	(310)
Other financial expenses	4	(13,302)	(23,561)
Profit/loss before tax		11,991	16,121
Tax on profit/loss for the year	5	3,883	1,057
Profit/loss for the year	6	15,874	17,178

Parent balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Land and buildings		11,149	11,329
Other fixtures and fittings, tools and equipment		103	121
Property, plant and equipment	7	11,252	11,450
Investments in group enterprises		332,510	178,177
Deposits		260	250
Financial assets	8	332,770	178,427
Fixed assets		344,022	189,877
Trade receivables		1,422	649
Receivables from group enterprises		125,184	252,869
Deferred tax	9	18,524	14,177
Other receivables		3,251	792
Prepayments	10	124	703
Receivables		148,505	269,190
Cash		230	222
Current assets		148,735	269,412
Assets		492,757	459,289

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital		125	125
Reserve for net revaluation according to equity method		69,522	63,057
Retained earnings		71,719	62,311
Equity		141,366	125,493
Mortgage debt		2,444	2,634
Payables to owners and management		340,031	326,743
Non-current liabilities other than provisions	11	342,475	329,377
Current portion of non-current liabilities other than provisions	11	185	180
Trade payables		475	938
Payables to group enterprises		550	0
Tax payable		2,247	2,247
Other payables	12	5,459	1,054
Current liabilities other than provisions		8,916	4,419
Liabilities other than provisions		351,391	333,796
Equity and liabilities		492,757	459,289
Contingent liabilities	13		
Assets charged and collateral	14		
Related parties with controlling interest	15		
Transactions with related parties	16		

Parent statement of changes in equity for 2021

	Contributed capital DKK'000	Reserve for net revaluation according to the equity method DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	125	63,057	62,310	125,492
Profit/loss for the year	0	6,465	9,409	15,874
Equity end of year	125	69,522	71,719	141,366

Notes to parent financial statements

1 Staff costs

	2021 DKK'000	2020 DKK'000
Wages and salaries	821	808
Other social security costs	7	10
Other staff costs	77	19
	905	837
Average number of full-time employees	1	1

The company has only one employee other than the Executive Board. The Executive Board has not received remuneration.

2 Depreciation, amortisation and impairment losses

	2021 DKK'000	2020 DKK'000
Depreciation on property, plant and equipment	198	198
	198	198

3 Other financial income

	2021 DKK'000	2020 DKK'000
Other interest income	109	2,836
	109	2,836

4 Other financial expenses

	2021 DKK'000	2020 DKK'000
Other interest expenses	14	10,501
Other financial expenses	13,288	13,060
	13,302	23,561

5 Tax on profit/loss for the year

	2021 DKK'000	2020 DKK'000
Change in deferred tax	(2,949)	(4,051)
Adjustment concerning previous years	(934)	2,994
	(3,883)	(1,057)

6 Proposed distribution of profit and loss

	2021 DKK'000	2020 DKK'000
Retained earnings	15,874	17,178
	15,874	17,178

7 Property, plant and equipment

	Land and buildings DKK'000	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	12,697	158
Cost end of year	12,697	158
Depreciation and impairment losses beginning of year	(1,368)	(37)
Depreciation for the year	(180)	(18)
Depreciation and impairment losses end of year	(1,548)	(55)
Carrying amount end of year	11,149	103

8 Financial assets

	Investments in group enterprises DKK'000	Deposits DKK'000
Cost beginning of year	115,119	250
Additions	147,869	10
Cost end of year	262,988	260
Revaluations beginning of year	63,058	0
Share of profit/loss for the year	25,477	0
Investments with negative equity value depreciated over receivables	(19,013)	0
Revaluations end of year	69,522	0
Carrying amount end of year	332,510	260

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

9 Deferred tax

	2021 DKK'000	2020 DKK'000
Property, plant and equipment	267	264
Tax losses carried forward	18,257	13,913
Deferred tax	18,524	14,177

	2021 DKK'000	2020 DKK'000
Changes during the year		
Beginning of year	14,177	10,126
Recognised in the income statement	2,949	4,051
Reclassifications	1,398	0
End of year	18,524	14,177

Deferred tax assets

Tax losses carried forward are expected to be used in the joint taxation.

10 Prepayments

Prepayments are the payment of costs there relating to next year.

11 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK'000	Due within 12 months 2020 DKK'000	Due after more than 12 months 2021 DKK'000	Outstanding after 5 years 2021 DKK'000
Mortgage debt	185	180	2,444	1,734
Payables to owners and management	0	0	340,031	340,031
	185	180	342,475	341,765

12 Other payables

	2021 DKK'000	2020 DKK'000
VAT and duties	1	0
Wages and salaries, personal income taxes, social security costs, etc. payable	601	541
Other costs payable	4,857	513
	5,459	1,054

13 Contingent liabilities

The company has provided security for the continued operation of Restaurant Skindbuksen ApS, CVR 34602794.

The Entity serves as the administration company in a Danish joint taxation arrangement. 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 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

14 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties.

The carrying amount of mortgaged properties is DKK 11,149k

The company has provided a surety bond to Euro Economics XII ApS with a maximum of DKK 4,000 thousand.

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
Euro Economics XII ApS - Central Business Registration No 38428276

15 Related parties with controlling interest

Bo Ladegaard Bendtsen, Schweiz owns all shares in the Entity, thus exercising control.

16 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent 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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, property costs and 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. This item also includes writedowns of receivables recognised in current assets.

Property costs

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

Staff costs

Staff costs comprise wages and salaries, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property and plant and equipment for the financial year, and gains and losses from the sale of assets.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income from group enterprises

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

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

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 including interest expenses on payables to group

enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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 Parent is jointly taxed with all of its 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

Property, plant and equipment

Land and buildings and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	50 years
Other fixtures and fittings, tools and equipment	5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

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.

Investments in group enterprises

Investments in group enterprises are recognised and measured in the parent financial statements according to

the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

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

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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

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.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's

taxable income, adjusted for prepaid tax.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.