

## **Euro Economics VI ApS**

Amaliegade 22, 1.  
1256 København K  
Business Registration No  
38133365

## **Annual report 2018**

The Annual General Meeting adopted the annual report on 31.05.2019

### **Chairman of the General Meeting**

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Name: Claus Molbech Bendtsen

# Contents

	<b><u>Page</u></b>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's extended review report	3
Management commentary	5
Income statement for 2018	6
Balance sheet at 31.12.2018	7
Statement of changes in equity for 2018	9
Notes	10
Accounting policies	12

## Entity details

### Entity

Euro Economics VI ApS  
Amaliegade 22, 1.  
1256 København K

Central Business Registration No (CVR): 38133365  
Registered in: Copenhagen  
Financial year: 01.01.2018 - 31.12.2018

### 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 have today considered and approved the annual report of Euro Economics VI ApS for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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, 31.05.2019

### **Executive Board**

Claus Molbech Bendtsen

# Independent auditor's extended review report

## To the shareholder of Euro Economics VI ApS

### Conclusion

We have performed an extended review of the financial statements of Euro Economics VI ApS for the financial year 01.01.2018 - 31.12.2018, 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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 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". 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.

## Independent auditor's extended review report

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, 31.05.2019

## Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 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

Loss for the year of DKK 3,080k is considered as expected.

The Company has lost all its share capital and the Company expects to be able to reestablish the entire share capital through its own earnings in the coming years. Management believes that the Company, through its own earnings, can maintain capital reserves for continued operations. Until then The Mother Company will support The Company financially.

### 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 108,300k. 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 17m 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.

## Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2016/17 DKK</u>
<b>Gross profit/loss</b>		<b>(985.006)</b>	<b>369.517</b>
Fair value adjustments of investment property		43.375	91.718
<b>Operating profit/loss</b>		<b>(941.631)</b>	<b>461.235</b>
Income from investments in group enterprises		(572.202)	542.965
Other financial income		0	491.624
Financial expenses from group enterprises		(2.185.372)	(1.909.292)
Other financial expenses		(858)	(25)
<b>Profit/loss before tax</b>		<b>(3.700.063)</b>	<b>(413.493)</b>
Tax on profit/loss for the year	2	620.000	84.000
<b>Profit/loss for the year</b>		<b>(3.080.063)</b>	<b>(329.493)</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		(3.080.063)	(329.493)
		<b>(3.080.063)</b>	<b>(329.493)</b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2016/17 DKK</u>
Investment property		<u>108.300.000</u>	<u>24.500.000</u>
<b>Property, plant and equipment</b>	3	<b><u>108.300.000</u></b>	<b><u>24.500.000</u></b>
<b>Fixed assets</b>		<b><u>108.300.000</u></b>	<b><u>24.500.000</u></b>
Deferred tax		704.000	84.000
Other receivables		<u>664.963</u>	<u>28.476.502</u>
<b>Receivables</b>		<b><u>1.368.963</u></b>	<b><u>28.560.502</u></b>
<b>Cash</b>		<b><u>45.965</u></b>	<b><u>454.792</u></b>
<b>Current assets</b>		<b><u>1.414.928</u></b>	<b><u>29.015.294</u></b>
<b>Assets</b>		<b><u>109.714.928</u></b>	<b><u>53.515.294</u></b>

## Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2016/17 DKK</u>
Contributed capital		50.000	50.000
Retained earnings		<u>(3.409.556)</u>	<u>(329.493)</u>
<b>Equity</b>		<b><u>(3.359.556)</u></b>	<b><u>(279.493)</u></b>
Mortgage debt		<u>3.080.663</u>	<u>0</u>
<b>Non-current liabilities other than provisions</b>	4	<b><u>3.080.663</u></b>	<b><u>0</u></b>
Current portion of long-term liabilities other than provisions	4	106.731	0
Deposits		78.000	0
Prepayments received from customers		114.593	0
Trade payables		116.125	45.000
Payables to group enterprises		109.578.372	53.703.443
Other payables		<u>0</u>	<u>46.344</u>
<b>Current liabilities other than provisions</b>		<b><u>109.993.821</u></b>	<b><u>53.794.787</u></b>
<b>Liabilities other than provisions</b>		<b><u>113.074.484</u></b>	<b><u>53.794.787</u></b>
<b>Equity and liabilities</b>		<b><u>109.714.928</u></b>	<b><u>53.515.294</u></b>
Going concern	1		
Contingent liabilities	5		
Assets charged and collateral	6		

## Statement of changes in equity for 2018

	<b>Contributed capital DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Equity beginning of year	50.000	(329.493)	(279.493)
Profit/loss for the year	0	(3.080.063)	(3.080.063)
<b>Equity end of year</b>	<b>50.000</b>	<b>(3.409.556)</b>	<b>(3.359.556)</b>

## Notes

### 1. Going concern

The Company has lost all its share capital and the Company expects to be able to reestablish the entire share capital through its own earnings in the coming years. Management believes that the Company, through its own earnings, can maintain capital reserves for continued operations. Until then The Mother Company will support The Company financially.

	<u>2018</u> <u>DKK</u>	<u>2016/17</u> <u>DKK</u>
<b>2. Tax on profit/loss for the year</b>		
Change in deferred tax	<u>(620.000)</u>	<u>(84.000)</u>
	<b><u>(620.000)</u></b>	<b><u>(84.000)</u></b>
<b>3. Property, plant and equipment</b>		
Cost beginning of year		24.408.282
Additions		<u>83.756.625</u>
<b>Cost end of year</b>		<b><u>108.164.907</u></b>
Fair value adjustments beginning of year		91.718
Fair value adjustments for the year		<u>43.375</u>
<b>Fair value adjustments end of year</b>		<b><u>135.093</u></b>
<b>Carrying amount end of year</b>		<b><u>108.300.000</u></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 3.3% at 31.12.2018. An increase of the required rate of return of 0.5 percentage points will reduce the total fair value by approx. DKK 17m. A reduction of the required rate of return of 0.5 percentage points will increase the value by approx. DKK 23m.

The estimated rent per m<sup>2</sup> of the property amounts to DKK 3.630. The size of the property is 1.397 m<sup>2</sup>. The property is expected to undergo major improvements and is valued from a normalized operation. As of 31.12.2018 the properties are valued to a rounded costprice.

## Notes

	<b>Due within 12 months 2018 DKK</b>	<b>Due after more than 12 months 2018 DKK</b>	<b>Outstanding after 5 years DKK</b>
<b>4. Liabilities other than provisions</b>			
Mortgage debt	106.731	3.080.663	2.643.808
	<b>106.731</b>	<b>3.080.663</b>	<b>2.643.808</b>

### 5. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Euro Economics ApS 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 8.650k.

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, 2018 is DKK 14,000k.

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

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

EE ApS - Central Business Registration No 38414623

## 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.

### Business combinations

Newly acquired or newly established enterprises are recognised in the financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. Provisions for costs of restructuring of the enterprise acquired are only made in so far as such restructuring was decided by the enterprise acquired prior to acquisition. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful life is reassessed annually.

The uniting-of-interests method is applied on acquisition of enterprises, mergers, demergers, contributions of assets and exchanges of shares, etc where the enterprises concerned are controlled by the Parent, under which method the combination is considered completed at the date of acquisition without restatement of comparative figures. Under the uniting-of-interests method, the acquiree's assets and liabilities are recognised at their carrying amounts, adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquiree is recognised in equity.

### Income statement

#### Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables 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 adjustment of investment property comprises adjustments for the financial year of the Entity's investment properties measured at fair value at the balance sheet date.

## Accounting policies

### 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.

### 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

Other financial income comprises dividends etc received on other investments, 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 as well as 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 as well as 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

## Accounting policies

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.

### 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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.

### Cash

Cash comprises 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.