



## Euro Economics Xii ApS

Amaliegade 22, 1.  
1256 København K  
CVR No. 40475370

## 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 Xii ApS

Amaliegade 22, 1.

1256 København K

CVR No.: 40475370

Registered office: København

Financial year: 01.01.2019 - 31.12.2019

## Executive Board

Claus Mølbech Bendtsen, direktør

## 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 Xii 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.

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

Copenhagen, 31.08.2020

## Executive Board

**Claus Molbech Bendtsen**  
direktør

# Independent auditor's extended review report

## To the shareholders of Euro Economics Xii ApS

### Conclusion

We have performed an extended review of the financial statements of Euro Economics Xii 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

Loss for the year of DKK 3,905k 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 the 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 140,200k. 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 17,9m 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, please se note 1 for further information

# Income statement for 2019

	Notes	2019 DKK
<b>Gross profit/loss</b>		<b>1,301,987</b>
Fair value adjustments of investment property		72,996
<b>Operating profit/loss</b>		<b>1,374,983</b>
Other financial income	3	528,256
Financial expenses from group enterprises		(5,576,355)
Other financial expenses		(231,911)
<b>Profit/loss for the year</b>		<b>(3,905,027)</b>
<b>Proposed distribution of profit and loss</b>		
Retained earnings		(3,905,027)
<b>Proposed distribution of profit and loss</b>		<b>(3,905,027)</b>



# Balance sheet at 31.12.2019

## Assets

	Notes	2019 DKK
Investment property		140,200,000
<b>Property, plant and equipment</b>	4	<b>140,200,000</b>
<b>Fixed assets</b>		<b>140,200,000</b>
Receivables from group enterprises		34,638,256
Other receivables		258,785
<b>Receivables</b>		<b>34,897,041</b>
<b>Cash</b>		<b>333,123</b>
<b>Current assets</b>		<b>35,230,164</b>
<b>Assets</b>		<b>175,430,164</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2019 DKK</b>
Contributed capital		50,000
Retained earnings		(3,139,447)
<b>Equity</b>		<b>(3,089,447)</b>
Mortgage debt		34,446,350
Deposits		630,000
<b>Non-current liabilities other than provisions</b>	<b>5</b>	<b>35,076,350</b>
Mortgage debt		193,701
Trade payables		165,893
Payables to group enterprises		143,075,515
Other payables	6	8,152
<b>Current liabilities other than provisions</b>		<b>143,443,261</b>
<b>Liabilities other than provisions</b>		<b>178,519,611</b>
<b>Equity and liabilities</b>		<b>175,430,164</b>
Going concern	1	
Events after the balance sheet date	2	
Assets charged and collateral	7	

# Statement of changes in equity for 2019

	<b>Contributed capital DKK</b>	<b>Share premium DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
Contributed upon formation	50,000	765,580	0	815,580
Transferred from share premium	0	(765,580)	765,580	0
Profit/loss for the year	0	0	(3,905,027)	(3,905,027)
<b>Equity end of year</b>	<b>50,000</b>	<b>0</b>	<b>(3,139,447)</b>	<b>(3,089,447)</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 the The Mother Company will support The Company financially.

## 2 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.

## 3 Other financial income

	<b>2019</b>
	<b>DKK</b>
Financial income from group enterprises	528,256
	<b>528,256</b>

## 4 Property, plant and equipment

	<b>Investment property DKK</b>
Additions	140,127,004
<b>Cost end of year</b>	<b>140,127,004</b>
Revaluations for the year	72,996
<b>Revaluations end of year</b>	<b>72,996</b>
<b>Carrying amount end of year</b>	<b>140,200,000</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 returnbased model. The average required rate of return of the Company's properties is 3,4% at 31.12.2019. An increase of the required rate of return of 0.5 percentage points will increase the value by approx. DKK 17,9m. A reduction of the required rate of return of 0.5 percentage points will increase the fair value by approx. DKK 24m.

The estimated rent per m<sup>2</sup> of the property amounts to DKK 2.133. The size of the property is 2.454 m<sup>2</sup>. The property has undergone improvements and is valued from a normalized operation.

### 5 Non-current liabilities other than provisions

	Due after more than 12 months 2019 DKK	Outstanding after 5 years 2019 DKK
Mortgage debt	34,446,350	34,030,794
Deposits	630,000	0
	<b>35,076,350</b>	<b>34,030,794</b>

### 6 Other payables

	2019 DKK
Other costs payable	8,152
	<b>8,152</b>

### 7 Assets charged and collateral

None.

# 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.

## Non-comparability

As this year is the Company's first financial year the annual report includes no comparative numbers.

## 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 and external expenses.

### Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

### 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.

**Other financial income**

Other financial income comprises interest income 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, etc.

**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.

**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.