



Euro Economics XII ApS

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

Annual report 2023

The Annual General Meeting adopted the annual report on 31.05.2024

Claus Molbech Bendtsen
Chairman of the General Meeting

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Entity details

Entity

Euro Economics XII ApS

Amaliegade 22, 1.

1256 Copenhagen K

Business Registration No.: 40475370

Registered office: Copenhagen

Financial year: 01.01.2023 - 31.12.2023

Liquidator

Claus Molbech Bendtsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Liquidator has today considered and approved the annual report of Euro Economics XII ApS for the financial year 01.01.2023 - 31.12.2023.

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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

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.

København, 31.05.2024

Liquidator

Claus Molbech Bendtsen

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 01.01.2023 - 31.12.2023, 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 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 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' 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Emphasis of matter

We refer to the accounting policies in which it is evident that the Company, after the balance sheet date, has entered into the course of liquidation according to the rules on solvent liquidation. The accounting policies applied for these financial statements are consistent with those applied last year, however, recognition and measurement, classification and preparation of accounting items, etc. are carried out in consideration of the Company's assets and liabilities are realised.

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.

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 conclusion 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 by relevant law and regulations.

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 in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aarhus, 31.05.2024

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 14.624k is considered as satisfactory.

The Company has lost its entire share capital. Management expects to restore the equity through capital injections from the Company's owners.

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 230,000k. 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 36.5m as per the mentioning in the annual report's notes for investment properties.

Unusual circumstances affecting recognition and measurement

Management has assessed that the going concern assumption is not met, as described in Note 1. The annual report has been prepared using the same accounting policies as last year, but recognition, measurement, classification, and presentation of accounting items, etc. have been made taking into account that the Company's assets and liabilities are being realized. Preparation on the basis of realization has not resulted in changes to the recorded value of assets and liabilities.

Events after the balance sheet date

After the balance sheet date, management has decided to enter into a solvent liquidation. Reference is made to the applied accounting policies, which state how the annual report is affected by this matter.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		720,043	455,053
Fair value adjustments of investment property		23,650,590	198,171
Staff costs	2	(1,207,610)	(1,223,760)
Operating profit/loss		23,163,023	(570,536)
Other financial income	3	99,724	99,915
Financial expenses from group enterprises		(8,033,754)	(6,769,285)
Other financial expenses		(605,058)	(581,859)
Profit/loss before tax		14,623,935	(7,821,765)
Tax on profit/loss for the year		0	0
Profit/loss for the year		14,623,935	(7,821,765)
Proposed distribution of profit and loss			
Retained earnings		14,623,935	(7,821,765)
Proposed distribution of profit and loss		14,623,935	(7,821,765)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Investment property		230,000,000	195,000,000
Other fixtures and fittings, tools and equipment		1,107,458	894,798
Property, plant and equipment	4	231,107,458	195,894,798
Fixed assets		231,107,458	195,894,798
Other receivables		1,697,246	1,792,844
Prepayments		99,090	53,038
Receivables		1,796,336	1,845,882
Cash		0	1,032,598
Current assets		1,796,336	2,878,480
Assets		232,903,794	198,773,278

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		50,000	50,000
Retained earnings		(9,765,968)	(24,389,903)
Equity		(9,715,968)	(24,339,903)
Mortgage debt		30,155,218	30,977,306
Deposits		307,584	307,584
Non-current liabilities other than provisions	5	30,462,802	31,284,890
Current portion of non-current liabilities other than provisions	5	919,909	916,855
Bank loans		89,478	0
Trade payables		1,368,613	770,611
Payables to group enterprises		207,824,635	188,558,307
Income tax payable		1,767,426	1,489,243
Other payables		186,899	93,275
Current liabilities other than provisions		212,156,960	191,828,291
Liabilities other than provisions		242,619,762	223,113,181
Equity and liabilities		232,903,794	198,773,278
Going concern	1		
Assets charged and collateral	6		

Statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50,000	(24,389,903)	(24,339,903)
Profit/loss for the year	0	14,623,935	14,623,935
Equity end of year	50,000	(9,765,968)	(9,715,968)

The Company has lost its entire share capital. Management expects to restore the equity through capital injections from the Company's owners.

Notes

1 Going concern

After the balance sheet date, management has decided to enter into a solvent liquidation. Management has assessed that the going concern assumption is not met. The annual report has been prepared taking into account that the Company's assets and liabilities are being realized. Reference is made to the applied accounting policies.

2 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	1,200,000	1,200,000
Other social security costs	5,106	3,444
Other staff costs	2,504	20,316
	1,207,610	1,223,760
Average number of full-time employees	1	1

3 Other financial income

	2023	2022
	DKK	DKK
Other interest income	61,494	99,915
Other financial income	38,230	0
	99,724	99,915

4 Property, plant and equipment

	Investment property	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost beginning of year	194,136,327	894,798
Additions	11,349,410	212,660
Cost end of year	205,485,737	1,107,458
Fair value adjustments beginning of year	863,673	0
Fair value adjustments for the year	23,650,590	0
Fair value adjustments end of year	24,514,263	0
Carrying amount end of year	230,000,000	1,107,458

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 Company's properties is 2.76% at 31.12.2023 and 3,15% at 31.12.2022. An increase of the required rate of return of 0.5 percentage points would reduce the total fair value by DKK 35.3 m. A reduction of the required rate of return of 0.5 percentage points would increase the value by DKK 51 m.

The size of the properties is 2,454 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 727 against DKK 491 last year.

In the financial year, there has been major vacancy as a result of vacating and renovation.

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

The fair value of the Company's investment properties amounts to DKK 230,000k at the balance sheet date against DKK 195,000k last year. This yields a change in the fair value of DKK 23.651k, which is recognised directly in the income statement.

An external valuation expert has been engaged to determine the fair value.

The Company's investments property has been disposed after the balance sheet date at the recorded value.

5 Non-current liabilities other than provisions

	Due within 12 months 2023 DKK	Due within 12 months 2022 DKK	Due after more than 12 months 2023 DKK	Outstanding after 5 years 2023 DKK
Mortgage debt	919,909	916,855	30,155,218	26,675,214
Deposits	0	0	307,584	0
	919,909	916,855	30,462,802	26,675,214

6 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties.

The carrying amount of mortgaged properties is DKK 230,000k.

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 a few provisions for reporting class C.

Management has assessed that the going concern assumption is not met, as described in Note 1. The annual report has been prepared using the same accounting policies as last year, but recognition, measurement, classification, and presentation of accounting items, etc. have been made taking into account that the Company's assets and liabilities are being realized. Preparation on the basis of realization has not resulted in changes to the recorded value of assets and liabilities.

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 other external expenses.

Revenue

Revenue consist 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 operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

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

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.

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.

Balance sheet**Property, plant and equipment**

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:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Estimated useful lives and residual values are reassessed annually.

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.

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.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.